

ATTACHMENT 7 PARTICIPANT INVOLVEMENT PROGRAM (PIP)

**Goose Lake to Chapel Rock Amendment to Southern Alberta
Transmission Reinforcement Approval No. U2011-115
Participant Involvement Program**

1.0 Overview

From July 2012 to December 2012, the AESO conducted a Participant Involvement Program (PIP) to assist in preparing its Goose Lake to Chapel Rock Amendment to the Southern Alberta Transmission Reinforcement Approval No. U2011-115 (SATR Amendment). Due to geographical proximity and potential for common stakeholder interest, the SATR Amendment PIP activities were combined with those of the PIP for the AESO's *Fidler 312S Collector Substation Needs Identification Document* (Fidler NID).

The AESO's PIP was designed to notify, provide information to, and, as necessary, consult with stakeholders including occupants, residents, and landowners in the areas where facilities related to the SATR Amendment could be required, as well as with the (1) Piikani Nation, (2) members of the Livingstone Landowners Group and (3) the following elected and administrative government officials at the local, municipal, and provincial levels; each of which were sent need overview newsletters, project updates, and invited to meet with the AESO to discuss the SATR Amendment:

- MD of Pincher Creek No. 9
- MD of Willow Creek No. 26
- Municipality of Crowsnest Pass
- MLA for Livingstone-Macleod – Pat Stier
- Village of Cowley
- Reeve, Municipal District of Ranchland No. 66
- Town of Pincher Creek

2.0 Description of the Participant Involvement Program

The AESO used a variety of methods to notify and to consult with stakeholders on the SATR Amendment. These methods included distributing need overview newsletters and project updates to stakeholders and posting these same documents on the AESO's website. The AESO held open houses and meetings with elected officials and a community organization. The AESO also placed notifications in local newspapers to inform stakeholders of its intention to file the SATR Amendment with the Alberta Utilities Commission (Commission). The AESO's PIP activities are summarized below and

more fully described in section 3. The AESO's responses to stakeholders are summarized in section 4.

- In July, September, and November 2012, the AESO held various meetings with elected and administrative government officials and a community organization, all as described in section 3.4.
- In July and August 2012, the AESO's need overview newsletters were mailed out by postal code (two mailings) to the occupants, residents and landowners described in section 1.
- Where addresses were available, need overview newsletters were also mailed in August 2012 to interested parties registered in Proceeding ID No. 690 (Application No. 1606281) and to stakeholders that had attended the AESO's July open houses and requested updates on the SATR Amendment.
- Open house newspaper advertisements, as identified in section 3.2.
- Seven open houses, described in section 3.3, that included poster board presentations describing the SATR Amendment.
- In October and November 2012, three project updates were mailed out by postal code to the occupants, residents and landowners described in section 1 and, where addresses were available, to stakeholders that had attended any of the AESO's open houses and had requested updates on the SATR Amendment and to interested parties registered in Proceeding ID No. 690 (Application No. 1606281).
- Need overview newsletters and project updates were also sent via courier or registered mail to the Piikani Nation and to the elected and administrative government officials listed in section 1.
- Notification of Filing newspaper advertisements as indicated in Table 1.
- Powering Alberta website articles that provided updates on the SATR Amendment.
- Website project page.
- AESO bi-weekly Stakeholder Newsletters.

3.0 Detailed Description of PIP Activities and Products

This section describes the various PIP activities, events and communication products.

3.1 AESO Need Overview Newsletters

The AESO developed a need overview newsletter describing the AESO's review of alternatives to connect Goose Lake 103S substation to the proposed Chapel Rock 491S substation via either Castle Rock Ridge 205S substation or the proposed Fidler 312S substation (July 2012 Need Overview). Dates, times and locations of the AESO's July

open houses were included in the July 2012 Need Overview, which was included in an information package along with the Commission Public Involvement brochure and distributed via postal code mail out (unaddressed mail) in July 2012 to the occupants, residents and landowners described in section 1. The July 2012 Need Overview was posted to the AESO website (<http://www.aeso.ca/transmission/20554.html>) on July 13, 2012 and ran in the AESO bi-weekly Stakeholder Newsletter on July 17, 2012.

After receiving a stakeholder complaint on July 23, 2012 regarding, *inter alia*, descriptions in the July 2012 Need Overview, the AESO revised the need overview to more clearly describe the proposed AESO applications. Dates, times and locations of the AESO's September open houses were included in this *August 2012 Revised Newsletter* which was mailed in August 2012 by postal code mail out (unaddressed mail) to the occupants, residents and landowners described in section 1 and, where addresses were available, to parties registered in Proceeding ID No. 690 and to stakeholders that had attended the AESO's July open houses and had requested updates on the SATR Amendment. The *August 2012 Revised Newsletter* was posted to the AESO website (<http://www.aeso.ca/transmission/20554.html>) on August 22, 2012 and ran in the AESO bi-weekly Stakeholder Newsletter on August 23, 2012.

Copies of the July 2012 Need Overview and the *August 2012 Revised Newsletter* are included as Attachment 1.

3.2 Advertising

In July 2012, the AESO placed advertisements in local newspapers notifying readers of upcoming open houses. Due to an error by a third party vendor, the advertisements failed to publish in two of the three local newspapers. The AESO was not notified of the error until after the July open houses had commenced. To afford stakeholders an opportunity to attend, the AESO held three additional open houses in September 2012. Advertisements for the second round of open houses ran in local newspapers in August and September 2012. The August 30, 2012 AESO bi-weekly Stakeholder Newsletter also included links to the open house advertisement for the second round of open houses.

As described in section 3.5, the AESO also hosted an additional open house in Lundbreck on November 20, 2012. Advertisements for this open house ran in local newspapers in November 2012 as detailed in Table 1. The November 6, 2012 AESO bi-weekly Stakeholder Newsletter also included links to the open house advertisement for the November 20, 2012 open house.

The open house advertisements have been included as Attachment 2.

Advertisements notifying readers of the AESO’s intention to file the SATR Amendment with the Commission ran in local newspapers in October and November 2012. The October 23 and November 26, 2012 AESO bi-weekly Stakeholder Newsletters also included links to the Notification of Filing advertisements.

The Notification of Filing advertisements have been included as Attachment 4.

Table 1 shows the dates and publications in which the AESO advertised the open houses and the Notification of Filing.

Table 1 – Newspaper Advertising

| Publication | Description of Advertisement and Publication Date | | | | |
|-------------------------|---|--|---------------------------------------|----------------------------------|----------------------------------|
| | Round One Open House Notification | Round Two Open House Notification | November Open House Notification | Notification of Filing Round One | Notification of Filing Round Two |
| Pincher Creek Echo | Not published | August 29, 2012 September 5, 2012 September 12, 2012 | November 7, 2012 November 14, 2012 | October 10, 2012 | November 28, 2012 |
| Crowsnest Pass Promoter | Not published | August 29, 2012 September 5, 2012 September 12, 2012 | November 7, 2012 November 14, 2012 | October 10, 2012 | November 28, 2012 |
| Crowsnest Pass Herald | July 10, 2012 | August 28, 2012 September 4, 2012 September 11, 2012 | November 6, 2012 November 13, 2012 | October 9, 2012 | November 27, 2012 |

3.3 Open Houses

The AESO held three rounds of open houses (three open houses in each of the first two rounds and one open house in November 2012) in the Pincher Creek area. A total of at least 175 people attended, as measured by those who chose to sign-in and register,

plus the non-registered attendees counted by the AESO. AESO employees staffed each open house and guided attendees through the SATR Amendment poster boards. AESO staff members also recorded and responded to stakeholder comments and questions.

Tables 2, 3 and 4 set out the open house locations, dates and approximate attendance.

Table 2 – Round One Open House Locations and Stakeholder Attendance

| Open House Attendance | | |
|------------------------------|---------------|-------------------------------|
| Location | Date | Approximate Attendance |
| Pincher Creek | July 24, 2012 | 23 |
| Cowley | July 25, 2012 | 19 |
| Lundbreck | July 26, 2012 | 10 |
| Total Attendees | | 52 |

Table 3 – Round Two Open House Locations and Stakeholder Attendance

| Open House Attendance | | |
|------------------------------|--------------------|-------------------------------|
| Location | Date | Approximate Attendance |
| Pincher Creek | September 18, 2012 | 19 |
| Cowley | September 19, 2012 | 16 |
| Lundbreck | September 20, 2012 | 16 |
| Total Attendees | | 51 |

Table 4 – Round Three Open House Location and Stakeholder Attendance

| Open House Attendance | | |
|------------------------------|-------------------|-------------------------------|
| Location | Date | Approximate Attendance |
| Lundbreck | November 20, 2012 | 70 |
| Total Attendees | | 70 |

Open house participants were invited to fill out surveys to provide feedback on the information presented during the open houses. At the AESO's September 2012 open houses, the AESO received 27 surveys from stakeholders. Since then, the AESO received three additional surveys from stakeholders through the mail and 34 surveys from the most recent open house in Lundbreck on November 20, 2012. The information below summarizes all of the feedback collected from surveys during the three rounds of open houses.

Stakeholder Information

The majority (31%) of respondents were from Pincher Creek. Other communities represented included Cowley (20%) and Lundbreck (12%).

When asked what they were hoping to learn at the open house, the majority (43%) responded that they attended to gain information on the routing and siting of facilities, 28% attended to learn about the need for transmission development and 19% attended to gather general information. Other information respondents were hoping to learn at the open house includes process timelines and information on underground transmission.

Most respondents (34%) learned of the open houses through newspaper advertisements, 33% through direct mail, 24% via word of mouth and 3% through the AESO website. Other means included posters at the post office and the municipal office in Pincher Creek.

Preferred Alternative

When asked which of the two alternatives for connecting Goose Lake 103S substation to Chapel Rock 491S substation respondents preferred, 58% preferred the Goose Lake to Chapel Rock via Castle Rock Ridge alternative, 17% preferred the Goose Lake to Chapel Rock via Fidler alternative and 25% of respondents had no response.

Open House Evaluation

Just under half of the respondents (44%) agreed or strongly agreed that the information presented helped them understand the need for the projects. The majority (69%) agreed or strongly agreed that the AESO staff adequately answered questions. The majority (57%) agreed or strongly agreed that the information was presented in a way that was easy to understand.

3.4 Stakeholder meetings

The AESO met with representatives of the following community organization and municipal governments in the Pincher Creek area to discuss the proposed system developments and to respond to questions:

- MD of Pincher Creek (July 24 and November 20, 2012)

- MD of Willow Creek (July 25, 2012)
- Livingstone Landowner Group (July 25, September 4, September 18, September 28 and November 20 2012)

When asked which of the two alternatives for connecting Goose Lake 103S substation to Chapel Rock 491S substation respondents preferred, the representatives from the MD of Pincher Creek and the Livingstone Landowner Group both preferred the Goose Lake to Chapel Rock via Castle Rock Ridge alternative.

3.5 Project Updates and Letters

The AESO prepared an October 2012 *Project Update* that summarized the feedback received at the September 2012 open houses, addressed some of the most commonly asked questions, and outlined next steps. The October 2012 *Project Update* was distributed in early October 2012 by postal code mail out (unaddressed mail) to the occupants, residents and landowners described in section 1 and, where addresses were available, to parties registered in Proceeding ID No. 690 and to stakeholders that had attended the AESO's July and September open houses and had requested updates on the SATR Amendment. A copy of this document was posted to the AESO website (<http://www.aeso.ca/transmission/24782.html>) on October 1, 2012. The October 23, 2012 AESO bi-weekly Stakeholder Newsletter also included links to the October 2012 *Project Update*.

In October 2012, it was brought to the AESO's attention that stakeholders in the Lundbreck postal code received the AESO's October 2012 *Project Update*, but not the *August 2012 Revised Newsletter*. As such, the AESO sent the letters described below and returned to Lundbreck to host an additional open house on November 20, 2012 to ensure that anyone potentially affected had the opportunity to participate in the process and provide feedback on the SATR Amendment.

In late October 2012, the AESO sent the following letters to stakeholders that included the date, time and location of the November 20, 2012 Lundbreck open house:

- The AESO sent an update to stakeholders in the Lundbreck postal code area which explained the situation and invited them to the November 20, 2012 open house, and included both the *August 2012 Revised Newsletter* and the October 2012 *Project Update* to ensure that all stakeholders received the same information.
- As a part of the additional consultation on the SATR Amendment, the AESO also sent materials to the Hillcrest Mines postal code area, which is located outside of the AESO's stakeholder contact area, to raise stakeholders' awareness of the SATR Amendment and Fidler NID and invite them to the November 20, 2012 open house.

