

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.

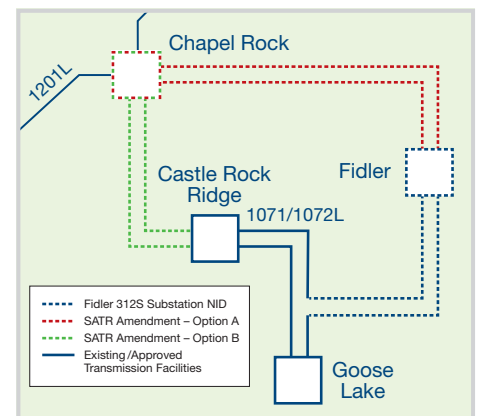
Open Houses

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?

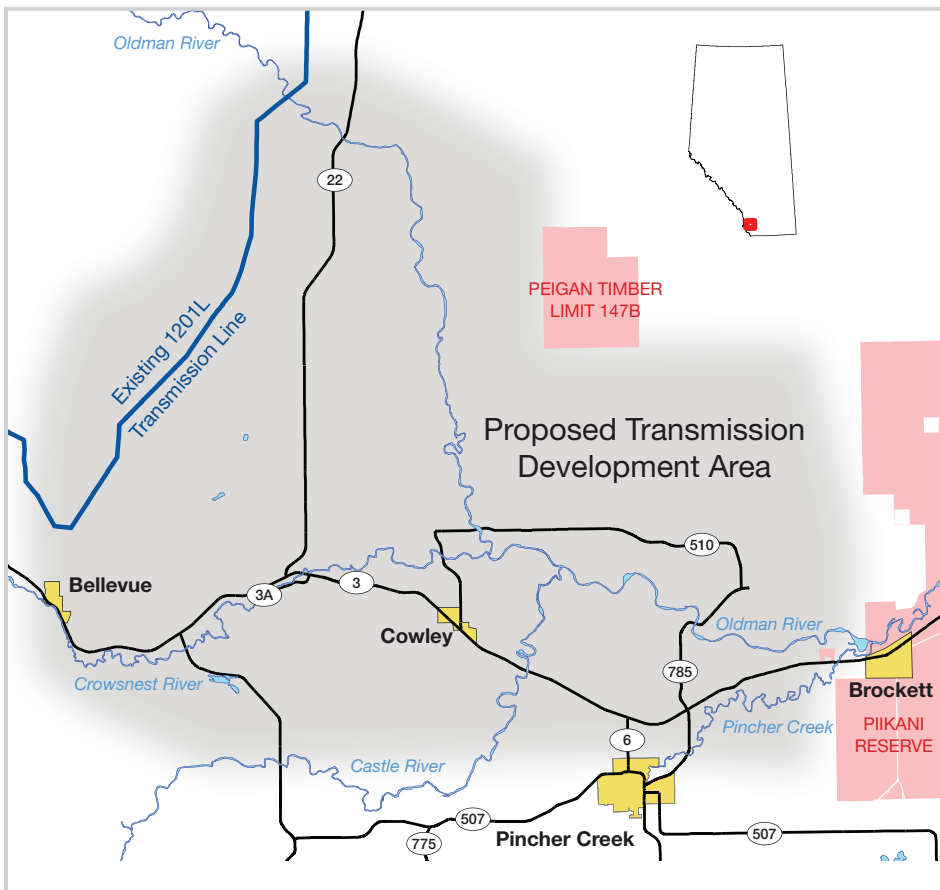
The AESO will consult with stakeholders on the need for the proposed Fidler NID and amendment to the SATR NID approval.

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.

