



Project Update

September 2010

Thank You for Your Feedback



I would personally like to thank everyone who took the time this summer to provide us with your feedback on the Eastern Alberta DC Transmission Line.

In June and July, we conducted 14 open houses and received input from over 1,400 people on potential route options. We also met with 3,600 landowners and interested parties. But our work is not done.

There will be opportunities throughout the consultation process for you to share your views. Your comments and questions are important and will help us find the route with the least overall impact.

This project update is to inform you of the project status and how you can continue to provide your feedback. I look forward to hearing from you.

Sett Policicchio
President, Capital Projects Division
ATCO Electric

EASTERN ALBERTA DC TRANSMISSION LINE

The Project

ATCO Electric has been directed by The Alberta Electric System Operator (AESO) to prepare a facilities application to the Alberta Utilities Commission (AUC) for approval to build and operate the Eastern Alberta DC Transmission Line. The project consists of a 500 kilometre, 500 kilovolt (kV) direct current line that will extend from the Gibbons-Redwater area northeast of Edmonton to the West Brooks area southeast of Calgary. The project includes a converter station at each end of the line to convert the power from direct current (DC) to alternating current (AC) so it can be used on Alberta's electricity grid.

The AESO has determined that these facilities are needed to reinforce the reliability, capacity and efficiency of the electric grid in Alberta to ensure Albertans continue to have electricity when we need it.

Route and Site Selection Criteria

In selecting route and site options we try to create the least disruption to people, agriculture, industry and the environment while meeting the cost and technical requirements of the project.

We make every effort to:

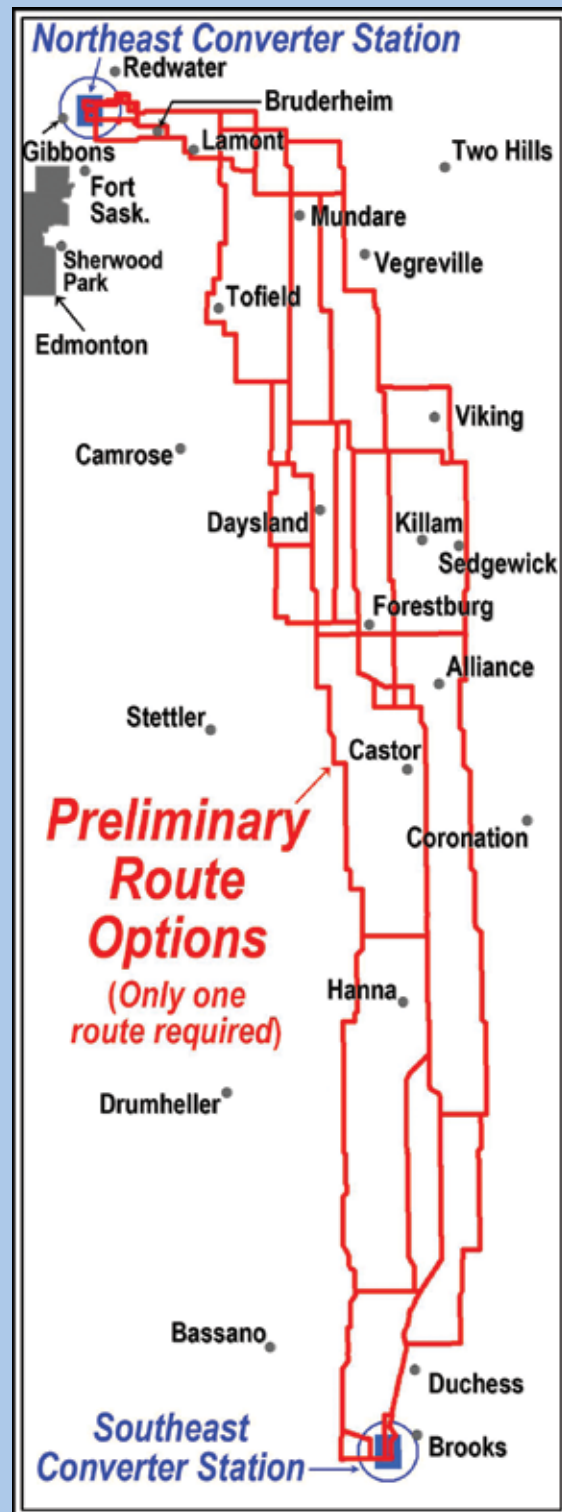
- Minimize impacts to residences
- Follow property boundaries where possible to minimize land-use and agricultural operations impacts
- Follow existing power lines/corridors
- Minimize impacts on other developments/built-up areas
- Minimize impacts to environmentally sensitive areas

Other options for routes or sites may be identified through our consultation process.

Next Steps

When we have completed our initial consultation phase, the input we receive will be used to identify a preferred route and sites with the least overall impact. We will meet one-on-one again with all landowners and occupants within 800 metres of the preferred route and sites. We will also be mailing another project update to all the landowners and other interested parties we have contacted throughout the consultation process to let them know that we have identified a preferred route and sites.

Following a review of the preferred route consultation, we anticipate filing a facilities application with the AUC in the spring of 2011. The AUC will hold a public hearing on the proposed route, at which time all affected landowners have an opportunity to participate to present their views. The proposed route, sites and construction details of any transmission project require review and approval by the AUC before construction can begin.



