



# AUC

Alberta Utilities Commission

## **Alberta Electric System Operator**

**Amendments to Southern Alberta Transmission System  
Reinforcement and Hanna Region Transmission System  
Development**

**Needs Identification Document Approvals**

**March 15, 2011**

**The Alberta Utilities Commission**

Decision 2011-102: Alberta Electric System Operator  
Amendments to Southern Alberta Transmission System Reinforcement and  
Hanna Region Transmission System Development  
Needs Identification Document Approvals  
Applications No. 1606526 and No. 1606564  
Proceeding ID No. 748

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**Alberta Electric System Operator  
Amendments to Southern Alberta Transmission  
Reinforcement and Hanna Region Transmission  
System Development Needs Identification  
Document Applications**

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and No. 1606564  
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## **1 Introduction**

1. The Alberta Electric System Operator (AESO) filed Application No. 1606526 with the Alberta Utilities Commission (AUC or the Commission) on September 1, 2010, requesting approval to amend the needs identification document (NID) Approval No. [U2010-264](#)<sup>1</sup> for the Southern Alberta Transmission System Reinforcement (SATR) and to amend NID Approval No. [U2010-135](#)<sup>2</sup> for the Hanna Region Transmission System Development, pursuant to Section 34 of the *Electric Utilities Act*.
2. The AESO filed Application No. 1606564 with the AUC on September 14, 2010, also requesting approval to amend the SATR NID Approval No. U2010-264.
3. Applications No. 1606526 and No. 1606564 will be referred to collectively as the NID amendment applications.
4. On March 4, 2011, the Commission issued a ruling on the AESO's requests of November 22, and December 20, 2010, and February 17, 2011, for approval of the NID amendment applications. The ruling stated that considering that no objections or concerns had been raised by interveners regarding the AESO's NID amendment applications and pursuant to Section 38(e) of the *Transmission Regulation*, the Commission approved the NID amendment applications.

## **2 Background**

### **2.1 Southern Alberta Transmission Reinforcement NID Approval**

5. The AESO applied to the AUC for approval of a needs identification document for transmission reinforcement in southern Alberta (SATR NID) on December 30, 2008 (Application No. 1600862).

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<sup>1</sup> Approval No. U2010-264: Needs Identification Document Approval No. U2010-264, Application No. 1606274, Proceeding ID. 681, July 19, 2010.

<sup>2</sup> Approval No. U2010-135: Needs Identification Document Approval No. U2010-135, Application No. 1605359, Proceeding ID. 278, April 29, 2010.

6. The Commission approved the SATR NID in [Decision 2009-126](#)<sup>3</sup> on September 8, 2009, and issued NID Approval No. [U2009-340](#)<sup>4</sup> on September 17, 2009.

7. On December 7, 2009, the AESO filed its finalized milestones and monitoring process with the AUC, pursuant to the Commission's direction in Decision 2009-126 and NID Approval No. U2009-340. The Commission approved the finalized milestones and monitoring process in Decision [2010-343](#)<sup>5</sup> and issued NID Approval No. U2010-264 (SATR NID approval) on July 19, 2010.

8. Paragraph E of the SATR NID approval provided for a new 240-kilovolt (kV) double-circuit transmission line from "Sub D" substation, via Medicine Hat 2 substation to West Brooks 28S substation.

9. Paragraph C of the SATR NID approval provided for a new 240-kV "Sub D" substation with a static volt-ampere reactive compensator (SVC) to be located south of Bow Island.

## **2.2 Hanna Region Transmission Development NID Approval**

10. The AESO applied to the AUC for approval of a needs identification document to upgrade the transmission system in the Hanna region (Hanna NID) on August 14, 2009 (Application No. 1605359).

11. On April 29, 2010, the Commission approved the Hanna NID in Decision [2010-188](#)<sup>6</sup> and issued NID Approval No. U2010-135.

12. The AESO filed Application No. 1606434 with the AUC on August 4, 2010, and on August 31, 2010, filed a revision to the August 4, 2010 application. The AESO requested approval for amendments to NID Approval No. U2010-135. In Decision [2010-592](#)<sup>7</sup> the AESO was granted NID Approval No. [U2010-435](#)<sup>8</sup> (Hanna NID approval) on December 17, 2010.

13. Paragraph 4 of the Hanna NID approval provided for a single side strung 240-kV double-circuit line from Ware Junction 132S substation to West Brooks 28S substation.

