

Community Update.

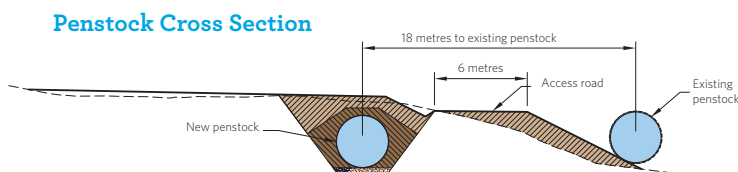


TransAlta's Pocaterra Hydro Facility.

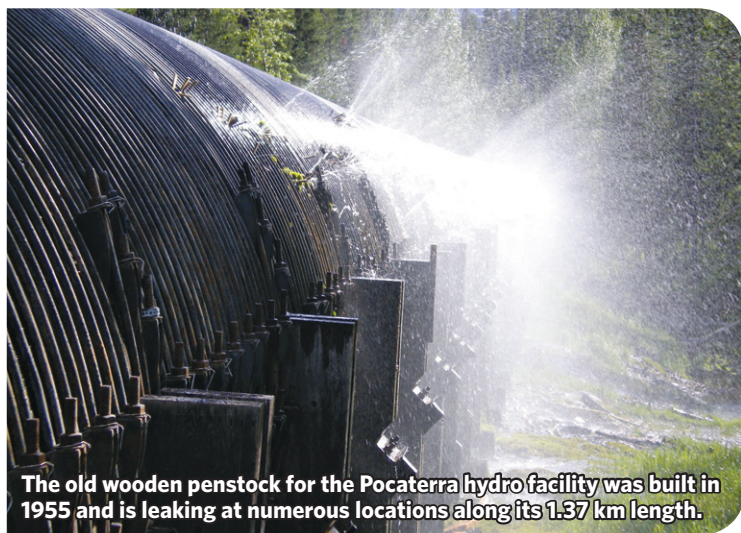
Pocaterra penstock replacement makes good headway.

TransAlta is in the process of completing major maintenance at the Pocaterra Hydro Facility (Pocaterra) located in Peter Lougheed Provincial Park. Key to Pocaterra's generating process is the diversion of water from the Lower Kananaskis Lake through a pipe, known as a penstock. Constructed in 1955, the penstock is leaking at numerous locations and, despite regular preventative maintenance, has reached the end of its operational life. The power house (or generating facility) has many more years of operational life left, and this new penstock will allow it to generate renewable power for years to come.

The new steel penstock is being constructed in parallel alignment to the existing one to minimize the impacts to the downstream environment and water users, and to reduce the outage duration.



TransAlta is burying the new steel penstock as part of the upgrade project. Removing the aboveground penstock will eliminate a barrier to wildlife and reduce the visual impact of the facility.



The old wooden penstock for the Pocaterra hydro facility was built in 1955 and is leaking at numerous locations along its 1.37 km length.

In 2010 TransAlta contracted an engineering firm specializing in hydroelectric construction and maintenance. Stakeholder consultation started in fall 2010 and preliminary site work began in fall 2011. After a short break during the winter, the project kicked off in earnest in April 2012 and has been making good headway ever since.



The Pocaterra Hydro Facility is one of TransAlta's three hydro plants on the Kananaskis River. Pocaterra generates power by diverting water from the Lower Kananaskis Lake to turn a turbine. The water is all returned to the Kananaskis River downstream of the facility.

Project update.

The project contractor, Spirit Pipelines, is currently installing the new penstock in three areas simultaneously which involves placing the 11-foot diameter penstock sections into the trench and welding them together on the outside and inside. Each section is then inspected using ultrasound and specially coated prior to the final step of being backfilled (buried).



November 2011



June 2012



August 2012

Penstock de-watering

The next step will be to 'de-water' the old wood penstock so it can be removed and the new one can be connected. To do so, the water formerly flowing through the old penstock will be gradually diverted through

the Pocaterra spillway, which was designed for instances such as these. By August 15 we expect to be able to start the de-watering process on the old penstock so it can be decommissioned and removed.