- The AESO sent a general update by postal code mail out to stakeholders identified in section 1 outside of the Lundbreck and Hillcrest Mines postal code areas and, where addresses were available, to stakeholders that had attended the AESO's open houses and had requested updates on the SATR Amendment and interested parties registered in Proceeding ID No. 690 (Application No. 1606281) that explained the situation and invited them to the November 20, 2012 open house.

Copies of the above letters were posted to the AESO website (<http://www.aeso.ca/transmission/24782.html>) on November 6, 2012. The November 6, 2012 AESO bi-weekly Stakeholder Newsletter also included links to letters.

Lastly, the AESO prepared a November 2012 *Project Update* that summarized the feedback received at all open houses (including the November 20, 2012 Lundbreck open house), addressed some of the most commonly asked questions, and outlined next steps. The November 2012 *Project Update* was distributed in late November 2012 by postal code mail out (unaddressed mail) to the occupants, residents and landowners described in section 1 and, where addresses were available, to parties registered in Proceeding ID No. 690 and to stakeholders that had attended the AESO's July, September and November open houses and had requested updates on the SATR Amendment. A copy of this document was posted to the AESO website at (<http://www.aeso.ca/transmission/24782.html>) on November 28, 2012. The November 29, 2012 AESO bi-weekly Stakeholder Newsletter also included links to the November 2012 *Project Update*.

Copies of the project updates and letters are included as Attachment 3.

3.6 Opportunities to Contact the AESO Directly

In addition to the activities described above, stakeholders were given the opportunity throughout the PIP to request information and provide feedback to the AESO using a variety of methods. These included a dedicated, toll-free stakeholder relations telephone line (888.866.2959) and a dedicated email address (stakeholder.relations@aeso.ca). AESO contact information, along with the AESO's mailing address (2500, 330 5th Ave, SW, Calgary), website address (www.aeso.ca), and a privacy statement that describes how the AESO honours Alberta's *Personal Information Protection Act*, were included in materials and correspondence related to the SATR Amendment.

The AESO also published updates and other information associated with the SATR Amendment in its bi-weekly Stakeholder Newsletter and on its Powering Alberta

website. The AESO will continue to inform stakeholders of ongoing SATR Amendment activities.

4.0 AESO Responses to Stakeholders

The AESO received feedback and comments from stakeholders in the form of letters, emails and phone calls. Stakeholder feedback chiefly came from participant surveys and informal interviews with participants at the open houses. The AESO received a variety of questions from stakeholders during the course of its PIP. Questions relating to routing and siting of the SATR Amendment were redirected to the transmission facilities owner in the Pincher Creek area, AltaLink Management Ltd (AltaLink). The AESO believes that all comments and questions regarding the need for the SATR Amendment have been properly addressed.

Table 4 lists the most frequently asked questions and a summary of the AESO's responses thereto.

Table 5 – AESO Responses to Stakeholders

| Question | AESO Response |
|---|--|
| What happens if wind generation disappears? | <p><i>The decision to build or not build generation in Alberta is made by investors who bear the risk and reward of those decisions. The AESO regularly monitors changes in economics, industrial projects and customer connection requests as part of the forecasting process to provide the latest inputs into the transmission planning process. The AESO's transmission planning processes are purposefully flexible with upgrades planned in stages to accommodate changes in demand and other unforeseen circumstances.</i></p> <p><i>For the SATR project, the AESO designed milestones that must be met in order to proceed with construction of each SATR component. All construction milestones have been met.</i></p> <p><i>The AESO prepares a forecast of demand and generation every year and updates its Long-term Transmission Plan every two years. The AESO's Long-term Outlook, filed in July 2012, and Long-term Transmission Plan, filed in June 2012, confirm the need for the SATR project.</i></p> |

| Question | AESO Response |
|---|---|
| <p>Why does the AESO support wind generation?</p> | <p><i>The decision to build power generation of any type in Alberta is made by investors who bear the risk and reward of those decisions, and not by the AESO or any central government-related planning body.</i></p> <p><i>As part of its legislated mandate, the AESO is required to connect generation to the transmission system, regardless of the type or location of generation.</i></p> |
| <p>Why doesn't the AESO put this underground?</p> | <p><i>Currently, the AESO will only recommend underground if it is not technically feasible to put it above-ground. If underground is required to mitigate siting and routing concerns, it is the responsibility of the transmission facilities owner, in this case AltaLink, to recommend.</i></p> <p><i>Ultimately, the Alberta Utilities Commission (Commission) will make the final decision regarding the location of the line and the appropriateness of using underground, including any cost allocation considerations.</i></p> |
| <p>Will this project be used to export power?</p> | <p><i>The AESO plans the transmission system to meet the needs of Alberta and to ensure that the transmission system in Alberta continues to be adequate, reliable and robust, now and in the future. The need for the SATR project is driven predominantly by the need to connect the large amount of wind-powered generation planned for southern Alberta, and move it to major load centres such as the Calgary area. The Fidler substation is needed to facilitate the connection of wind generation in the area northeast of Pincher Creek.</i></p> <p><i>In fact, Alberta currently imports more power than it exports and has been a net importer of electricity since 2002. In 2011, total imports increased 63 per cent over 2010 to 3,591 gigawatt hours (GWh), while total exports decreased 74 per cent over the same time period to 119 GWh.</i></p> |
| <p>Where will the new lines and substations be located?</p> | <p><i>Many stakeholders wanted more information on specific siting and routing of transmission facilities for the Fidler NID and SATR Amendment. Detailed siting and routing is the responsibility of the TFO in the area, in this case AltaLink, who will evaluate route options and recommend a preferred route as part of its facilities application to the Commission. AltaLink submitted its Fidler substation facilities application to the Commission at the end of October 2012 and will submit another facilities application for the SATR Amendment at a later date. Facilities applications include detailed design, siting and</i></p> |

| Question | AESO Response |
|--|---|
| | <i>routing.</i> |
| Comments critical to the AESO information packages, notification and open house advertisements | <i>During its first round of PIP activities in July, the AESO received concerns from stakeholders regarding the wording and distribution of its information packages and open house advertisements. As described in section 3.1, the AESO revised and distributed its need overview to potentially affected stakeholders in August 2012. As described in sections 3.2 and 3.3, the AESO advertised and held seven open houses to afford stakeholders an opportunity to attend the open houses and learn more about the AESO's proposed SATR Amendment and Fidler 312S Collector Substation Needs Identification Document.</i> |

5.0 List of Attachments

- Attachment 1: AESO Need Overview Newsletters
- Attachment 2: AESO Open House Advertisements – Final Proofs
- Attachment 3: AESO Project Updates and Letters
- Attachment 4: AESO Notification of Filing Advertisements – Final Proofs

Attachment 1 – AESO Need Overview Newsletters

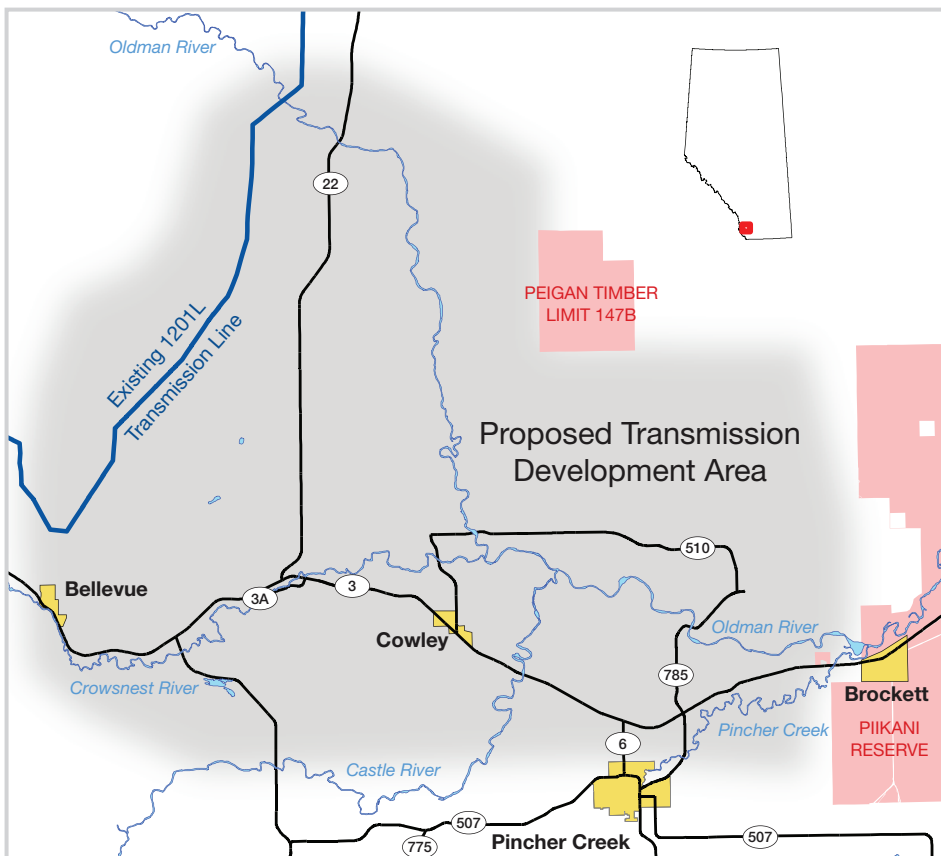
Fidler Substation and Southern Alberta Transmission Reinforcement

Why is Transmission Development Needed?

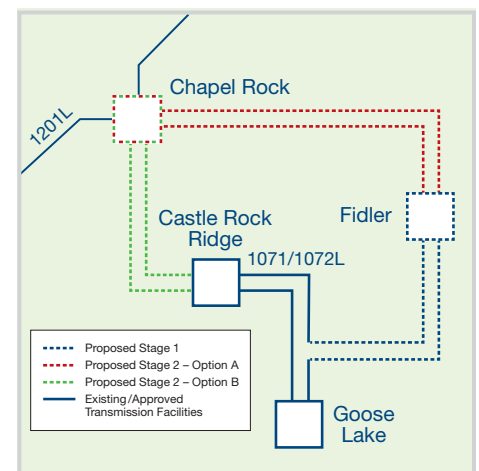
The Alberta Electric System Operator (AESO) has identified the need for the Fidler 312S substation to facilitate connection of wind generators in the Pincher Creek area. The AESO previously consulted on the need for the Fidler substation from Fall 2009 to Spring 2010. The proposed Fidler 312S substation will connect to the existing 1071/1072L double circuit transmission line via a double circuit 240 kilovolt (kV) transmission line.

Initially, the Fidler substation will include one 400 MVA transformer. As more wind generation is developed in the area, a second 400 MVA transformer will be added.

The AESO has also reviewed the transmission system impact of the proposed 240 kV transmission line connecting the Goose Lake substation to the proposed Chapel Rock substation (previously referred to as Crowsnest substation). The project was approved as part of the Southern Alberta Transmission System Reinforcement (SATR) in Alberta Utilities Commission (AUC) Approval No. U2011-115, and the southern portion of this line has already been constructed. As part of its review, the AESO has assessed the technical, cost, and land impact considerations of developing this 240 kV line to connect either the existing Castle Rock Ridge substation or the proposed Fidler substation before terminating the line at Chapel Rock substation. The transmission system in Southern Alberta is at capacity and reinforcement is primarily needed to integrate proposed wind power developments in the area.



The shaded area on the above map indicates the approximate area where the need for transmission development has been identified. The transmission facility owner will propose specific substation sites and transmission line routes that may extend beyond the area shown.



