



October 7, 2016

Re: Proposed ATCO Heartland Generating Station Update

Dear Landowners and Interested Parties,

In 2013, ATCO Power proposed to build and operate a 400 megawatt (MW) natural gas-fired power station called the ATCO Heartland Generating Station, located in Strathcona County, approximately 14 kilometres northeast of Fort Saskatchewan on ATCO-owned private land (NW quarter of Section 27, Township 55, Range 21, west of the Fourth Meridian). Please refer to Figures 1 and 2 for maps of the regional area and site location.

In August 2015, ATCO Power proposed to add a second 400 MW generating unit (Phase 2) to the power station. However, given the current electricity demand and market conditions, ATCO Power has decided not to proceed with the second proposed generating unit at this time.

Additionally, ATCO Power has rescheduled the start of construction for the first generating unit to the end of 2018, with full commercial operation scheduled to begin in 2022. The first generating unit has been approved by the Alberta Utilities Commission (AUC) and Alberta Environment and Parks, and ATCO Power is applying to the regulators to update the existing approvals to reflect the new project timeline.

Prior to filing an application, the AUC requires that persons in the area of the proposed project be informed, so that their questions or concerns may be raised and addressed. Please see the enclosed information regarding the AUC process.

If you have any questions or concerns about the ATCO Heartland Generating Station, please contact ATCO Power at heartland@atcopower.com or 1-855-909-6951. Information regarding the project can also be found on our website at www.atcopower.com.

Sincerely,

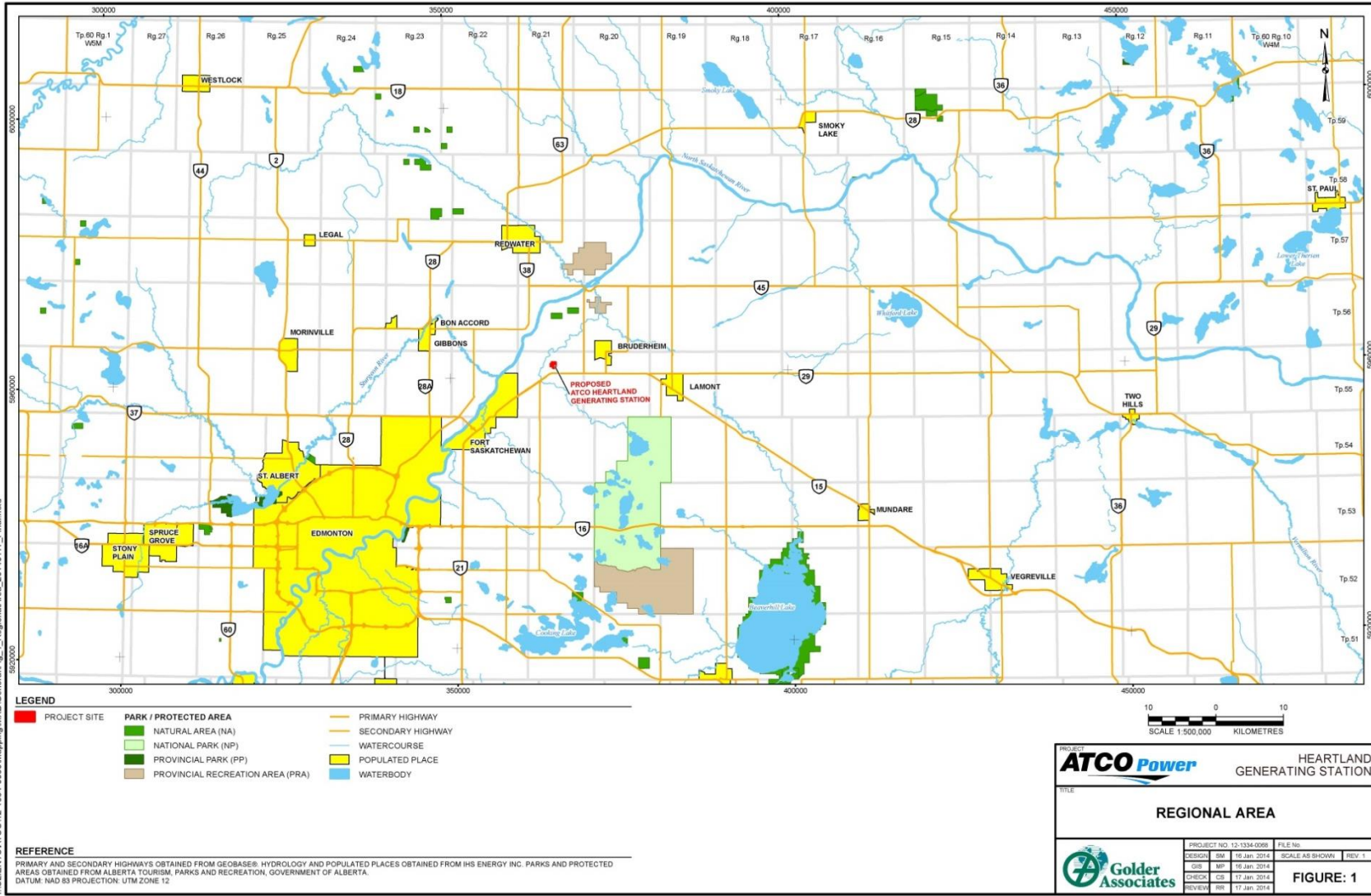
A handwritten signature in black ink, appearing to read "Joan Tingley".

