



AltaLink Management Ltd.

Transmission Line 902L Conductor Replacement

October 31, 2012



The Alberta Utilities Commission

Decision 2012-293: AltaLink Management Ltd.
Transmission Line 902L Conductor Replacement
Application No. 1607570
Proceeding ID No. 1394

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Fifth Avenue Place, Fourth Floor, 425 First Street S.W.
Calgary, Alberta
T2P 3L8

Telephone: 403-592-8845
Fax: 403-592-4406

Website: www.auc.ab.ca

Contents

1	Introduction.....	1
2	Background.....	2
3	Preliminary motion	4
4	Public hearing.....	5
5	Legislative framework.....	6
6	Consideration of a conceptual alternative route	8
7	Consideration of the application to replace conductors.....	15
	7.1 Consultation and participant involvement program.....	15
	7.2 Environmental impacts.....	19
	7.3 Electric and magnetic fields (EMF).....	22
	7.4 Future development and property values	24
8	Summary of Commission findings	32
9	Decision	33
	Concurring decision of Commission Member Lyttle.....	34
	Appendix 1 – Proceeding participants.....	39
	Appendix 2 – Oral hearing – registered appearances.....	41
	Appendix 3 – Ruling on preliminary motion	42
	Appendix 4 – Reproduction of Figure 7-1 Stakeholder Requested 902L Conceptual Route Depiction (from AltaLink’s application).....	45

1 Introduction

1. On August 5, 2011, AltaLink Management Ltd. (AltaLink) filed Application No. 1607570 with the Alberta Utilities Commission (AUC or the Commission), pursuant to sections 14, 15 and 18 of the *Hydro and Electric Energy Act*, requesting approval to replace conductors on two sections of 240-kilovolt (kV) transmission line 902L (the 902L line) in the Wabamun Lake area, approximately 70 kilometres west of Edmonton.
2. The 902L line runs between the Sundance 310P substation, which is located on the south side of Wabamun Lake, and the Wabamun 19S substation, located on the north side of the lake and west of the Village of Wabamun. The routing of the 902L line is described below.
3. The line originates at the Sundance 310P substation and runs for approximately four kilometres in a south-easterly direction (over the narrow strip of land that separates the lake and the cooling pond of the Sundance power plant) and from there, the 902L line runs directly east for approximately five kilometres to a point inside the Paul Band First Nation reserve. On this nine-kilometre segment, from the Sundance substation to the point inside the Paul Band First Nation reserve, the existing 902L line shares the same steel towers with another 240-kV transmission line: the 913L line. However, from this point on, the 902L and 913L lines run directly north for a distance of approximately seven kilometres and they do not share the same steel towers; instead, each line is supported on its own steel structures.
4. After that, the lines again share the same towers and veer towards the north-west passing behind the Summer Village of Kapasiwin (Kapasiwin) and over Wabamun Lake, and then west through the Village of Wabamun and towards the Wabamun 19S substation. This last segment, where the 902L and 913L lines again share the same towers, is approximately four kilometres in length and parallels the CNR rail tracks within the Village of Wabamun. The 902L line ends at the Wabamun 19S substation, but the 913L line, being a completely separate line, even though it shares the same towers with 902L line, veers north approximately 130 metres before the Wabamun 19S substation.
5. On the north side of Wabamun Lake, AltaLink seeks approval to replace the conductors and associated hardware on the four-kilometre segment of the existing 902L line that is routed east from the Wabamun 19S substation. The last 900 metres of this four-kilometre segment are inside the Paul Band First Nation reserve, where the 902L line is owned by TransAlta Corporation,¹ but is operated by AltaLink. Therefore, AltaLink also applied, on behalf of TransAlta, to replace the conductors on the 900-metre portion of the 902L line inside the Paul Band First Nation reserve. On this north segment, AltaLink proposes to replace the existing

¹ The application record mentions TransAlta Utilities, TransAlta Corporation, and TransAlta Generation Partnership. This decision uses TransAlta Corporation to refer to all of them.

conductors with a single 1033 MCM ACCR (aluminum conductor composite reinforced) high-temperature, low-sag “Curlew” conductor. This conductor meets thermal capacity requirements and enables the stringing over the same existing structures, while still maintaining all safety clearances over the navigable section of the lake it crosses.

6. On the south side of Wabamun Lake, AltaLink also seeks approval to replace the conductors and associated hardware on the four-kilometre segment of the 902L line that is routed east from the Sundance 310P substation. The last 700 metres of this four-kilometre segment are inside the Paul Band First Nation reserve 133A, where the 902L line is owned by TransAlta Corporation, but operated by AltaLink, who also applied, on behalf of TransAlta, to replace the conductors in this 700-metre portion of the 902L line inside the Paul First Nation reserve. On this south segment, AltaLink proposes to replace the existing conductors with twin 477 MCM ACSR “Hawk Conductor” and on the same existing structures.

7. The purpose of replacing conductors in the two above-mentioned segments is to restore the transfer capacity of the line to the capacity of the original conductors installed in the rest of the line. With the replacement of these conductors, the 902L line will have transfer capacities of 680 megavolt-amperes (MVA) and 551 MVA in winter and summer, respectively. This is an increase of 99 MVA (winter) and 70 MVA (summer) from the current capacity.

8. AltaLink also stated that, all activities will be confined to the existing transmission line right-of-way, the temporary construction work zone, and existing access trails and roads. However, in limited instances, an increase to the right-of-way is required for the upgrade of the existing the 902L line. AltaLink explained that inaccuracies in surveying and design technologies employed when the line was originally constructed in the late 1960s resulted in the existing right-of-way being insufficient to meet current engineering standards. Therefore, AltaLink also applied for approval of a temporary work zone and to increase the right-of-way in the areas presented on Focus Maps FP1, FP2A, FP3A, FP4A and FP5 of Exhibit 12.

9. At the time of filing this application, AltaLink stated it was aware that there would likely be interveners and requested the Commission to hold a public hearing.

2 Background

10. This application was filed as a result of transmission system developments previously proposed by the Alberta Electric System Operator (AESO) and approved by the Commission. This section provides a background on the events and the approvals that led to this application.

11. On August 26, 2008, the AESO applied to the AUC for approval of the need to upgrade the Edmonton region 240-kilovolt (kV) transmission system (Application No. 1584342). In that needs identification document (NID), the AESO identified several transmission constrains that had appeared in areas west of Edmonton and identified transmission upgrades that were required to resolve those constrains. One of the constrains identified in the AESO application was caused by the existing 902L line, which had been constructed in the late 1960s and equipped with 477 kcmil conductors for most of its length. However, the 902L line’s two four-kilometre endings, namely east of the Sundance 310P substation and east of the Wabamun 19S substation, were equipped with smaller conductors, thus creating a transmission bottleneck.

12. In support of its August 26, 2008 application, the AESO conducted a participant involvement program including stakeholder meetings, newspaper advertising and a written information mail out to approximately 241,172 postal code addresses. The AESO indicated that as a result of its participant involvement program, there were no objections, outstanding issues, or concerns with any of the proposed transmission upgrades. At that time, the Commission also issued a notice of application in January 2009 with a general mail out, i.e. letters sent to a postal code and addressed to "Home-owner" in the area and published advertisements in the Edmonton Journal, Edmonton Sun, Stony Plain Reporter and Spruce Grove Examiner newspapers. Since no objections were received in response to the AUC's notice, the AESO's NID application was approved in February 2009 and NID Approval No. U2009-62² was issued to the AESO.

13. NID Approval No. U2009-62 contains ten subclauses, each dealing with transmission upgrades in different areas west of Edmonton, with subclause 1(e) being the only one that deals with the 902L line and it reads as follows:

increasing the capacity rating of 902L to the summer rating of the primary 2x477 kcmil bundle conductor by replacing the small conductor currently installed for the first 4-km line section east of Wabamun substation 19S and the first 4-km line section east of Sundance substation 310P.³ [emphasis added]

14. After receiving the Commission's approval to its proposed transmission upgrades, the AESO, as required in Section 35 of the *Electric Utilities Act*, directed AltaLink on October 6, 2008, and August 25, 2009, and TransAlta on October 5, 2009, to prepare and submit facility applications to implement the transmission upgrades approved by the Commission, which included the increase in the capacity rating of the 902L line.

15. The AESO's direction to the transmission facility owners, in this case AltaLink and TransAlta was further detailed in the functional specification, which the AESO issued in its report entitled "Edmonton Region 240kV Line Upgrades Functional Specifications", dated July 27, 2009. This report directs the facility owners to do, among several other things, the following work with respect to the 902L line:

- Re-string of approximately 4km of 902L out of Wabamun substation 19S that is currently strung with single ACSR 1033 MCM conductors (the "re-strung 902L").
- Re-string of approximately 4.4km of 902L out of Sundance substation 310P that is currently strung with single ACSR 1033 MCM conductors (the "re-strung 902L").⁴

16. On February 5, 2010, the AESO filed an amendment to the NID approval. The amendment was approved routinely, and a new approval, NID Approval No. U2010-85,⁵ was issued. As the requested amendment was for changes to transmission upgrades unrelated to the 902L line, subclause 1(e) in NID Approval No. U2009-62 was simply repeated in the new NID Approval No. U2010-85.

² NID Approval No. U2009-62, Application No. 1584342, February 24, 2009.

³ NID Approval No. U2009-62, Subclause 1(e).

⁴ Exhibit 10.00, Edmonton Region 240kv Line Upgrades: Functional Specification, AESO, July 27, 2009, page 7.

⁵ NID Approval No. U2010-85, Application No. 1605880, February 18, 2010.

3 Preliminary motion

17. The Commission received a preliminary motion⁶ filed by Ms. Debbie Bishop, representing Kapasiwin Landowners (KLO) and the Village of Wabamun Ratepayers & Residents Association (VWRRRA or Wabamun ratepayers), on March 20, 2012. The first part of the motion sought a review and variance of the Commission's approval of the NID in Application No. 1584342 (Approval No. U2009-62) and subsequent Application No. 1605880 (Decision 2010-075⁷ and Approval No. U2010-85). The motion requested that the Commission initiate this review on its own motion or on the motion of the interveners. The basis of this motion was that the interveners asserted that some of their members did not have an opportunity to object to the portion of the NID that affects them. In the alternative, the second part of the motion requested that the Commission direct the AESO to sit a witness panel at the upcoming facility hearing to testify about its consultation in the NID proceeding and how it develops route alternatives with transmission facility owners.

18. AltaLink filed a letter⁸ with the Commission, dated March 27, 2012, submitting that the motion was brought in the wrong proceeding, that it should have been filed in Application No. 1605880 (the NID proceeding), and that the AESO or its counsel must be served with a copy of the motion pursuant to Section 9 of AUC Rule 016: *Review and Variance of Commission Decisions* (AUC Rule 016). Subsequently, on April 2, 2012, AltaLink filed an additional letter⁹ with the Commission regarding the preliminary motion brought by the KLO and the VWRRRA. AltaLink submitted that this motion should be dismissed because (1) the motion does not challenge the technical basis for the NID and is not supported by any evidence; (2) the stakeholder communications referenced by KLO/VWRRRA in its submission related to discussions with the Village of Wabamun, not with the members of the KLO/VWRRRA; and (3) the information contained in the KLO/VWRRRA motion with respect to certain paragraphs was not complete and should be viewed in context. With respect to this latter part, AltaLink enclosed an affidavit that it submitted "provides a more complete picture of the correspondence between AltaLink and the AESO and their dealings with stakeholders leading up to the Facilities Application".¹⁰

19. The Commission issued its ruling¹¹ on the preliminary motion on April 10, 2012. The Commission noted that pursuant to Section 3 of AUC Rule 016, the interveners are out of time as a review and variance motion must be filed within 60 days of the issuance of a NID decision. The initial NID decision and subsequent amendment were issued in February 2009 and February 2010, respectively. Moreover, the Commission stated that the proposed facility application was filed on August 5, 2011, after considerable public consultation and notice about the nature of its reconductoring application on the existing transmission line and the role that the NID approval played in its application. Given the passage of time since the initial NID approval, the subsequent amendment NID approval, and the filing date of the facility application as well as the notification efforts conducted by AESO, the Commission declined to initiate a review

⁶ Exhibit 72.06, Preliminary Motion, KLO and VWRRRA Submissions, Intervener Evidence, March 20, 2012.

⁷ Decision 2010-075: Alberta Electric System Operator – Amendment of Need Assessment Approval No. U2009-62, Application No. 1605880, Proceeding ID No. 482, February 18, 2010.

⁸ Exhibit 73.01, AltaLink Correspondence to AUC, March 27, 2012.

⁹ Exhibit 76.01, AltaLink Correspondence to AUC Regarding Preliminary Motion, April 2, 2012.

¹⁰ Exhibit 76.01, AltaLink Correspondence to AUC Regarding Preliminary Motion, April 2, 2012.

¹¹ Exhibit 82.01, Ruling on Preliminary Motion of the Kapasiwin Landowners and the Village of Wabamun Ratepayers and Residents Association, April 10, 2012.

process for the NID and amendment approval. The Commission did however, determine that, in this particular proceeding, it would be useful to have representatives from the AESO attend the hearing and explain how the original NID application was developed in a general way and, in particular, whether a relocation of the existing 902L line away from the interveners' lands and the communities of Wabamun Lake and Kapasiwin was considered. The ruling on the preliminary motion is attached to this decision as Appendix 3.

4 Public hearing

20. On November 3, 2011, after completing its review of the application, and following AltaLink's request that the application be set down for a public hearing, the Commission issued a notice of hearing indicating that the hearing would commence on January 9, 2012. Several parties who registered their intervention requested a postponement. AltaLink supported a brief postponement.

