



Stakeholder Information Update Southwest Transmission Development Project

June 14, 2006

Opening Remarks

Neil Millar, Vice-President, Transmission



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Introduction

Dean Patterson, Project Manager

Today's Meeting - Purpose

- Review with stakeholders the project scope.
- Provide stakeholders with an update on project status (Permits/Licences, Costs, Schedules).
- Provide stakeholders with information regarding the project execution plan.



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Agenda

- SW Transmission Project Overview and Recent Amendments (Dean Patterson, AESO)
- Permits & Licences (Steve Hodgkinson, AltaLink)
- Project Forecasted Costs, Schedule and Execution Plan (Gary Ritland, AltaLink)
- Next Steps (Dean Patterson, AESO)
- Questions



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Project Overview

- Southwest Transmission Development is required to enable generation development and to maintain the reliability and operability of the system.
- The project involves the addition of new transmission facilities (i.e. 240 kV lines) and modifications to existing transmission facilities (i.e. 138/69 kV stations).
- Includes modifications or additions to telecommunication infrastructure.



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Project Overview – 240 kV Development

- Pincher Creek/Goose Lake to Peigan
 - Double-circuit 240 kV transmission line
 - 240/138 kV station (Goose Lake)
 - Expansion of 240 kV facilities at Peigan 59S
 - EUB Approved Need Amendment - Goose Lake instead of expansion of Pincher Creek
- Peigan to N. Lethbridge
 - Single-circuit 240 kV transmission line
 - Expansion of 240 kV facilities at Peigan
 - Expansion of 240 kV facilities at N. Lethbridge
 - EUB Approved Need Amendment – string the second 240 kV circuit from Peigan to N. Lethbridge



Project Overview – 138 kV Development

- Stirling 67S and 820L extension
 - Expand Stirling 67S to incorporate 138 kV facilities for termination of 820L
 - Addition of 138/69 kV transformer
- Magrath 225S: increase 138/69 kV transformer capacity
- Drywood 415S: increase 138/69 kV transformer capacity
- 616L (170L) Reconductoring – 2.0 km of line
- 170L/725L – 138 kV Tie Line



Project Schedule Overview

- AESO Files Need Application Mar/04
- AESO Need Approved by EUB May/05
- Proposal to Provide Service to AESO June/05
- Direction issued to AltaLink Nov/05
- First of Nine Facility Applications filed with EUB Dec/05
- Last EUB Permit and License Issued
(Depending on Federal Approval Times) Mar/07
- Last Facility In-service Date May/08





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Permits and Licenses

Steve Hodgkinson, V.P. Business Development - AltaLink

240 kV Route Selection

- Shorter Route
- Fewer Landowner Impacts
- First Nations Support for Line Through Reserves



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240 kV EUB Permits and Licences

- Two Facility applications for SW 240 kV have been filed with EUB
- Expect P&L on Goose Lake (Pincher Creek) to Peigan in Q1 2007 due to review of EIA report
- Expect Q4 2006 hearing for Peigan to Lethbridge because of objections to route near Lethbridge and review of EIA report. Expect P&L Q1 2007
- INAC/EUB Approval Process



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138 kV EUB Permits and Licences

- Six of seven applications filed (Magrath, Drywood, Stirling/820L, 170L reconductoring, Thermal Upgrades, Pincher Creek Transformer)
- Filing 170/725L connection in July 2006
- Received approval on three of seven (Magrath, Drywood and Thermal Upgrades)



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Indian & Northern Affairs Canada (INAC) Permits

- Federal and provincial jurisdictions
- Need INAC Permits for land rights on Piikani and Blood Reserves
- Both Nations want project on their land
- EIA Survey to be completed this summer
- Canadian Environmental Assessment Agency (CEAA) Screening Process
- INAC Permits expected Q1 2007



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Cost and Schedule

Gary Ritland, Project Manager - AltaLink

Project Costs

- Need Estimate \$68.1M
(Not including overheads, contingency, escalation)
- Need Estimate \$80.4M
(Includes overheads, contingency, escalation)
- Facilities Applications Submitted \$95.1M
- Facilities Applications Remaining \$ 2.8M
- Facility Application Total \$97.9M

- Need estimate accuracy is +30/-30%
- Facility Application accuracy is +20/-10%

Notes: 1. second circuit 968L costs not included
2. schedule change costs being determined



Cost Trends from Need to FA Filing

Industry Cost Increases - Examples

- Steel costs doubled
- Power line wood pole costs tripled
- Construction costs 10% per year higher