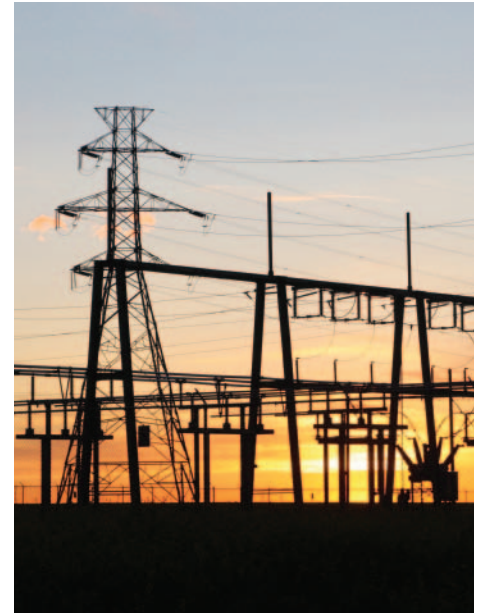
Please note that this diagram is for illustrative purposes only. It is not meant to represent the final technical configuration of the proposed development.

What happens next?

The AESO will consult with stakeholders on the need for the proposed Fidler substation development and its review of the SATR 240 kV transmission line to Chapel Rock substation.

Following public consultation, the AESO will file a needs identification document (NID) with the AUC describing the need for the proposed Fidler 312S substation and the 240 kV double circuit transmission line connecting the Fidler substation to the existing transmission system. The AESO will also file information with the AUC describing its conclusions regarding interconnecting the SATR 240 kV

transmission line to either the Castle Rock Ridge or Fidler substation. In separate applications, AltaLink Management Ltd. (AltaLink), the transmission facilities owner (TFO) in the area will describe the specific routes and sites it proposes to implement these transmission system developments, and request approval from the AUC to construct and operate the specific transmission facilities.



Other Projects in the Area

The following is a list of other projects in your area that you may have heard about or that may be coming soon. Each of these will follow the Regulatory Process, with the AESO submitting needs identification documents and TFOs submitting facilities applications to the AUC for approval.

Southern Alberta Transmission Reinforcement (SATR)

The AESO received approval for the SATR on September 8, 2009. The SATR will enable the connection of up to 2,700 MW of wind generated power proposed for connection throughout southern Alberta. The development consists of a 240 kV alternating current looped system with three stages of implementation based on milestones identified by the AESO and approved by the AUC.

Riverview Wind Farm Connection

ENEL Alberta Wind Inc. (ENEL) has requested connection to the transmission system for its proposed Riverview Wind Power Facility in the Pincher Creek area. ENEL's request can be addressed by modifying the approved Castle Rock Ridge 205S substation to connect to ENEL's proposed Riverview substation.



Highway 785 Wind Farm Connection

ENEL Alberta Wind Inc. (ENEL) has requested connection to the transmission system for its proposed Highway 785 Wind Power Facility in the Pincher Creek area. ENEL's request can be addressed by developing a new 240 kV switching station, to be called Highway 785 switching station, and a new associated 240 kV transmission line that would connect the proposed substation to the approved 1071/1072L 240 kV transmission line. The Highway 785 switching station would also be connected to ENEL's Highway 785 substation through a new 240 kV transmission line.



Who is the Alberta Electric System Operator?

The AESO is an independent, not-for-profit organization acting in the public interest of all Albertans. The AESO has no financial interest or investment of any kind in the power industry.

Alberta's transmission system is planned and operated by the AESO. The AESO's role is to maintain safe, reliable and efficient operation of the transmission system, sometimes referred to as the Alberta Interconnected Electric System (AIES). The AESO's planning responsibility includes determining the need for transmission system development and the manner in which that need is met. The AESO is also mandated to facilitate the interconnection of qualified market participants to the AIES.

When the AESO identifies a need for new or upgraded transmission lines, substations or other equipment associated with the transmission system, and has determined how it proposes to address this need, the AESO prepares a Needs Identification Document (NID) with this information and files it with the Alberta Utilities Commission (AUC) for approval. The AESO will direct the Transmission Facility Owner (TFO) in the area to begin work on the project.

To Learn More About the Regulatory Process:

Please contact the Alberta Utilities Commission (AUC):

WEB: www.auc.ab.ca

EMAIL: utilitiesconcerns@auc.ab.ca

PHONE: 780-427-4903

(dial 310-0000 before the 10-digit number to be connected toll-free from anywhere in Alberta)



AESO AND TFO ROLES

The AESO operates the provincial transmission system so that all Albertans can count on safe and reliable electricity to power our homes and businesses each and every day. The AESO also carefully plans upgrades to the system to ensure we keep pace with Alberta's growing demand for power.

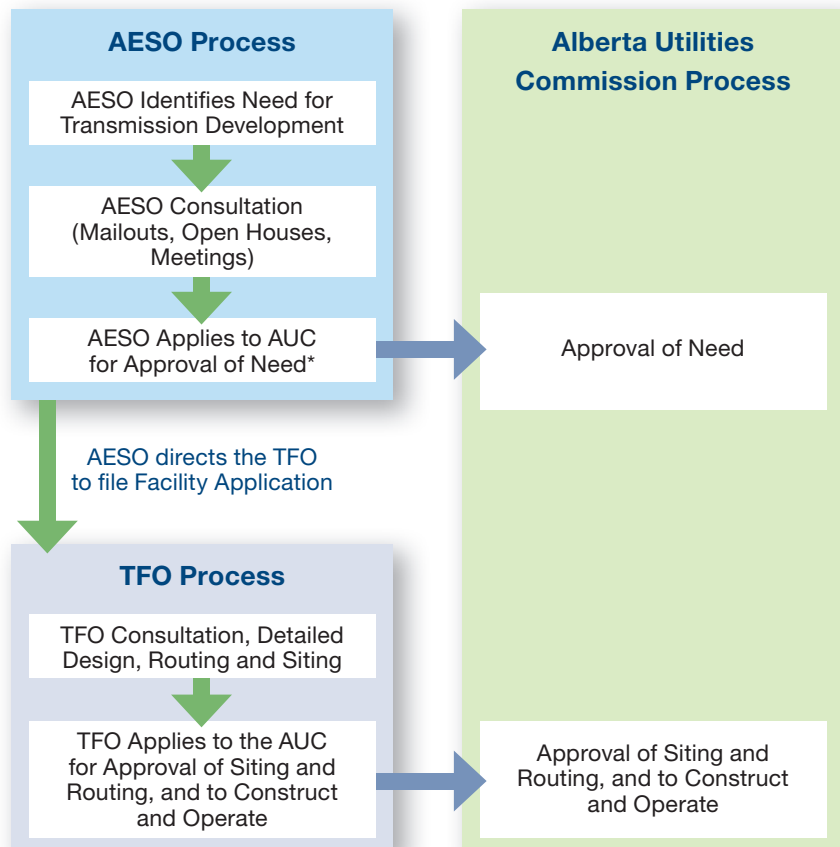
AltaLink Management Ltd. (AltaLink) is the TFO in the project area. While the AESO is responsible for identifying that transmission system development is needed, AltaLink is responsible for

detailed siting and routing, constructing, operating and maintaining the associated transmission facilities. The AESO will direct AltaLink to file facility applications with the AUC which will include detailed descriptions and locations of the proposed transmission facilities.

There are four major TFOs in Alberta:

- ATCO Electric Ltd.
- AltaLink Management Ltd.
- EPCOR Utilities Inc.
- ENMAX Power Corporation

REGULATORY PROCESS



* Need for specified Critical Transmission Infrastructure projects are approved by the Lieutenant Governor In Council (LGIC)



Open Houses

You're invited...we're listening

The AESO invites you to join us in an upcoming Open House to discuss the need for transmission development in the Pincher Creek area.

- **Pincher Creek**
Tuesday, July 24
Community Hall
287 Canyon Drive
4 to 8 p.m.
- **Cowley**
Wednesday, July 25
Cowley District Hall
122 Cameron Street
4 to 8 p.m.
- **Lundbreck**
Thursday, July 26
Lundbreck Hall
1 Street & Breckenridge Avenue
4 to 8 p.m.



Did you know?

The AESO facilitates Alberta's fair, efficient and openly competitive wholesale electricity market, which in 2010 had about

164 market participants

and approximately

\$8 billion

in annual energy transactions.

Every two years the AESO conducts a full mock disaster recovery exercise with over

200 industry participants

to simulate full recovery of the grid from a province-wide blackout.

Electricity demand in Alberta has

increased 36% since 2000

and is expected to

grow 2.4% per year

until 2032.



For More Information

The AESO appreciates your views on the need for transmission system development and your comments are encouraged. If you have any questions or suggestions regarding the need for the proposed transmission system development in the Pincher Creek area or the AESO's application regarding this need, please contact:

Mark Sears-Gamache
AESO Stakeholder Relations

EMAIL:
stakeholder.relations@aeso.ca

PHONE:
1-888-866-2959

ADDRESS:
2500, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4

To learn more about the complex electricity industry and its importance to our quality of life and the province's economic well-being, please visit

www.poweringalberta.com

Fidler Substation and Southern Alberta Transmission Reinforcement (SATR)

Why am I receiving this newsletter?

In July, the Alberta Electric System Operator (AESO) sent you our Fidler Substation and Southern Alberta Transmission Reinforcement (SATR) newsletter. Through stakeholder feedback, we understand that a portion of the newsletter may have been unclear. The AESO wishes to thank stakeholders for providing input to us early in our consultation process.

As an organization mandated to act in the public interest, our intent was to clarify planned transmission developments in southern Alberta. We now recognize that some of our descriptions may have been unclear.

In response, we have revised our communication in this updated newsletter

by clarifying the scope of each of the two separate applications we propose to file with the Alberta Utilities Commission (AUC). We invite you to attend our September open houses to discuss in greater detail the developments proposed in these two applications (see "Open Houses" to the right).

What developments are being proposed?

The AESO is proposing two separate applications:

Application #1 – Fidler 312S Collector Substation Needs Identification Document (Fidler NID)

We are proposing the development of a new 240/138 kilovolt (kV) substation to be called Fidler 312S (Fidler substation) that will connect to the existing 1071/1072L transmission line via a new double circuit 240 kV transmission line. Modification to the existing 138 kV 893L transmission line will also be included.

The Fidler substation is needed to facilitate the connection of wind generation in the area northeast of Pincher Creek.

Application #2 – Amendment to SATR NID Approval No. U2011-115

The AESO plans to file an amendment to SATR NID Approval No. U2011-115. The amendment will propose the

500/240 kV Chapel Rock 491S substation to be located along the existing 1201L transmission line in place of the Crowsnest substation. The amendment will also propose a 240 kV transmission line connecting the Chapel Rock substation to **either** the existing Castle Rock Ridge substation or the proposed Fidler substation.

SATR is needed to alleviate existing system constraints and to integrate wind developments throughout southern Alberta.

The diagram to the right shows the various parts of the developments being proposed in the above two applications. The blue dashed line represents the Fidler substation portion of the development. The green and red dashed lines represent the two options for the proposed SATR NID amendment. Solid blue lines represent existing transmission facilities in the area.

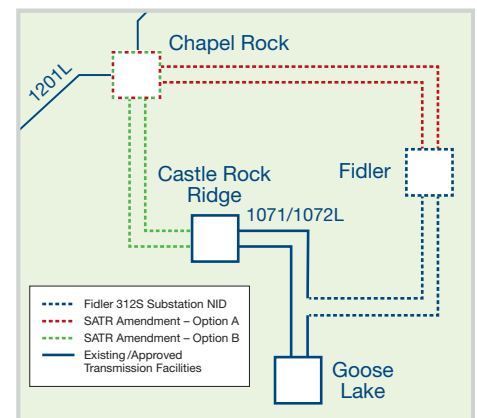
Open Houses

Thank you to those stakeholders who attended our open houses in July 2012. We value your input and appreciate the time you took to provide us with your feedback.

We understand the local newspaper ads which were to appear two weeks before these open houses were not published in some communities and recognize that this influenced stakeholder attendance. In response, we are hosting additional open houses on the following dates:

- **Pincher Creek**
Tuesday, September 18, 4 to 8 p.m.
Heritage Inn Hotel and Convention Centre
919 Waterton Avenue
- **Cowley**
Wednesday, September 19, 4 to 8 p.m.
Cowley District Hall
122 Cameron Street
- **Lundbreck**
Thursday, September 20, 4 to 8 p.m.
Lundbreck Hall
1 Street & Breckenridge Avenue

The AESO values your input and our conversations with stakeholders are ongoing. If you cannot attend one of our open houses, we encourage you to contact us directly by phone at 1-888-866-2959 or by email at stakeholder.relations@aeso.ca



Please note that this diagram is for illustrative purposes only. It is not meant to represent the final technical configuration of the proposed development.

