



May 3, 2007

Re: Heartland Transmission Development Open Houses April 2 – 5, 2007

Dear Stakeholder

On April 2, 3, 4 & 5, 2007 the Alberta Electric System Operator (AESO) held four Open Houses to explain our outlook for major transmission reinforcement into the Fort Saskatchewan area to meet an expected significant increase in electricity demand and our approach to public consultation.

Just over 100 public stakeholders were able to attend; thank you. The feedback we received from these sessions with respect to our approach and public consultation process has been very positive. For the most part attendees have told us the information was useful and clear.

We are committed to keeping you informed as our discussions evolve with stakeholders and industry members who require additional transmission service. On the following pages we have assembled a synopsis of the feedback we have received and a brief list of frequently asked questions with short responses.

As you probably know, we have planned for a second round of Open Houses to further explore various transmission reinforcement options. We had originally scheduled dates in early May for these sessions however, we have moved the dates of these sessions to mid-June so that we can more fully consider the thorough and significant public feedback we have received. The change of schedule will provide us with a better opportunity to comprehensively understand the potential effects on land owners before bringing potential solutions forward for additional public consideration. Specific dates and locations are being developed for this next set of open houses and we will provide you direct notice once they have been established.

If you have any questions or would like to make comments, please contact our toll-free telephone line dedicated to the project at 1.888.866.2959 or you can send an email to stakeholder.relations@aeso.ca. You can also visit our web site for more information, www.aeso.ca.

Sincerely,

Neil Millar
Vice President Transmission
AESO

Summary of Heartland Round One Public Open House feedback

Attendance

Four Open Houses were held, each between 4pm and 8pm:

1. Monday April 2 – Stony Plain
2. Tuesday April 3 – St Albert
3. Wednesday April 4 – Edmonton
4. Thursday April 5 – Fort Saskatchewan

Total non-industry, non-media attendees registering – 101

Summary of comments

A majority of attendees to all four Open Houses made verbal comments to AESO representatives that they had expected/hoped to review where potential lines may be located. Many expressed disappointment upon learning the purpose of the Open House was to outline the Need for transmission reinforcement and to collect feedback on where stakeholders felt potential lines should be located.

Attendees were invited to make written comments on Exit Surveys and flip charts. These have been categorized and summarized below:

	Concern / Issue / Recommendation	Comments
1	Recommendation to use existing lines and Edmonton TUC	13
2	Recommendation to use greenfield sites and less populated areas rather than existing TUC	13
3	Health concerns – EMF, Upgraders in general, livestock and birds	12
4	Recommendation to build electricity generation near the Upgraders	6
5	Recommendation to build nuclear technology in Fort McMurray or Cold Lake and send power to Heartland area	6
6	Statement that transmission system reliability is important	5
7	Questions re: potential effect on property values	4
8	What is cost to ratepayers; how much and how apportioned	3
9	Concern or contention that additional infrastructure is intended to export electricity to United States	2
10	Concern regarding the potential effect of transmission lines on underground infrastructure (ie, pipelines) ¹	2

¹ This concern was raised twice during the four Open Houses in April. The original letter to stakeholders did not note this concern in this table; the oversight was subsequently brought to the AESO's attention and has been added here for the public record

Exit Survey Results

Attendees were asked comment on the usefulness of the Open House information provided:

		<i>Yes</i>	<i>No</i>	<i>Somewhat</i>
1	Did you get the information you needed?	34	6	33
2	Was the Information Session helpful?	63		10
3	Was the amount of information sufficient?	33	12	28
4	Were your questions fully answered?	47	7	17
5	Did you comment on the areas of greatest interest to you?	63	6	3
6	Did staff listen and record your comments?	62	2	3
7	Was it demonstrated community interests and needs are being considered in development plans?	40	3	26

Frequently Asked Questions

1) Where are the transmission lines going; when will that be determined?

The AESO is currently in very preliminary stages in studying transmission reinforcement into the Heartland area. We are continuing to develop our need assessment as well as a high-level technical analysis of the alternatives to be considered in the next stage of the planning process. More specific information about where the transmission lines may be located, as well as the type of reinforcement will become a part of the next stage of the planning process. We will be presenting several high-level alternatives for stakeholder input at open houses scheduled for June 2007. The AESO will file a Need Identification Document (NID) with the Alberta Energy and Utilities Board which will include a recommendation for transmission reinforcement into the Heartland area for approval. Detailed routing is assessed at the next stage.

