

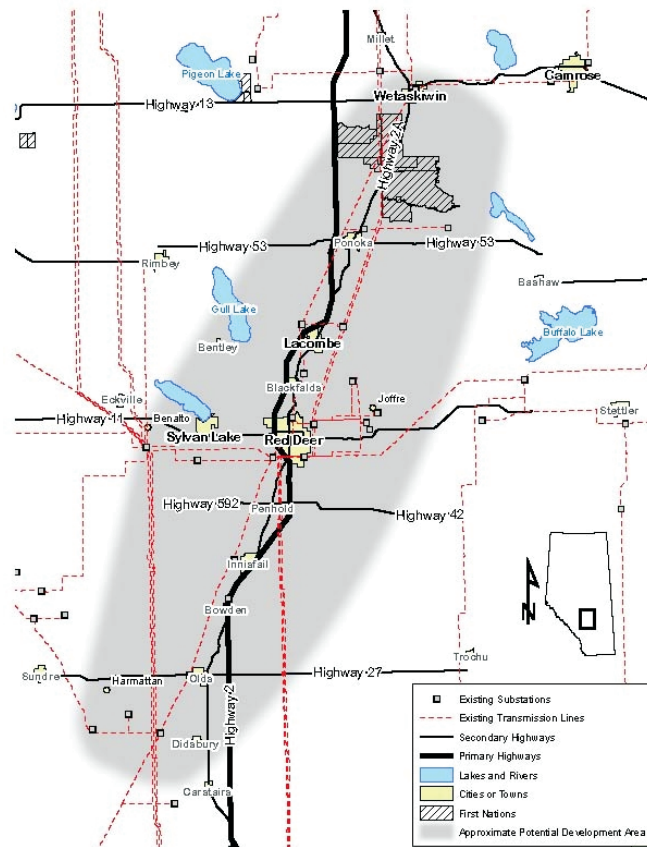
RED DEER REGION NEED OVERVIEW Notification to Potentially Affected Stakeholders

Need for transmission system development in the Red Deer region

The Red Deer region is centred on the City of Red Deer and extends south to Didsbury; north to Wetaskiwin; east to the Joffre area including the industrial complexes of Nova Chemicals; and west to the Benalto and Harmattan areas. In recent years, this region has experienced growth in its demand for electricity. The Alberta Electric System Operator (AESO) forecasts that this growth will continue over the next decade and that the transmission system in this region does exceed its capacity to reliably transmit electricity.

You are receiving this notification because you are an occupant, resident, or landowner who may potentially be affected by transmission system developments in the Red Deer region.

The following map outlines the Red Deer region and highlights the approximate potential development area.



Why is transmission development needed in Red Deer region?

Electrical demand from industrial, commercial, farming, and residential sectors in this region is forecast by the AESO to continue to grow by as much as 3.5 per cent a year for the next ten years. This, along with existing constraints and the potential for wind generation in this region, has created the need to strengthen the transmission system in the Red Deer region. Transmission system development is needed in this region for the following specific reasons:

- To alleviate existing constraints or bottlenecks in the Red Deer Region
- To enable the transmission system to continue to reliably meet the existing and growing demand for electricity
- To integrate potential wind generation. Potential wind generating facilities may be located generally east of Highway 2 between Didsbury and Wetaskiwin

What is the potential solution to this transmission system need?

The AESO has identified a potential solution to the transmission system need in the Red Deer region. This includes building new substations near Didsbury, Ponoka, and Innisfail; upgrading substations near Benalto and West Lacombe; adding approximately 150 kilometres of new and rebuilt transmission line; and salvaging over 100 kilometres of existing transmission line.

The AESO intends to apply to the Alberta Utilities Commission (AUC) for approval of this need in the spring of 2011. The AESO's needs identification document (NID) will be available at <http://www.aeso.ca/transmission/8969.html> at the time of its application to the AUC.

Where, potentially, may the new facilities be located?

The potential solution being considered by the AESO relates to the transmission system need. The solution includes general transmission line and substation requirements, but does not propose transmission line routes or substation locations.

AltaLink Management Ltd. (AltaLink), the legal owner of the transmission facilities, will consult with the public about proposed line routes and substation locations later in the regulatory process. AltaLink will then file facility proposals with the AUC for approval that will include detailed line routes and substation locations.

Who is the AESO?

Alberta's transmission system, also referred to as the Alberta Interconnected Electric System (AIES), is planned and operated by the AESO. The transmission system is comprised of the high-voltage lines, towers and equipment (generally 69 kV and above) that transmit electricity from generators to lower voltage systems that distribute it to cities, towns, rural areas and large industrial customers. Our job is to maintain safe, reliable and economic operation of the provincial transmission grid.

How is AltaLink involved?

While the AESO is responsible for identifying that transmission system development is needed, AltaLink, as the legal owner of the transmission facilities in the Red Deer region, is responsible for constructing, operating, and maintaining the associated transmission facilities. The AESO will direct AltaLink to submit an application to the AUC for approval to construct and operate the required transmission facilities.

More information on the need application and the facility application processes can be found on the Commission's website at:

<http://www.auc.ab.ca/involving-albertans/getting-involved/Pages/FacilityApplicationProcess.aspx> .

Further Information

The AESO appreciates your views on this need for transmission system development and your comments are encouraged. If you have any questions or suggestions about the need for this transmission system development in the Red Deer region or the AESO's application regarding this need, please contact:

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The AESO is committed to protecting your personal privacy in accordance with Alberta's Personal Information Protection Act. Any personal information collected by the AESO with regard to this project may be used to provide you with further information about the project, may be disclosed to the Alberta Utilities Commission (and as a result, may become public), and may also be disclosed to the eligible legal owner of the transmission facilities. If you have any questions about how the AESO will use and disclose your personal information collected with regard to this project, please contact us at 1-888-866-2959 or at stakeholder.relations@aeso.ca.