## **2.3 Application No. 1606526**

14. On September 1, 2010, the AESO filed Application No. 1606526 requesting approval to amend a portion of the SATR NID approval and a portion of the Hanna NID approval.

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<sup>3</sup> Decision 2009-126: Alberta Electric System Operator, Needs Identification Document Application Southern Alberta Transmission System Reinforcement, Application No. 1600862, Proceeding ID No. 171, September 8, 2009.

<sup>4</sup> Approval No. U2009-340: Needs Identification Document Approval No. U2009-340, Application No. 1600862, Proceeding ID No. 171, September 17, 2009.

<sup>5</sup> Decision 2010-343: Alberta Electric System Operator, Finalized SATR Milestone Identification and Monitoring Process Filing, Application No. 1606274, Proceeding ID No. 681, July 19, 2010.

<sup>6</sup> Decision 2010-188: Alberta Electric System Operator, Needs Identification Document Application Hanna Region Transmission System Development, Application No. 1605359, Proceeding ID No. 278, April 29, 2010.

<sup>7</sup> Decision 2010-592: Alberta Electric System Operator Amendment to Hanna Region Transmission System Needs Identification Document, Application No. 1606434, Proceeding ID No. 768, December 17, 2010.

<sup>8</sup> Approval No. U2010-435: Needs Identification Document Approval No. U2010-435, Application No. 1606434, Proceeding ID No. 768, December 17, 2010.

15. The AESO stated that there was insufficient space at the existing West Brooks 28S substation to accommodate the approved expansion in the SATR NID approval. Instead of expanding the existing West Brooks 28S substation, the AESO proposed to construct a new substation, Cassils 324S, which would act as the point of connection of new transmission facilities.

16. Accordingly, the AESO requested an amendment of the SATR NID approval, as follows:

(a) Delete paragraph E under Stage I; and

(b) Replace with:

“A new 240 kV double circuit transmission line from “Sub D” substation, via Medicine Hat 2 substation to a Proposed Cassils Substation 324S”

17. As a result of the newly proposed Cassils 324S substation, the AESO stated that the 240-kV double-circuit line from Ware Junction 132 substation to West Brooks 28S substation, approved in the Hanna NID approval, would not terminate at West Brooks 28S substation, but instead at the proposed Cassils 324S substation.

18. Accordingly, the AESO requested an amendment to the Hanna NID approval, as follows:

(a) Delete paragraph 4 under Stage I (Needs for 2012); and

(b) Replace with:

“A 240-kV double-circuit line with single side strung from Ware Junction 132S substation to Cassils 324S substation.”

19. The AESO added that for each of the proposed NID approval amendments, the anticipated cost changes fell within the scope of accuracy of the cost estimates filed with the original SATR NID and the original Hanna NID.

20. The AESO stated that the sites with respect to the locations in the proposed amendments were included in the study area of the land impact assessment contained in Appendix F of Application No. 1600862 for the SATR NID. It indicated that a more detailed analysis of potential environmental and social impacts would be included in the facility application to be filed by AltaLink Management Ltd. (AltaLink).

21. The AESO submitted that as part of its participant involvement program (PIP), updates were sent to potentially affected stakeholders regarding the proposed Cassils 324S substation. The stakeholders included residents, occupants and landowners within 800 meters of the proposed transmission development and municipal, provincial and federal government departments and agencies, corporations, and other organizations. The AESO reported that no concerns were raised regarding the need for the substation.

#### **2.4 Application No. 1606564**

22. On September 13, 2010, the AESO filed Application No. 1606564 requesting approval to amend a portion of the SATR NID approval.

23. The AESO stated that, in the original SATR NID, it recommended static and dynamic reactive power support at five locations in the southern Alberta region.
24. Subsequent to the SATR NID approval, the original Hanna NID proposed dynamic volt-ampere reactive compensators to be installed at different locations in the Hanna region.
25. The AESO submitted that in order to optimize system reactive power within the southern Alberta and Hanna regions, it performed subsequent static and dynamic studies, which indicated that only the static reactive power was required at the proposed Whitla 251S substation (formerly Sub D). Instead of installing an SVC at Whitla 251S substation as approved in the SATR NID, the AESO proposed to install two 75-megavolt-ampere reactive 240-kV shunt reactors.
26. Accordingly, the AESO requested an amendment to the SATR NID approval, as follows:
- (a) Delete paragraph C under Stage I; and
  - (b) Replace with:  
  
“A new 240-kV “Sub D” substation with shunt reactors to be located south of Bow Island.”
27. The AESO stated that, for each of the proposed amendments, the anticipated cost changes fell within the scope of accuracy of the cost estimates filed with the original SATR NID.
28. The AESO added that the sites with respect to the locations in the proposed amendments were included in the study area of the land impact assessment contained in Appendix F of Application No. 1600862 for the SATR NID. It indicated that a more detailed analysis of potential environmental and social impacts would be included in the facility application to be filed by AltaLink.