Joan Tingley
Environmental Team Lead
ATCO Power Canada Ltd.

Encl. (3):

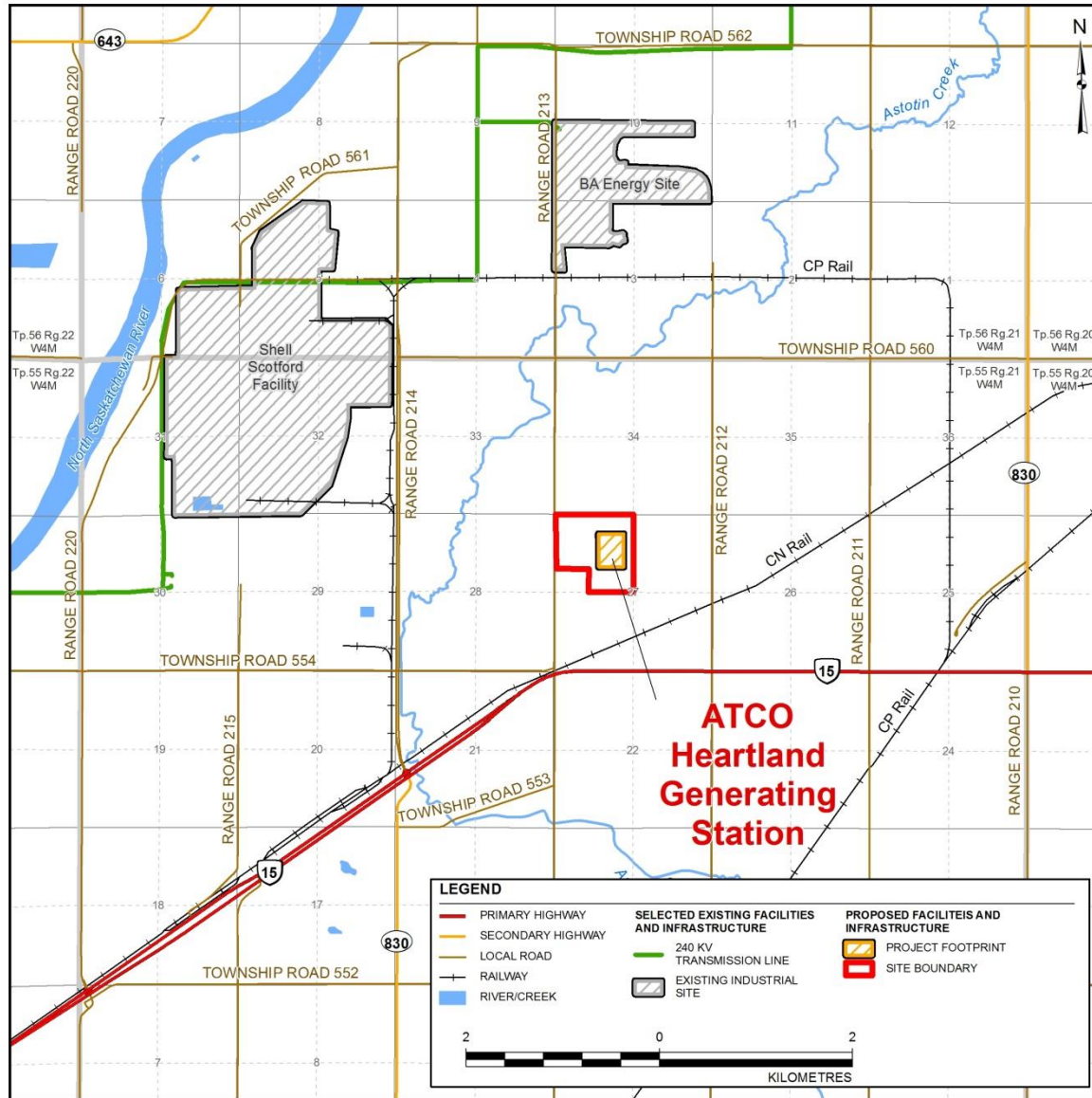
- Regional Area Map
- Site Location Map
- Alberta Utilities Commission: *Public involvement in a proposed utility development* brochure

Figure 1 – Regional Area



I:\CLIENTS\ATCO\12-1334-0088\Mapping\MXD\General\Fig_1_RegionalArea_20140117_Final.mxd

Figure 2 – Site Location



Application process

Step 1*

Public consultation by the applicant.