Pocaterra spillway.



To protect public safety the Canyon campground (which is directly next to the project construction site) is closed for the 2012 season.

Project timeline.



July 2011
 - Engineering and Design
 - Permitting Approvals

May 2011
 - Public and
 - First Nations Consultation

May 2011
 Ongoing Stakeholder and First Nations Relations

October 2011 - November 2012
 - Construction

Minimizing our environmental impact.

TransAlta is fully committed to designing and constructing our projects to meet or exceed all federal and provincial environmental requirements. We have engaged independent environmental consultants to study the potential impacts of the project to:

- Aquatics and fish
- Terrestrial and animals
- Vegetation
- Water levels

TransAlta has continued to consult with our environmental regulators such as the Department of Fisheries and Oceans Canada, Alberta Parks, and Alberta Sustainable Resource Development throughout the project.



Brown trout are found in the Kananaskis River.

Bear monitoring

Protecting wildlife, their habitat and the environment are core values at TransAlta. That's why we've employed the Wind River Bear Institute (WRBI) and their trained Karelian bear dogs to monitor for bear activity in the project area. The dog and handler sweep the work space every morning prior to the arrival of the crew to ensure none of the resident black and grizzly bears are on site. WRBI monitors using radio and GPS telemetry for collared

bears and the dog's keen sense of smell for the uncollared bears. If a bear is heading into the work space it can be redirected by the use of the dogs, bangers and rubber bullets.

Staff from the WRBI monitor and educate the workforce on proper disposal of bear attractants. TransAlta has contracted WRBI to keep the workers and the bears safe through the duration of the project.



Claire Edwards (left) and Carrie Hunt (right) from WRBI monitoring for bear activity.

Partnering to protect our waterways

At TransAlta, we are proud of our history as a leader in providing reliable power and of our track record in helping develop solutions to limit the environmental impact of generating that power. One of

our mitigation strategies involves habitat preservation and enhancement. Although we use water to generate electricity, we recognize that long term sustainability of waterways not only benefits the

environment and aquatic ecosystems, it is also essential for our operations.

TransAlta works closely with government and leading environmental professionals to develop innovative strategies for habitat preservation and enhancement. For instance, as part of a maintenance project at our Cascade Plant within Banff National Park, we worked closely with Parks Canada and Fisheries and Oceans Canada to develop a plan to offset potential fish habitat loss that may have occurred during previous maintenance. The habitat compensation project resulted in the creation of multiple areas and types of fish and fish habitat enhancement.



Cascade River restoration.

Learn more about our commitment to the environment at: transalta.com/sustainability.

In the community.

TransAlta is committed to being a good neighbour and building long-term relationships within the community.

Community involvement

On August 31, TransAlta and project contractor Spirit Pipelines are sponsoring the Stoney Education Authority's Golf Classic Fundraiser at the Banff Springs Golf Course by placing four teams of golfers (one from Spirit Pipelines and three from TransAlta). Additionally, two TransAlta employees will be volunteering and fundraising at the event. Our efforts will help support the event and raise over \$5,000 towards a new school playground for Morley Elementary School.



TransAlta employees participate in the 2010 golf tournament.



Before the project commenced, an open house was held on April 9, 2011 to gather feedback from community members.

Our commitment

A comprehensive public consultation program was developed to provide opportunities for area residents, businesses, recreational users and First Nations to learn more about the Pocaterra penstock replacement and provide feedback to TransAlta.

For further information on the Pocaterra penstock upgrade contact us at: 1-877-547-3365 ext. 1 or pocaterra@transalta.com.



Horseshoe Falls Dam circa 1911.

Over a century developing renewable power.

Starting with our Horseshoe Hydro Facility, TransAlta has been developing and operating renewable power for almost a century. We plan to continue along this path dedicating the majority of planned growth capacity to renewable power and maintaining a singular focus on generation to satisfy the growing demand for clean, reliable and competitively-priced electricity.

Learn more at: transalta.com.

