

March 12, 2008

Loss Factor Stakeholder Group

Re: 2008 Loss Factor Re-calculation, Modified GSO and the Base Cases

The delay in the completion of the 500 kV KEG loop until 2008 has resulted in a change to loss factors on the AIES greater than 0.25%. As per the AESO Rules, a change of greater than 0.25% may result in a loss factor re-calculation. Changes in the In-Service-Date of generation projects are have been requested from stakeholders and are considered in the re-calculation. The following high level modifications have been completed. The 2008 GSO and Loss Factor Base Case models have been modified accordingly:

- 1. 500 kV KEG loop is removed from Winter and Spring cases.
- 2. Nexen Opti (Project 432) is removed from Winter cases including the transmission load.
- 3. Shell Caroline (Project 532) is removed from Winter cases.
- 4. Meg Energy (Project 444) is removed from Fall cases.
- 5. Northern Prairie Power Project (Project 672) is removed from Fall cases.

The AESO is presenting the GSO and Base Cases for review. Any questions on the information can be forwarded to lossfactor@aeso.ca. Alternatively, you can reach Rob Baker at 403 539 2614. On or about March 20, the AESO will provide the loss factor recalculation results for 2008. The new base cases and generic stacking order may be found at www. 2050 ca > Transmission > Loss Factors

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Sincerely,

Originally signed by:

Robert Baker, P.Eng. AESO, Operations Forecasting