What happens next?

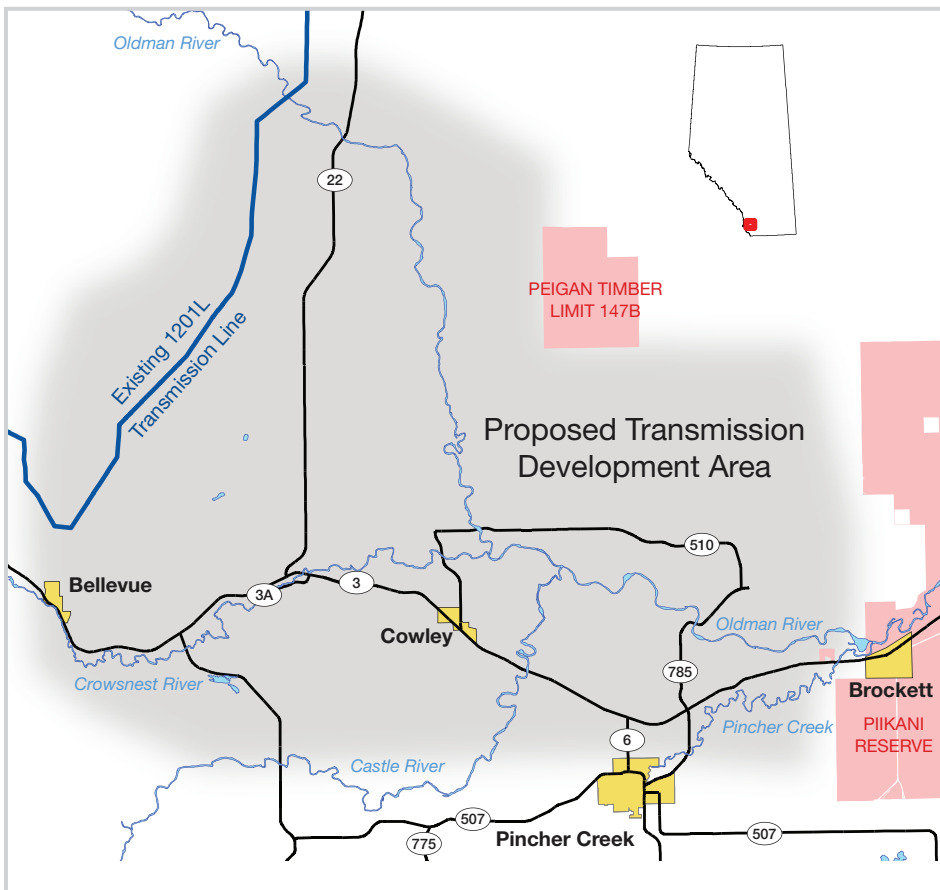
The AESO will consult with stakeholders on the need for the proposed Fidler NID and amendment to the SATR NID approval.

Following public consultation, the AESO will file the Fidler NID with the AUC describing the need for the proposed Fidler 312S Substation and the 240 kV double circuit transmission line connecting the Fidler substation to the existing transmission system. The AESO will also file an amendment to the SATR NID Approval No. U2011-115 with the AUC regarding the Chapel Rock 491S substation and a double circuit 240 kV transmission line connecting it to either the Castle Rock Ridge or Fidler substation.

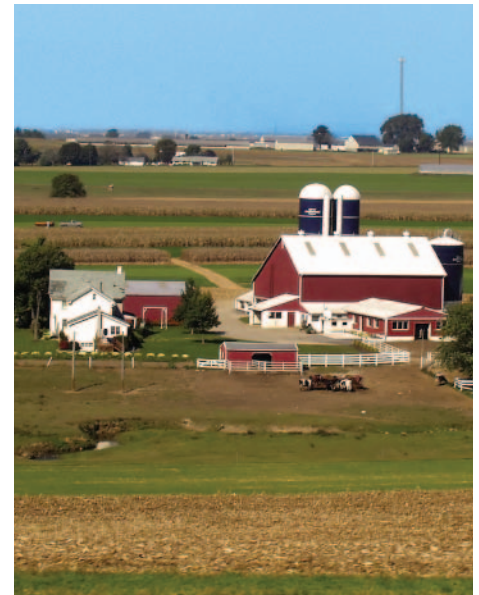
In separate applications, AltaLink Management Ltd. (AltaLink), the transmission facilities owner (TFO) in the area, will describe the specific routes and sites it proposes to implement these transmission system developments, and request approval from the AUC to construct and operate the specific transmission facilities.



Proposed Project Area



The shaded area on the above map indicates the approximate area where the need for transmission development has been identified. The transmission facility owner will propose specific substation sites and transmission line routes that may extend beyond the area shown.



Who is the Alberta Electric System Operator?

The AESO is an independent, not-for-profit organization acting in the public interest of all Albertans. The AESO has no financial interest or investment of any kind in the power industry.

Alberta's transmission system is planned and operated by the AESO. The AESO's role is to maintain safe, reliable and efficient operation of the transmission system, sometimes referred to as the Alberta Interconnected Electric System (AIES). The AESO's planning responsibility includes determining the need for transmission system development and the manner in which that need is met. The AESO is also mandated to facilitate the interconnection of qualified market participants to the AIES.

When the AESO identifies a need for new or upgraded transmission lines, substations or other equipment associated with the transmission system, and has determined how it proposes to address this need, the AESO prepares a Needs Identification Document (NID) with this information and files it with the Alberta Utilities Commission (AUC) for approval. The AESO will direct the Transmission Facility Owner (TFO) in the area to begin work on the project.

To Learn More About the Regulatory Process:

Please contact the Alberta Utilities Commission (AUC):

WEB: www.auc.ab.ca

EMAIL: utilitiesconcerns@auc.ab.ca

PHONE: 780-427-4903

(dial 310-0000 before the 10-digit number to be connected toll-free from anywhere in Alberta)



AESO AND TFO ROLES

The AESO operates the provincial transmission system so that all Albertans can count on safe and reliable electricity to power our homes and businesses each and every day. The AESO also carefully plans upgrades to the system to ensure we keep pace with Alberta's growing demand for power.

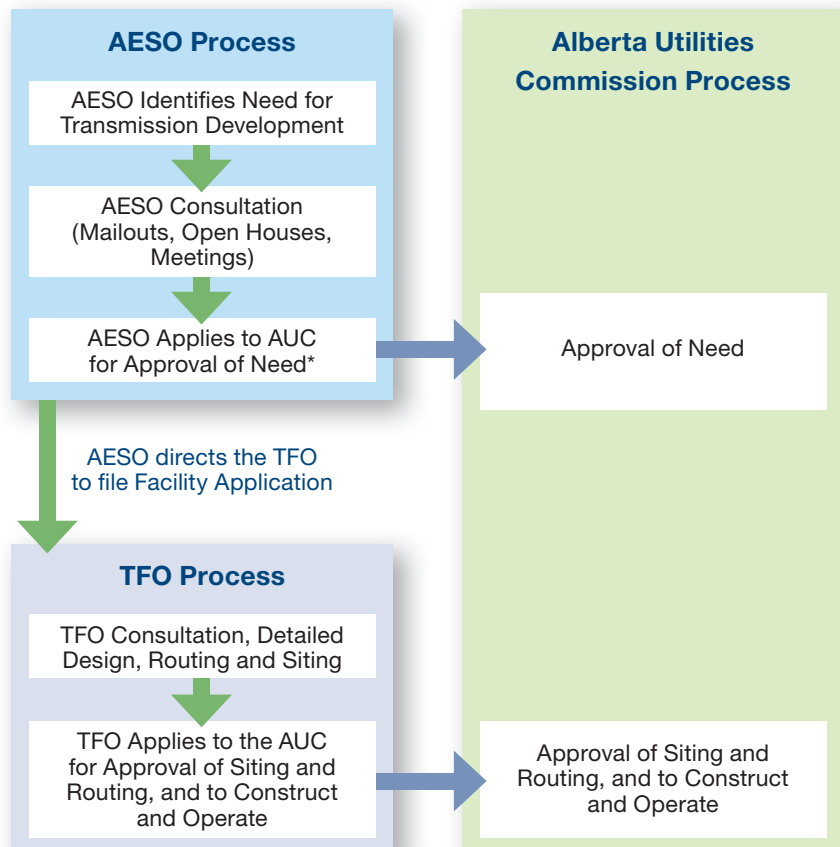
AltaLink Management Ltd. (AltaLink) is the TFO in the project area. While the AESO is responsible for identifying that transmission system development is needed, AltaLink is responsible for

detailed siting and routing, constructing, operating and maintaining the associated transmission facilities. The AESO will direct AltaLink to file facility applications with the AUC which will include detailed descriptions and locations of the proposed transmission facilities.

There are four major TFOs in Alberta:

- ATCO Electric Ltd.
- AltaLink Management Ltd.
- EPCOR Utilities Inc.
- ENMAX Power Corporation

REGULATORY PROCESS



* Need for specified Critical Transmission Infrastructure projects are approved by the Lieutenant Governor In Council (LGIC)

Power Lingo

The electricity industry has a language all its own.

TRANSMISSION SYSTEM

The transmission system comprises the high-voltage lines, towers and equipment (generally 69kV and above) that transmit electricity from generators to lower voltage systems that distribute electricity to cities, towns, rural areas and large industrial customers.

ALBERTA INTERCONNECTED ELECTRIC SYSTEM (AIES)

The system of interconnected transmission power lines and generators managed by the AESO, that ensures the supply of electricity matches the demand for power every second.

RELIABILITY

Electric system reliability is the ability of a system to respond to the changing demand for power from consumers. It also describes a system's ability to withstand sudden disturbances, like bad weather or unanticipated equipment failure.

SUBSTATION

Substations are the connection point between high-voltage transmission lines and the lower voltage power lines that connect directly to homes and businesses.

KILOWATT (KW) AND KILOWATT HOUR (KWH)

Power is measured in watts. One kilowatt equals 1,000 watts. Imagine 10 lamps lit with 100 watt bulbs for one hour. At the end of the hour, you will have used one kilowatt hour of electricity. Electricity retailers typically bill households in kilowatt hours.

NEEDS IDENTIFICATION DOCUMENT (NID)

A Needs Identification Document describes either the conditions that will affect the operation and performance of the transmission system or the need to improve the efficiency of the transmission system, and indicates how these will be addressed. Siting of facilities and routing of transmission lines are determined later in the Regulatory Process.

For More Information

The AESO appreciates your views on the need for transmission system development and your comments are encouraged. If you have any questions or suggestions regarding the need for the proposed transmission system development in the Pincher Creek area or the AESO's application regarding this need, please contact:

Mark Sears-Gamache
AESO Stakeholder Relations

EMAIL:
stakeholder.relations@aeso.ca

PHONE:
1-888-866-2959

ADDRESS:
2500, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4

To learn more about the complex electricity industry and its importance to our quality of life and the province's economic well-being, please visit

www.poweringalberta.com

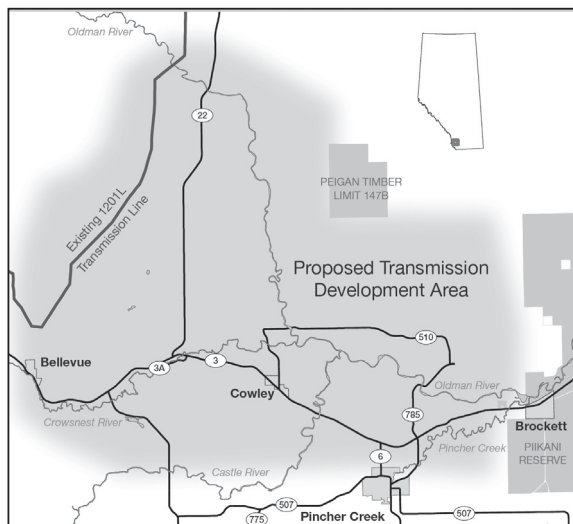


Attachment 2 – AESO Open House Advertisements – Final Proofs

You're invited... we're listening

The Alberta Electric System Operator (AESO) invites you to open houses for the Fidler substation.

As the planner of the transmission system for all Albertans, the AESO has identified the need to reinforce the transmission system in the Pincher Creek area to facilitate the connection of wind generators in the area.



