



January 24, 2008

To: AESO Loss Factor Stakeholder Group

Re: 2008 Recalculation of Loss Factors

As per Rule 9.2.2 b, the AESO is giving notice that it will be recalculating loss factors for the remainder of 2008. The Keephills to Eilerslie to Genesee 500 kV conversion project (KEG) has been delayed from October 2007 and now has an expected completion date prior to June 2008.

The AESO's initial estimation of the changes in loss factors due to the delay of the KEG conversion is greater than 0.25% at some locations. In order to accurately represent the changes to loss factors, the AESO requests project proponents to update project in-service information with their respective AESO project managers by February 4 2008. The recalculation will take place with the data provided. Any further changes occurring during the year will not be adopted. The loss factor determination for 2009 will carry on as per our rules.

The AESO will use the new in-service dates to recalculate loss factors for the remainder of 2008. The new loss factors will be ready by March 15 2008. The AESO will publish the loss factors when they are complete. The new loss factors will not be retroactive, but effective April 01, 2008.

Yours truly,

Original signed by

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cc: Jerry Mossing, Operations Planning
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