



ENERGY

Electricity
Infrastructure Policy
Infrastructure

6th floor
North Tower, Petroleum Plaza
9945 - 108 Street
Edmonton, Alberta T5K 2G6

Telephone 780/422-8726
Fax 780/427-8065

File No. 13109-02

December 5, 2006

North American Electric Reliability Corporation
Princeton Forrestal Village
116 390 Village Boulevard
Princeton New Jersey 08540-5731 USA

Attention: David Cook
Vice President and General Counsel

RE: Proposed Merger of North American Reliability Council ("Council") with and into North American Reliability Corporation ("NERC")

This letter is provided at the request of NERC for the purposes of the Council and NERC satisfying a Condition to Closing in an Agreement and Plan of Merger between the Council and NERC, that NERC shall either have executed Memoranda of Understanding with or received at least equivalent forms of recognition from five of eight Canadian Provinces, one of which eight Provinces is Alberta.

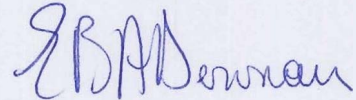
The Alberta Department of Energy hereby:

1. acknowledges that:
 - a. under the Energy Policy Act of 2005 of the United States ("U.S. Act") the Electric Reliability Organization ("ERO") means the organization certified by the United States Federal Regulatory Commission ("FERC") under that Act the purposes of which organization is to establish and enforce reliability standards for the bulk-power system,
 - b. on or about July 20, 2006 NERC was certified by FERC as the ERO under the U.S. Act, and
 - c. after certification under the U.S. Act, the ERO is to take appropriate steps to gain recognition in Canada and Mexico;
2. advises that the Department has proposed to the Energy Minister a Regulation which clarifies the duties of agencies in Alberta with respect to mandatory reliability standards. This Regulation also contemplates an MOU between the Alberta Department of Energy and NERC.
3. advises NERC that both the AESO and the AEUB will have a role in developing, proposing, and implementing standards in Alberta to ensure reliability and protect the market design in Alberta.

.../2

Alberta looks forward to continued collaboration with NERC in development of standards to ensure the reliability of the North American Transmission System.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kellan Fluckiger".

for

Kellan Fluckiger
Executive Director