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Current Cost Projection

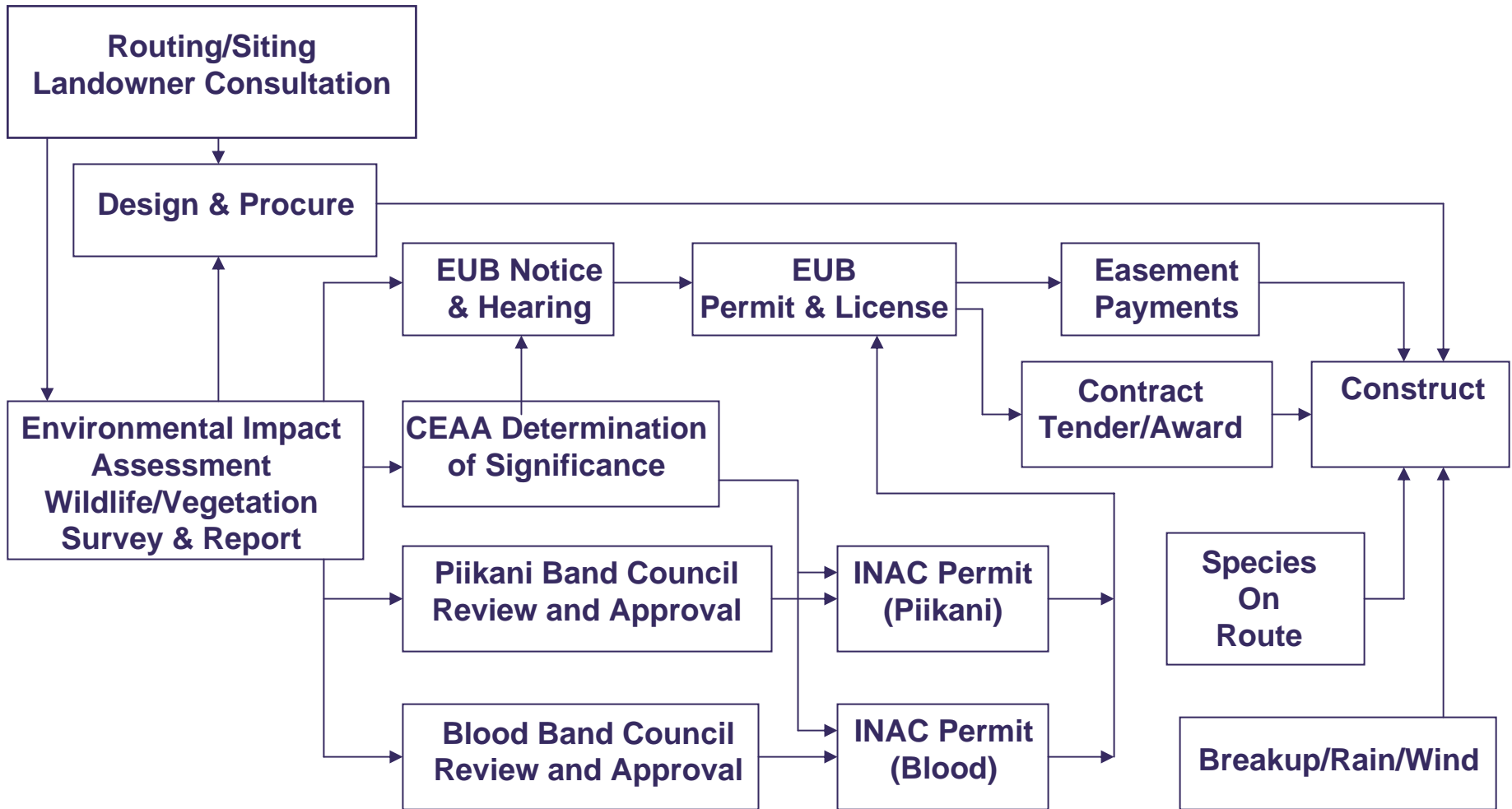
- Material is trending on estimate
 - 92% of substation material is committed
 - 70% of line material is committed
 - Remaining material quotes received to date are trending to stay in line with Facilities Application cost estimate.



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240 kV Schedule Dependencies



Project Schedule

Description	Construction Start	In-Service
240 kV Development		
Goose Lake to N. Lethbridge	June 2007	March 2008
138 kV Development		
Drywood 415S	Aug 2006	October 2006
Magrath 225S	Aug 2006	December 2006
Stirling 67S and 820L Extension	Aug 2006	December 2006
170L/725L – 138 kV Tie	March 2008	March 2008
Reconductor 170L (Renamed 616L)	May 2008	May 2008



Project Schedule Changes – 240 kV

- CEAA determination results on EIA Report:
(Mitigation for species on route)
- Federal, Band & Provincial agency approvals time
(Sets construction season)
- Spring break-up, unusual weather



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Managing the Schedule

- Completing engineering and procurement
- Completed contractor pre-bid meetings to get current assessment on resource availability
- Parallel 240kV Line Construction Activities (Site access, foundations, assembly, erection and stringing)
- Frequent EIA survey results reviews
- Ongoing dialogue with First Nations bands and Federal/Provincial government agencies



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Next Steps

Dean Patterson, Project Manager - AESO

Next Steps

- Presentation and diagram will be posted on the AESO's website.
- Future updates for the SW Transmission Project will be posted on the AESO's website every quarter (i.e. August/September 2006).
- For significant updates, the AESO will hold a formal meeting with stakeholders.
- If there are any questions regarding the SW Transmission Project, contact:
 - Dean Patterson, Project Manager
 - (403) 539-2564



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Questions?



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