21. A revised notice of hearing was issued on January 19, 2012, setting a new hearing date of April 16, 2012, at the Stony Plain Best Western Hotel in Stony Plain, Alberta. The public hearing commenced on April 16, 2012, before Mr. Tudor Beattie, QC, panel chair, Mr. Bill Lyttle and Mr. Ian Harvie. All those who participated at the hearing, including the interveners who registered in response to the Commission's notice of hearing, are presented in the tables in Appendix 1 and Appendix 2. The oral portion of the hearing concluded on April 17, 2012.

22. Following the conclusion of the hearing, the Commission received additional written submissions, filed on behalf of the KLO and the Wabamun ratepayers, as well as by AltaLink. These submissions were in response to the Commission letter issued on May 31, 2012, requesting additional information relating to the comparison of the costs of the applied-for reconductoring and a conceptual alternate route that was discussed at the hearing. Subsequently, in response to the Commission's second information request, AltaLink, on June 15, 2012, provided an estimate of costs for both the proposed reconductoring of the existing the 902L line as well as the conceptual alternate route, which included capital outlay and life cycle costs associated with each.

23. On July 9, 2012, Ms. Debbie Bishop, counsel for the KLO and the VWRRA, wrote to the Commission and requested that the Commission re-open the proceeding to allow her to cross-examine AltaLink witnesses on the answers they provided in their information responses. On July 10, 2012, the Commission declined to set down dates to reopen the hearing on the basis that the request from Ms. Bishop to cross-examine was premature. Ms. Bishop, on behalf of the KLO and the VWRRA, filed a letter on August 3, 2012, stating that AltaLink's filed responses to her client's information requests were non-responsive or not complete and as such, submitted that the Commission should either (1) deny the application and instruct AltaLink to provide an alternate that is consistent with modern routing principles or; (2) provide an option for AltaLink to amend their application to include the conceptual alternate route within the current process.¹²

¹² Exhibit 109.01, Submissions of the KLO and the VWRRA, page 4, August 3, 2012.

5 Legislative framework

24. The approval process for all new electric transmission facilities, with the exception of transmission projects deemed to be critical transmission infrastructure, requires two separate applications to the AUC: (a) an application for the need for new facilities which is made by the AESO and (b) a “facility” application for the specific siting or routing of the new facilities which is made by a transmission facility owner.

25. In the first stage, the AESO files a document called a “needs identification document” (NID or need application) that describes the need for new transmission and proposes a transmission solution to meet that need. When preparing a need application, Section 11 of the *Transmission Regulation* requires the AESO to:

- demonstrate the need for new transmission through system studies and generation and load forecasts
- describe the options (technical solutions) it considered to address the need identified
- complete a technical and economic comparison of the technical solutions considered
- state which technical solution it prefers

26. Section 38 of the *Transmission Regulation* describes what principles and matters the Commission must have regard for when deciding upon a need application. Subsection 38(e) requires the Commission to consider the AESO’s assessment of need to be correct unless an interested person satisfies the Commission that the assessment is technically deficient, or that approval of the need application would not be in the public interest.

27. When making a decision on a contested need application, the AUC has three options. It may approve the application, deny it, or refer it back to the AESO with directions or suggestions for changes or additions.

28. Should the AUC approve a need application, the AESO then assigns the project to a transmission facility owner to prepare a facility application for the construction and operation of the transmission facilities necessary to satisfy the approved need. This application is made under sections 14 and 15 of the *Hydro and Electric Energy Act*. The transmission facility owner must comply with the direction of the AESO in accordance with Section 39 of the *Electric Utilities Act* unless it can demonstrate to the AESO that such compliance would result in a real and substantial risk: (a) of damage to its transmission facility, (b) to the safety of its employees or the public, or (c) risk of undue injury to the environment.

29. The AUC may approve or deny a facility application, or approve it subject to any terms or conditions it prescribes.

30. For applications under sections 14 and 15 of the *Hydro and Electric Energy Act*, the Commission must consider whether the project is in the public interest. Section 17 of the *Alberta Utilities Commission Act* reads:

17(1) Where the Commission conducts a hearing or other proceeding on an application to construct or operate a hydro development, power plant or transmission line under the *Hydro and Electric Energy Act* or a gas utility pipeline under the *Gas Utilities Act*, it shall, in addition to any other matters it may or must consider in conducting the hearing

or other proceeding, give consideration to whether construction or operation of the proposed hydro development, power plant, transmission line or gas utility pipeline is in the public interest, having regard to the social and economic effects of the development, plant, line or pipeline and the effects of the development, plant, line or pipeline on the environment

31. Decision 2009-028¹³ provides the Commission's view on what the "public interest" means in Section 17(1) of the *Alberta Utilities Commission Act*, when considering an application to construct or operate a transmission line:

The Commission recognizes that there is no universal definition of what comprises the "public interest" and that its meaning cannot be derived from strictly objective measures. The Commission acknowledges that the ultimate determination of whether a particular project is in the "public interest" will largely be dictated by the circumstances of each transmission facility application.

In the Commission's view, assessment of the public interest requires it to balance the benefits associated with upgrades to the transmission system with the associated impacts, having regard to the legislative framework for transmission development in Alberta. This exercise necessarily requires the Commission to weigh impacts that will be experienced on a provincial basis, such as improved system performance, reliability, and access with specific routing impacts upon those individuals or families that reside or own land along a proposed transmission route as well as other users of the land that may be affected. This approach is consistent with the EUB's historical position that the public interest standard will generally be met by an activity that benefits the segment of the public to which the legislation is aimed, while at the same time minimizing, or mitigating to an acceptable degree, the potential adverse impacts on more discrete parts of the community.

32. The Commission's review and consideration of this application also takes place in the context of thorough regulatory requirements and detailed information filed in support of the application as well as the submissions made to the Commission and the evidence of the participants at the public hearing. The transmission line facility application must meet the informational and other requirements set out in the AUC Rule 007: *Applications for Power Plants, Substations, Transmission Lines and Industrial System Designations* (AUC Rule 007) as well as the information requirements, notification to or approval of government departments such as Alberta Culture,¹⁴ Alberta Environment and Sustainable Resource Development,¹⁵ Alberta Transportation, municipalities, and federal government departments, including Fisheries and Oceans Canada, Industry Canada and NAV Canada.

33. AUC Rule 007 has over 40 specific requirements, most of which must be included in either a transmission line or a substation application. The rule covers topics such as technical and functional specifications, participant involvement program or public consultation, residential impacts, environmental impacts, electrical considerations, noise assessments, route selection criteria and the cost of the proposed project.

¹³ Decision 2009-028: AltaLink Management Ltd. Transmission Line from Pincher Creek to Lethbridge, Application No. 1521942, Proceeding ID No. 19, March 10, 2009, paragraphs 32 to 33.

¹⁴ Previously known as Alberta Culture and Community Spirit.

¹⁵ The ministries of Environment and Sustainable Resource Development were consolidated together on May 8, 2012.

34. With respect to the public consultation aspect of AUC Rule 007, the purpose of a participant involvement program is to inform parties whose rights may be directly and adversely affected by the approval of proposed application and obtain their feedback and suggestions with respect to the project. For transmission line developments, the applicant must provide public notification to all occupants, residents and landowners within 800 metres of the edge of the proposed right-of-way of the transmission line. Additionally, project-specific information packages must be distributed to all interested parties within the consultation boundaries and should provide detailed information about the proposed project.

35. In reaching the determinations set out in this decision, the Commission has carefully considered the complete record of the proceeding, including the submissions and statements of intention to participate provided by each party. Accordingly, any references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record as it relates to that matter.

6 Consideration of a conceptual alternative route

36. This section provides the AESO's testimony on its development of need identification documents, including the consideration of alternatives and, in this particular case, if alternate solutions to reconductoring 902L line were considered. This section also outlines the interveners' proposal of a conceptual alternative reroute of a portion of the 902L line away from Kapasiwin and the Village of Wabamun.

37. As mentioned in Section 3 above, the Commission determined that, in this particular proceeding, it would be useful to have the AESO attend the hearing and explain how the original NID application was developed in a general way and, in particular, whether a relocation of the existing 902L line away from the interveners' lands and the communities of Wabamun Lake and Kapasiwin was considered. The AESO's role was limited to explaining the development of the NID application and whether alternate solutions apart from reconductoring of the existing 902L line were considered.¹⁶

AESO's views

38. Mr. Alan Xu, a project manager who was involved in the preparation of the AESO NID, appeared, on behalf of the AESO, to provide an opening statement and answer questions.¹⁷ He explained that, when determining the need for an application, the AESO assesses three factors: technical feasibility, cost and a high-level land impact assessment. Mr. Xu stated that no one factor is solely determinative as it is the AESO's duty to address the issue in the most efficient manner possible by balancing these three factors.¹⁸ Mr. Xu explained that, because the AESO is not an expert on detailed land impact usage, its high-level land assessment is generally based on the land impact assessment it requests from the transmission facility owner, in this case, AltaLink.¹⁹

¹⁶ Exhibit 82.01, Ruling on preliminary motion of the Kapasiwin Landowners and the Village of Wabamun Ratepayers and Residents Association, April 10, 2012.

¹⁷ Transcript, Volume 1, page 158.

¹⁸ Transcript, Volume 1, page 171.

¹⁹ Transcript, Volume 1, page 205.

39. The AESO submitted that it began the needs assessment by identifying capacity or ‘bottleneck’ problems associated with the Edmonton region 240-kV lines and potential solutions. Common among the identified solutions was the need to upgrade segments of the 902L line. Mr. Xu explained that relocating the transmission line from its current route was not considered as the bottleneck problem could be resolved with the existing route and associated transmission line structures.²⁰ With a high-level assessment, it was determined that landowner impact would be minimized by maximizing the utility of existing assets.²¹ Furthermore, Mr. Xu stated that no clear evidence had been presented during the NID development phase to contest this finding, and that AltaLink’s assessment of the alternate route confirms that relocating the transmission line would increase the capital cost and level of impact.²²

40. The AESO also explained how the NID forecasts future needs of the Alberta Interconnected Electric System. Using several assumptions and contingency scenarios, the AESO forecast demonstrated an urgent need to relieve the identified bottleneck issue.²³ The general assumption was that the Wabamun area would continue to serve as a central power source for the Edmonton area. Using the contingency scenario to determine the required line load, the scenario calculates the peak load on a transmission line if one of the partner lines were out of service. In addition to the factors noted above, the AESO also considered these assumptions and scenarios when determining the NID’s proposed system upgrade.²⁴

41. At the hearing, the Commission asked the AESO whether it is reasonable to apply the principle of maximizing the usefulness of existing transmission assets when they are at the end of their service life.²⁵ The fact that the 902L line has been in place since 1965 was not disputed by any party. However, the Commission inquired into whether much of the equipment may need to be replaced in the coming years, given its age. While acknowledging that there would be a certain amount of maintenance costs, the AESO responded that the longevity of any transmission line depends on the rigorousness of the maintenance program.²⁶ In the case at hand, the AESO stated that the 902L line continues to satisfactorily serve its purpose.

AltaLink’s views

42. Prior to the AUC hearing, AltaLink had been discussing possible route alternatives²⁷ with the Village of Wabamun for approximately one year. The discussions were initiated by the Village of Wabamun’s desire to have the line rerouted away from the waterfront. AltaLink’s position was that the NID project was solely to replace the 902L line small conductors, and that it was not within the scope of the NID requirements to investigate alternate solutions. AltaLink submitted that “when the Village of Wabamun was advised that any associated 902L line rerouting options would only be investigated at the request and expense of the Village of Wabamun, as the AESO’s NID approval does not contemplate other routing options, the village

²⁰ Transcript, Volume 1, page 159.

²¹ Transcript, Volume 1, page 197.

²² Transcript, Volume 1, page 160.

²³ Transcript, Volume 1, page 200.

²⁴ Transcript, Volume 1, page 204.

²⁵ Transcript, Volume 1, page 202. This question arose as a result of a discussion of Decision [2011-453](#): AltaLink Management Ltd.: 2011-2013 General Tariff Application, in which the Commission, upon review of the evidence submitted in that Decision, determined that a service life of 45 years for the towers and fixtures was reasonable for that account at that point in time.

²⁶ Transcript, Volume 1, page 202, lines 22-25 and page 203, lines 1-3.

²⁷ Exhibit 2.00, AltaLink Application to the Alberta Utilities Commission: 902L Small Conductor Replacement Project in the Wabamun Lake Area, August 2011, pages 34-37.

opted not to pursue this re-route option any further”.²⁸ Further consultation was conducted, and AltaLink concluded that alternate routes were not feasible or in the public interest.

43. However, AltaLink did include a conceptual route alternative in its application. The conceptual route alternative is shown by the green line in the figure in Appendix 4, which is a reproduction of Figure 7-1 – Stakeholder Requested 902L Conceptual Route Depiction from AltaLink’s application. The route was based on input from the Village of Wabamun, but was not fully developed with the kind of detail and information that alternate routes usually contain. Hence, it was described as conceptual. AltaLink prepared the route so that an order of magnitude of costs could be calculated and compared to the cost of the reconductoring. This information was provided to the Village of Wabamun.

44. AltaLink submitted that moving the 902L line from its current location to the conceptual route alternative would not only shift impacts onto other landowners, it would also increase the overall level of impact. AltaLink identified a number of additional impacts that would be created by such an alternative, including the following:

- Additional impacts to landowners/residences due to additional private, Crown and First Nations land required for right-of-way.
- Modifications required to existing transmission lines and Wabamun 19S substation to allow for the reroute of 902L line.
- 913L line which is the north circuit of the double-circuit 902L/913L transmission line will require rerouting along with the 902L line circuit.
- Additional clearing required to construct the new 902L line.
- Additional potential environmental impacts by routing the 902L line through Wabamun Lake Provincial Park.
- Significantly higher project costs, namely \$4.7 million in 2013 to replace the four-kilometre north segment versus \$22.6 million in 2016 to reroute the line away from Kapasiwin and the Village of Wabamun.

