


<p>Dated on the</p> <p>24th day of January, 2012</p>	 The Alberta Utilities Commission
Appendix 1 to Decision 2012-027 TransAlta Corporation Alter Keephills Units 1 and 2 Power Plant	Application No. 1607493 Proceeding ID No. 1365

TransAlta Corporation (TransAlta), pursuant to Approval No. [U2010-54](#)¹ is the operator of a power plant designated as the Keephills units 1 and 2 power plant in the Keephills area.

TransAlta, by Application No. 1607493 registered July 14, 2011, applied to the Alberta Utilities Commission (AUC or the Commission) for approval to alter and operate the power plant by changing the fly ash disposal method from ash lagoon storage to a dry haul system. In particular, TransAlta proposes to dispose fly ash at the adjacent Highvale mine.

The Commission, pursuant to sections 11 and 19 of the *Hydro and Electric Energy Act*, approved the application in Decision 2012-027² and granted an approval to TransAlta to alter and operate the power plant, subject to the provisions of the *Hydro and Electric Energy Act* and the *Alberta Utilities Commission Act*, any regulations made under the acts, any orders made under the acts, the Commission rules made pursuant to the *Alberta Utilities Commission Act*, and the following terms and conditions:

1. The power plant and associated facilities shall be located in Section 36, Township 51, Range 4, west of the Fifth Meridian as shown in Appendix A.
2. The power plant shall consist of two 406 megawatt (MW) maximum continuous rating capacity units for a total net generating capacity of 812 MW.
3. Regarding the cooling ponds:
 - (a) The cooling pond required for units 1 and 2 shall be located within sections 1, 2, 3, 11, and 12, of Township 52, Range 4, west of the Fifth Meridian and Section 7, Township 52, Range 3, west of the Fifth Meridian as shown in Appendix A.
 - (b) The cooling pond shall be designed for and operated at a maximum full supply level of 750.5 metres above sea level.
 - (c) TransAlta shall maintain a buffer zone around the cooling pond.

¹ Power Plant Approval No. U2010-54, Application No.1602494, Proceeding ID No. 244, April 8, 2010.

² Decision 2012-027: TransAlta Corporation – Keephills Plant Fly Ash Disposal Project, Application No. 1607493, Proceeding ID No.1365, January 24, 2012.

