



ATCO Electric Ltd.

Alteration to Battle River 757S Substation

August 27, 2010

ALBERTA UTILITIES COMMISSION

Decision 2010-422: ATCO Electric Ltd.
Alteration to Battle River 757S Substation
Application No. 1606443
Proceeding ID 771

August 27, 2010

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Alberta Utilities Commission
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1 INTRODUCTION

1. ATCO Electric Ltd. (ATCO) is the owner and operator of the Battle River 757S substation (Substation), pursuant to Permit and Licence No. U2001-183.
2. ATCO filed an application with the Alberta Utilities Commission (AUC or Commission) seeking approval to alter and operate the Substation. The application was registered on August 9, 2010, as Application No. 1606443 (Application).
3. The Application was filed to meet the need identified in approval U2010-135 issued to the Alberta Electric System Operator (AESO) on April 29, 2010 by the Commission.

2 BACKGROUND

4. ATCO proposed to alter the Substation by adding one 10-MVAR, 72-kV capacitor bank and one 144-kV circuit breaker (Project). Modifications to 72-kV bus and associated protection and control equipment will be necessary to complete the installation of the proposed alterations.
5. ATCO stated that the area surrounding the Substation site is primarily industrial and provincial land.
6. ATCO submitted that it undertook a comprehensive consultation program with landowners, occupants, agencies and other interested parties. ATCO notified all occupants, agencies, landowners and other potentially interested parties within 800 metres of the Substation and conducted personal consultation with the landowners, occupants, agencies and interested parties directly adjacent to the Substation. ATCO also engaged First Nations communities regarding the proposed alterations to the Substation as part of its overall First Nations Consultation Plan for the Hanna Region Transmission Development Project. ATCO stated that no party objected to the proposed alterations to the Substation.
7. ATCO stated that all work proposed in the Application would occur within the existing fenced area of the Substation. Therefore, it is expected that no additional environmental impacts would incur.
8. ATCO filed a Noise Impact Assessment (NIA) for the proposed alterations. Because there are no receptors within a distance of 1500 metres of the Substation, ATCO provided a NIA at theoretical receptors located 1500 metres away from the Substation in the four compass directions. The noise predictions with the Substation modification in place were below the permissible sound levels prescribed in the AUC Rule 012: *Noise Control* (Rule 012).

3 COMMISSION FINDINGS

9. Due to the nature of the Application, the Commission considered that a Notice of Application and a hearing were not required because the Commission's decision or order regarding this Application would not directly and adversely affect the rights of a person pursuant to section 9 of the *Alberta Utilities Commission Act*.

10. The Commission considered the Application pursuant to section 19(1) of the *Hydro and Electric Energy Act* which provides:

19(1) On an application for an approval, permit or licence under this Part, or for an amendment of an approval, permit or licence, the Commission may grant the approval, permit, licence or amendment subject to any terms and conditions that it prescribes or may deny the application.

11. The Commission notes that the AESO directed ATCO to complete the work as described in the Application. The Need Identification Document was approved by the Commission in April 2010. The Commission accepts that the subject application to alter the Substation meets the need determined by the AESO in Application No. 1605359.

12. The Commission finds that the Application meets the requirements of AUC Rule 007: *Rules Respecting Applications for Power Plants, Substations, Transmission Lines, and Industrial System Designations* (Rule 007). The Commission notes that the Application states that a participant involvement program was conducted and accepts ATCO's submission that there are no outstanding concerns or objections in relation to the proposed alterations.

13. The Commission further accepts that the alterations will be carried out within the existing Substation and that the proposed alterations will meet the requirements of AUC Rule 012: *Noise Control*. Further, the Commission accepts that the proposed alterations are not likely to result in any significant adverse environmental impacts.

14. The Commission notes that costs of approximately \$3 million may be intended to be used by ATCO for the purpose of future general tariff applications. The Commission, at this time, is not making any comment on the prudence of the proposed alterations and the inclusion of that amount into ATCO's rate base. Such a prudence review would take place as part of ATCO's future general tariff applications. Further, the Commission is not making any comment on ATCO's choice to install a 144kV circuit breaker in the Substation rather than the 72kV circuit breaker specified by the AESO in the functional specification.

15. Having regard to the foregoing, the Commission is satisfied that the Project is in the public interest and that the requirements of AUC Rule 007, AUC Rule 012 and sections 14, 15, and 19 of the *Hydro and Electric Energy Act* have been met.

4 DECISION

16. The Commission approves the Application pursuant to section 19 of the *Hydro and Electric Energy Act*, and, in accordance with sections 14 and 15 of the *Hydro and Electric Energy Act*, grants ATCO the Permit and Licence set out in Appendix 1 – Substation – Permit and Licence No. U2010-340 – August 27, 2010 (Appendix 1 will be distributed separately).

Dated on August 27, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Anne Michaud
Commissioner