45. AltaLink reiterated its view that anything other than a replacement of the 902L line small conductors would be outside the scope of the approved NID.²⁹

46. After the conclusion of the hearing, the Commission requested additional information about the conceptual route and a comparison with the proposed reconductoring. AltaLink provided 10-, 20-, 30- and 40-year cash flow analyses.

47. The cash flows, which compare the conceptual reroute with the proposed reconductoring of the four-kilometre segment east of the Wabamun 19S substation, take into account the reroute’s initial costs of \$22.6 million in 2016 with capital maintenance expenses starting in the year 2036. For the reconductoring project, the cash flows take into account the initial cost of replacing conductors (\$4.7 million in 2013), structure replacements (\$18.1 million) in 2035, and with capital maintenance expenses starting in the year 2014. Both cases assume the same per-kilometre cost of right-of-way maintenance (every five years) and line inspections (every

²⁸ Exhibit 2.00, Application at paragraph 194.

²⁹ Transcript, Volume 2, page 218.

10 years). Using an inflation rate of 2.5 per cent and a discount rate of 5.6 per cent, the results provided are as follows:

Net present value	Conductor replacement (millions)	Reroute (millions)
10 years: 2014 to 2023	\$4.9	\$19.4
20 years: 2014 to 2033	\$5.0	\$19.7
30 years: 2014 to 2043	\$10.6	\$19.9
40 years: 2014 to 2053	\$10.7	\$20.0

Intervenors' views

48. The conceptual alternative route depicted in AltaLink's application, which was said to be in response to feedback from, and investigated at the request of the Village of Wabamun, was described as a reroute around the Village of Wabamun following existing infrastructure such as the transmission lines 904/905L and 133L to the north and east of the Village of Wabamun.³⁰ More specifically, this conceptual route, "runs northeast from the Wabamun 19S Substation paralleling the southern edge of the 133L line as it heads east and south and ties back into the 902L/913L line through the Paul Band Indian Reserve"³¹ and was provided as Figure 7-1 – Stakeholder Requested 902L Conceptual Route Depiction. For convenience, Figure 7-1 has been included as Appendix 4 to this decision.

49. At the hearing, some landowner intervenors proposed variations to AltaLink's conceptual alternative route that would avoid Kapasiwin, the Village of Wabamun, and the Wabamun 19S substation. Although some of these landowners agreed that the proposed conceptual alternative route should continue north from the Paul Band Reserve lands, variations were proposed to either continue north or go east instead of veering 90 degrees west towards the Village of Wabamun. For example, Mr. Latham, on behalf of the Wabamun and District Senior Centre Society, submitted that an alternative route should travel about 2.5 miles to intersect with the existing transmission lines located south of Highway 16 which head east towards Edmonton. Mr. Latham further submitted that this alternative route would traverse sparsely populated lands and the topography would allow for moderate to easy construction,³² however, "this option would of course require relocation or construction of a substation, which would no doubt be a significant amount."³³

50. Ms. Duncan also proposed a variation³⁴ very similar to that put forward by Mr. Latham; namely to have the alternate line turn right at Highway 16 and head east towards Edmonton, that would altogether avoid the present impact of the 902L line on the Summer Village of Kapasiwin and the Village of Wabamun. Ms. Duncan submitted that her proposed variation to the conceptual alternative route would eliminate the eventual need of replacing the 47-year-old

³⁰ Exhibit 2.00, Application page 34, paragraph 184.

³¹ Exhibit 2.00, Application page 36, paragraph 192.

³² Transcript, Volume 2, page 273, lines 12-17.

³³ Transcript, Volume 2, page 273, lines 20-22.

³⁴ Transcript, Volume 2, pages 344-347.

towers notwithstanding the ongoing maintenance contemplated by AltaLink's current application. Intervener landowners, who proposed rerouting the 902L line, submitted that it is AltaLink's responsibility to present a full analysis of the alternate routes.³⁵

Commission findings

AltaLink was not obliged to include route alternatives in its application

51. The Commission finds that AltaLink was not obliged to include alternative routes in its application for the following reasons.

52. In this case, the needed transmission development is to achieve the transmission transfer capacity that the original line was intended to have. When the 902L line was constructed in the late 1960s, it was equipped with 477 kcmil conductors for most of its length except for the two four-kilometre segments east of the Sundance 310P substation and east of the Wabamun 19S substation, where smaller conductors were installed. Although the segments of the 902L line equipped with smaller conductors restricted the line's intended transfer capacity, the line operated under this restricted-capacity condition for many years. However, continued provincial development and the accompanying electric growth prompted the AESO to recognize the transmission bottleneck in the 902L line and to propose a solution to it. As the AESO testified, it did not consider relocating the transmission line from its current route as the bottleneck problem could be easily resolved by replacing the small conductors on the same transmission line structures and on the same existing route. Therefore, the AESO applied to the AUC and received approval to:

increasing the capacity rating of 902L to the summer rating of the primary 2x477 kcmil bundle conductor by replacing the small conductor currently installed for the first 4-km line section east of Wabamun substation 19S and the first 4-km line section east of Sundance substation 310P.

Moreover, when the AESO issued its functional specification, it directed AltaLink and TransAlta to:

- Re-string of approximately 4km of 902L out of Wabamun substation 19S that is currently strung with single ACSR 1033 MCM conductors (the "re-strung 902L").
- Re-string of approximately 4.4km of 902L out of Sundance substation 310P that is currently strung with single ACSR 1033 MCM conductors (the "re-strung 902L").³⁶

53. The Commission considers that, in this case, the AESO's direction to AltaLink was very specific: to replace the conductors on the 902L line, which is exactly what the Commission approved in Approval No. U2009-62. Accordingly, AltaLink followed the AESO's direction, as it is required to do by Section 39 of the *Electric Utilities Act*, and prepared and filed the current application, which is for the replacement of conductors on the 902L line without routing alternatives proposed.

54. In light of the circumstances of this case, namely a line constructed many years ago with a built-in bottleneck, the Commission agrees with the approach taken by the AESO in which its

³⁵ Transcript, Volume 2, page 341, lines 21-25.

³⁶ Exhibit 10.00, Edmonton Region 240kv Line Upgrades: Functional Specification, AESO, July 27, 2009, page 7.

preferred technical solution was a reconductoring of an existing line. The Commission agrees with the AESO that the simplest solution to remove the bottleneck is to replace the conductors that are causing the bottleneck, which is what the Commission approved in NID Approval No. U2009-62. The Commission finds that AltaLink was not obliged to include alternative routes in its facility applications because an alternate route would have been inconsistent with NID approved by the Commission and the functional specification provided by the AESO to AltaLink. This is consistent with recent decisions,³⁷ where the Commission has dealt with proposals to re-build transmission facilities on an existing right-of-way versus facilities on new undisturbed lands.

The application should not be referred back to AltaLink or the AESO

55. Although AltaLink did not propose an alternative route, it included in its original application a conceptual route alternative which outlined an order-of-magnitude estimate of the costs associated with rerouting a portion of the 902L and 913L lines away from Kapasiwin and the Village of Wabamun. The purpose of this order-of-magnitude estimate of \$18.5 million, which AltaLink states was based on a recent bid for dual 240-kV lattice tower structures, was to highlight to the interveners the costs that a reroute would involve. Subsequently, in response to an intervener's information request,³⁸ AltaLink provided a more refined cost estimate of \$21 million for the conceptual reroute of the 902L and 913L lines.

56. The interveners stated that the 902L and 913L lines have to be moved and that the moving cost should be borne by Alberta ratepayers. They further submitted that the existing lines, which are more than 40 years old, would have to be rebuilt in the near future and that the cost of the rebuild had not been factored into the cost-comparison of the reroute option versus the proposed reconductoring project. At the hearing, AltaLink confirmed that the \$4.7 million cost of reconductoring the four-kilometre portion of the 902L line east of the Wabamun 19S substation did not include the cost of replacing towers in the future.

57. After the conclusion of the hearing, the Commission requested AltaLink to provide 10-, 20-, 30- and 40-year cash flow analyses, including the cost of replacing towers in the future, to compare the costs of the proposed reconductoring project with the conceptual reroute option on a long term basis. AltaLink submitted the requested cash flow analyses and the results of the 10-, 20-, 30- and 40-year net present values are shown in the above table. It is worth noting that the cost of replacing towers on the applied-for route is assumed to occur in the year 2035 and its effect is captured in the 30- and 40-year net present values.³⁹

58. Results of the 30- and 40-year cash flow analyses show that the reroute option would be about \$10 million more expensive than the proposed reconductoring project. Also, the cost of altering the Wabamun 19S substation to accommodate the termination of the rerouted 902L line into the substation is not included in the reroute option, and neither is the cost of moving the

³⁷ AUC Decision 2011-340: Alberta Electric System Operator Needs Identification Document Amendment – AltaLink Management Ltd.: New Transmission Line 1043L and Alteration of Transmission Line 904L West of Edmonton/Jackfish Lake Area and EPCOR Distribution & Transmission Inc.: Conductor Replacement and New Structures on Existing Transmission Lines 904LE/904LW in the Edmonton Area, August 12, 2011, Proceeding ID No. 754, Application Nos. 1606285, 1606407, 1606409, 1606664 and 1606666.

³⁸ Exhibit 64, AltaLink response AML-DUNC-006.

³⁹ Exhibit 104.02. Responses AUC-AltaLink 4, 5, 6, and 7.

Wabamun 19S substation out of the Village of Wabamun, which the interveners also suggested should be done.

59. The Commission finds that the economic evidence provided at the hearing overwhelmingly favours reconductoring the 902L line rather than rebuilding it on a different route. Whether the initial cost estimates of the conceptual alternative and the reconductoring (\$21 million versus \$4.7 million) or the costs over the life of the two lines (\$10.7 million versus \$20 million) is taken into account, the conceptual alternative route costs considerably more than the applied-for reconductoring.

60. In final argument, the interveners referred to paragraph 46 in Decision 2009-028⁴⁰ in which the Commission described its authority to direct changes to the plans or specifications of an applied-for transmission facility pursuant to Section 19(2)(a) of the *Hydro and Electric Energy Act*.⁴¹ The interveners argued that, having regard to that paragraph and the evidence on the record regarding the alternative route, the Commission should deny the application and refer it back to AltaLink to prepare an alternate route. The interveners repeated this request in their August 3, 2012, submission to the Commission.

61. The Commission observes that paragraph 46 was the conclusion of a section in Decision 2009-028 that discussed its jurisdiction under Section 19 of the *Hydro and Electric Energy Act*. Decision 2009-028 related to a facility application for a transmission line between Lethbridge and Pincher Creek. The need approval for that project specified a specific conductor size for the project. The conductor size applied for in the facility application was consistent with the NID approval. An intervener at the proceeding argued that the conductor was too small and that the Commission should use its authority under Section 19(1) of the *Hydro and Electric Energy Act* to direct a change in conductor size. The Commission specifically directed the hearing participants in that proceeding to address the applicability of that section in their final argument and the Commission heard extensive argument on that matter.

62. The Commission found as follows:

43... The AESO is the system planner and operator. As a planner its job is to identify transmission need and design technical solutions to address that need. The Commission's role is to assess the need identified and to weigh transmission solutions proposed by the AESO in terms of the public interest. Section 34(3) of the *EU Act* provides that the Commission's authority regarding need applications is limited to three options: it may approve or deny an application or it may send it back to the AESO with suggestions for changes or additions. The Commission is not empowered to amend a NID in its decision on a section 34 application. Further, section 38 of the *Transmission Regulation* reverses the onus implied in section 34 by establishing a presumption of correctness for the application and placing the onus on interveners to rebut that presumption. Taken together, these provisions demonstrate the Legislature's intent to reserve specific transmission planning duties to the AESO.

45. In the Commission's view, how to interpret the authority under section 19 to change the plans and specifications of a transmission line depends upon whether the identified

⁴⁰ Decision 2009-028, AltaLink Management Ltd. – Transmission Line from Pincher Creek to Lethbridge, Application No. 1521942, Proceeding ID No. 19, March 10, 2009.

⁴¹ Transcript, Volume 2, at page 482 referencing Decision 2009-028: AltaLink Management Ltd. – Transmission Line from Pincher Creek to Lethbridge, March 10, 2009.

shortcoming relates to a technical component specified in the approved NID. If a party provides compelling evidence that a component of a proposed transmission line previously specified in a NID will not meet the need identified in the NID, and that evidence is more credible than the evidence provided by other parties to the proceeding (including a 15.1 certification), then the Commission is of the view that it could deny the application pursuant to section 19(1) and refer the matter back to the AESO. In those circumstances the AESO must have an opportunity to address the concerns identified by the Commission and an opportunity to be heard on the related procedural steps that might be taken to address these concerns. The Commission finds that this approach is consistent with the authority granted to it when considering a NID under section 34 of the *EU Act*.

46. If the identified shortcoming does not relate to a technical component specified in a properly framed NID the Commission can exercise its authority under 19(2)(a) to direct a change to the facility's specifications regardless of whether a certification has been issued pursuant to section 15.1 of the HEE Act.

63. The situation in this proceeding is not the same as the circumstance considered in Decision 2009-028. Here, no one is arguing that AltaLink's application should be denied because it will not meet the need identified in the NID. Rather, the interveners appear to be arguing that AltaLink's application should be denied because the technical solution that the application is premised upon is no longer in the public interest because a better technical solution is available.

64. In the Commission's view, what the interveners appear to be asking for is a review of the NID, a remedy which they had previously requested and which was denied (see Appendix 3: Ruling on preliminary motion). Given that the argument on this issue was limited, the Commission is not prepared to decide whether the approach described in Decision 2009-028 would apply in the present circumstances. However, assuming that such an approach does apply in the present circumstances, it is the Commission's view that the evidence on the record in this proceeding is not sufficiently compelling to warrant a denial of the application and the referral of the matter back to the AESO to include a Greenfield rebuild of 902L. In the Commission's view, the technical solution proposed by the AESO and approved by the Commission is superior to the reroute option.