Preliminary Route Options

The preliminary route options in red on the map are the current focus of our consultation process. The feedback we receive from landowners and other interested parties may identify new route options, eliminate some route options or identify portions of the preliminary route options for further consideration. None of these route options has been identified as the preferred route. The preferred route and sites will be determined only after we have considered all the feedback from our initial round of consultation.

FAQ

What we're hearing...

During our initial consultation landowners have had some common questions about the project. Some answers to those questions are provided below.

For more information or a full listing of our FAQs please visit our website at: atcoelectric.com

Opportunities to Provide Feedback

Q: Now that the open houses are over will I have another opportunity to provide my feedback?

A: Yes. ATCO Electric's public consultation is an on-going process that extends many months, up to and including the submission of the facilities application to the Alberta Utilities Commission (AUC). Our staff will continue to be available to receive your feedback and answer any questions. Early participation on your part will help us find a route with the least overall impact.

Q: How can I contact ATCO Electric to ensure my concerns are heard?

A: Please contact us using the contact information provided on the back cover of this brochure.

Route and Site Selection Process

Q: What factors are taken into consideration when selecting potential routes?

A: ATCO Electric carries out detailed studies to identify route options that will have the least overall impact and the least disruption to people, agriculture, industry and the environment. Some of the factors taken into consideration are: proximity to residential property and built-up areas, geographical features, parks and environmentally-sensitive areas, property boundaries and existing power lines.

Q: Who has the final say on the location of transmission lines and sites?

A: The AUC makes the final decision on the specific location of transmission lines and sites. Before reaching this decision, the AUC will conduct a public hearing. Directly affected groups or individuals may participate in this hearing and present their views on any part of ATCO Electric's facilities application.

Direct Current (DC) versus Alternating Current (AC)

Q: What are the advantages of DC lines?

A: The Alberta Electric System Operator directed that this line be DC as there are several advantages to DC versus AC transmission lines for this type of project. DC lines are used to transport bulk power over long distances. They require a smaller right-of-way and there is less electricity loss with DC lines. The capacity of these DC lines can also be readily increased without the need to build new towers. This reduces the need to disrupt landowners again in the future.

Health Effects / Electric and Magnetic Fields (EMF)

Q: Should I be concerned with the Electric and Magnetic Fields (EMF) from a DC line?

A: Static electric and magnetic fields associated with DC transmission lines are not viewed as a health concern. Their levels are very low and similar to the naturally occurring static fields we are exposed to in our daily lives.

Electrical Effects / Communication Interference

Q: Will transmission lines affect radio or television reception? What about GPS or satellite TV?

A: Interference generated by DC lines has very little effect on FM radio, satellite television and GPS. Any effects quickly dissipate with distance from the line. With GPS in particular, the multiple

satellites minimize the potential to lose a signal. However, under certain atmospheric conditions there may be some static interference on AM radio and analog TV reception.

Compensation

Q: How much compensation will I be offered?

A: ATCO Electric negotiates compensation terms for transmission lines that are fair and reasonable to landowners in accordance with surface rights legislation. Our compensation includes:

- An early access fee.
- An entry fee based on per acre of land required.
- An easement or agreement for the transmission line right-of-way based on the land required and fair market value.
- An agreement allowing for the removal of trees and brush adjacent to the right-of-way.
- A temporary working-space agreement allowing for additional area outside the right-of-way during construction.
- Payment for general disturbance such as costs for time and other inconveniences related to installation of the line.
- Annual payments for inconvenience and crop loss that are reviewed every five years.

Transmission Lines and Farming

Q: Will I still be able to farm around and under the line once it's completed?

A: We make every effort to position transmission structures where they will have the least possible impact on farming operations. You will still be able to farm around and under the line subject to certain height restrictions. Given the clearance of this transmission line, your farm equipment should easily meet the safety requirement. If you have any doubts about your equipment or loads, please contact us at: 1-866-650-2463.

<p>Early Information Gathering</p> <ul style="list-style-type: none"> Collection of land-use information 	<p>Winter 2009 – Spring 2010</p>
<p>Initial Consultation</p> <ul style="list-style-type: none"> Project information mail out, open houses, one-on-one consultations, project status updates 	<p>Summer/Fall 2010</p>
<p>Analysis of Data</p> <ul style="list-style-type: none"> Use field visits and feedback from consultation to refine route options 	<p>Fall 2010</p>
<p>Preferred Route Consultation</p> <ul style="list-style-type: none"> Conduct one-on-one consultations with all landowners within 800 metres of preferred route 	<p>Fall 2010</p>
<p>Prepare and File AUC Facilities Application</p> <ul style="list-style-type: none"> Continue discussions with landowners and interested parties 	<p>Winter 2010 – Spring 2011</p>

* Timing may be adjusted to reflect final plans

We Want To Hear From You

Your feedback is important to our decision-making in the route selection process. Your on-going feedback and assistance in identifying any issues with the routing options or siting will help us identify a route and sites with the least overall impact.

For more information on the project or to provide your comments please visit our website at: www.atcoelectric.com or contact us at:

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