

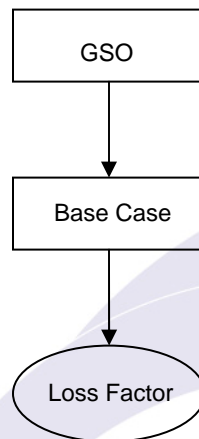


November 28, 2006

Alberta Loss Factor Stakeholder Team

Re: New Delivery Date for the 2011 Loss Factors

The calculation of loss factors for next year (Y+1) or the fifth year (Y+5) is a complex and sequential process. The high level development of the loss factor calculation consists of the major multiple processes shown below:



Both the next year and the fifth year Generic Stacking Order (GSO) preparation rely on information from the industry and from within the AESO. The fifth year GSO uses the next year (2007) GSO as the base case with additional generation added as per the “Alberta 10 Year Generation Outlook” published on the AESO web site. The information is used to determine the generation scenarios for 2011. To connect the generation into the AIES and also to facilitate other planning requirements, the AESO will also complete the “10 year Transmission System Plan, 2007-2016”. The generation and transmission information is relevant to provide a consistent basis for forecasting loss factors in 2011.

The AESO will use the 10 year generation and transmission plan for the preparation of the 2011 GSO and subsequently the 2011 base cases. These plans will be finalized prior to the end of 2006. The AESO suggests it is useful to use these plans for the 2011 loss factors by incorporating the latest information.

The AESO will begin work on the 2011 loss factors in January 2007 with a completion date of mid-February 2007. Please let me know if you have any questions or comments on the new delivery date.

Yours truly,

Original signed by

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