7 Consideration of the application to replace conductors

65. The following subsections deal with the main issues that were discussed at the hearing with respect to the proposal to replace conductors on the 902L line.

7.1 Consultation and participant involvement program

AltaLink's views

66. AltaLink submitted that it consulted with and sought input from approximately 125 stakeholders, including landowners, residents and occupants, First Nations and Métis, government agencies, and companies.

67. It sent project-specific information packages to all identified stakeholders, and created a website specific to the project, to convey to all potentially affected stakeholders a detailed explanation of its proposal and to give identified stakeholders an opportunity to provide feedback and express concerns. AltaLink submitted that once assessed, these concerns would be mitigated

by providing further information to potentially affected stakeholders or by investigating potential amendments to the project where possible.

68. With respect to the participant involvement program, AltaLink submitted that it exceeded the minimum requirements set out in AUC Rule 007. For example, instead of notification by postal code drop, AltaLink mailed its project-specific information packages by addressed mail to all stakeholders within 800 metres of the project.⁴² AltaLink identified landowners potentially affected by the project through a land title search whereby a list of landowners within 800 metres from the edge of the right-of-way was generated. The first package was mailed out in August 2010 and another package was sent in December 2010, which incorporated updates and changes to the project. Furthermore, in the event that a package was returned as undeliverable, AltaLink employed the necessary procedures to ensure that all stakeholders within 800 metres of the right-of-way were notified of the project.

69. AltaLink stated that it consulted beyond the first row of residences and held an open house in the Village of Wabamun. AltaLink submitted that offering an open house was another way that it exceeded the requirement of AUC Rule 007. The open house was advertized four times in two local newspapers and held on August 24, 2010, at the Wabamun Community Hall in Wabamun. Approximately 25 individuals attended, and personal consultations were conducted at that time if the stakeholder so desired.⁴³ One-on-one personal consultations were offered to the list of landowners as well as to all stakeholders who self-identified. Personal consultations were conducted by employees trained for community consultation who had been briefed on the project. AltaLink employed the necessary procedures to ensure that all stakeholders were contacted. Thirty-four of the 95 stakeholders requested personal consultation and a consultation form was provided to interested parties.⁴⁴

70. Consultation with government agencies, municipalities, Métis, companies, and special interest organizations was conducted via email and/or mail. Parties were identified as stakeholders if they fell within 800 metres of the transmission lines. These stakeholders included, but were not limited to, Alberta Environment and Sustainable Resource Development, Industry Canada, Navigation Canada, Kapasiwin, Lakeview, Wabamun, ATCO Pipelines, Canadian National Railway, TransAlta, and Wabamun Marina Ltd.

71. When consulting with First Nations, AltaLink engaged boutique consulting firms with expertise related to First Nations consultation.

72. AltaLink indicated that it had incorporated feedback from its stakeholders as a result of its consultation. Specifically, the use of a low-sag conductor to ensure adequate clearing over water, instead of proposing taller towers or additional towers, was the result of stakeholder's feedback.⁴⁵ Furthermore, AltaLink also stated that the reduction of the additional required right-of-way and the conductor phasing to reduce electric and magnetic fields (EMF) were also proposed as a result of stakeholder feedback.⁴⁶

⁴² Transcript, Volume 2, page 434, lines 12-23.

⁴³ Exhibit 2.00, Application, page 22.

⁴⁴ Exhibit 2.00, AltaLink Application to the Alberta Utilities Commission: 902L Small Conductor Replacement Project in the Wabamun Lake Area, August 2011, page 21.

⁴⁵ Exhibit 2.00, Application, page 33. See also Transcript Volume 2, pages 215 and 273.

⁴⁶ Exhibit 2.00, Application, pages 35 and 38. See also Transcript Volume 2, page 273.

73. AltaLink acknowledged that a common theme heard during consultation with potentially affected stakeholders and re-iterated in the intervenor evidence was their desire to have a portion of the existing 902L and 913L lines decommissioned and relocated. However, AltaLink stated that the approved NID only contemplates reconductoring of the 902L line.⁴⁷ AltaLink submitted, even if the circumstances were such that the decommissioning of the 902L line was contemplated, relocating the 902L and 913L lines would “shift impact to a new group of landowners. It would result in additional impacts in the form of a new right-of-way acquisition, additional clearing, and routing the line through Wabamun Provincial Park.”⁴⁸

Intervenors’ views

74. Notwithstanding the Commission’s earlier ruling declining to review the NID approval, the KLO and the Wabamun ratepayers argued that the AESO’s notification of the NID was inadequate in the sense that AESO did not engage in public consultation with potentially affected landowners.⁴⁹ Members of the KLO and Wabamun ratepayers testified that the reason they did not object to the NID, and as a consequence did not participate in a hearing into this NID was because they were not aware of it. Further, the KLO and the Wabamun ratepayers argued that AltaLink did not meaningfully discuss the alternate route proposed by them. Rather, the KLO and Wabamun ratepayers claimed that AltaLink was focused on the fact that the AESO’s NID for replacement of the conductors had already been approved by the AUC and that if an alternate route was selected, the associated costs would be borne by the Village of Wabamun.⁵⁰

75. As a result, testimony focused on the concerns of using the current 902L line proposed by the NID, and the potential merits and benefits of an alternate route. Counsel for the intervenors explained that additional consultation is required from potentially affected stakeholders on the alternate routes before it can be determined which route will best suit the public interest.⁵¹ Intervenors also stated that, contrary to AltaLink’s position, several residents within the 800-metre zone were not involved in AltaLink’s consultation process. Some residents did not receive any information packages or forms, and that there had been no opportunity for individual consultation. Additionally, residents who received the information packages described them as being overly complex and difficult to understand.

Commission findings

76. The Commission’s requirements for public consultation are found in AUC Rule 007. To satisfy AUC Rule 007, the applicant’s duty is two-fold. First, the applicant must provide relevant and comprehensive information about the specific project to potentially affected parties. Second, the applicant must conscientiously elicit feedback and meaningfully respond to concerns raised by interested parties. The Commission emphasizes the need for consultation in each and every application as it is highly effective in identifying stakeholder concerns and often results in mitigating potential impacts of the project. As stated in AUC Rule 007:

⁴⁷ Transcript, Volume 1, page 25, lines 6-10.

⁴⁸ Transcript, Volume 1, page 25, lines 11-16.

⁴⁹ Exhibit 72.06, Submissions of Kapasiwin Landowners (“KLO”) and the Village of Wabamun Ratepayers and Residents Association (“VWRRRA”), March 20, 2012, page 5, paragraphs 14-17.

⁵⁰ Exhibit 72.06, Submissions of Kapasiwin Landowners (“KLO”) and the Village of Wabamun Ratepayers and Residents Association (“VWRRRA”), March 20, 2012, page 5, paragraph 18.

⁵¹ Transcript, Volume 2, page 254.

The Commission considers it paramount that effective communication takes place among industry, government, and the public so that concerns may be raised, properly addressed, and if possible, resolved. All persons whose rights may be directly and adversely affected by a proposed development must be informed of the application and have an opportunity to voice their concerns and to be heard.⁵²

77. The Commission has carefully considered the concerns raised by individual landowners and landowner groups that the consultation, as it related to their interests in particular, may have been lacking in their view. The Commission has also considered that a number of affected landowners or business owners expressed concern relating to the notification and public involvement process. However, based on the evidence provided by AltaLink and the interveners, the Commission is of the view that AltaLink has satisfied the requirements for public consultation, pursuant to AUC Rule 007.

78. As prescribed in AUC Rule 007, AltaLink developed a participant involvement program to ensure that technical information is conveyed to the widest possible audience. AltaLink complied with the requirement to provide public notification to occupants, residents and landowners within the 800-metre zone by way of mail-out information packages. As required, trained AltaLink community consultants contacted affected landowners via telephone and conducted in-person meetings. AltaLink also organized a public open house meeting to continue their discussion with affected stakeholders. Finally, AltaLink informed all stakeholders within the 800-metre zone of application updates.

79. By following AUC Rule 007, AltaLink and the interested parties were able to engage in meaningful dialogue and address several concerns. As previously indicated, stakeholders expressed concerns related to the effects of EMF, property values, water safety and environmental impacts. To address EMF, AltaLink stated that optimized phasing will be implemented to reduce the magnitude of EMF.⁵³ In an effort to increase the transmission line clearance over Wabamun Lake while reducing the potential visual impact, AltaLink has committed to installing low sag wires as opposed to the construction of additional towers.⁵⁴ Finally, bird diverters would be installed on the transmission lines to reduce collisions with the local avian population.⁵⁵

80. While AltaLink conceded that they were not able to contact eight stakeholders, it was uncontested at the hearing that they had followed the standard protocol of ‘five telephone calls and three door knocks’.⁵⁶ AltaLink partially attributed these difficulties to the fact that many of the residences within the 800-metre zone were summer residences. As a result, mail was collected infrequently during the winter season and deep snow blocked the residences’ entrances. Although the Commission appreciates these difficulties, the Commission is of the view that AltaLink should strive to develop and implement a consultative strategy that addresses the complications of seasonal residences.

81. With respect to whether AltaLink should have conducted consultation with potentially affected parties on the conceptual alternate route, the Commission finds that this was not

⁵² AUC Rule 007: Applications for Power Plants, Substations, Transmission Lines and Industrial System Designations, Appendix A, page 39.

⁵³ Transcript, Volume 2, page 273.

⁵⁴ Transcript, Volume 2, page 215.

⁵⁵ Exhibit 2.00, Application, page 41.

⁵⁶ Exhibit 2.00, Application, page 21.

necessary in this particular case. Firstly, the NID does not contemplate the conceptual alternate route. The NID, and the subsequent functional specifications, only required that AltaLink apply to replace conductors of the existing 902L line. Secondly, Mr. Johns, on behalf of AltaLink, in many instances at the hearing, stated that the conceptual alternate route was not technically feasible. In fact, Mr. Johns stated that the existing facilities could not accommodate both the 902L line and the 913L line.⁵⁷ For the foregoing reasons, the Commission finds that AltaLink was not required to conduct consultations with respect to the conceptual alternate route.

82. The Commission finds that AltaLink's participation involvement program with respect to the proposed replacement of conductors of the 902L line adhered to the requirements of AUC Rule 007. The fact that AltaLink had been communicating with the Village of Wabamun for a year demonstrates a genuine interest to address and resolve stakeholder concerns.

7.2 Environmental impacts

AltaLink's views

83. The environmental impacts and AltaLink's response to them are outlined in the application⁵⁸ as well as their report (Technical Memo)⁵⁹ prepared by EBA Engineering Consultants. The 902L line is located in Parkland County, Alberta within the dry mixed wood sub region of the Boreal Natural Region. The land cover in the proposed area is classified as rangeland and the dominant land use of the area is municipal and industrial. The proposed reconductoring of the 902L line comprises of work in two four-kilometre sections of an existing transmission line that parallels Wabamun Lake.

84. With respect to the Technical Memo, its analysis was conducted on a desktop review of two areas, Wabamun Lake Provincial Park and a Municipal Reserve, for potential avian environmental constraints. This desktop review included aerial photographs, government and non-government environmental data sources and field level reconnaissance. The provincial park provides overnight camping and recreational activities including fishing, swimming and hiking as well as bird watching. The Municipal Reserve is located within the Summer Village of Kapasiwin and comprises of residential lakeside cottages. It was determined that three provincially listed avian species at risk have the potential to be found within the project area; eight federally listed avian species at risk have the potential to be found within the project area; and nine species with Alberta Environment and Sustainable Resource Development recommended setback distances have the potential to be found within the project area. At the hearing, Mr. Johns, appearing for AltaLink, confirmed that while these species have the potential to be found within these areas, none have been found within AltaLink's right-of-way for this project.⁶⁰

85. AltaLink stated that, although the proposed project does not require an environmental impact assessment or conservation and reclamation approval under the *Environmental Protection and Enhancement Act*, the project must nevertheless comply with Alberta Environment and Sustainable Resource Development's *Environmental Protection Guidelines for Transmission Lines Fact Sheet R&R/11-03*. This guideline sets out the requirements applicable to AltaLink's

⁵⁷ Transcript, Volume 2, page 441, lines 3-10.

⁵⁸ Exhibit 2.00, Application, pages 40-43.

⁵⁹ AML Information Request Response to Intervener, Attachment to DUNC.AML-009, "Technical Memo", Exhibit No. 64.01, Application No. 1607570, Proceeding ID No. 1394, February 28, 2012.

⁶⁰ Transcript Volume 1, page 130 at lines 1-4.

project when impacts on land, water, air or wildlife are identified or encountered. The guidelines also provide the necessary direction for AltaLink to achieve conservation and reclamation with respect to their proposed project including route selection, scheduling/timing and right-of-way clearing.

86. AltaLink's mitigation practices are described in the application and will specifically be implemented as set out in their environmental protection plan which includes adherence to environmental legislation and environmental regulatory requirements. AltaLink's environmental evaluation included a review of historical aerial photography and environmental data from federal, provincial and non-governmental databases. AltaLink's mitigation practices apply to the utilization of the existing transmission line, brushing and clearing activities, conservation of soil and disturbance of vegetation. The mitigation practices are designed to reduce or avoid impacts created by the reconductoring and operation of the transmission line. The specific nature of the mitigation plans will be based on further field studies or pre-disturbance assessments prior to the reconductoring of the transmission line and environmental practices. Moreover, plans and monitoring will be in place for the reconductoring and ongoing operations associated with the 902L line.

