



July 13, 2007

Loss Factor Stakeholders

Re: 2007 Transmission Regulation – Loss Factor Comment Matrix and Discussion

In preparation of the modified AESO loss factor rules based on the 2007 Transmission Regulation (T-REG), the AESO have prepared an overwritten Rule and Appendix 7 draft for discussion. The discussion is organized based on the two stakeholders' meetings from May 30, 2007 and June 18, 2007 and the input on the T-REG sent to AESO through the comment matrix. Please note the following points with respect to the documents provided:

1. The 2007 Loss Factors were recalculated and posted as draft on June 19, 2007 based on discussions with stakeholders. The recalculation is based on a first interpretation of the new Regulation. Discussion on the Regulation will continue.
2. The information provided for discussion is presented using the June 14, 2007 version of the ISO Rules with changes embedded. The current version of the ISO Rules including the relevant Appendix is used as the basis of the discussion. At this time the documents represent a set of proposed ISO Rule changes that are a draft for discussion purposes and are not intended to replace full stakeholder review and participation through the formal ISO Rules approval process.
3. The changed documents will be discussed on July 18, 2007 in the stakeholders' meeting.
4. The stakeholders are also provided with a comment matrix for their input on the proposed ISO rule based on the T-REG. Three sets of comments were received by June 26. The comments received will be used to revise the draft ISO Rule if necessary.
5. Stakeholders' input on the discussion is requested by July 20, 2007 in order to be considered for the first draft of the revised ISO Rules.
6. The first draft of the proposed ISO Rules will be reviewed within ISO Rules approval process by July 25, 2007.

Attached for your convenience is the AESO's latest timeline for the loss factor rules.

Yours truly,

Original signed by

Robert Baker, P.Eng.
Operations Forecasting

Tentative Loss Factor Rule Change Timelines*

- Receive Comments from Stakeholders by June 08, 2007
- 2007 LF re-runs results will be provided regularly based on T-REG – first run provided June 19 2007
- Stakeholders Meeting on Regulation changes, June 18, 2007. Detailed plan regarding the discussion will be sent to Stakeholders for comments in the week of July 9, 2007. The discussion is a tracked copy of the proposed ISO Rule
- Meeting to review comments and discuss on July 18 2007
- Receive Comments from Stakeholders on Draft Discussion by July 20, 2007
- Submission Draft to AESO internal review committee and stakeholders by July 25, 2007
- Stakeholders Formal Consultation, October 1 -12, 2007
- Receive Comments from Stakeholders on Draft by mid-October, 2007
- Submission Final Proposed Rule to Executive Rules Committee by early November, 2007
- ISO Rule approval in November 2007 –software and normal process in 2008

* - proposed times may change slightly as the project progresses