



May 13, 2009

To: Alberta Loss Factor Stakeholders

Re: Loss Factor Update

In order to ensure Loss Factor Stakeholders are apprised of milestones in 2009, please refer to the following items.

2009 Loss Factor additions

Two additional loss factors were calculated for 2009 since November, 2008. Firstly, CNRL's Horizon facility has been generating onto the AES since October 17, 2008. Horizon was not included in the 2009 loss factor list at the time of 2009 loss factor calculation development. The AESO is using a 2009 loss factor (6.56%) and 2008 loss factor (5.61%) to assess losses at the facility. These values are being used for the loss charge calculation.

Secondly, the AESO calculated a new loss factor for a Point of Delivery (POD) reversal. The loss factor is for the Stavely Reversing POD (349S) and its value is -0.91% (credit). All other loss factors for 2009 as published in November, 2008 will remain unchanged.

2010 Loss Factors

The AESO started the 2010 Loss Factor calculation cycle in late April 2009. The first phase includes the 2010 Generic Static Order preparation. The AESO will follow its current rule to calculate and publish them as scheduled. It is expected the Provincial Energy Strategy will not affect the 2010 development.

2013 Loss Factors

The AESO publishes the fifth year non-binding loss factor range annually using information contained within the published AESO 10 year transmission plan. The filing of this plan has been delayed as per approval in a Ministerial Order. Given the delay in the transmission plan, the addition of the new transmission elements planned for 2013 cannot be completed and therefore the 2013 loss factor range will not be updated in 2009. The AESO has posted a letter (May 1, 2009) on its website directing stakeholders to use 2012 loss factor estimates as a proxy for 2013.

2014 Loss Factors

The loss factor software and transmission topology may require updating to complete the 2014 loss factor estimates. The AESO will follow the attached schedule (below) for non-binding 2014 Loss Factor calculation as long as all information and tools are available. The 2014 Loss Factor calculation will use the official AESO 10 year transmission plan anticipated to be published in May, 2009 in addition to any other transmission updates that may occur later in 2009.

Please contact Robert Baker (403 539 2614) or email lossfactor@aeso.ca with any questions or comments.

Yours truly,

"original signed by"

Robert Baker, P.Eng.
Manager, Regulatory Forecasting

High Level Milestones – 2010 Loss Factor Cycle, Other Milestones in 2009

Date	Milestone
April-June, 2009	Extract, collect and prepare data for the 2010 Generic Stacking Order (GSO)
May-June, 2009	AESO will determine an acceptable methodology to include new transmission plan items (such as high voltage direct current elements). Loss Factor software will then be changed and tested with the new elements. Changes will communicated to stakeholders and discussed as the year progresses
2 nd Week of July, 2009	Publish the draft 2010 GSO and request for the capacity confirmation
3 rd Week of July, 2009	Stakeholders' Meeting a) GSO values, b) changes in software and methods
3 rd Week of August, 2009	Publish the final 2010 GSO
Mid-October, 2009	Post 2010 Base Cases (PSSE, RAWD)
October 22, 2009	Review input to 2010 cases (Tentative meeting date)
October 23, 2009	Post the preliminary loss factors for 2010
November 6, 2009	Post the final loss factors for 2010
December, 2009	Post the preliminary loss factor range for 2014, contingent on software and plans being available