87. Some mitigation practices outlined by AltaLink will include:

- Utilizing existing infrastructure; new structures are not proposed.
- Location of project is away from rare plant occurrences.
- Selective vegetation clearing.
- Vegetation removal is expected to be minimal and will comprise of clearing low step-density shrubs and saplings.
- Project will not involve impacts to water resources.
- Project works will occur under frozen and/or dry conditions.
- Project is scheduled to occur during winter/early spring, thereby reducing or avoiding adverse impacts to wildlife.
- Brushing and clearing activities are not anticipated within the avian nesting season. When this is not possible, nesting surveys will be completed and site-specific mitigation procedures will be developed.
- Bird diverters will be attached to the overhead lightening shield wires to reduce potential bird collisions with the wire.
- When necessary, appropriate soil conservation measures will be implemented to prevent soil erosion, compaction, rutting, and sedimentation. These measures may include:
 - silt fencing
 - rig matting
 - restricting equipment and activities to areas of existing disturbance
 - undertaking construction activities in dry or frozen conditions
 - delaying construction activities as a result of inclement weather in order to avoid soil damage or degradation
- Use of existing access trails and roads.

88. AltaLink submitted project activities will be confined, to the extent possible, to the existing transmission line right-of-way, the temporary construction work zone, and existing access trails and roads.

89. AltaLink reiterated that the proposed reconductoring of the 902L line would be using existing structures and no modification or additional structures were being proposed. Accordingly, AltaLink submitted that it did not anticipate any incremental environmental effects as a result of the proposed upgrades. Project activities are expected to be confined to the existing right-of-way, vegetation removal is expected to be minimal and adverse impacts to wildlife are not expected. AltaLink also asserted that it will implement environmental mitigation measures set out in their environmental specification requirements.

90. At the hearing, Mr. Johns, appearing for AltaLink, identified environmental concerns around Wabamun Lake including the potential for birds to strike the overhead shield wire. It was confirmed that one of the most significant environmental impacts of a transmission line is bird collision with the transmission line. Mr. Johns submitted that AltaLink has an avian mortality mitigation plan in place which includes having bird diverters placed along the entirety of the project to increase visibility of transmission line to birds and reduce bird collisions with the transmission line.⁶¹

91. AltaLink also completed a noise impact assessment for the proposed reconductoring of the 902L line in accordance with AUC Rule 012: *Noise Control* (AUC Rule 012). In the application, AltaLink asserted that while AUC Rule 012 contemplates assessing audible noise at the most impacted dwelling, AltaLink conservatively conducted this assessment at a distance of 20 metres from the centerline of the 902L line. The assessment concluded that the maximum audible noise from the proposed upgrades at 20 metres would be compliant with, and well below, the applicable daytime and nighttime sound levels set out in AUC Rule 012.

92. AltaLink concluded that the environmental effects of the proposed reconductoring of the two, four-kilometre sections of the 902L line are anticipated to be negligible.

Interveners' views

93. The Commission received a number of statements of intent to participate from interveners who expressed general concerns with respect to the environmental impacts of the proposed reconductoring of the 902L line.

94. At the hearing, Ms. Duncan, appearing as a member of the KLO, expressed her concerns with the social and environmental impacts of the 902L line, particularly the effect it would have on migratory birds as well as other wildlife habitat.⁶² Ms. Duncan expressed her disappointment about the fact that AltaLink, has not, to date, taken any measures to prevent bird collisions associated with the 902L line.⁶³ Additionally, Ms. Duncan submitted that Wabamun Lake is an important recreational resource and has great historic value. Ms. Duncan submitted that the 902L line affected environmentally sensitive areas in and around Wabamun Lake, Kapasiwin Beach and the provincial park, which could be alleviated or avoided by alternate routing.

⁶¹ Transcript, Volume 1, page 134 at lines 1-25 and page 135 at lines 1-6.

⁶² Transcript, Volume 2, page 310 at line 20 and page 315 at line 23.

⁶³ Transcript, Volume 2, page 315 at lines 12-19.

95. Ms. McClelland, appearing on behalf of her mother, Mrs. Henderson, expressed concerns about the potential impact of the transmission line on the birds and wildlife. Ms. McClelland stated that her father, Dr. Henderson, had a bird sanctuary reserve proclaimed near their property, which is recognized as such by the Kapasiwin Village property owners.⁶⁴

96. Ms. Nimmon, appearing on behalf of her daughter and son-in-law, Anna and James Coghill, also expressed concerns about the potential environmental impact of the transmission line on bird species, particularly given the proximity of the transmission line to the lake.⁶⁵

Commission findings

97. The Commission considers that the potential adverse impacts on the environment along the proposed 902L line have been thoroughly highlighted and discussed in AltaLink's application, submissions as well as in their testimony at the hearing. AltaLink anticipates the environmental effects of the project to be minimal and will confine project activities, to the extent practicable, to the existing transmission line right-of-way. Where environmental impacts cannot be avoided, AltaLink has outlined mitigation measures, guided by practices and direction from Alberta Environment and Sustainable Resource Development's R&R/11-03, and stated that it will comply with these guidelines.⁶⁶

98. The Commission notes that 902L line has been in existence since the late 1960s and that the proposed reconductoring is not expected to have any additional negative environmental impact. Indeed, the Commission believes that certain aspects of the proposed project may have a positive environmental effect. For example, AltaLink's commitment to install bird diverters on the two, four-kilometre segments which are proposed to replace the current segments of the line, which are not currently equipped with bird diverters, is expected to reduce bird collision with the transmission lines.

99. Accordingly, the Commission finds that with appropriate mitigation measures implemented during reconductoring of the 902L line, there are no incremental environmental impacts associated with the replacement of conductors on this existing line.

100. The Commission finds that the noise impact assessment for the proposed reconductoring of the 902L line was conducted in accordance with AUC Rule 012 and concludes that the maximum audible noise from the proposed upgrades at 20 metres would be compliant with, and well below, the applicable daytime and nighttime sound levels set out in AUC Rule 012.

7.3 Electric and magnetic fields (EMF)

AltaLink's views

101. AltaLink submitted that electric and magnetic fields are found everywhere there is electricity. Electric fields are created by the voltage in a conductor, with higher voltages creating stronger electric fields. Electric fields are measured in kilovolts per metre (kV/m). An electric field is easily shielded by objects like trees and buildings. Magnetic fields are generated where

⁶⁴ Transcript, Volume 2, page 362, lines 19-25.

⁶⁵ Transcript, Volume 2, page 369, lines 14-22.

⁶⁶ Exhibit 2.00, AltaLink Application to the Alberta Utilities Commission: 902L Small Conductor Replacement Project in the Wabamun Lake Area, August 2011, page 40.

current is flowing in a conductor. The higher the current passing through the wire, the stronger the magnetic field. Magnetic fields pass through most objects and are measured in milligauss (mG). The electric and magnetic fields produced by transmission lines are considered extremely low frequency electromagnetic fields because the frequency of transmission lines operates at the 60 cycles per second which lies at the low end of the frequency spectrum. Extremely low frequency EMF's are ever present in modern society because of the abundance of electrical objects in our environment, with many devices in an average home or office producing EMF's.

102. AltaLink filed a report entitled "Status Report on Electric and Magnetic Field Health Research" conducted by Exponent (the Exponent report).⁶⁷ The Exponent report indicated that the numerous national and international scientific agencies that have reviewed the extensive body of research have not concluded that long-term exposure to extremely low frequency EMF is a cause of any adverse health effect.⁶⁸

103. The Exponent report showed that the health effects of exposure to EMF has been the subject of extensive research for more than 40 years, including experimental testing on animals, and that agencies such as Health Canada and the World Health Organization had not concluded that exposure to extremely low frequency EMF was a demonstrated cause of any long-term adverse effect to humans, plants or animal health. Nor had these organizations recommended that the general public needed to take steps to limit their everyday exposure to extremely low frequency EMF, including proximity to transmission lines.⁶⁹

104. AltaLink submitted in the application that although the loading through the 902L line was to increase with the replacement of the conductors, by optimizing the conductor phasing for the line, the EMF levels would decrease at the edge of the right-of-way. The calculated maximum magnetic field levels following the proposed changes would be lower than the existing maximum magnetic field levels with the current phasing. Conductor phasing is implemented by changing the phase configuration of transmission line 902L as the transmission line leaves the Wabamun 19S substation.

Interveners' views

105. Certain interveners raised concerns with respect to possible long-term health risks, especially in children, associated with an increase in electromagnetic field levels from the 902L line believed to be caused with an increase in loading. The KLO interveners were unsatisfied with the evidence provided by AltaLink and stated that it was up to the proponent to prove that there was no effect from EMF on human beings.

106. Counsel for the KLO and Wabamun ratepayers provided the conclusions of a report entitled "An Evaluation of the Possible Risks from Electric and Magnetic Fields (EMFs) from Power Lines, Internal Wiring, Electrical Occupation, and Appliances".⁷⁰ Counsel noted that the experts in the field on the subject of EMF effects had a wide range of conclusions with respect to

⁶⁷ Exhibit 14.00, Status Report on Electrical and Magnetic Field Health Research, Prepared by Exponent, June 22, 2010. [Exponent Report]

⁶⁸ Exhibit 14.00, Exponent Report, page 1.

⁶⁹ Exhibit 14.00, Appendix 1, Health Canada: It's Your Health, Electric and Magnetic Fields at Extremely Low Frequencies, Updated January 2010.

⁷⁰ Exhibit 88.01, Errata and Aid to Cross: An Evaluation of the Possible Risks from Electric and Magnetic Fields (EMFs) from Power Lines, Internal Wiring, Electrical Occupation, and Appliances, Prepared by Raymond Richard Neutra, Vincent DelPizzo and Geraldine M. Lee, June 2002.

the degree humans were affected by EMF. No expert witness on the subject of EMF's gave evidence on behalf of the KLO and Wabamun ratepayers.

107. Mr. Mundy, AltaLink's EMF and Electrical Effects Specialist, stated that AltaLink used the advice of external international and national health agencies that have a number of scientists, far more than were used in the KLO's submitted report conclusions, and they take into account all evidence provided to conduct a complete report, before coming to a conclusion. He said that reports and studies have been performed for more than 40 years in the area of EMF effects on human beings, and the World Health Organization conducted a comprehensive review in 2007 of all the research up to that point.

108. Mr. Kosik, an intervener member of the KLO, also questioned the AltaLink panel on the effects of depression in younger children related to power lines and magnetic fields. Mr. Kosik testified that Wabamun Lake had a high rate of suicide for a small town, noting that it was surrounded by transmission lines. Mr. Mundy stated that he was unaware of any connection between depression and high voltage lines or magnetic fields, and that the magnetic fields from a transmission line such as the 902L line would have very low rates at a house 100 metres away. Mr. Kosik also raised his concerns about EMF's interfering with a human beings' internal electric charge. Mr. Mundy submitted that the guidelines that addressed the impact EMF may have on a human's internal electric charge indicated that a level of 2,000 milligauss should not to be exceeded. Mr. Mundy emphasized that the magnetic field directly below the 902L line was only one-tenth of that level.

Commission findings

109. The Commission understands the concerns that interveners have about EMF and its potential effects. However, the Commission must make its decisions based on the best objective evidence before it. The most compelling scientific evidence is that of AltaLink and the Exponent report that surveys over 40 years of research. The research has not concluded that long-term exposure to extremely low frequency EMF is a cause of any adverse health effect.

110. Intervenors did not provide any evidence, or call any specialist or expert witness that challenged AltaLink's evidence on EMF, including the calculations⁷¹ that EMF levels are well below any international threshold. Furthermore, EMF calculations also show the existing electric and magnetic field levels as well as the predicted changes in the strength of the electric and magnetic fields after the conductors are replaced and the 902L line carries more power. According to these EMF calculations, the implementation of the optimum conductor phasing committed to by AltaLink would reduce the strength of both the electric and the magnetic field at the edge of the transmission line's right-of-way, namely 20 metres from the center line, even considering that the 902L line would be carrying more power. Therefore, the Commission finds that EMF levels will not increase if the 902L line were to have its conductors replaced as proposed by AltaLink.

7.4 Future development and property values

Intervenors' views

111. The Village of Wabamun stated that it is a residential community with a population of 662. It is located on the north eastern shore of Wabamun Lake about 70 kilometres west of

⁷¹ Exhibit 63 AltaLink Information Responses to AUC dated February 20, 2012.

Edmonton. The Village of Wabamun offers commercial and retail businesses, about a dozen or so, as well as services such as a school and post office.

112. The Village of Wabamun submitted that this part of Wabamun Lake is one of the best recreational areas around the lake and is the most popular with the greater Edmonton population, offering boating, fishing and camping activities. On a good weekend summer day, the population swells to about 2,000 people.⁷²

113. The Village of Wabamun objected to this reconductoring application because it would leave the existing transmission line in place and impair the development of its waterfront lands, a parcel of 163 acres located along the shore of Wabamun Lake, south of the existing right-of-way of the 902L line and the CNR double track rail line. The Village of Wabamun submitted that it had few options to develop new lands because the Wabamun 19S substation limited growth to the west, the transmission lines to the north posed a similar constraint and the provincial park and Summer Village of Lakeview both to the east prevented expansion in that direction.

114. The mayor of the Village of Wabamun, Mr. Frank Brunning, testified at the hearing that in 2008 and 2009, the village had developed a waterfront plan, the Waterfront Area Structure Plan (waterfront plan) of the Village of Wabamun, for the lands south of the CNR mainline with the purpose of creating a world class attraction to sustain the village's tax base and revitalize the community. The Village of Wabamun was looking at tourism and general residential and commercial development to offset the tax revenue it was losing as a result of the decommissioning of the Wabamun power plant. The Village of Wabamun had received about 40 per cent of its approximately \$2 million annual budget from the power plant.

115. The Village of Wabamun submitted that because of its close proximity to the metropolitan area of Edmonton and the attraction of its large recreational lake, its future growth and prosperity was tied to tourism. The mayor testified that investors were waiting to develop the plan and that most, if not all, of the municipal and provincial government approvals were in place. In furtherance of the waterfront plan, the Village of Wabamun had built a children's water spray park and playground, a pump house, floating docks and developed a new parking area for vehicles and boats by land filling part of the waterfront site. The mayor said that both children and adults would be concerned about using the waterfront because of the electric and magnetic fields produced by the transmission line.