The map indicates the approximate area where the need for transmission development has been identified. AltaLink, the Transmission Facility Owner in the area, will propose specific substation sites and transmission line routes that may be located inside or outside the area shown.

Please join us at one of our open houses to discuss the need for transmission system developments in the Pincher Creek area. AESO staff will be on hand to discuss the need for this project and address any questions or concerns. AltaLink representatives will also be available at the open houses to answer questions.

Open House Dates and Locations

Pincher Creek
July 24 – 4–8 p.m.
Community Hall
287 Canyon Drive

Cowley
July 25 – 4–8 p.m.
Cowley District Hall
122 Cameron Street

Lundbreck
July 26 – 4–8 p.m.
Lundbreck Hall
1 Street & Breckenridge Avenue

Following public consultation, the AESO will file a needs identification document (NID) with the AUC describing the need for the proposed Fidler 312S substation and the 240 kV double circuit transmission line connecting the Fidler substation to the existing transmission system. The AESO will also file information with the AUC describing its conclusions regarding interconnecting the SATR 240 kV transmission line from Chapel Rock to either the the Castle Rock Ridge or Fidler substation. In separate applications, AltaLink, the transmission facilities owner in the area, will describe the specific routes and sites it proposes to implement these transmission system developments, and request approval from the AUC to construct and operate the specific transmission facilities.

For more information about the AESO, please visit our website at www.aeso.ca or contact the AESO at 1-888-866-2959 or stakeholder.relations@aesoc.ca. For general information about Alberta's electrical system, please visit our website www.poweringalbertans.ca



tmp.worldwide
Integrated Marketing Communications

Artist: **Cam**

Docket: **103191**

Date: **July 4, 2012**

Size: **5.6"**

Proof: **3**

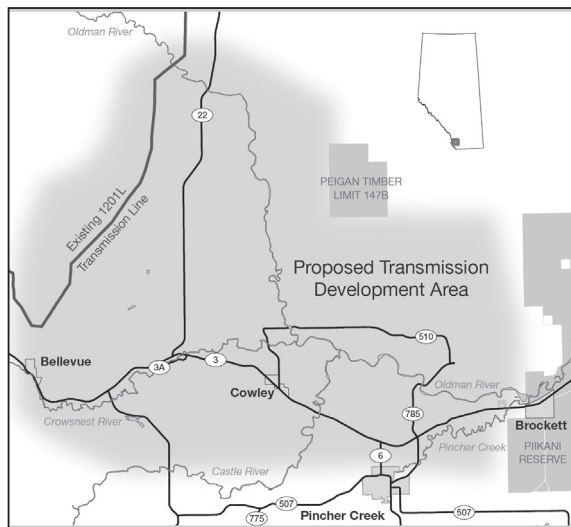
1 of 1

Publications(s):
**Pincher Creek Echo
Crownsnest Pass Herald
Crownsnest Pass Promoter**

You're invited... we're listening

The AESO invites you to open houses for the proposed Fidler 312S Collector Substation Needs Identification Document (NID) and an amendment to the Southern Alberta Transmission Reinforcement (SATR) NID Approval No. U2011-115.

As the planner of the transmission system for all Albertans, the AESO has identified the need to reinforce the transmission system in the Pincher Creek area to facilitate the connection of wind generators in the area. The AESO will also seek Alberta Utilities Commission (AUC) approval to amend a portion of the SATR development previously approved by the AUC.



The map indicates the approximate area where the need for transmission development has been identified. AltaLink, the Transmission Facility Owner in the area, will propose specific substation sites and transmission line routes that may be located inside or outside the area shown.

Thanks to everyone who attended the July Open Houses regarding the need for the proposed Fidler substation and amended SATR transmission system developments. We're providing another opportunity for stakeholders to participate because ads for our July Open Houses did not appear in local newspapers.

Please join us at one of our open houses to discuss the need for transmission system developments in the Pincher Creek area. AESO staff will be on hand to discuss the need for this project and address any questions or concerns.

Open House Dates and Locations

Pincher Creek

September 18 - 4-8 p.m.
Heritage Inn Hotel and Convention Centre
919 Waterton Avenue

Cowley

September 19 - 4-8 p.m.
Cowley District Hall
122 Cameron Street

Lundbreck

September 20 - 4-8 p.m.
Lundbreck Hall
1 Street & Breckenridge Avenue

After receiving stakeholder input, the AESO will prepare and file both a needs identification document and an amendment to the SATR approval with the AUC.

For more information about the AESO, please visit our website at www.aeso.ca or contact the AESO at 1-888-866-2959 or stakeholder.relations@aeso.ca. For general information about Alberta's electrical system, please visit our website www.poweringalbertans.ca



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Integrated Marketing Communications

Artist: **Cam**

Docket: **103210 AESO**

Date: **August 20, 2012**

Size: **5.6"**

Proof: **2.1**

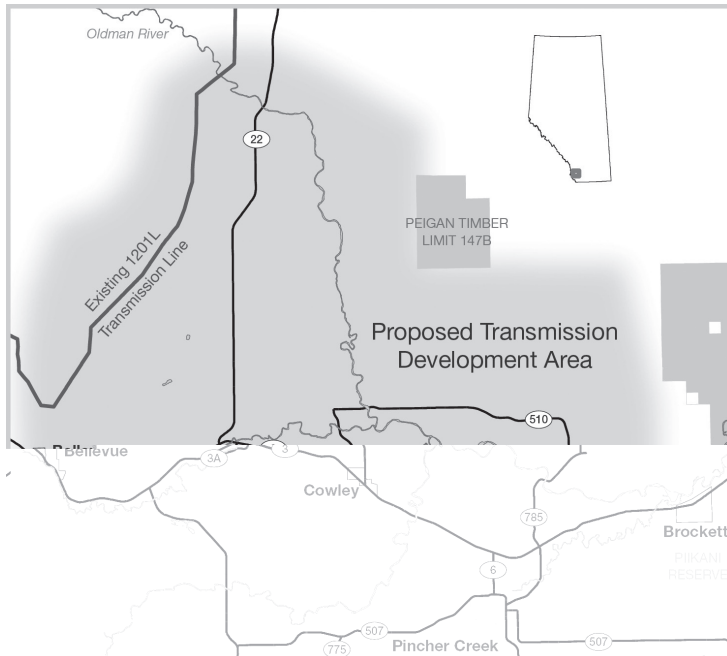
1 of 1

Publications(s):
**Pincher Creek Echo
Crownsnest Pass Herald
Crownsnest Pass Promoter**

You're invited... we're listening

The AESO invites you to an open house regarding the proposed Goose Lake to Chapel Rock amendment to the Southern Alberta Transmission System Reinforcement Approval No. U2011-115 (SATR Amendment) and the Fidler substation.

As the planner of the transmission system for all Albertans, the AESO has identified the need to reinforce the transmission system in the Pincher Creek area to alleviate existing system constraints and to integrate wind developments throughout the area.



The shaded area on the map indicates the approximate area where transmission system development is needed. In a separate application called a Facility Application, AltaLink Management Ltd. (AltaLink), the transmission facilities owner in the area, will describe the specific routes and sites they propose to implement the proposed transmission system development and request AUC approval to construct and operate the specific transmission facilities. The specific transmission sites and line routes applied for by AltaLink may extend beyond the area shown.

Thanks to everyone who attended the July and September Open Houses regarding the AESO's proposed SATR Amendment and need for the Fidler substation. We're providing another opportunity for stakeholders to participate because it has been brought to our attention that some stakeholders did not receive all of the Fidler substation and SATR Amendment information sent to stakeholders.

Please join us at this open house to share your ideas about the AESO's Fidler Needs Identification Document (NID) and proposed SATR Amendment. AESO staff will be on hand to have discussions and address any questions or concerns.

Open House Date and Location

Lundbreck

November 20 - 4-8 p.m.

Lundbreck Hall

1 Street & Breckenridge Avenue

While we have identified our choice of preferred option for the Goose Lake to Chapel Rock transmission line, we want to ensure that all identified stakeholders have the opportunity to consider the information provided by the AESO and provide their feedback. As with all feedback received during this consultation process, we will share what we heard and consider it in our decision-making process. After receiving stakeholder input, the AESO will prepare the SATR Amendment application and submit it to the Alberta Utilities Commission (AUC).

For more information about the AESO, please visit our website at www.aeso.ca or contact the AESO at 1-888-866-2959 or stakeholder.relations@aesocanada.com. For general information about Alberta's electrical system, please visit our website www.powerinalberta.com



 tmp.worldwide
Integrated Marketing Communications

Artist: **2N**

Docket: **103227**

Date: **Oct 30, 2012**

Size: **5"**

Proof: **2.1**

1 of 1

Publications(s):
**PincherCk
CrowsPassHerald
CrowsPassPromo**

Attachment 3 – AESO Project Updates and Letters

Fidler Substation and Southern Alberta Transmission Reinforcement (SATR)



Project update

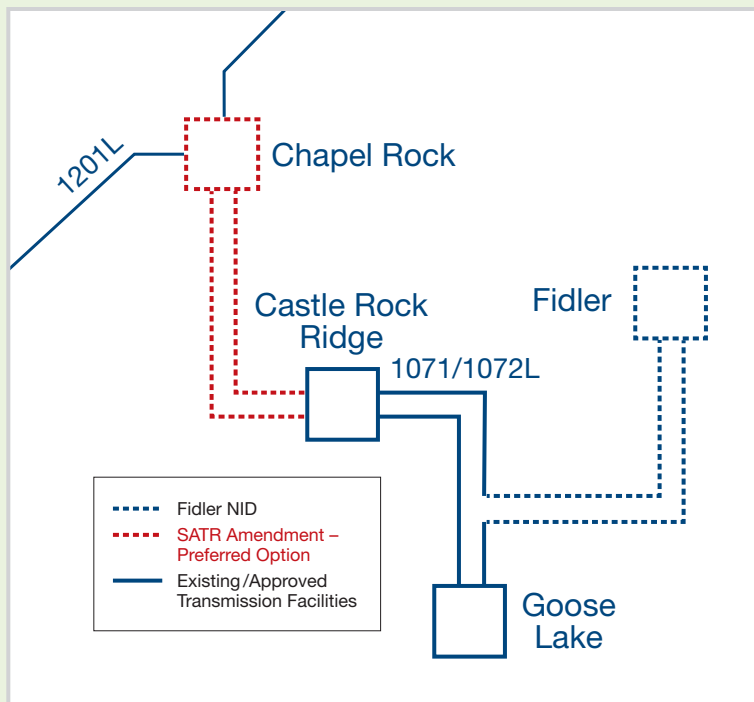
The Alberta Electric System Operator (AESO) would like to thank all stakeholders who participated in the recent open houses for the Fidler Substation and the amendment to the Southern Alberta Transmission Reinforcement approval.

The AESO's Participant Involvement Program (PIP), which included recently held open houses, was conducted to share information and gather stakeholder feedback on two separate applications (see right column).

Preferred Option

As part of its planning process, the AESO considered the technical, economic and potential land impact considerations of both options for connecting the Chapel Rock substation.

Based on these assessments, the AESO has selected a 240 kV transmission line **connecting Chapel Rock substation to the existing Castle Rock Ridge substation** as its preferred option.



APPLICATION #1: Fidler 312S Collector Substation Needs Identification Document (Fidler NID)

The Fidler NID will propose the development of a new 240/138 kV substation to be called Fidler 312S that will connect to the existing 1071/1072L transmission line via a double circuit 240 kV transmission line. The Fidler NID will also include proposed modifications to the existing 138 kV 893L transmission line.

The Fidler substation is needed to facilitate the connection of wind generation in the area northeast of Pincher Creek.

Stakeholder feedback on the Fidler NID was primarily concerned with routing and siting and was referred to AltaLink, the transmission facilities owner in the Pincher Creek area.

APPLICATION #2: Amendment to SATR NID Approval No. U2011-115 (SATR Amendment)

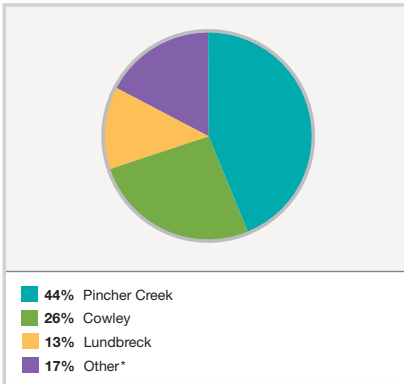
The SATR need to alleviate existing system constraints and to integrate wind developments throughout southern Alberta was approved by the Alberta Utilities Commission (AUC) in Approval No. U2011-115.