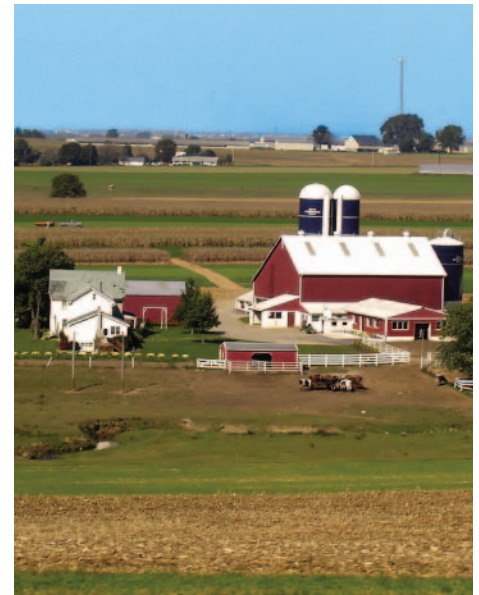
In separate applications, AltaLink Management Ltd. (AltaLink), the transmission facilities owner (TFO) in the area, will describe the specific routes and sites it proposes to implement these transmission system developments, and request approval from the AUC to construct and operate the specific transmission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



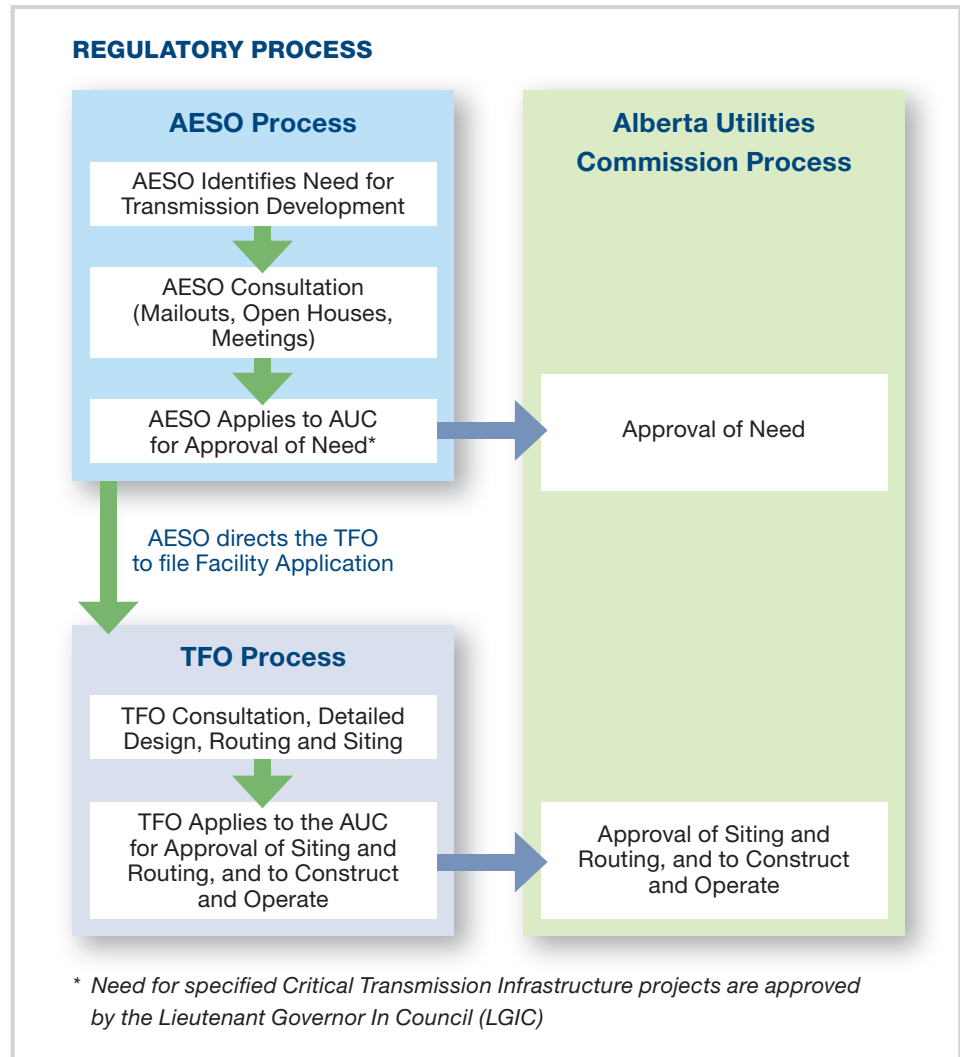
AESO AND TFO ROLES

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



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:

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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

