



July 23, 2007

Re: Heartland Transmission Development consultation

Dear Stakeholder;

In mid-June the Alberta Electric System Operator (AESO) held seven Open Houses to discuss our outlook for major electricity transmission reinforcement into the Heartland area of Alberta (north of Fort Saskatchewan). It's an area of the province expected to see a significant increase in power demand over the next three to ten years.

Just over 300 people were able to attend; thank you. We value your feedback and your participation in the consultation process.

This letter highlights the feedback we heard at these sessions and throughout our consultative process. It also outlines the next steps involved in filing our application with the Energy and Utilities Board (EUB).

We believe anyone potentially affected by transmission planning should have the opportunity to participate in the process and provide meaningful input.

This fall, the AESO expects to file a Needs Identification Document with the EUB outlining the necessity for transmission reinforcement to meet forecast load growth in the Heartland area, as well as high-level conceptual routes on how the reinforcement may take place. We will not be recommending specific line routes, which will be part of the Facilities Application Process conducted by AltaLink and EPCOR in 2007 and throughout 2008.

We are committed to keeping you informed and will provide additional notice to you once our application is filed.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Neil Millar'. The signature is fluid and cursive, with a prominent loop at the end.

Neil Millar
Vice President Transmission
AESO

From June 18, 2007 through June 23, 2007 the AESO hosted seven public Open Houses in the Edmonton area to provide information on, and seek perspectives to, the potential reinforcement of the transmission system into the Heartland area. EPCOR and AltaLink representatives also participated. At these events, attendees were invited to fill out a Participant Exit Survey to provide feedback on the consultation process. The following are results of those surveys.

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

	Yes	No	Somewhat	Did not Answer
Was the information session helpful?	150	3	24	9
Was the amount of information sufficient?	94	26	52	10
Were your questions fully answered?	111	18	49	11
Did you comment on the areas of greatest interest to you?	134	5	8	11
Did staff listen and record your comments?	132	13	23	19
Was the issue whether additional transmission infrastructure is needed fully addressed?	117	20	29	18
Was it demonstrated community interests and needs are being considered in development plans?	110	20	51	16

Attendees were also asked how they heard about the Information Session:

AESO invitation	30
Newspaper advertisement	112
Newspaper or TV Story	16
Local Library	0
Community League Information	2
Other	50

And attendees were asked how they would like to continue to participate in the needs identification application preparation and review process:

Opportunities for direct, individual contact with AESO project staff	89
Open Houses/Information Sessions	107
Newspaper articles and advertisements	46
Other (please indicate)	7
Did not check any of the above	22

What did we hear?

More than 300 people took the time to visit one of our Open Houses in June. In addition to these sessions we also held four Open Houses in April and have met with numerous municipal leaders and staff in and around Edmonton; provincial leaders and industry. We've met with representatives from First Nations and we've also received comments, questions and suggestions by email, fax and phone.

Overall feedback has been positive because many participants feel they've gained a greater understanding of the AESO and how it plans transmission infrastructure around the province; and have had the opportunity to provide their input on those plans.

In general we've heard there is an understanding of forecasts for electrical load growth in the Heartland area and that additional electricity infrastructure will be needed.

The clear message we have received is the location of potential transmission lines is of the most interest and concern. Some participants have expressed they have health concerns (themselves and/or livestock), some have issues with potential effects on property values; while others have indicated they don't like the aesthetics of transmission lines and towers. A few comments outlined concern for locating transmission lines near underground pipeline infrastructure.

What we heard about location of potential transmission lines

We heard from a great number of stakeholders that the Transportation and Utilities Corridor (TUC) which surrounds the City of Edmonton and was designed for utility infrastructure such as transmission lines; should be a key consideration in siting. But we also heard from residents and elected officials with interests near the TUC that siting decisions should be based on areas that are not densely populated; and will have aesthetic impact on the least number of people. Together, these were the two most common suggestions.

It's also understood that not everyone took the time to itemize why the potential location of transmission lines is an issue; it just is.

Next Steps

We respect that everyone's input is important and will now work to make recommendations to the EUB with regard to the Need for reinforcement and high-level route options. Our recommendations will balance landowner and environmental impacts, land use, technical merits and costs to ratepayers. In November of this year we expect to file these recommendations in a Needs Identification Document (NID) with the EUB and will provide you with direct notice of this filing concurrently at this address.

Frequently Asked Questions

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

The AESO is currently reviewing alternatives for transmission reinforcement into the Heartland area. In November, we expect to file a Needs Identification Document with the EUB assessing the need for this additional transmission infrastructure as well as high-level route options and technical alternatives. To be clear, this means the AESO will recommend technical solutions (i.e. 500 kV, 240 kV, overhead, underground) and likely, two broad geographic areas for routing.

More specific information about where transmission lines may be located will become part of the next stage of the planning process known as the Facilities Application. Transmission Facility Owners AltaLink and EPCOR will develop this application with full public consultation and notification. This process is expected to take place throughout 2008.

2. Why are ratepayers paying for this transmission reinforcement if the bulk of it is to meet the electricity needs of industry? How much will this cost me?

Because industrial customers consume the most electricity in Alberta, they will, in fact, bear the greatest portion of the cost for this infrastructure. The cost of transmission development is allocated across all customers in the province, including Industrial, Commercial, Residential and Farm & Irrigation customers. All Albertans share the benefit of a safe, reliable and efficient electric service wherever they live and work in the province. Strong economic development is a result of a stable and reliable electric transmission system. Strong economic growth can provide for employment and quality of life for Alberta.

3. Why don't you locate electricity generation in the Heartland area if that's where the power is needed?

The AESO is responsible for the safe and reliable planning and operation of the Alberta Interconnected Electric System. We do not plan or locate generation facilities which is a function of the Alberta marketplace.

4. Why can't Fort McMurray provide power to the Heartland area?

The load and generation forecasts for Fort McMurray over the next ten years indicate the area will continue to require supply through the transmission system. In fact, Fort McMurray's load requirements from the grid are expected to be ten-times higher by 2016.

5. I worry transmission lines will have negative health impacts on me/my family/my 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.

The AESO plans and operates the Alberta Interconnected Electric System; we are not health experts.

On its website (<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 of 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.”

6. *What's the trade-off for Underground lines versus Overhead lines?*

The AESO is currently 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.

7. *Are there forms of compensation for individuals/communities which are directly affected? i.e. Lines running through/on property.*

Yes. There are various forms and levels of compensation depending on land usage and location. The terms and details are arrangements made with the Transmission Facility Owner. For more information contact AltaLink at 1.866.451.7817 or 403.267.3400.