Although there has been no change to the need for SATR, the SATR Amendment will propose changes to certain components of Approval No. U2011-115, including proposing the 500/240 kV Chapel Rock 491S substation in lieu of the approved Crowsnest substation. The SATR Amendment will also describe the AESO's preferred option for connecting the Chapel Rock substation to the transmission system and ultimately to the existing Goose Lake substation (see description and diagram on left). The two options considered were a 240 kV transmission line connecting the Chapel Rock substation to either the existing Castle Rock Ridge substation or to the proposed Fidler substation.

What we heard at the open houses

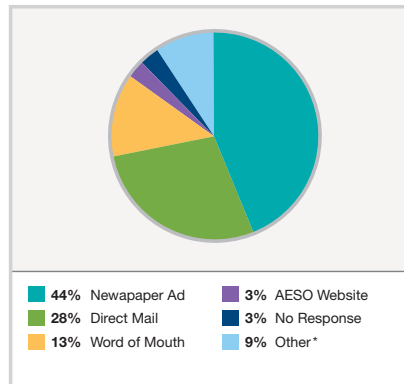
All participants were invited to fill out a survey to give us their feedback. Of the 51 attendees, 27 completed feedback forms. The information below summarizes the feedback collected.

What city or town do you live in?



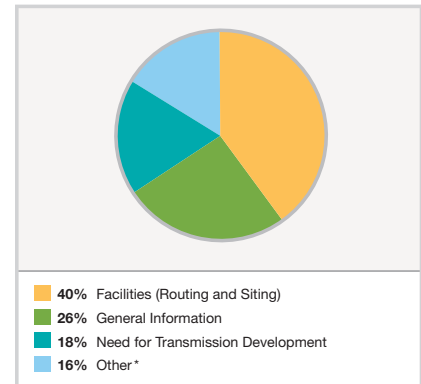
*Other communities include Crowsnest Pass, Calgary, Montreal and Mississauga.

How did you hear about the open house?



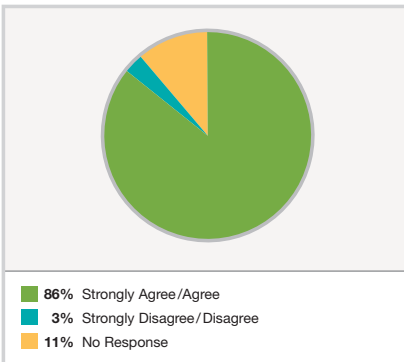
*Other ways respondents knew of the open houses was through posters at the post office and the M.D. council.

What were you hoping to learn at the open house?



*Other information respondents were hoping to learn at the open house includes timelines for the projects and information on underground transmission.

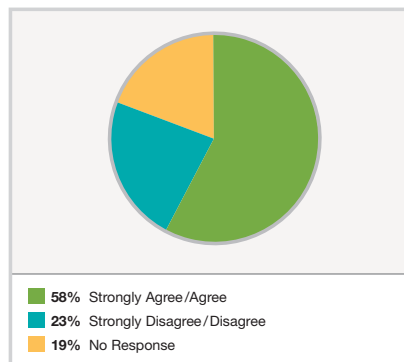
The staff was adequately able to answer my questions.



The majority (86 per cent) agreed or strongly agreed that the staff was adequately able to answer their questions.

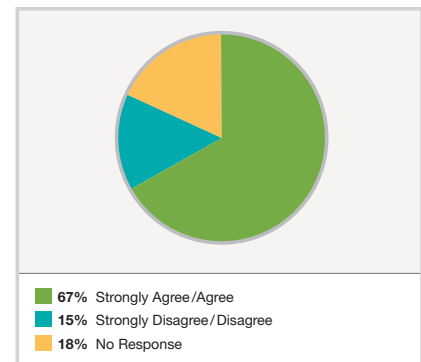
Respondents were pleased with the quality of the open houses and information provided, giving positive evaluations overall.

The information presented today helped me understand the need for both the Fidler 312S substation and the proposed Southern Alberta Transmission Reinforcement Approval U2011-115.



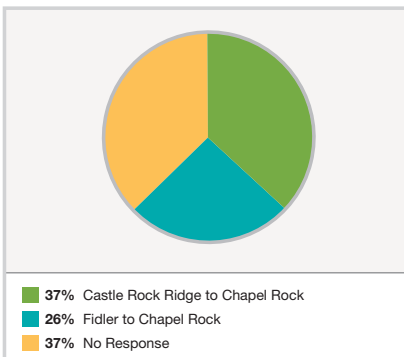
Over half of the respondents (58 per cent) agreed or strongly agreed that the information presented helped them understand the need for both projects.

The information was presented in a format that was easy to understand.



The majority (67 per cent) agreed or strongly agreed that the information was presented in a way that was easy to understand.

With regard to the proposed amendment to Southern Alberta Transmission Reinforcement Approval U2011-115, which option do you prefer?



Commonly asked questions

What happens if wind generation disappears?

The decision to build or not build generation in Alberta is made by investors who bear the risk and reward of those decisions. The AESO regularly monitors changes in economics, industrial projects and customer connection requests as part of the forecasting process to provide the latest inputs into the transmission planning process. The AESO's transmission planning processes are purposefully flexible with upgrades planned in stages to accommodate changes in demand and other unforeseen circumstances.

For the SATR project, the AESO designed milestones that must be met in order to proceed with construction of each SATR component. All construction milestones have been met.

The AESO prepares a forecast of demand and generation every year and updates its *Long-term Transmission Plan* every two years. The AESO's *Long-term Outlook*, filed in July 2012, and *Long-term Transmission Plan*, filed in June 2012, confirm the need for the SATR project.



Why doesn't the AESO put this underground?

Currently, the AESO will only recommend underground if it is not technically feasible to put it above-ground. If underground is required to mitigate siting and routing concerns, it is the responsibility of the transmission facilities owner, in this case AltaLink, to recommend.

Ultimately, the AUC will make the final decision regarding the location of the line and the appropriateness of using underground, including any cost allocation considerations.

Will either of these projects be used to export power?

The AESO plans the transmission system to meet the needs of Alberta and to ensure that the transmission system in Alberta continues to be adequate, reliable and robust, now and in the future. The need for the SATR project is driven predominantly by the need to connect the large amount of wind-powered generation planned for southern Alberta, and move it to major load centres such as the Calgary area. The Fidler substation is needed to facilitate the connection of wind generation in the area northeast of Pincher Creek.

In fact, Alberta currently imports more power than it exports and has been a net importer of electricity since 2002. In 2011, total imports increased 63 per cent over 2010 to 3,591 gigawatt hours (GWh), while total exports decreased 74 per cent over the same time period to 119 GWh.



Alberta currently imports more power than it exports.

It has been a net importer of electricity since 2002.

What's next?

Having consulted with the public and considered the feedback, the AESO is preparing the Fidler NID and the SATR Amendment. Once completed, the AESO will submit both applications to the AUC for review and approval.

The AESO expects to file both applications with the AUC on or after October 24, 2012. Once filed, the Fidler NID will be posted to the AESO website at <http://www.aeso.ca/transmission/20554.html>. The SATR Amendment will be posted to the AESO website at <http://www.aeso.ca/transmission/24781.html>. When the AUC deems the applications complete, it will issue a Notice of Application inviting potentially affected parties to become involved in the process.

For more information on public involvement in the AUC process, please visit <http://www.auc.ab.ca/involving-albertans/getting-involved/Pages/default.aspx>.

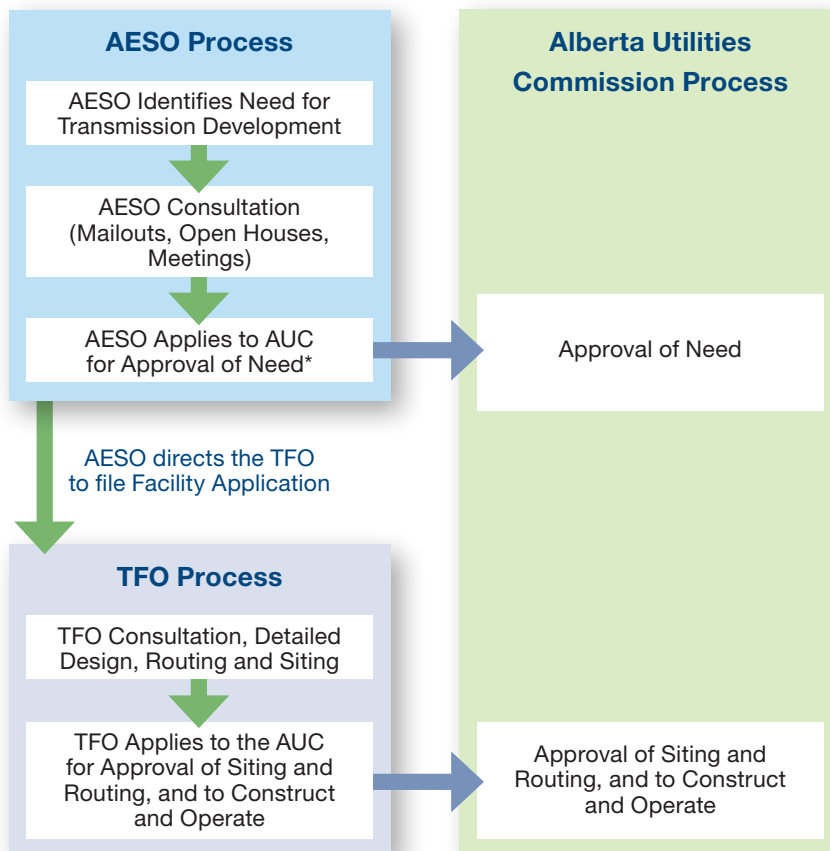
Please note that the Fidler NID and SATR Amendment will not include specific transmission line routes. Route selection and facility siting are the responsibility of AltaLink, the transmission facilities owner in the area. AltaLink will submit facilities applications to the AUC for both projects. To get more information on AltaLink's facilities applications for either development, please contact them directly by email at stakeholderrelations@altalink.ca or by phone at 1-877-269-5903.

Needs Identification Document (NID)

A needs identification document describes the conditions that require an expansion or enhancement of the capability of the transmission system and indicates how these will be addressed. Siting of facilities and routing of transmission lines are determined at a different stage of the regulatory process.



REGULATORY PROCESS



* Need for specified Critical Transmission Infrastructure projects are approved by the Lieutenant Governor In Council (LGIC)

For More Information

We believe anyone potentially affected by transmission planning should have the opportunity to participate in the process and provide input. Should you have any questions, please contact:

Megan Harris

AESO Stakeholder Relations

EMAIL:

stakeholder.relations@aeso.ca

PHONE:

1-888-866-2959

ADDRESS:

2500, 330 – 5th Avenue SW
Calgary, AB T2P 0L4



October 29, 2012

To Our Valued Stakeholders,

Re: **Update to the Fidler Substation and Consultation for the Goose Lake to Chapel Rock Amendment to Southern Alberta Transmission System Reinforcement Approval No. U2011-115 (SATR Amendment)**

Additional Open House: Lundbreck Hall, November 20, 2012, 4 to 8 p.m.

The AESO has previously sent you information regarding transmission development of the Fidler substation and the Southern Alberta Transmission Reinforcement (SATR). This letter is an update on the status of those two developments. It has been brought to our attention that stakeholders in the Lundbreck postal code area received the AESO's October 2012 *Project Update* newsletter, but not the *August 2012 Revised Newsletter*. We have enclosed both newsletters here for your review, as we wanted to make sure that you have all important project information.

Regarding the Fidler substation, the AESO filed the *Fidler 312S Collector Substation Needs Identification Document* (Fidler NID) with the Alberta Utilities Commission (Commission) on October 29, 2012, by Application No. 1608960. The Fidler NID describes the need for the Fidler substation and the transmission developments proposed to meet that need.

As a separate application, the AESO intends to file its SATR Amendment with the Commission before the end of 2012. The SATR project, which was originally approved by the Commission in 2009, is needed to alleviate existing system constraints and to integrate wind developments throughout Alberta.

