August 17, 2009

TransCanada Pipelines Limited
450 – 1st Street SW
Calgary Alberta Canada
T2P 5H1

Attention: Vince Kostesky:

Re: Your Loss Factor Letter, July 29, 2009

Thank you for your letter dated July 29, 2009. We have provided responses to your questions in the order they were listed.

1. The proponent of the MATL project has confirmed the in-service-date as stated in the Generic Stacking Order (GSO). The project will subsequently have a 2010 Loss Factor.
2. The proponent of the Crossfield generation project was requested (as were all loss factor customers) to confirm or modify the generation profile for 2010. The draft GSO has been updated with the latest information provided by the proponent.
3. The Project 444 (MEG, 85 MW generation) is expected to be energized in September of 2009. The AESO finds it is appropriate to include this project for the 2010 GSO and loss factor calculation.
4. The capacity factor used for the wind generator modeling corresponds to an annual average of about 35%. Based on previous experience, the AESO believes the new wind generators included in the 2010 loss factor model will not overload the transmission lines. However TCE raises a very good point. Currently the loss factor process does not have any approved rules to address transmission line overloading. The AESO will arrange consultation in 2010 with relevant parties on this issue and modify the loss factor rules, if necessary.
5. The AESO usually publishes the inter tie activity in October. Please refer to section 4.0 (bullet # 4) of the 2009 GSO published on the web

for reference. The net import shown in the GSO is calculated from the historical imports and exports. Table 1 shows the historical import and export numbers.

Table 1: Inter Tie Activity based on historical billing data (June 01, 2008 to May 31, 2009)

Name	Winter Peak Capacity, MW*	Winter Med Capacity, MW*	Winter Low Capacity, MW*	Spring Peak Capacity, MW*	Spring Med Capacity, MW*	Spring Low Capacity, MW*	Summer Peak Capacity, MW*	Summer Med Capacity, MW*	Summer Low Capacity, MW*	Fall Peak Capacity, MW*	Fall Med Capacity, MW*	Fall Low Capacity, MW*
BC EXPORT	0.3	26.3	191.3	1.7	22.2	97.1	0.8	48.4	45.2	0.0	4.3	117.0
BC IMPORT	460.3	316.4	36.0	404.5	195.9	76.9	409.2	196.1	230.5	359.0	271.6	49.3
SK EXPORT	3.4	2.6	4.7	0.9	6.2	4.3	0.7	1.4	1.7	2.3	1.4	6.4
SK IMPORT	66.4	73.2	67.3	71.5	58.9	75.5	112.8	92.3	93.0	74.9	68.3	57.2
MATL EXPORT	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0	25.0	25.0	25.0	25.0
MATL IMPORT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0	25.0

6. The AESO makes best efforts to publish the loss factor base cases as early as possible (2008 loss factor base cases were published on September 19, 2007) and recognizes the time needed by the stakeholders to review the cases. The AESO also seriously considers and appreciates stakeholders' comments and inputs towards the base case improvement. The AESO will attempt to publish the loss factor base cases earlier than the scheduled date.

Please contact me if you have any further questions on these issues.

Yours truly,

Originally signed by,

Robert Baker, P.Eng.

cc: Ashikur Bhuiya