

May 22, 2014

Wade Vienneau, Executive Director, Facilities  
Alberta Utilities Commission  
Fifth Avenue Place  
425 – 1 Street SW  
Calgary, Alberta T2P 3L8

Re: Application for Extension of Glacier Power Ltd. – Hydro Development Approval No. U2009-186 and Power Plant Approval No. U2009-187

Dear Mr. Vienneau:

Pursuant to Application No. 1485454 and Joint Review Panel Decision NR 2008-03, the Commission granted to Glacier Power Ltd. ("Glacier") Approval No. U2009-186 to construct and operate a hydro development on the Peace River near Dunvegan (the "Hydro Development" or the "Project"), Alberta; and Approval No. U2009-187 to construct and operate a 100-MW hydroelectric power plant (the "Power Plant") in the Dunvegan area (the "Approvals"). The Approvals are both subject to terms and conditions, which include:

4. Unless otherwise authorized by the Commission, construction of the Hydro Development/Power Plant shall be completed by May 30, 2014. However, upon application from the Operator, the Commission may stipulate a later completion date.

Based on the current Alberta market price forecast combined with the various capital and operating cost assumptions specific to the Project, the project economics are not expected to be favourable until after 2020, when significant coal-fired generation is anticipated to be retired. It is estimated that an additional two to three years are required to complete Project development, including geotechnical investigation and detailed engineering. Project construction is then expected to require approximately four years.

In light of the unfavourable market conditions and to protect our substantial investment to-date, pursuant to Section 19 of the Hydro and Electric Energy Act, Glacier requests that section 4 of the Approvals be amended to extend completion of construction from May 30, 2014 to May 30, 2023. Glacier submits that the requested extension will not result in any negative impacts on the environment or to the public. Glacier also submits that the requested length of extension is necessary to complete development activities and construction of the Project, while allowing sufficient time for the market conditions to improve.

We trust the foregoing is satisfactory. For further information or clarifications, please do not hesitate to contact Barney Woo by email at [Barney\\_Woo@transalta.com](mailto:Barney_Woo@transalta.com) or by phone at (403) 267-3931.

Sincerely,



Brett Gellner  
Chief Investment Officer