

NEWS RELEASE

AESO receives EUB approval for major southwest Alberta transmission development

For immediate release:

CALGARY, ALBERTA (May 18, 2005) – The Alberta Electric System Operator (AESO) is pleased to announce the Alberta Energy and Utilities Board (EUB) has approved the need for transmission development that will provide a significant increase in the transmission capacity in southwest Alberta.

“The EUB’s approval is a major step towards strengthening the reliability of Alberta’s power grid and to facilitate the development of wind generation in the SW part of the province,” says Dale McMaster, chief operations officer.

Upgrades to the transmission system in southwest Alberta will address the growing demand for wind energy projects in the area, ensuring we meet the requirements for existing and future generation development, and that we meet the need for increased capacity to supply regional load.

The AESO’s southwest application includes a number of system additions required to maintain reliability of supply to loads in the area, and upgrades for extra transmission capacity needed to integrate new wind generation projects.

A number of generating plants, predominantly wind farms and small hydro generators, totaling 330 megawatts (MW) of installed capacity have been connected to the transmission system in the southwest during the last five years. The AESO is in discussions with developers about the potential for 600 to 800 MW of new wind generation being connected by the end of 2006.

The AESO’s southwest need application sought approval for system upgrades and additions involving the following power system facilities:

- expansion of existing 240/138 kV substations (Pincher Creek, Peigan, Lethbridge);
- two new double circuit 240 kV transmission lines (Pincher Creek – Peigan, Peigan - Lethbridge);
- 138 kV substation upgrades (Pincher Creek, Drywood, Magrath and Stirling); and
- a 69 kV to 138 kV transmission line upgrade (Tempest - Stirling).

- more -



THE POWER OF POSSIBILITY

The total cost of the projects is about \$80 million and the anticipated in-service date is late 2006 to early 2007. The AESO will now proceed to assign the projects to the appropriate Transmission Facility Owners who are required to obtain EUB approval for the specific line routes and substation expansions.

The AESO is Canada's first competitive, customer-focused exchange for electricity. As an independent system operator, the AESO leads the safe, reliable and economic planning and operation of Alberta's interconnected power system. The AESO also facilitates Alberta's hourly wholesale electricity market, which has more than 200 participants and about \$5 billion in annual energy transactions, and is accountable for the overall coordination of provincial load settlement.

-30-

FOR MORE INFORMATION:

Jennifer MacGowan, Communications
Alberta Electric System Operator
Cell: (403) 880-7390
Phone: (403) 539-2726
E-mail: jennifer.macgowan@aeso.ca