



March 30, 2009

Ms. Patricia Adams  
Executive Director  
Probe International  
225 Brunswick Avenue  
Toronto, ON  
M5S 2M6

Dear Patricia,

I would like to thank you and your colleague Gráinne Ryder for accepting our invitation to meet with Suzanne Morel and I on March 10. I would also like to thank you for your letter of February 28, 2009 relating to the Canada Pension Plan Investment Board's ("the CPP Investment Board") investment in Transelec S.A. ("Transelec"), and, more specifically, the proposed HidroAysén project in southern Chile.

We appreciated hearing your perspective on Patagonia, but would like to reiterate that in the context of the contemplated hydroelectric project in Aysén, Transelec S.A., a company in which we are a minority investor, is not the developer.

As we discussed during our meeting, consistent with the CPP Investment Board's mandate to "maximize investment returns without undue risk" in order to help sustain the Canada Pension Plan itself, we integrate environmental, social and governance factors where possible into investment decisions across our portfolio. These factors are taken into account prior to making our investments, and are continually assessed during the investment period. In the case of Transelec, we regularly monitor the company's approach to workplace safety and the environmental practices of the company. You can read more about CPP Investment Board's approach to responsible investing at [http://www.cppib.ca/Responsible Investing/](http://www.cppib.ca/Responsible_Investing/).

I would also like to re-confirm that Transelec is not a sponsor of the proposed electricity generation project that you are concerned about in the Patagonia region of Chile. The proponent of that project is HidroAysén, a joint-venture between Endesa (Spain) and Colbún (Chile). Your enquiries about the proposed project and the status of its environmental approvals should be directed to HidroAysén directly.

Other questions that you posed to us in your letter can be addressed by Transelec's forthcoming 2008 Annual Report. We expect that report to be printed and circulated in the coming weeks and will forward a copy to you when it is available.

We believe that the democratically elected government of Chile takes environmental issues very seriously and has processes to determine the local balance between economic development and environmental protection. We are confident that the HidroAysén project will not be developed until there is a desire amongst the people of Chile to develop the hydrological resources in the south of the country and until environmental concerns are addressed through proper government approval processes. We expect that this will take some time. In the meantime, Transelec will continue to provide information to key stakeholders about how electricity transmission solutions can assist in the delivery of power, from a variety of sources, including renewables that you discussed with us during the meeting.

I would like to reiterate the fact that Transelec is interested in connecting renewable sources of power to the electricity transmission grid in Chile and that if you know of credible power generation projects, we would like to be made aware so that Transelec can engage with the developers. Until there is development of new sustainable sources of power, Chileans will likely continue to generate electricity by the burning of hydrocarbons (diesel and oil), which is expensive and has significant environmental implications.

I would like to conclude by stating that the debate around energy development in Chile is a difficult one, but one we believe is best addressed by the people of Chile themselves and their democratically elected government. If a decision is made by Chileans to proceed with the development in the Aysén region, then Transelec may be able to assist in a way that minimizes the environmental impact while being fully respectful of all Chilean environmental laws.

Sincerely,



Babak Abbaszadeh  
Director, Stakeholder Relations