116. A Village of Wabamun councillor, Mr. Allan Kosik, also testified at the hearing. He said that when the Wabamun power plant was closed down in 2010, they were led to believe that the related electric infrastructure would also be removed. He stated:

Although we don't recall -- I don't recall we were actually told the lines and substation would be removed, but neither were we told that they were staying.⁷³

117. Other witnesses from the Village of Wabamun and the Summer Village of Kapasiwin also testified that they believed that the transmission line would be removed once the power plant had been decommissioned although none pointed to any direct statements or

⁷² Mr. Brunning testimony. Transcript Volume 2, page 258, line 22.

⁷³ Transcript, Volume 2, April 17, 2012, pages 241 and 242.

representations from TransAlta, the AESO or AltaLink that the transmission line would be removed.⁷⁴

118. Mr. Kosik stated that the Village of Wabamun would have a difficult time attracting new residents, developers and investors if the transmission line was not removed from the waterfront lands. He believed that the general growth in Wabamun had been stunted for years because of the stigma of the former Wabamun power plant and the many transmission lines and facilities related to the plant, located in and to the north of the Village of Wabamun. With removal of the plant there was now an opportunity to make the Village of Wabamun more attractive for new residents and businesses especially if the power line along the waterfront was removed. He testified that the Village of Wabamun would also like the existing Wabamun 19S substation relocated out of the village in time, but this would be highly unlikely if money was spent to upgrade the 902L line instead of removing or rerouting it.

119. In response to questioning from AltaLink, members of the Village of Wabamun acknowledged that the waterfront development plan as currently completed does accommodate the existence of the power lines as the land adjacent and under the lines would be developed as parking for developments within the waterfront area structure plan. They also acknowledged in response to Commission questioning that the waterfront area structure plan did not contain any reference to the removal of the transmission line.

120. When asked about effect of CNR rail line as an impediment to growth, especially on the waterfront lands, Mr. Brunning stated that there was nothing that the Village of Wabamun could realistically do that would result in a rerouting of the CNR's mainline.

121. In response to the potentially higher cost of rerouting the 902L line away from the Village of Wabamun compared to the present reconductoring application, Mr. Brunning stated that the development of a high quality recreational area centered in the village would provide a benefit to a wide range of Albertans and would balance out the additional cost of a rerouting borne by all ratepayers. Several interveners, who participated at the hearing, submitted that the question should be whether it is fair for 662 people to bear the cost so that on million or more ratepayers can have cheap electricity.

122. The concern over the impact of the existing transmission line on the Village of Wabamun's proposed waterfront development was also expressed by a number of other persons or organizations who either filed statements of support or who gave evidence at the hearing. Individual members of both the Wabamun ratepayers, for example, testified in favour of the waterfront development and its importance to the long-term prosperity and survival of the Village of Wabamun. Some residents pointed out that property taxes would likely increase because of the decommissioning of Wabamun power plant or services may be lost unless a source of municipal revenue like the waterfront project was developed. A member of the ratepayers association who is a realtor testified that sales of homes in the Village of Wabamun over the past year have been slow; quoting only a handful of sales, but that sales activity for lakefront cottages is always good. She testified that slow sales in the Village of Wabamun are not historically uncharacteristic because of the stigma that the power plant and the transmission lines created for potential buyers.

⁷⁴ Transcript, Volume 2, pages 277, 279 and 291.

123. The interveners believed that the transmission lines and other electric infrastructure in and around the Village of Wabamun created a stigma because of the perceived health risks and devaluation of properties, which has diminished the interest in the village by potential permanent and seasonal residents and businesses. Other residents testified that the transmission towers blocked their view of the lake and decreased the value of their homes and investment properties that they were developing.

124. Some interveners testified that they were not concerned about the train traffic because the trains passed through the Village of Wabamun quickly and were gone and were not perceived to create health concerns like transmission lines. Residents also said that they had lived with the power plant and related infrastructure for 56 years and thought that both the substation and the 902L line would be removed once the power plant was decommissioned. Most, if not all, interveners testified that Wabamun Lake was a priceless natural resource and that the Village of Wabamun's lake front lands should be free from industrial facilities such as the transmission line.

125. The interveners retained an expert property valuation firm, Gettel Appraisals Ltd. to prepare a report, the Financial Impact Assessment (the Gettel report),⁷⁵ which outlined the general financial impact, including the saleability, that the reconductoring would have on the waterfront development lands and single family residences in the Village of Wabamun and on developed recreational properties in the Summer Village of Kapasiwin, compared to removing the transmission line. The author of the report, Mr. Brian Gettel also testified at the hearing. He said the purpose of his work was not to pinpoint a highly accurate valuation of the residences and recreational residences, but rather "...more an intent of coming up with an order of magnitude value estimate to suggest what kind of lift in value we may see if the lines were removed".⁷⁶

126. Mr. Gettel described the proximity of developments such as transmission towers, railways, highways, sewage lagoons, landfill sites and the like, as external nuisances to properties which, in general, reduce the value of a property. Essentially, the report concludes that the existing 240-kV transmission line 902L has a negative impact on the value of various properties within the two communities and provides an estimate of the potential increase in value for these properties if the line was decommissioned and removed. However, Mr. Gettel was also able to confirm that the reconductoring of the 902L line, as it is proposed in the application, will not have any incremental negative impact on property values in the Village of Wabamun and the Summer Village of Kapasiwin.⁷⁷

127. The Gettel report looked at several factors in reaching its conclusion including a number of case studies involving residences adjacent to or in relatively close proximity to high voltage overhead transmission lines, inspection of houses in the Village of Wabamun and its waterfront lands, discussion with its officials about the proposed development of the waterfront lands, review of five recreational residences in the Summer Village of Kapasiwin, recent sale activity in the area, and inspection of the 902L line.

⁷⁵ Exhibit 72.02, Financial Impact Assessment AltaLink 240 kV Line Upgrades Various Properties Village of Wabamun Summer Village of Kapasiwin, Prepared for Ackroyd LLP, Prepared by Brian S. Gettel, B. Comm., AACI, Gettel Appraisals Ltd., March 2012 [Gettel Report].

⁷⁶ Transcript, Volume 2, page 388, lines 19 to 22.

⁷⁷ Transcript, Volume 2, page 415, lines 12-17.

128. The Gettel report explained that large overhead transmission lines produce a downward pressure on the value of nearby residential properties because of the real or perceived negative impacts on these properties. Chief among these impacts is the visual disturbance that they have on viewscapes, followed by the real or perceived concern that people have for the effects on their health created by the transmission lines electric and magnetic field. Other negative impacts include noise, safety (towers buckling over, lines coming free), electrical effects on televisions and other electric appliance and general concerns about locating near transmission lines. The Gettel report asserted that the cumulative result of these impacts is a stigma associated with these properties such that potential buyers discount their value.

129. The Gettel report estimated that taking into account all the negative impacts created by the transmission line, the residential properties in the Village of Wabamun, both of which had views of the transmission line, would be worth about five per cent more if the transmission line was not there. The report described this impact as not significant. The Gettel report divided the Kapasiwin properties into two categories; those closest to the transmission line and those farther away. Those properties farther away would be valued at five per cent more than their current value if the transmission line was removed and those closer to the transmission line would be valued at 10 per cent more if the transmission line was not there. Mr. Gettel's assessment did not factor in the presence of the doubletrack CNR main rail line (to Vancouver and Prince Rupert) on any of the properties that he reviewed.

130. The Gettel report discussed the impact of the existing 902L line on the value of a 163-acre block of waterfront land owned by the Village of Wabamun. The conclusions of the Gettel report are premised on several assumptions, some of which are discussed in this section. The Village of Wabamun intends to develop the land for a mix of residential, commercial and public uses. At its fullest development, the lands could support a permanent population of over 2,000 residents in a variety of accommodation including, single, duplex and four-plex dwellings and higher density housing including row houses and walk-up apartments. Commercial, retail and public recreation facilities (boat launch, dock, and beach) would also be developed. The Gettel report noted that the waterfront lands were low lying including wetlands and reclaimed wetlands and would require fill. Moreover, the report noted that the CNR double track main line, passed along the entire north boundary of the waterfront lands to the north and parallel to the 240-kV power line and that up to 30 trains a day travel through the Village of Wabamun.

131. The Gettel report asserted that residential lake front lands in Alberta were desirable and becoming a rare commodity. Taking into account factors such as the sale prices of recent lakefront transactions around the province and Wabamun Lake and the low lying topography, but excluding the effect of the transmission line, if any, the report valued the waterfront lands at approximately \$2.45 million. The report stated that the existence of the four transmission towers carrying the overhead 240-kV power line would devalue this raw parcel of land pending development by 20 per cent. In other words, the waterfront lands would be worth 20 per cent more if the transmission line was removed. The devaluation, the report continued, would also be reflected in the residences and commercial buildings developed on the site. As well, developed properties would take longer to market given the proximity of the transmission line and the impact on the full realization of the waterfront development was significant.

AltaLink's views

132. AltaLink did not lead any evidence on the impact of the project on property values or the economic outlook or development of the Village of Wabamun and its waterfront lands.

133. It submitted that the Gettel report confirmed that there would be no reduction in property values on residences in the Village of Wabamun or Summer Village of Kapasiwin caused by the applied for reconductoring. Specifically, it pointed out that there would be no impact at all on the factors that affect property values (as set out in the report). There would be no change in the visual impact; the level of EMF's would be reduced; and, there would be no perceptual difference in audible noise.

134. AltaLink argued that based on the evidence, it was apparent that the Village of Wabamun prepared the waterfront plan incorporating the existing transmission line and towers. AltaLink also submitted that the double track CNR main line running north of the waterfront lands contributed in no small part to the economic challenges facing the Village of Wabamun in the development of the waterfront. Further, AltaLink argued the transmission line did not appear to be an impediment to the attractiveness of the waterfront as up to 2,000 people have visited the Village of Wabamun on a summer weekend.

Commission findings

135. Almost all of the individual interveners, who argued about the value of their properties being negatively impacted, purchased the properties fully knowing of the proximity of the transmission line to their properties. Their position was essentially that the value of their properties would increase if the transmission line was removed and relocated elsewhere. Mr. Gettel's report and testimony confirmed this. The following exchange is pertinent:

Before I do that, I just wanted to make a clarification point. I believe you mentioned in your opening statement that the reconductoring of the transmission line as is proposed in this application will not have any incremental negative impact on property values in the Village of Wabamun and the Summer Village of Kapasiwin; correct?

MR. GETTEL: Yes, that's my opinion.

Thank you for clarifying that. And so if the transmission lines were removed, that the properties that you have considered for your review in your report would increase by 5 to 10 percent you would say?

MR. GETTEL: Yes. The residential properties, and then the waterfront development I would estimate at 20 percent.⁷⁸

136. The Commission finds that the replacement of the small conductors on the 902L line as the line passes behind Kapasiwin, over Wabamun Lake and along the Village of Wabamun's shoreline towards Wabamun 19S substation, will not cause any incremental reduction in the current value of residences in the Village of Wabamun or in the Summer Village of Kapasiwin. An existing conductor is being replaced with another conductor, which will be visually indistinguishable and the evidence shows that the new conductor will not create any additional

⁷⁸ Transcript, Volume 2, page 415, lines 12-17.

visual, health or noise impacts than what already exists. EMF will in fact be reduced with the implementation of conductor phasing.

137. The Commission understands the Village of Wabamun's basic contention that it is imperative that the 902L line be relocated away from its waterfront in order for the Village of Wabamun to develop the waterfront lands in the most economically advantageous way and increase the overall desirability of the Village of Wabamun as a place to live, play and do business. The Village of Wabamun asserts that tourism, residential and commercial development are needed to make up the tax revenue lost when the Wabamun power plant was decommissioned and looks to its waterfront plan and development as the catalyst to achieve this goal.

138. The Village of Wabamun has produced an ambitious waterfront development plan which in its fullest expression will house over 2,000 people (over three times the present population) as well as accommodate businesses, retail stores, restaurants and an expanded marina. This vision is also predicated to some extent on the removal of the 19S substation on the western edge of the Village of Wabamun and the general reduction of the number of transmission lines that border the Village of Wabamun.

139. The Commission has before it one application and that is to replace conductors on the existing 902L line. There is no application to remove the Wabamun 19S substation or to move transmission lines that are situated to the north and west of the Village of Wabamun and the Commission has not received any evidence that such applications may be forthcoming.

140. In support of the Village of Wabamun's position is the evidence and testimony of its representatives and residents and cottage owners from the Summer Village of Kapasiwin. There is also the report and testimony of Mr. Gettel.

141. One of the assertions in the Gettel report is that the availability of waterfront lands in Alberta is limited because for prominent recreational lakes like Wabamun Lake, houses and cottages have already been built along the best parts of the shorelines. The report valued the Village of Wabamun's waterfront lands at \$15,000 per acre compared to the \$10,000-\$35,000 per acre range of other lake front lands in Alberta.

142. In the Commission's view, the approval of the reconductoring application will not prevent the development of the Village of Wabamun's waterfront lands. There will be challenges to its ideal implementation given the various features of the site including the transmission line, the double track CNR main line and the wetlands upon which the proposed development will be located.

143. The existence of the transmission line may have an impact on the value of the future development and the development may take longer to market. The Gettel report states that the value of the raw waterfront lands and subsequent housing and commercial developments would be increased by 20 per cent if the transmission line was removed. The report also states that marketing such a development would take longer. However, the evidence before the Commission does not lead to the inevitable conclusion that the proposed plan is fatally compromised if the transmission line remains. The Commission did not receive any evidence, for example, from developers with whom the Village of Wabamun or the Summer Village of Kapasiwin had discussions, about the impact of the transmission lines on the waterfront project. There is

certainly evidence that properties adjacent to the existing power line and the railway tracks have sold and continue to sell in the Village of Wabamun and the Summer Village of Kapasiwin.

