

NEWS RELEASE

The AESO takes a major step for transmission development in Alberta

Calgary, AB (May 20, 2004) – The Alberta Electric System Operator (AESO) submitted two need identification documents for transmission development in Alberta to the Alberta Energy & Utilities Board (EUB). These need identification documents will trigger a combined total of over \$400 million in transmission projects.

"These need identification documents are a major step towards meeting the reliability needs of growing electricity demand, improving transmission system efficiency, providing a less constrained transmission system and facilitating a competitive wholesale electricity market," says John Tapics, President and CEO. "Near the end of the decade, the existing transmission system will have reached its capability to serve Alberta's growing load, and to interconnect new generation."

The **North-South** need document consists of two projects, which will reliably serve demand in the Calgary and Southern Alberta area and provide generation growth opportunities in the Edmonton area:

1. To convert and operate the existing Keephills to Genesee and the existing Genesee to Ellerslie transmission lines from 240 kV to 500 kV operations along with associated substation upgrades at Keephills, Genesee and Ellerslie at an estimated capital cost \$40 million. The anticipated in service date is 2006.
2. To build and operate a new 330 km 500 kV transmission line from Genesee to Langdon along with associated substation upgrades at Genesee and Langdon at an estimated capital cost of \$299 million. The anticipated in service date for this transmission line construction is 2009.

The **Southwest** application, which was registered by the EUB on April 2, covers a number of system additions required to maintain reliability of supply to loads in the area, and upgrades required to add the extra transmission capacity needed to integrate the new wind generation projects. A number of generating plants, predominantly wind farms and small hydro generators, totaling 220 megawatts (MW) of installed capacity have been connected to the transmission system in the southwest to date. A further 600 MW of new wind generation is expected to be online by the end of 2005. The Southwest need document includes the following projects:

- Expansion of existing 240/138 kV substations (Pincher Creek, Peigan, Lethbridge);
- Two new 240 kV transmission lines (Pincher Creek – Peigan, Peigan - Lethbridge);
- 138 kV substation upgrades (Pincher Creek, Drywood, Magrath and Stirling)
- and a 138 kV transmission line upgrade (Tempest - Stirling).
- The total cost of the projects is about \$80 million and the anticipated in service date is 2006.

"Our proposal in these need documents demonstrates our commitment to provide proactive transmission solutions that meet load growth and generation development and facilitate a competitive wholesale electricity market in Alberta," adds John. "We will be submitting other need documents, such as one to allow future generation development in the Fort McMurray area later this year."

Both need identification documents are subject to the EUB regulatory process and an EUB decision.

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THE POWER OF POSSIBILITY

The Alberta Electric System Operator (AESO) leads the safe, reliable and economic operation of Alberta's interconnected power system. The AESO facilitates Alberta's hourly wholesale electricity market, which has more than 200 participants and between \$3 and \$5 billion in annual energy transactions, assesses and plans for the current and future transmission system needs, and is accountable for the overall coordination of provincial load settlement.

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