

THE POWER OF POSSIBILITY

October 5, 2010

To: Market Participants and Interested Parties

Re: Southern Area Transmission Reinforcement (SATR) Milestones and Monitoring

Process (MMP) – Status Report for Q3 2010.

Attached is an update to the SATR milestones as of Q3 2010. The information provided herein is consistent with the SATR MMP, as approved by the AUC on July 19, 2010, as presented in the SATR Need Identification Document (NID) Approval No. U2010-264. Additional information is also available in the "AESO Transmission System Projects – Quarterly Report". The AESO has issued directives to the Transmission Facility Owner ("TFO") to prepare facility applications for Stage 1 and Stage 2 components.

This status report summarizes the construction milestone measures as compared to key indicators used to confirm or assess need, noting current status of each milestone on the summary chart. Please note that the AESO provided an opportunity for stakeholders to cancel connection projects by December 14, 2009 with refund of the connection application fee. As a result, some projects were cancelled. The quarterly status update table presents the current wind interest in the SATR project area.

Of significance in the status report is that all milestones have now been met. Consequently, the AESO will no longer prepare a separate SATR MMP status report. The AESO will provide SATR status updates within the "<u>AESO Transmission System Projects – Quarterly Report</u>" such that the AESO is consistent with its reporting requirements for all other system projects.

Should you have any questions about the information provided, please contact Helen Lugosi at 403-539-2737 or Helen.Lugosi@aeso.ca.

Sincerely,

[Original signed by]

Steve Kanerva Director, Project Delivery South

Attachments:

Southern Alberta Transmission Reinforcement (SATR) Construction Milestones Status Report – Q3 2010

Southern Alberta Transmission Reinforcement (SATR) Construction Milestones Status Report – Q3 2010						
Project & Area	Construction Milestone Measure	Capacity Interest ¹ (MW)	Proposals ² in Progress (MW)	Proposals Accepted (MW)	Studies ³	Status
Stage 1 - SW						
Peigan – South Calgary 240 kV line	500 MW of generation forecast in Pincher Creek / Peigan region	1,873	408	1,465	n/c	Milestone Met
Stage 1 - SE						
West Brooks to Medicine Hat 2 to Sub D	Any wind forecast in the Burdett / Medicine Hat area	2,071	300	1,771	n/c	Milestone Met
Stage 2 – SW						
Crowsnest Interconnection from Goose Lake	600 MW of generation forecast in the Pincher Creek area	1,232	98	1,134	n/c	Milestone Met
Goose Lake to Sub C 240 kV line	Any wind forecast in the Goose Lake – Sub C – Sub D –	890	541	349	n/c	Milestone Met
Sub C to MATL 240 kV line	MATL areas				n/c	Milestone Met
Sub C to Sub D 240 kV line					n/c	Milestone Met
Stage 2 - SE						
System modifications in Blackie, Ware Junction and Empress Areas	400 MW of generation forecast in the Burdett, Medicine Hat and Empress areas combined or studies indicating overloading or voltage problems in the SE	2,170	300	1,870	n/c	Milestone Met
Stage 3 - SE						
Ware Junction to Langdon 240 kV line	Studies indicating overloading in the SE Alberta's 240 kV network	2,170	300	1,870	n/c	Milestone Met

Studies Update: None to report for current period

Facility Application Directives: The AESO directed the TFO to prepare facility applications for Stage I and Stage 2 projects on May 5, 2009 and on January 8, 2010, respectively. The AESO will direct the TFO to proceed with Stage 3 as that schedule progresses. The TFO filed facility applications on July 27, 2010 for Stage 1 – SE West Brooks to Medicine Hat 2 to Sub D.

Other Information: Data as at September 30, 2010

¹ Capacity interest is measured by the applications for system access service through the AESO connection process.

² Proposal is the Connection Proposal in the AESO connection process. The Connection Proposal was formerly called "Interconnection Proposal (IP)"

[&]quot;Interconnection Proposal (IP)".

As new studies are finalized, the information will be referenced by this column and summarized in the "Studies Update" section. "n/c" means that there has been "no change" in the study work from the original SATR application