144. The Commission finds some degree of support for its conclusion in the waterfront area structure plan itself, the municipal planning instrument approved by the Village of Wabamun and the legal basis of obtaining other government approvals for the development. The plan lays out the waterfront development with the transmission line intact. A parking lot is planned under the transmission line. There is no mention in the report that the plan is founded on the essential assumption that the 902L line will be removed. Further, the evidence before the Commission does not establish that AltaLink or TransAlta or the AESO represented to the Village of Wabamun and its residents that the transmission line would be removed when the Wabamun power plant was decommissioned although the Village of Wabamun and residents believed that to be the case. The evidence of Mr. Kosik is probably characteristic of other witnesses who testified at the hearing:

Although we don't recall -- I don't recall we were actually told the lines and substation would be removed, but neither were we told that they were staying.⁷⁹

145. As indicated above, the Commission finds that there are other factors or external nuisances as described in the Gettel report that may influence the overall value and implementation of the waterfront area structure plan. The existence of the CNR's double track main line which parallels the 902L line along the waterfront, is one factor. Mr. Gettel and others testified that up to 30 trains pass through the Village of Wabamun each day. Mr. Gettel stated, "That's a negative as well. That volume of train traffic is not something conducive to residential or recreational use on a non-nuisance basis. It's going to cause some impact as well."⁸⁰

146. The Gettel report also points out that the waterfront lands are wetlands and must be filled in before any development can proceed. The amount of these low lying lands that can be reclaimed would also have an impact on the extent of future development.⁸¹

147. Based on all the evidence submitted, the Commission is not persuaded that the Village of Wabamun's future economic prospects are dependent on the removal of the 902L line along its waterfront.

148. Finally, with respect to the expanded right-of-way, the Commission understands that the existing right-of-way of the 902L and 913L lines is insufficient to meet current engineering standard in some short segments of these lines and accepts AltaLink's explanation that this was because of the inaccuracies in surveying and design technologies employed when the line was originally constructed in the late 1960s. In this respect, interveners did not challenge AltaLink's reasons or request for increased right-of-way. Furthermore, the Commission has reviewed the Focus Maps FP2A, FP3A, FP4A and FP5 of Exhibit 12 outlining the strips of land required to increase the right-of-way to current standards and finds them to be relatively small and justified.

⁷⁹ Transcript, Volume 2, pages 241, 242.

⁸⁰ Transcript, Volume 2, page 388 at lines 2-11.

⁸¹ Exhibit 72.02, Financial Impact Assessment AltaLink 240 kV Line Upgrades Various Properties Village of Wabamun Summer Village of Kapasiwin, Prepared for Ackroyd LLP, Prepared by Brian S. Gettel, B. Comm., AACI, Gettel Appraisals Ltd., March 2012, page 17 [Gettel Report].

149. With respect to the requested temporary work zone, the Commission has also reviewed Focus Map FP1, which shows that the required temporary work zone area is proposed on an already disturbed area, and finds it equally justified.

8 Summary of Commission findings

150. The Commission assessed the evidence presented before it to determine whether or not the proposed conductor replacement project is in the public interest. The Commission's findings are as follows:

- There are no incremental environmental impacts associated with the replacement of conductors on this existing line. This finding is based on the fact that the 902L line has been in existence since the late 1960s and that the proposed reconductoring is not expected to have any additional negative environmental impact. Furthermore, AltaLink's commitment to install bird diverters on the two four-kilometre segments, which the existing the 902L line is currently not equipped with, is expected to reduce bird collision with the transmission lines.
- The noise impact assessment for the proposed reconductoring of the 902L line was conducted in accordance with AUC Rule 012 and concludes that the maximum audible noise from the proposed upgrades at 20 metres would be compliant with, and well below, the applicable daytime and nighttime sound levels set out in AUC Rule 012.
- EMF calculations show that, with the implementation of the optimum conductor phasing committed to by AltaLink, the strength of both the electric and the magnetic field would be less than the strength of the exiting fields, at the edge of the transmission line's right-of-way, even considering that the 902L line would be carrying more power when equipped with new conductors. The Commission finds that EMF levels will not increase if the 902L line were to have its conductors replaced as proposed by AltaLink.
- The replacement of conductors will have no effect on current property values according to the report and testimony of Mr. Gettel, the intervener's expert witness.
- The Commission is not persuaded that the Village of Wabamun's future economic prospects are dependent on the removal of the 902L and 913L lines. There may be challenges to the development of the waterfront lands which may include the transmission lines, the CNR double track mainline and the wetlands that make up the waterfront lands, but the formal waterfront area structure plan incorporates these factors. The evidence before the Commission is that the value of the waterfront development may be reduced, not that the development is solely dependent on the removal of the transmission lines.

151. Based on the above findings, the Commission concludes that the proposed conductor replacement project is in the public interest.

9 Decision

152. Pursuant to sections 14, 15 and 18 of the *Hydro and Electric Energy Act*, the Commission approves the application subject to the terms and conditions as set out in Appendix 5 – Permit and Licence No. U2012-529 to AltaLink to alter and operate its portion of the 902L line; Appendix 6 – Permit and Licence No. U2012-530 to TransAlta to alter and operate its portion of the 902L line; and Appendix 7 – Connection Order No. U2012-531 ordering AltaLink and TransAlta to connect their portions of the 902L line at the Paul Band First Nation reserve borders. These appendices are being released concurrently with this decision but as separate documents.

Dated on October 31, 2012.

The Alberta Utilities Commission

(original signed by)

Tudor Beattie, QC
Panel Chair

(original signed by)

Ian Harvie
Acting Commission Member

Concurring decision of Commission Member Lyttle

I concur with the outcome of this decision, but with differing reasons. In this section, I express my view that the limited scope of the NID application as it relates to the reconductoring option restricted the scope of the current decision. I also provide my views on whether an application under Section 17 of the *Hydro and Electric Energy Act* could apply in these circumstances. Finally, I express my views on how to enhance the regulatory approval process when the proposed project involves the replacement or upgrading of transmission facilities in the same location as existing facilities.

Scope of NID limits the Commission's scope for this decision

1. The AESO's witness, Mr. Xu, stated that the AESO did not consider any alternatives to reconductoring.⁸²
2. Since the AESO did not consider any alternative to reconductoring, neither the NID application that was approved by the Commission nor this subsequent application allow for the consideration of any alternatives.
3. The AESO believed the constraint was efficiently addressed without having to consider alternatives and "The development of the NID, as it relates to the AltaLink application, followed conventional parameters."⁸³ This conventional parameter of "we try to use existing lines" in this unique situation resulted in a failure to have any alternative routing options presented in this application.⁸⁴
4. I understand that when a system constraint can be solved by upgrading existing lines, the AESO generally assumes that the best solution is a relatively simple upgrade, as opposed to building a new line in a different location. In most situations this assumption would result in the best technical solution, but in this unique case it is my view that there was information regarding the age and location of the current transmission line available to the AESO at the NID stage to suggest that another reasonable technical solution was worthy of investigation.
5. I accept that the facility application for this project must be consistent with the NID approval and therefore I must consider that facility application in isolation from any potential alternatives. In that respect, I am satisfied that approval of the application is in the public interest having regard to its social, economic and environmental effects. Consequently, I concur with my fellow Commission members in finding that AltaLink's application as presented is approved.

Evidence suggesting rerouting may be feasible

6. During my questioning of the AltaLink panel I analogized the reconductoring option in this proceeding to keeping an old vehicle and putting a new engine into it. It may be worthwhile to keep the old vehicle running, but you have to weigh both the cost of the new engine and the cost of replacing the old body when it wears out against how much it would cost to buy a new vehicle. Buying a new vehicle would be equivalent to the rerouting option I pursued in questions

⁸² Transcript, Volume 1, page 159.

⁸³ Transcript, Volume 1, page 159.

⁸⁴ Transcript, Volume 1, page 201.

to the witnesses. Even though it definitely will cost more in the short term, longer term it may be a more practical solution.

7. While it is undisputed that the cost of rerouting the line was more than reconductoring the existing line, that apparent difference in costs significantly contracted during the course of the proceeding. The difference was originally stated by AltaLink to be \$19.5 million,⁸⁵ but upon further analysis in the hearing, that difference was reduced to \$9.3 million in AltaLink's information request response. This reduction trend may continue when the parameters are examined more closely.

8. After the Commission's information requests to reflect lifecycle costs and tower replacement, AltaLink responded with new estimates over 10-, 20-, 30- and 40-year periods comparing the alternatives using net present values (NPV). The incremental NPV difference in the 10-year period was \$14.5 million (\$19.4 million - \$4.9 million) and declined to \$9.3 million (\$20 million - \$10.7 million) in the 40-year period between the reconductoring and rerouting options. AltaLink conservatively assumed that the earliest likely timing to replace towers 1-13 would occur in 2035, and it was explained in a subsequent response to additional information requests from the Commission that any NPV estimate shorter than 2035 would not include this outlay.⁸⁶

9. In addition, the information response further indicated that, "This \$10.5M is inflated to 2035 dollars (\$18.1M) and then discounted back to 2012 which results in \$5.5M in 2012 dollars in the 30-year and 40-year analyses." By inflating current tower replacement expenditure estimates at one rate and discounting them back at a different rate, balloon payments made in distant years bear little resemblance to their currently assumed cost. Replacing the towers now costs \$10.5 million, however, in the NPV analysis is assigned a value of only \$5.5 million.

10. The incremental financial cost of rerouting the line of \$9.3 million could be reduced further if the projected \$10.5 million cost of replacing the transmission towers, is taken into account in a different way rather than assigning it a value of \$5.5 million.

11. Using this comparative economic information regarding the two alternatives could have provided a useful starting point for discussions between AltaLink and the Village of Wabamun and Summer Village of Kapasiwin regarding the potential to reroute the line. Instead, I understand that this option was not explored by the village at all because of AltaLink's position that any expenses involved with the investigation of an alternate route would be borne by the Village of Wabamun.⁸⁷ In relation to my earlier analogy, AltaLink's cost estimate to the Village of Wabamun only included the full cost of the "new vehicle" against the cost of the new engine without regards to these other factors.

12. AltaLink conceded that it does take into account the effect of "citizen's fatigue." This question was posed by Commission counsel in relation to Wabamun residents bearing the negative impacts of this line for another 50 years.⁸⁸ However, in my view this perceived effect has not been necessarily applied by AltaLink in this instance as it did not propose any NID

⁸⁵ Transcript, Volume 1, page 159.

⁸⁶ Exhibit 0104.02.AML-1394.

⁸⁷ See paragraph 42 of this decision.

⁸⁸ Transcript, Volume 1, page 125.

amendment to the AESO on behalf of the residents nor negotiate with the Village of Wabamun with the future costs of tower replacement in mind.

13. In my view, in addition to the lower cost as detailed above, rerouting would result in shifting some of the perceived negative impacts of the transmission line to different areas. Those negative impacts could be less significant in the new areas based on the evidentiary record as detailed by interveners compared to the current effect of the line on the Village of Wabamun and the Summer Village of Kapasiwin. There is less residential and development property in close proximity to the reroute and it also runs parallel to existing transmission lines, resulting in a less significant visual impact when compared to an area where there would be ‘open sky’ on a lakefront if it were not for the presence of the transmission line.

14. The current project includes the installation of bird diverters that were proposed to mitigate environmental concerns. Removing the line between the lake and the provincial park would remove the bird obstruction and eliminate that mitigation need entirely. Environmental considerations based on the evidence could give support to rerouting.

15. The waterfront area where the transmission towers are currently located is not only a valuable resource for the Village of Wabamun; it is a place that many Albertans may spend their recreational time. Therefore, rerouting of the transmission line away from that area could create a social benefit for many more Albertans than just the residents of Wabamun.

16. For these preceding reasons I believe there is still a possibility that rerouting of the transmission line may be feasible, despite being outside the scope of this decision.

Continuing potential for relocation of the line

17. Although the Commission is constrained in this decision because AltaLink’s application must be consistent with the NID approval and the direction provided to it by the AESO, there is still the option for the parties involved to further investigate the feasibility of the rerouting option.

18. Section 17 allows the Commission to direct a transmission facility owner to relocate all or part of a transmission line either on its own motion or at the request of a third party as long as it is satisfied that the relocation is in the public interest. Further, Section 17 establishes the Commission’s jurisdiction to determine which party shall be responsible for paying the costs associated with the relocation.

19. The Commission briefly discussed its authority under Section 17 in Decision [2009-028](#).⁸⁹ In that proceeding, the City of Lethbridge sought to have a portion of a transmission line running through the Old Man River Valley placed underground. While the Commission did not approve the underground option, it did state that it could entertain a cost-sharing agreement between Lethbridge and the transmission facility owner for the placement of a portion of the line underground.

⁸⁹ Decision 2009-028: AltaLink Management Ltd. – Transmission Line from Pincher Creek to Lethbridge, Application No. 1521942, Proceeding ID No. 19, March 10, 2009.

20. Having regard to the foregoing, the Commission could entertain a cost-sharing plan between the interveners and AltaLink for the relocation of the line away from the Village of Wabamun and the Summer Village of Kapasiwin. Some factors that the parties could weigh during their discussions could be:

- The benefits of relocation that may accrue from relocation that will accrue exclusively to the residents of Wabamun and Kapasiwin.
- Residents located their homes over the last 47 years knowing the location of the towers and lines on the foreshore.
- The potential negative impacts of the relocation on other residents.
- The benefits associated with relocation that may accrue to all ratepayers;
- The \$4.7 million estimated costs for reconductoring that would no longer need to be spent.
- The present value of the cost to relocate line.
- The \$10.5 million estimated costs associated with the replacement of existing tower structures in the near future that are likely to be required by all ratepayers in the province given their current age and condition.

