

November 2, 2006

To Stakeholders:

Re: Reactive Power from Generating Units

On October 27, 2006, the AESO issued a series of letters to generator owners and parties with interests in generating units which outlined the need for generators to comply with the Reactive Power Requirements contained within the "Interconnection Requirements" as defined in the ISO tariff. The <u>letters</u> set out our assessment of the maximum gross MW limit at which the Reactive Power Requirements may be satisfied and also indicated that the AESO would monitor compliance with the identified MW limits effective November 10, 2006.

Based on discussions over the past few days it is apparent that generators and affected parties need additional time to evaluate and review their ability to meet the reactive power requirements and to review data previously provided to the AESO. The AESO therefore will extend the compliance date to December 15, 2006.

Generator owners and those parties with interests in generating units who are uncertain whether their units can meet the reactive power requirements or are able to provide AESO with additional information on generator reactive power capabilities are urged to contact John Kehler, Senior Technical Specialist, at 403-539-2622.

Yours truly,

Original signed by

Warren Frost VP Operations and Reliability