## 2.5 Notice of Applications<sup>9</sup>

29. The Commission issued a notice of applications on October 1, 2010, and distributed it by way of the following:
- Mailed or emailed directly to interested parties.
  - Mailed to registered land title holders within 800 metres of existing transmission lines and substations that could potentially be altered due to the proposed set of amendments. The land title holders were identified by using a search of the Alberta Land Titles Spatial Information System.
  - Published in five local newspapers in the region.
  - Published on the AUC website.
30. The AUC held information sessions in Brooks, Seven Persons and Medicine Hat on October 18 to 20, 2010, as announced in the notice of applications.

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<sup>9</sup> The Notice of Applications and Notice of Hearing included information regarding AESO’s NID amendment Applications No. 1606526 and No. 1606564 combined with AltaLink Management Ltd.’s transmission facility Applications No. 1606402 and No. 1606403.



31. In the notice of applications, the Commission asked interested parties with concerns to file a submission and stated that if no objections were received by October 29, 2010, the Commission would make a decision on the applications without any further notice or process.

32. On November 5, 2010, the AUC wrote to counsel for the AESO requesting comments or submissions on the standing of those parties who had filed submissions with the AUC. On November 22, 2010, the AESO filed a response letter.

## **2.6 Notice of Hearing<sup>10</sup>**

33. The Commission issued a notice of hearing on December 10, 2010, and distributed it by way of the following:

- Mailed or emailed directly to interested parties.
- Mailed to registered land title holders within 800 metres of existing transmission lines and substations that could potentially be altered due to the proposed set of amendments. The land title holders were identified by using a search of the Alberta Land Titles Spatial Information System.
- Published in five local newspapers in the region.
- Published on the AUC website.

34. In the notice of hearing, the Commission asked interested parties to file a submission by February 4, 2011.

## **3 Views of interested parties and the applicant**

### **3.1 Views of interested parties**

35. In response to the notice of applications, the Commission received four submissions from individuals or groups with respect to the AESO's NID amendment applications.

36. The Brooks to Whitlea Landowner Committee/Canadian Association of Energy and Pipeline Landowner Associations (BWLC/CAEPLA) group expressed concern regarding the proposed Cassils 324S and Whitlea 251S substations. Three other persons, Colette Leudtke, Ron Howard and Merle Howard expressed general concern regarding the need for expansion.

37. No objections or concerns were received in response to the notice of hearing in relation to the AESO's NID amendment applications.

### **3.2 Views of the AESO**

38. In its letter dated November 22, 2010, the AESO stated that it is important to note that the SATR NID and the Hanna NID were already approved and were not at issue in this proceeding. Accordingly, the AESO argued that what was at issue in this proceeding was the need for the proposed NID approval amendments.

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<sup>10</sup> Ibid.

39. The AESO noted that only three submissions to the AUC mentioned the NID amendment applications. It further noted that, in two of those three submissions, the concerns expressed were relating to routing issues and no mention was made of the NID approval amendments. The AESO pointed out that the remaining submission that addressed need did so on a very general level by referring to the need for the transmission line, but made no mention of the proposed NID amendment applications.

40. The AESO concluded that, based upon the submissions filed, none of the persons or groups that filed submissions had demonstrated that they were directly and adversely affected by the AESO's NID amendment applications.

41. The AESO stated that, pursuant to subsection 38(e) of the *Transmission Regulation*, the Commission must consider the AESO's assessment of the need to be correct unless an interested party satisfied the Commission that the AESO's assessment of the need was technically deficient, or that to approve the NID would not be in the public interest. As no party raised such a concern in their submissions, the AESO requested that the Commission approve its NID amendment applications.

#### **4 Discussion**

42. On December 9, 2010, the Commission issued a ruling on standing and the request by the AESO to approve the NID amendment applications. In the ruling, the Commission determined that the question before the Commission in this proceeding was whether the specific NID approval amendments proposed by the AESO for transmission development in the southern Alberta region and the Hanna region were in the public interest.