While there has been no change to the need for SATR, the AESO's SATR Amendment will propose changes in certain SATR components. These changes include the new Chapel Rock substation and the transmission line connecting Chapel Rock substation to the existing Goose Lake substation. The AESO has determined that this Goose Lake to Chapel Rock transmission line can connect through **either** of the Castle Rock Ridge or Fidler substations. In preparing the SATR Amendment, we previously sought stakeholder input on these two options through a series of open houses held in Pincher Creek, Cowley and Lundbreck. Information was also provided in newsletters sent throughout the area via postal code mailout (unaddressed mail) in August (revised from a July newsletter) and October 2012.

As described in the AESO's October 2012 *Project Update* newsletter, we have considered stakeholder feedback and the technical, economic and potential land impact considerations of both options for the Goose Lake to Chapel Rock transmission line and have selected our preferred option to be a 240 kV transmission line connecting the Goose Lake and Chapel Rock substations through the existing Castle Rock Ridge substation.

While we have identified our preferred option for the Goose Lake to Chapel Rock transmission line, we want to ensure that all identified stakeholders have the opportunity to consider the information provided by the AESO and provide their feedback. As with all feedback received during this consultation process, we will share what we heard and consider it in our decision-making process. To that end, we are sending

this update and will be returning to Lundbreck to host the following additional open house to ensure that stakeholders have the opportunity to participate in the process.

Lundbreck

Tuesday, November 20, 2012

Lundbreck Hall

1 Street and Breckenridge Avenue

4 to 8 p.m.

Please join us at this open house to share your ideas about the AESO's Fidler NID and proposed SATR Amendment. AESO staff will be on hand to have discussions and address any questions or concerns.

Should you wish to view the newsletters mentioned in this letter online, please visit the AESO website at www.aeso.ca and follow the path Transmission > Needs Identification Documents > Southern Alberta Transmission Reinforcement > Current Projects > Consultation Materials (both newsletters are located under the heading *Goose Lake to Chapel Rock*).

The AESO appreciates your views on the need for transmission system development and encourages your comments and participation. Please contact Megan Harris through stakeholder.relations@aeso.ca or call our stakeholder relations line 1-888-866-2959 if you have any questions or suggestions or would like to receive additional copies of our project newsletters.

October 29, 2012

To Our Valued Stakeholders,

Re: **Update to the Fidler Substation and Consultation for the Goose Lake to Chapel Rock Amendment to Southern Alberta Transmission System Reinforcement Approval No. U2011-115 (SATR Amendment)**

Additional Open House: Lundbreck Hall, November 20, 2012, 4 to 8 p.m.

You are receiving this letter because you reside in the Hillcrest Mines postal code area. Although Hillcrest Mines is located just outside of the potential transmission development area for the SATR Amendment, we are including you in this additional consultation to raise your awareness of potential transmission development in nearby vicinities. We have enclosed our October 2012 *Project Update* newsletter and the *August 2012 Revised Newsletter* which provide all important project information.

Regarding the Fidler substation, the AESO filed the *Fidler 312S Collector Substation Needs Identification Document* (Fidler NID) with the Alberta Utilities Commission (Commission) on October 29, 2012, by Application No. 1608960. The Fidler NID describes the need for the Fidler substation and the transmission developments proposed to meet that need.

As a separate application, the AESO intends to file its SATR Amendment with the Commission before the end of 2012. The SATR project, which was originally approved by the Commission in 2009, is needed to alleviate existing system constraints and to integrate wind developments throughout Alberta.

While there has been no change to the need for SATR, the AESO's SATR Amendment will propose changes in certain SATR components. These changes include the new Chapel Rock substation and the transmission line connecting Chapel Rock substation to the existing Goose Lake substation. The AESO has determined that this Goose Lake to Chapel Rock transmission line can connect through **either** of the Castle Rock Ridge or Fidler substations. In preparing the SATR Amendment, we previously sought stakeholder input on these two options through a series of open houses held in Pincher Creek, Cowley and Lundbreck. Information was also provided in newsletters sent throughout the area via postal code mailout (unaddressed mail) in August (revised from a July newsletter) and October 2012.

As described in the AESO's October 2012 *Project Update* newsletter, we have considered stakeholder feedback and the technical, economic and potential land impact considerations of both options for the Goose Lake to Chapel Rock transmission line and have selected our preferred option to be a 240 kV transmission line connecting the Goose Lake and Chapel Rock substations through the existing Castle Rock Ridge substation.

Also, it has been brought to our attention that some stakeholders did not receive all of the SATR Amendment information sent to stakeholders. While we have identified our preferred option for the Goose Lake to Chapel Rock transmission line, we want to ensure that all identified stakeholders have the opportunity to consider the information provided by the AESO and provide their feedback. As with all feedback received during this consultation process, we will share what we heard and consider it in our decision-making process. To that end, we are sending this update and will be returning to Lundbreck to

host the following additional open house to ensure that stakeholders have the opportunity to participate in the process.

Lundbreck

Tuesday, November 20, 2012

Lundbreck Hall

1 Street and Breckenridge Avenue

4 to 8 p.m.

Please join us at this open house to share your ideas about the AESO's Fidler NID and proposed SATR Amendment. AESO staff will be on hand to have discussions and address any questions or concerns.

Should you wish to view the newsletters mentioned in this letter online, please visit the AESO website at www.aeso.ca and follow the path Transmission > Needs Identification Documents > Southern Alberta Transmission Reinforcement > Current Projects > Consultation Materials (both newsletters are located under the heading *Goose Lake to Chapel Rock*).

The AESO appreciates your views on the need for transmission system development and encourages your comments and participation. Please contact Megan Harris through stakeholder.relations@aeso.ca or call our stakeholder relations line 1-888-866-2959 if you have any questions or suggestions or would like to receive additional copies of our project newsletters.

October 29, 2012

To Our Valued Stakeholders,

Re: **Update to the Fidler Substation and Consultation for the Goose Lake to Chapel Rock Amendment to Southern Alberta Transmission System Reinforcement Approval No. U2011-115 (SATR Amendment)**

Additional Open House: Lundbreck Hall, November 20, 2012, 4 to 8 p.m.

The AESO has previously sent you information regarding transmission development of the Fidler substation and the Southern Alberta Transmission Reinforcement (SATR). This letter is an update on the status of those two developments.

Regarding the Fidler substation, the AESO filed the *Fidler 312S Collector Substation Needs Identification Document* (Fidler NID) with the Alberta Utilities Commission (Commission) on October 29, 2012, by Application No. 1608960. The Fidler NID describes the need for the Fidler substation and the transmission developments proposed to meet that need.

As a separate application, the AESO intends to file its SATR Amendment with the Commission before the end of 2012. The SATR project, which was originally approved by the Commission in 2009, is needed to alleviate existing system constraints and to integrate wind developments throughout Alberta.

While there has been no change to the need for SATR, the AESO's SATR Amendment will propose changes in certain SATR components. These changes include the new Chapel Rock substation and the transmission line connecting Chapel Rock substation to the existing Goose Lake substation. The AESO has determined that this Goose Lake to Chapel Rock transmission line can connect through **either** of the Castle Rock Ridge or Fidler substations. In preparing the SATR Amendment, we previously sought stakeholder input on these two options through a series of open houses held in Pincher Creek, Cowley and Lundbreck. Information was also provided in newsletters sent throughout the area via postal code mailout (unaddressed mail) in August (revised from a July newsletter) and October 2012 (the October newsletter is enclosed for your convenience).

As described in the AESO's October 2012 *Project Update* newsletter, we have considered stakeholder feedback and the technical, economic and potential land impact considerations of both options for the Goose Lake to Chapel Rock transmission line and have selected our preferred option to be a 240 kV transmission line connecting the Goose Lake and Chapel Rock substations through the existing Castle Rock Ridge substation.

It has been brought to our attention that some stakeholders did not receive all of the SATR Amendment information sent to stakeholders. While we have identified our choice of preferred option for the Goose Lake to Chapel Rock transmission line, we want to ensure that all identified stakeholders have the opportunity to consider the information provided by the AESO and provide their feedback. As with all feedback received during this consultation process, we will share what we heard and consider it in our decision-making process. To that end, we are sending this update and will be returning to Lundbreck to

host the following additional open house to ensure that stakeholders have the opportunity to participate in the process.

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The AESO appreciates your views on the need for transmission system development and encourages your comments and participation. Please contact Megan Harris through stakeholder.relations@aeso.ca or call our stakeholder relations line 1-888-866-2959 if you have any questions or suggestions or would like to receive additional copies of our project newsletters.

Southern Alberta Transmission Reinforcement Amendment and Fidler Substation

Project Update November 2012



Project Update

The Alberta Electric System Operator (AESO) would like to thank all stakeholders who participated in the recent Lundbreck open house for the Southern Alberta Transmission Reinforcement amendment and Fidler substation. We would like to share the feedback we heard at all of the open houses for these two transmission developments, address some of the most commonly asked questions, and outline next steps.

Fidler 312S Collector Substation Needs Identification Document (Fidler NID)

AESO Application #1

The Fidler NID proposes the development of a new 240/138 kV substation to be called Fidler 312S that will connect to the existing 1071/1072L transmission line via a double circuit 240 kV transmission line. The Fidler NID also includes proposed modifications to the existing 138 kV 893L transmission line.

The proposed Fidler substation and the 240 kV transmission line connecting the substation to the existing transmission system is needed to facilitate the connection of wind generation in the area northeast of Pincher Creek and to alleviate existing system constraints.

The AESO filed the Fidler NID with the Alberta Utilities Commission (AUC) on October 29, 2012, by Application No. 1608960. The Fidler NID describes the need for the Fidler substation and the transmission developments proposed to meet that need.

Stakeholder feedback on the Fidler NID was primarily concerned with routing and siting and was referred to AltaLink Management Ltd. (AltaLink), the transmission facilities owner (TFO) in the Pincher Creek area. Stakeholders also had questions about the future capability and expandability of the Fidler substation.

Goose Lake to Chapel Rock Amendment to Southern Alberta Transmission Reinforcement Approval No. U2011-115 (SATR Amendment)

AESO Application #2

The Southern Alberta Transmission Reinforcement (SATR) Needs Identification Document (NID), approved by the AUC in September 2009 by Approval No. U2011-115, describes the need to alleviate existing system constraints and integrate wind developments throughout southern Alberta.

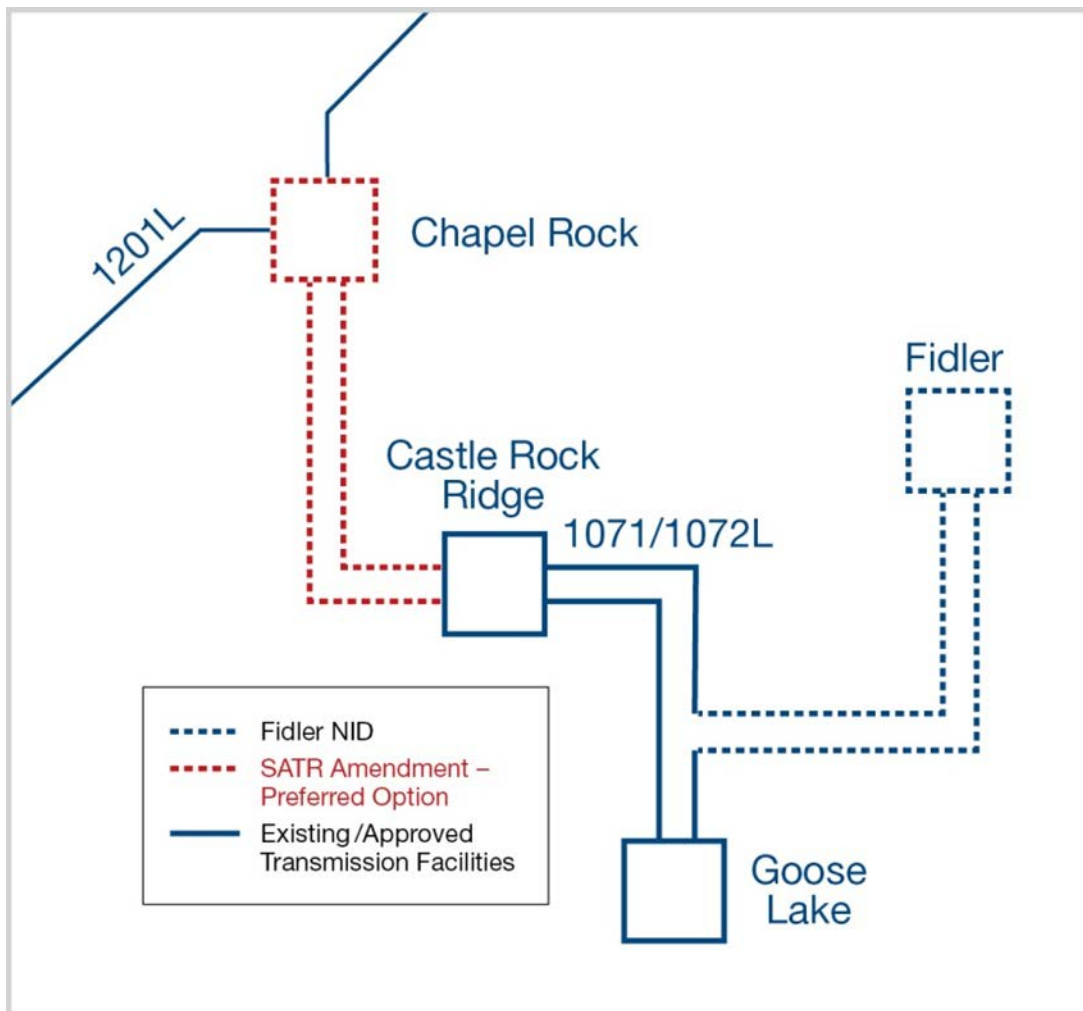
Although there has been no change to the need for SATR, the SATR Amendment will propose changes to certain components of Approval No. U2011-115, including proposing the 500/240 kV Chapel Rock 491S substation in lieu of the approved Crowsnest substation. The SATR Amendment will also describe the AESO's preferred option for connecting the Chapel Rock substation to the transmission system and ultimately to the existing Goose Lake substation. The two options considered were a 240 kV transmission line connecting the Chapel Rock substation to **either** the existing Castle Rock Ridge substation or to the proposed Fidler substation.

