

ATTACHMENT 1 ALTALINK LETTER DATED AUGUST 5, 2011

August 5, 2011

Alberta Electric System Operator
2500-330 5 Ave SW
Calgary, AB T2P 0L4

Attn: Steve Kanerva

Dear Mr. Kanerva:

Re: Fidler to Crowsnest/Chapel Rock

The purpose of this letter is to provide you with an update with respect to the currently proposed locations for the 500/240 kV substation to be connected along 1201L. As you know, AltaLink is still in the route selection and consultation phase of this project and the final preferred location for this substation has not been selected.

In the SATR NID Approval 2011-115, the description of the 500/240 kV substation to be connected along 1201L is as follows: "A new 500 kV Crowsnest substation to be located near Crowsnest Pass." The SATR NID, in Appendix F, page 10 of 42 - Component A also contains a description of the Goose Lake to Crowsnest line with a "Finish Location" identified in Section 4-8-3W5M which is located at the southern tip of 1201L. AltaLink understands that this Finish Location was identified in the NID for illustrative purposes and was not intended by the AESO to define the specific location for the substation.

As part of its work to develop a facilities proposal to meet the need identified and approved in the SATR NID, AltaLink has assessed a number of potential substation locations, including Section 4-8-3W5M. Key considerations for a substation location include:

- Constructability – A flatter site will require less site disturbance and cost.
- Proximity to 1201L – The cost of building double circuit 240 kV lines is lower than the cost of building multiple single circuit 500 kV lines. The RoW for a double circuit 240 kV line is also smaller (60 m) than that of a 500 kV line (75-80 m). Accordingly, the closer the substation can be to 1201L, the lower the cost and smaller the footprint (and impacts) will be.
- Access – The less access road development that is required, the lower the cost and associated impacts.

Section 4-8-3W5M is not currently under consideration as the location of the Chapel Rock Substation. Section 4-8-3W5M is the point where 1201L turns west and north to cross over the Livingstone range. It is essentially at the top of a mountain. The construction of a substation at this location would require massive cuts and fills and substantial road work to construct. Additionally, this location is subject to high winds and heavy snowfall, making maintenance and operation of a substation extremely difficult. Overall, it is not a suitable location for a substation.

Accordingly, AltaLink has identified three other potential 500/240 kV substation locations along 1201L. These locations have been set out in the consultation materials recently provided to landowners and

extend geographically from a site located near Section 4-5-3W5M, north of Highway 3, to a middle location located further north near Chapel Rock and to a third location north of the Old Man River near Maycroft. They are all within the study area of the SATR LIA. All of these prospective sites are flatter than Section 4-5-3W5M, with reasonable access, and are located close to 1201L. Of these three proposed locations, the southernmost site is the steepest location, is the furthest from 1201L and has the greatest construction requirements for access. The middle site is on relatively flat pasture lands next to 1201L. The development of some access road would be required for this site. The north site is located on level ground next to 1201L on a gravel road a few kilometres from the highway.

AltaLink's assessment so far is that Section 4-8-3W5M is not a suitable substation site and is not currently under consideration. AltaLink continues to assess the other three sites in conjunction with its route development process and its participant involvement program, and continues to consider these sites as potential options.

Sincerely,



AltaLink Management Ltd.

Per: Mike Horner