The Transmission Facility Owner (TFO) is responsible for detailed engineering and specific siting of the proposed development. The TFO(s) will also conduct a consultation process to develop a specific route for the transmission development and will ultimately file a Facilities Application, which will include a specific route proposal, for approval with the Alberta Energy and Utilities Board.

2) What's the trade-off for Underground lines versus Overhead lines?

The AESO will be studying both overhead and underground lines to satisfy the requirements into the Heartland area. Generally, overhead lines have higher visual impacts but are easier to maintain and are less expensive than underground lines. Underground lines tend to be more expensive, and in the case of 500 kV developments, are not technically feasible when they are longer than 10 miles. The AESO will also be exploring new underground technologies, such as HVDC Light, to develop transmission reinforcement in the Heartland area.

3) What are EMFs and how do they potentially affect human health? Livestock?

Power lines, electrical wiring and appliances in your home all produce electric and magnetic fields (EMFs); invisible lines of force that surround any electrical device.

On its web site (<http://www.hc-sc.gc.ca>) Health Canada notes the following:

“Every time you use electricity and electrical appliances you are exposed to electric and magnetic fields (EMFs) at extremely low frequencies. (EMFs) are strongest when close to their source. As you move away from the source, the strength of the fields fades rapidly. This means you are exposed to stronger electric and magnetic fields when standing close to a source. When you are indoors at home, the magnetic fields from high voltage power lines and transformer boxes are very weak when compared to the fields from electrical household appliances.

There have been many studies about the effects of exposure to electric and magnetic fields at extremely low frequencies (ELF). Scientists at Health Canada are aware that some studies have suggested a possible link between exposure to ELF fields and certain types of childhood cancer. However, when all of the studies are evaluated, the evidence appears to be very weak.”

4) Why doesn't Industry build co-generation on-site in the Heartland area to avoid transmission lines from other areas?

Co-generation, or generation that includes both electricity and another form of useful thermal energy (such as heat or steam), used for industrial, commercial, heating, or cooling purposes, is a potential option for developers.

The AESO is an independent, not-for-profit organization responsible for planning the transmission grid for Alberta. Our role does not include planning or constructing plants, it is to provide them with the electricity requirements they request. However, the AESO expects the industrial developers have been or will be communicating with local municipal authorities in the Heartland area to discuss both the impacts and the benefits of these developments.

5) Are you concerned about the reliability of the existing transmission system in the Heartland area?

Yes, the AESO is concerned about the reliability of the existing transmission system in this area. To accommodate the short-term need for transmission reinforcement, the AESO currently has several interim measures being explored. Some examples of these are the addition of more capacitor banks on the existing system in the area, as well as splitting of the 240 kV line 946/947L in the area. The major transmission reinforcement into the Heartland area being discussed here is a portion of the long-term need identified for 2010.

6) Are generators projected to keep building after 2016?

Yes, the AESO anticipates both generation and load to continue to increase after 2016. The AESO is responsible for long-term planning of the transmission system and as such, prepares a 20-Year Outlook, updated every 4 years, and a 10-Year Transmission System Plan, updated every 2 years. While generation development after 2016 is uncertain, scenarios depicting potential additions of generation and load are developed for the purpose of creating a “roadmap” for transmission system upgrades.

7) What is the expected cost for all of this new transmission for the ratepayer? Who pays?

A very high-level preliminary estimate on the cost of new transmission development would be in the range of \$100 - \$200 million. This would mean an increase to the average residential customer's bill by approximately \$0.10 to \$0.20 per month. The cost of transmission development is allocated across all customers in the province, including Industrial, Commercial, Residential and Farm customers.

The cost of transmission development is allocated across all customers in the province, including Industrial, Commercial, Residential and Farm & Irrigation customers. Because Industrial customers consume the most electricity in Alberta, they will bear the greatest portion of the cost of this infrastructure.

8) Is this new line intended to export, or assist in the exportation, of electricity to the United States?

No. Timely transmission reinforcement is being driven by the need to supply new load customers in the Heartland area.