Step 2

Application filed with the AUC.

Step 3

The AUC issues a notice of application or notice of hearing.

Step 4*

Interested parties submit filings to the AUC with any outstanding issues or objections.

If the AUC does not receive any submissions, the application will be reviewed and a decision may be made without a hearing.

Step 5*

The AUC issues a notice of hearing, if it was not already issued in Step 3.

- Continued opportunity for consultation and negotiation with the applicant.

Step 6*

Public hearing.

Step 7

The AUC issues its decision. Below are the options the AUC may consider for:

Needs applications from the Alberta Electric System Operator:

- Approval of application.
- Return to the Alberta Electric System Operator with suggestions.
- Denial of application.

Facilities applications:

- Approval of application.
- Approval of application with conditions.
- Denial of application.

Step 8

Option to appeal decision or ask the AUC to review its decision.

Step 9

Approvals, construction and operation of facility, if approved.

Having your say

Early discussions with the applicant about proposed utility developments will often result in greater influence on what is filed in the application for approval. Utility developments include natural gas pipelines, electric transmission lines and substations (including Alberta Electric System Operator needs identification documents), and power plants. Should you have concerns related to a proposed utility development, it is best to have early and ongoing discussions with the applicant.

If your objections cannot be resolved, or you have outstanding concerns upon the filing of an application with the AUC, you have an opportunity to submit an initial filing with your objections in writing to the AUC containing the following information:

- How you may be affected by the proposed project and the location of your land or residence in relation to it or any alternative proposed in the application.
- The potential effect the proposed project may have on your property or interest in the property .
- A description of the extent to which you may be affected, and how you may be affected in a different way or to a greater degree than other members of the general public.

Following this initial filing, you may be able to fully participate in the proceeding. This could include having legal representation and participation in a public hearing. It is important to note that any applied for routes and segments (preferred and alternate) could be chosen as the approved route in the AUC decision.

Step 1: Public consultation prior to application*

Prior to filing an application with the AUC for the approval of a proposed utility development, the applicant is required to conduct public consultation in the area of the proposed project, so that concerns may be raised, addressed and if possible, resolved.

The requirements for consultation and notification, namely the participant involvement requirements, are set out in Rule 007 for electric facilities and Rule 020 for gas utility pipelines.

Potentially affected parties are strongly encouraged to participate in the initial public consultation, as early involvement in discussions with an applicant may lead to greater influence on project planning and what is submitted to the AUC for approval.

Step 2: Application to the AUC

When the participant involvement requirements have been completed, the proponent of the utility development files an application with the AUC. The application must indicate the issues which came up during the public consultation and any amendments considered or made to the project. Any unresolved objections or concerns which arose from the public consultation must be identified in the application.

*Denotes opportunity for public involvement

Step 3: Public notification

The Commission will issue a notice when it receives an application that, in the Commission's opinion, may directly and adversely affect the rights of one or more people. The notice is typically sent by mail to residents in the project area and may also be published in local newspapers. The notice will provide key dates, contacts and participation information for those interested in becoming involved in the application process.

Step 4: Public filings to the AUC*

If you have unresolved objections or concerns about the proposed project filed with the AUC for approval and wish to participate in an AUC proceeding, you must make an initial written filing. Your filing must include your contact information, concern or interest in the application, an explanation of your position and what you feel the AUC should decide. Please be aware that any information or materials filed with the AUC, except information granted confidentiality, is available to the public.

Filing your concerns

The eFiling System is a web-based tool created to manage applications and filings made to the AUC through a proceeding-based review. This system gives access to all public documents associated with applications filed with the AUC and is the most efficient way to provide your input to the AUC and monitor the related proceeding filings.

Those who do not have access to the Internet can send filings, evidence and other material by mail or fax and the AUC will upload the submission on your behalf.

Participant cost reimbursement

A person determined by the Commission to be a local intervener can apply for reimbursement of reasonable costs incurred while participating in an AUC proceeding. Details regarding recovery of participants' costs are described in Rule 009: *Rules on Local Intervener Costs*.

Step 5: Consultation and negotiation*

The Commission supports ongoing efforts to reach a positive outcome for the applicant and all affected parties. The Commission encourages the applicant and those who have made filings to continue to attempt to resolve any outstanding issues. If all concerns can be satisfactorily resolved this may eliminate the need for a formal hearing. However, if there continues to be unresolved issues, typically those matters will be addressed at an AUC public hearing.