Enhanced NID requirements for replacement-in-place projects

21. Notwithstanding my approval of AltaLink's application, I am of the view that the regulatory approval process for new transmission facilities could be enhanced in situations where the AESO's preferred technical solution in a NID is for a replacement-in-place project. Specifically, I consider that a reasonable distinction may be drawn between NID applications for new facilities in a "greenfield" location and NID applications for a replacement-in-place project.

22. Where a NID proposes new transmission facilities in a new location, the NID will generally include a "swath" or corridor in which the new facilities could be sited. The AESO's choice of a swath or corridor is informed by a high-level land use impact study that is conducted on the AESO's behalf by a transmission facility owner. In this situation, the issue of direct and adverse impacts on area landowners and residents is generally difficult to assess at the NID stage because the proposed project could follow a variety of different routes within the swath.

23. The situation is considerably different where a NID proposes a replacement-in-place project. In these circumstances, the impacts associated with the AESO's preferred technical solution on area landowners are clear and evident because the routing of the project is effectively determined at the NID stage. From a landowners' perspective, there is very little difference between the approval of a NID and the approval of the facility application in these circumstances.

24. This sentiment was also detailed in Decision [2010-208](#)⁹⁰ where the Commission, in paragraph 63, encouraged the AESO to "combine needs applications and facility applications

⁹⁰ Decision 2010-208: Alberta Electric System Operator – Needs Identification Document Application – Yellowhead Area Transmission System Development, Application No. 1605154, Proceeding ID No. 270, May 12, 2010.

where possible to provide a simpler, more efficient and transparent process for participation by interested parties.”

25. According to Section 35(1) of the *Electric Utilities Act*, the AESO has the choice to direct the transmission facility owner to submit a facilities application jointly with the needs application, after the submission of the needs application, or even after receiving approval from the Commission. The sequence of options enumerated starts with “at the time of preparing a needs identification document,” followed by “after submitting a needs identification document to the Commission” and then “or after receiving Commission approval of a needs identification document”. The use of ‘or’ in Section 35(1) of the *Electric Utilities Act* bestows discretion upon the AESO for any option.

26. Having regard to the foregoing I make the following recommendation with respect to future NID applications for replacement-in-place projects, especially as those costs of upgrading may help defray the overall cost for a better public interest solution with regards to routing.

- NID applications for replacement-in-place projects should include a discussion of relocation alternatives and an explanation regarding why relocation is not the preferred alternative.
- When practical, the Commission encourages the AESO and the transmission facility owner to consider filing NID applications and facility applications concurrently.

Dated on October 31, 2012.

The Alberta Utilities Commission

(original signed by)

Bill Lyttle
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) counsel or representative	
AltaLink Management Ltd. M. Ghikas B. Hunter K. McGlone	
Alberta Electric System Operator J. Smellie	
Kapasiwin Landowners Group Anna Coghill James Coghill Nancy Nimmon Linda Duncan Mary Jane Fedor-Stanton Maureen Murdoch William Robert Smith Valarie Ward Annette McCelland	
Village of Wabamun Ratepayers and Residents Association	
Nick Adashynski Rita Adashynski Margaret Brunning Larry Burton Phyllis Burton Allan Christoffer Linda Christoffer Ken Chalifoux Eleanor Clubb Brian Douglas Jackie Engstrom Philip Engstrom Albert Featherstone Verla Featherstone Debbie Harris Joanne Hay Marvin Kassian Vivian Kosik	Shirley Kostyniuk Walter Kostyniuk Havey Lively Muriel Morgan Evelyn McBain Hugh McBain Pam McDonald Shannon McCulloch Gary Paquette Ray Porter Wabamun Hotel Donald Stadnick Lee Standring Cindy Tuk Van Russell Walter Kosik H. Lively S. Mills
Village of Wabamun F. Brunning Linda Hannah	
A. Kosik	

**Name of organization (abbreviation)
counsel or representative**

D. Hunter

E. Robertson

The Alberta Utilities Commission

Commission Panel

T. Beattie, QC, Panel Chair

B. Lyttle

I. Harvie

Commission Staff

D. Larder, QC (General Counsel)

M. Ali (Commission Counsel)

P. Wickel

K. Taylor

Appendix 2 – Oral hearing – registered appearances

Name of organization (abbreviation) counsel or representative	Witnesses
AltaLink Management Ltd. M. Ghikas B. Hunter	J. Lipinski W. Mundy M. Johns
Alberta Electric System Operator J. Smellie	A. Xu
F. Brunning	F. Brunning
A. Kosik	A. Kosik
Village of Wabamun Ratepayers and Residents Association and Kapasiwin Landowners Group D. Bishop	H. Lively S. Mills A. Featherstone M. Brunning J. Latham H. McBain V. Kosik J. Hay L. Ducan M. Murdoch N. Nimmon A. McClelland G. Gettel

Appendix 3 – Ruling on preliminary motion

April 10, 2012

To: All registered parties

AltaLink Management Ltd.

Transmission Line 902L Conductor Replacement

Application No. 1607570

Proceeding ID No. 1394

Ruling on preliminary motion of the Kapasiwin Landowners and the Village of Wabamun Ratepayers and Residents Association

1. The Alberta Utilities Commission (AUC or the Commission) received a preliminary motion filed by Counsel Debbie Bishop (Ackroyd LLP), representing the Kapasiwin Landowners and the Village of Wabamun Ratepayers and Residents Association (collectively, the interveners), on March 20, 2012. The first part of the motion seeks a review and variance of the Commission's approval of a needs identification document (NID) in Application No. 1584342 (Approval No. U2009-62) and subsequent Application No. 1605880 (Decision 2010-075 and Approval No. U2010-85). The motion asks that the Commission initiate this review on its own motion or on the motion of the interveners. The interveners assert that some of their members did not have an opportunity to object to the portion of the NID that affects them. In the alternative, the second part of the motion requests that the Commission direct the Alberta Electric System Operator (AESO) to sit a witness panel at the upcoming facility hearing to testify about its consultation in the NID proceeding and how it develops route alternatives with transmission facility owners.
2. The interveners seek to have the NID approval reheard so they may argue against the current location of the existing 902L transmission line as it traverses their community and lands. They object to application to reconductoring the existing 902L line because the transmission line itself will not be relocated away from their community and lands.
3. On March 28, 2012, the Commission requested the AESO and AltaLink Management Ltd. (AltaLink) to provide comments on or before April 2, 2012, with respect to the motion and interveners to reply on or before April 4, 2012. AltaLink had already responded to the motion on March 27, 2012, and provided an additional letter on April 2, 2012, in direct response to the Commission's letter. The Commission granted extensions to the AESO and the interveners. The AESO filed a response on April 3 and on April 10, 2012. The interveners filed their reply on April 6, 2012.
4. The Commission has considered the submissions of all parties and has instructed me to advise you of its decision.

Commission findings

5. The Commission finds that under Section 3 of AUC Rule 016: *Review and Variance of Commission Decisions* (AUC Rule 016), the interveners are out of time as a review and variance motion must be filed within 60 days of the issuance of a NID decision. The initial NID decision and subsequent amendment were issued in 2009 and 2010, respectively.
6. Section 2 of AUC Rule 016 provides that the Commission may, at any time, review a decision on its own motion. There is no time limit within which the Commission must initiate the review, however, the Commission must consider carefully the circumstances of each request before deciding to initiate a review of an earlier decision. Two considerations in this case are the amount of time that has passed since the NID was approved, as well as the question of notice to the interveners.
7. As noted above, the original NID application was approved on February 24, 2009, in Approval No. U2009-62, and the amendment was approved on February 18, 2010, in Approval No. U2010-85.
8. AltaLink's facility application was filed on August 5, 2011, after considerable public consultation and notice about the nature of its reconductoring application on the existing transmission line and the role that the NID approval played in its application.
9. Commission decisions are intended to give certainty to interested parties, subject only to rigorous review and variance criteria, including time limitations, and appeals. Given the passage of time since the initial NID approval and the approximately nine months since the facility application was filed, the Commission finds that too much time has passed for it to consider a review.
10. With respect to the question of notice, the record indicates that the AESO conducted a participant involvement program including stakeholder meetings, newspaper advertising and a written information mail out to approximately 241,172 parties via direct unaddressed mail through Canada Post (including residences, businesses, schools, farms, hospitals, First Nations and municipalities). The AESO put advertisements in a number of local newspapers notifying readers of the proposed transmission developments. These newspapers included: the Edmonton Journal, the Stony Plain Reporter, the Spruce Grove Examiner, the Devon Dispatch, the Beaumont News, the Leduc Representative, the Sherwood/Strathcona This Week, the Edmonton Examiner and the Wabamun Community Voice. The record also shows a list of the postal codes that received direct unaddressed mail, including postal codes starting with "T0E" that covers Kapasiwin and Wabamun among many other communities.
11. The AUC provided notice to interested parties as well. It issued a notice of the application to interested persons on January 7, 2009. The AUC notice was also published in city and local newspapers such as the Edmonton Journal and Edmonton Sun on January 12, 2009, and in the Stony Plain Reporter and Spruce Grove Examiner on January 16, 2009. The AUC notice solicited objections by February 2, 2009.
12. The Commission finds that interveners had two opportunities to express their concerns and objections to the needs identification document in Application No. 1584342. The first opportunity was during the AESO's public information program and the second opportunity was

in response to the AUC notice of application. In each case, postal code mail outs and newspaper advertisements in local newspapers conveyed notice of the application.

13. In these circumstances, taking into account the length of time that has elapsed since the NID approval and amendment was issued and the notification efforts conducted by AESO, the Commission declines to initiate a review process for the NID and amendment approvals.

14. The Commission does, however, believe that it would be useful to have representatives from the AESO attend the hearing and explain how the original NID application was developed in a general way and, in particular, whether a relocation of the existing 902L line away from the interveners' lands and the communities of Lake Wabamun and Kapasiwin was considered. The Commission appreciates that much of this material is contained in the NID application, but sees merit in conveying the information to the interveners in person. There will be an opportunity for counsel for the interveners to ask questions specifically related to the relocation of the 902L transmission line.

Yours truly,

(sent by email)

Douglas A. Larder, QC
General Counsel

Appendix 4 – Reproduction of Figure 7-1 Stakeholder Requested 902L Conceptual Route Depiction (from AltaLink’s application)

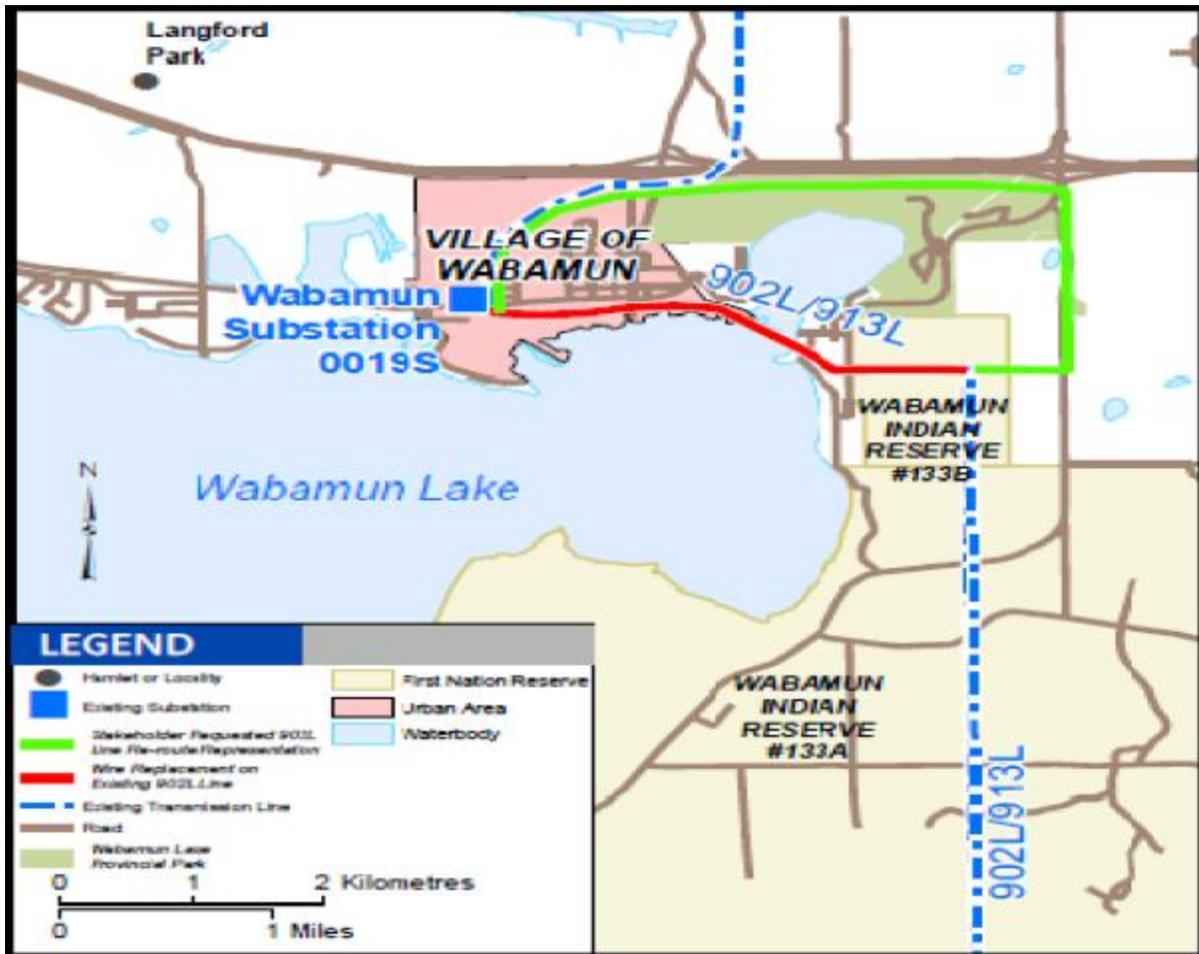


Figure 7-1 - Stakeholder Requested 902L Conceptual Route Depiction