Preferred Option

In preparing the SATR Amendment, we sought stakeholder input on the two options through a series of open houses held in Pincher Creek, Cowley and Lundbreck. Information was also provided in newsletters sent throughout the area via postal code mailout (unaddressed mail) in August (revised from a July newsletter), October and November 2012.

As part of its planning process, the AESO considered stakeholder feedback and the technical, economic and potential land impact considerations of both options for the Goose Lake to Chapel Rock transmission line and determined the preferred option to be a 240 kV transmission line **connecting the Goose Lake and Chapel Rock substations through the existing Castle Rock Ridge substation** (please see diagram below).

The recent Lundbreck open house confirmed our choice of preferred option.



What We've Heard from Stakeholders

Approximately 175 stakeholders attended our three rounds of open houses held in July, September and November 2012. Open house participants were invited to fill out surveys to provide feedback on the information presented during the open houses. In the AESO's September 2012 open houses, we received 27 surveys from stakeholders. Since then, the AESO received two additional surveys from stakeholders through the mail and 34 surveys from our most recent open house in Lundbreck on November 20, 2012. Approximately 70 people attended the November open house. The information below summarizes all of the feedback collected from surveys during the three rounds of open houses.

Stakeholder Information

The majority (31%) of respondents were from Pincher Creek. Other communities represented included Cowley (20%) and Lundbreck (13%).

When asked what they were hoping to learn at the open house, the majority (43%) responded that they attended to gain information on the routing and siting of facilities, 27% attended to learn about the need for transmission development and 19% attended to gather general information. Other information respondents were hoping to learn at the open house includes timelines for the projects and information on underground transmission.

Most respondents (35%) learned of the open houses through newspaper advertisements, 33% through direct mail, 24% via word of mouth and 1% through the AESO website. Other means included posters at the post office and the municipal office in Pincher Creek.

Preferred Alternative

When asked which of the two alternatives for connecting Goose Lake 103S substation to Chapel Rock 491S substation respondents preferred, 58% preferred the Goose Lake to Chapel Rock via Castle Rock Ridge alternative, 17% preferred the Goose Lake to Chapel Rock via Fidler alternative and 25% of respondents had no response.

Open House Evaluation

Just under half of the respondents (44%) agreed or strongly agreed that the information presented helped them understand the need for the projects. The majority (68%) agreed or strongly agreed that the AESO staff adequately answered questions. The majority (58%) agreed or strongly agreed that the information was presented in a way that was easy to understand.

Frequently Asked Questions

Why does the AESO support wind generation?

The decision to build power generation of any type in Alberta is made by investors who bear the risk and reward of those decisions, and not by the AESO or any central government-related planning body.

As part of its legislated mandate, the AESO is required to connect generation to the transmission system, regardless of the type or location of generation.

Why doesn't the AESO put this underground?

Currently, the AESO will only recommend underground if it is not feasible to put it above ground. If underground is required to mitigate siting and routing concerns, it is the responsibility of the TFO, in this case AltaLink, to recommend.

Ultimately, the AUC will make the final decision regarding the location of the line and the appropriateness of using underground, including any cost allocation considerations.

Will either of these projects be used to export power?

The AESO plans the transmission system to meet the needs of Alberta and to ensure that the transmission system in Alberta continues to be adequate, reliable and robust, now and in the future. The need for the SATR project is driven predominantly by the need to connect the large amount of wind-powered generation planned for southern Alberta, and move it to major load centres such as the Calgary area. The Fidler substation is needed to facilitate the connection of wind generation in the area northeast of Pincher Creek.

Alberta currently imports more power than it exports and has been a net importer of electricity since 2002. In 2011, total imports increased 63 per cent over 2010 to 3,591 gigawatt hours (GWh), while total exports decreased 74 per cent over the same time period to 119 GWh.

Where will the new lines and substations be located?

Many stakeholders wanted more information on specific siting and routing of transmission facilities for the Fidler substation and SATR Amendment. Detailed siting and routing is the responsibility of the TFO in the area, in this case AltaLink, who will evaluate route options and recommend a preferred route as part of its facilities application to the AUC. AltaLink submitted its Fidler substation facilities application to the AUC at the end of October 2012 and will submit another facilities application for the SATR Amendment at a later date. Facilities applications include detailed design, siting and routing.

What's Next?

Fidler NID

The AESO filed the Fidler NID with the AUC on October 29, 2012, by Application No. 1608960 which can be found on the AESO website at <http://www.aeso.ca/transmission/20554.html> The AUC is currently reviewing the application and will issue a Notice of Application once they deem the application complete.

For more information on public involvement in the AUC process, please visit <http://www.auc.ab.ca/involving-albertans/getting-involved/Pages/default.aspx>

SATR Amendment

Having consulted with the public and considered the feedback, the AESO is preparing the SATR Amendment. Once completed, the AESO will submit the amendment to the AUC for review and approval.

The AESO intends to file its SATR Amendment with the AUC before the end of 2012. Once filed, the SATR Amendment will be posted to the AESO website at <http://www.aeso.ca/transmission/16869.html> When the AUC deems the application complete, it will issue a Notice of Application inviting potentially affected parties to become involved in the process.

For more information on public involvement in the AUC process, please visit <http://www.auc.ab.ca/involving-albertans/getting-involved/Pages/default.aspx>

Please note that the AESO's SATR Amendment will not include specific locations of transmission facilities. Route selection and facility siting are the responsibility of AltaLink. AltaLink will submit a facilities application to the AUC for specific transmission facilities related to the AESO's SATR Amendment. Further information on AltaLink's facilities application can be obtained from AltaLink; please contact them directly by email at stakeholderrelations@altalink.ca or by phone at 1-877-269-5903.

For More Information

We believe anyone potentially affected by transmission planning should have the opportunity to participate in the process and provide input. The AESO appreciates your views on the need for transmission system development and encourages your comments and participation. Please contact **Megan Harris** through stakeholder.relations@aeso.ca or call our stakeholder relations toll-free line at 1-888-866-2959 if you have any questions or suggestions.

Attachment 4 – AESO Notification of Filing Advertisements – Final Proofs

Notification of AESO Regulatory Filing of an Amendment to the Southern Alberta Transmission Reinforcement Needs Identification Document Approval U2011-115

The Alberta Electric System Operator (AESO) advises you of its intention to file an application with the Alberta Utilities Commission (AUC) to amend the Southern Alberta Transmission Reinforcement Needs Identification Document (SATR NID) Approval No. U2011-115, on or after October 24, 2012.

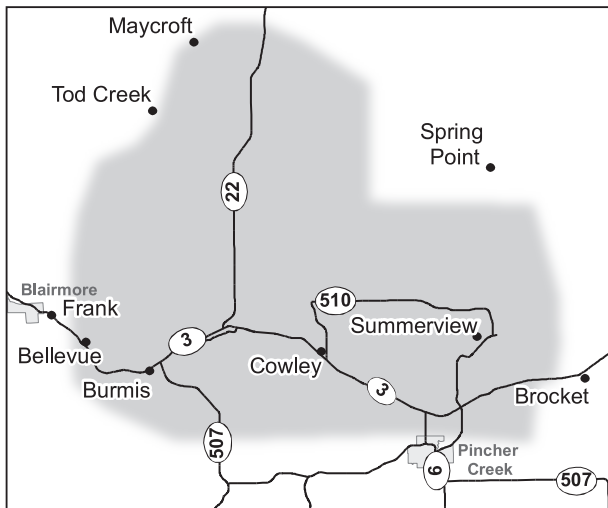
The amendment will seek approval from the AUC to replace the previously approved:

- (a) Crowsnest substation and 240 kV double circuit transmission line connecting Crowsnest substation to Goose Lake substation

with the

- (b) Chapel Rock substation and 240 kV double circuit transmission line connecting Chapel Rock substation to Goose Lake substation via Castle Rock Ridge substation.

The amendment will also seek approval for voltage control devices at Chapel Rock substation.




The shaded area on the map indicates the approximate area where the amended transmission development is needed. In a separate application called a Facility Application, AltaLink Management Ltd. (AltaLink), the transmission facilities owner in the area, will specify the routes and sites where it proposes to implement the transmission system upgrades and request AUC approval to construct and operate the specific transmission facilities. The specific substation sites and transmission line routes applied for by AltaLink may extend beyond the area shown.

The AESO provided notification of the amendment to stakeholders, including residents, occupants and landowners near the proposed development from July to October 2012. The AESO has considered feedback gathered from stakeholders, potential land impact, and technical and cost considerations, and will apply to the AUC for approval of this amendment. Once filed, the amendment will be posted on the AESO website at <http://www.aeso.ca/transmission/16869.html>

Please visit our website, www.aeso.ca for more information, or contact the AESO at 1-888-866-2959 or stakeholder.relations@aeso.ca.



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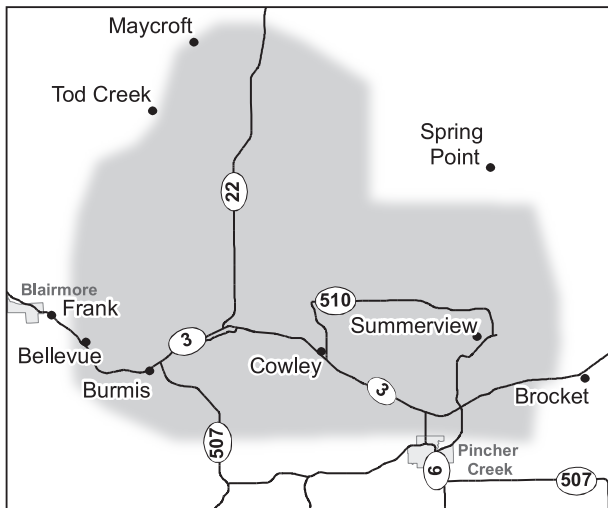
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The AESO provided notification of the amendment to stakeholders, including residents, occupants and landowners near the proposed development from July to December 2012. In the preparation of the amendment, the AESO has considered feedback gathered from stakeholders as well as technical considerations, cost considerations and potential land impacts. The AESO will submit an application to the AUC for approval of this amendment. Once filed, the amendment will be posted on the AESO website at <http://www.aeso.ca/transmission/16869.html>

Please visit our website, www.aeso.ca for more information, or contact the AESO at 1-888-866-2959 or stakeholder.relations@aeso.ca



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