43. The Commission noted that in AUC Decision 2009-126 and Decision 2010-343, the Commission approved the need for transmission expansion and enhancement for southern Alberta and the AESO's preferred option to address that need. In AUC Decision 2010-188, the Commission approved the need for transmission expansion and enhancement for the Hanna region and the AESO's preferred option to address that need.

44. The Commission ruled that neither NID amendment application sought to amend the need for the expansion or enhancement of the transmission system in southern Alberta or in the Hanna region. Rather, these applications proposed amendments to specific components of the preferred transmission options approved by the Commission to meet the approved need for expansion or enhancement in each region. Accordingly, the Commission agreed with the AESO that the need for expansion or enhancement of the transmission system in southern Alberta and the Hanna region was not an issue that the Commission could consider in this proceeding.

45. The Commission stated that the submissions received regarding the AESO's NID amendment applications were general concerns, however, it allowed for further written process for interveners to apply for standing for the NID amendment applications. The ruling stated that BWLC/CAEPLA, Ms. Luedtke, Ron Howard and Merle Howard could provide further information to the Commission about what right(s) they asserted and how such right(s) may be directly and adversely affected by the Commission's decision on the NID amendment applications by December 15, 2010.

46. The Commission did not receive any further submissions from BWLC/CAEPLA, Ms. Luedtke, Ron Howard or Merle Howard regarding concerns or objections to the AESO's NID amendment applications.

## 5 Commission findings

47. The Commission considered the NID amendment applications pursuant to Section 34(2) of the *Electric Utilities Act*:

**34(2)** On its own initiative or in response to views expressed by the Commission, the Independent System Operator may amend a needs identification document submitted to the Commission for approval.

48. The Commission has reviewed the NID amendment applications and has determined that they contain the information required by the *Electric Utilities Act*, the *Transmission Regulation* and AUC Rule 007: *Rules Respecting Applications for Power Plants, Substations, Transmission Lines, and Industrial System Designations* (AUC Rule 007).

49. The Commission notes that the AESO conducted a PIP as part of Application No. 1606526 for the NID approvals amendments and that it identified no outstanding public or industry objections or concerns. The Commission observes that the proposed amendment to the Whitley 251S substation equipment would be within the substation site as originally approved, and finds that the amendment will not result in additional impacts.

50. Also, the Commission finds that no objections or concerns to the NID amendment applications were received after the notice of applications and notice of hearing were issued by the Commission.

51. The Commission accepts the AESO's submission that the amendments in the NID amendment applications will allow AltaLink to better meet the need expressed in the SATR NID approval and the Hanna NID approval.

52. Since there were no objections to the NID amendment applications, a hearing was not required because the Commission considered that its decision would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

53. The Commission has reviewed the NID amendment applications in light of the principles and matters it is required to consider pursuant to Section 38 of the *Transmission Regulation*. The Commission notes that no party demonstrated that the AESO's assessment of the need to expand and enhance the transmission system in the southern Alberta region or the Hanna region was technically deficient or that the approval of the SATR NID approval or the Hanna NID approval was not in the public interest.

54. Having reviewed the NID amendment applications, the Commission considers that the outcomes of the AESO's proposed amendments to the SATR NID approval and to the Hanna NID approval, as set out in the NID amendment applications, do not materially change the assessment of need. Therefore, in accordance with subsection 38(e) of the *Transmission Regulation*, the Commission considers that the original SATR NID approval and the original Hanna NID approval, as amended, remain correct.

55. The Commission finds that the NID amendment applications meet the requirements of AUC Rule 007.

56. Having regard to the foregoing, the Commission is satisfied that the amendments to the SATR NID approval and to the Hanna NID approval are in the public interest and that the requirements under Section 34 of the *Electric Utilities Act* have been met.

## **6 Decision**

57. Pursuant to Section 34 of the *Electric Utilities Act*, the Commission approves the NID amendment applications and grants the AESO the amended needs identification document approvals. The approval documents to follow.

Dated on March 15, 2011.

### **The Alberta Utilities Commission**

*(original signed by)*

Carolyn Dahl Rees  
Vice-Chair

*(original signed by)*

Mark Kolesar  
Commission Member

*(original signed by)*

Neil Jamieson  
Commission Member