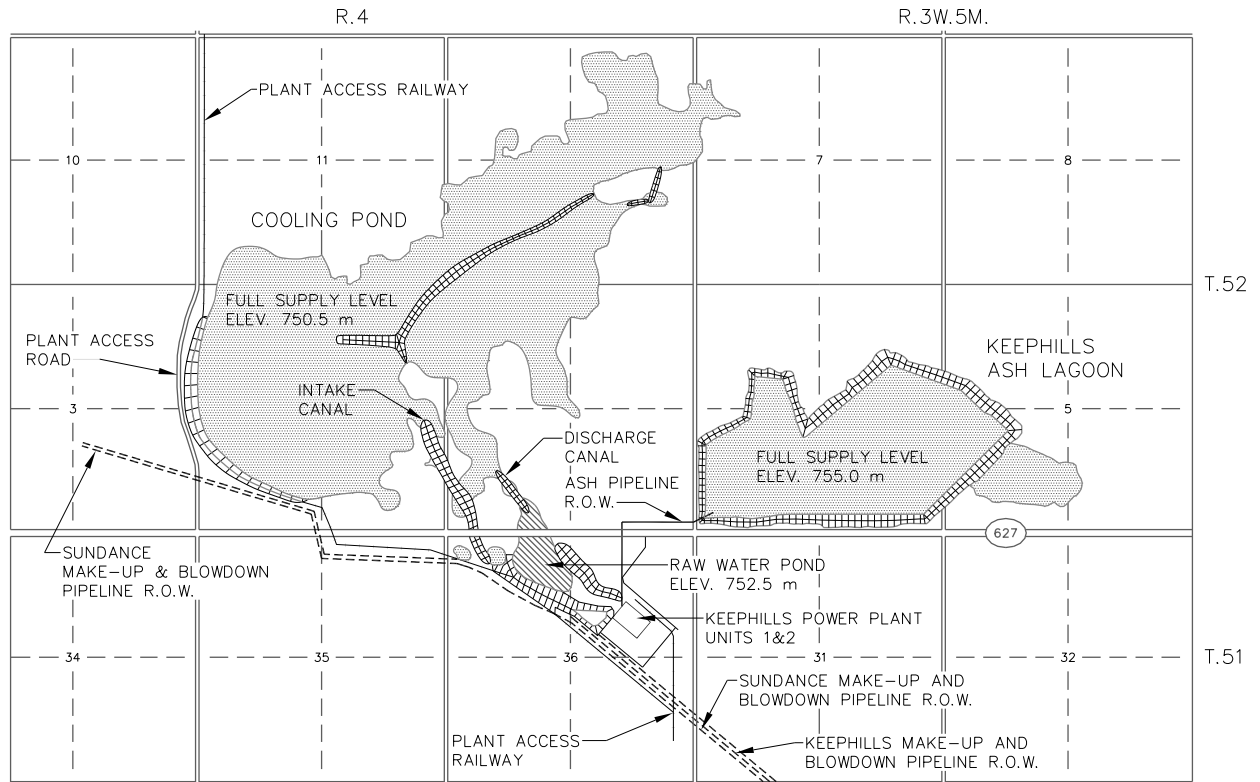
- (d) The buffer zone required by clause (c) shall extend not less than 10 metres measured horizontally from the cooling pond shoreline at the full supply level.
4. Regarding the raw water storage pond:
- (a) The raw water storage pond shall be located between the intake and discharge canals and south of Highway 627 in the northwest quarter of Section 36, Township 51, Range 4, west of the Fifth Meridian as shown in Appendix A.
- (b) TransAlta shall maintain the water level of the raw water storage pond at a level not more than 752.5 metres above sea level.
5. Regarding the access railway:
- (a) The access railway to the power plant shall be located, unless otherwise stipulated by the Commission, as shown in Appendix A.
- (b) The width of right-of-way for the access railway shall not exceed 70 metres.
6. Regarding the water make-up and blowdown piping:
- (a) The cooling pond shall be provided with independent make-up and blowdown pipeline facilities from the North Saskatchewan River to the plant site.
- (b) The make-up and blowdown pipelines shall be located on a right-of-way not to exceed 15 metres in width immediately adjacent to and north of the right-of-way of the Sundance make-up and blowdown pipelines, as shown in Appendix B.
7. Fly ash from units 1 and 2 shall be disposed at the ash disposal site in the Highvale mine. The lagoon required for the disposal of bottom ash from units 1 and 2 shall be located in sections 5 and 6 of Township 52, Range 3, and west of the Fifth Meridian. The maximum elevations above sea level of the dyke and water in the lagoon for various years shall not exceed the respective levels shown in the following chart:

Year of Raise	Maximum Dyke Elevation (m)	Maximum Water Level (m)
Current (from Approval No. U2008-58)	754.0	749.1
2008	756.5	751.6
2012	758.5	753.6
2016	761.0	756.1
2020	763.0	758.1

8. Prior to the start of construction, TransAlta shall provide to the Commission for approval the detailed engineering plans and analysis reports of any proposed incremental dyke raise subsequent to the raise of 2008. Furthermore, TransAlta shall provide a copy of the Alberta Environment approval for any proposed incremental dyke raise prior to the issuance of a Commission approval.
9. TransAlta shall notify the Commission within 30 days of completing the alterations to the power plant.

10. Unless otherwise authorized by the Commission the alteration shall be completed by December 31, 2013.
11. TransAlta shall obtain Commission approval prior to making any material changes to the power plant or substantially varying the design and/or specifications of the power plant from what was stated in the application or from what the Commission has approved.
12. This approval is not transferable unless approved by the Commission.
13. Approval No. U2010-54 is rescinded.

The Commission may cancel or suspend this approval, in whole or in part, in accordance with Section 41 of the *Hydro and Electric Energy Act* or may review this approval, in whole or in part, upon its own motion or upon an application by an interested party, in accordance with Section 10 of the *Alberta Utilities Commission Act*.

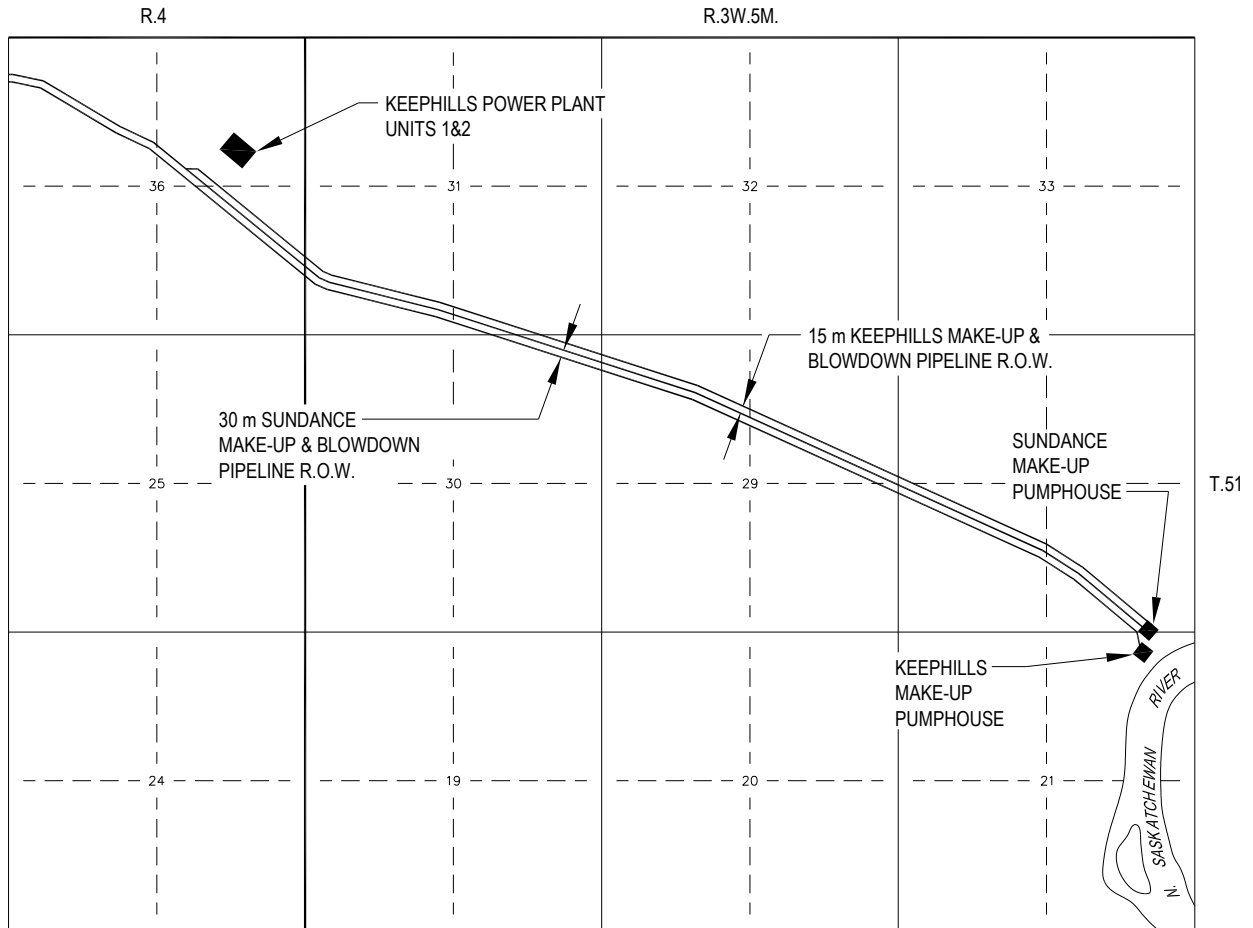


KEEPHILLS POWER PLANT AND FACILITIES

APPENDIX A TO APPROVAL NO. U2012-9

PREVIOUS APPROVAL NO. U2010-54





KEEPHILLS POWER PLANT AND FACILITIES

APPENDIX B TO APPROVAL NO. U2012-9

PREVIOUS APPROVAL NO. U2010-54



END OF DOCUMENT