



AUC

Alberta Utilities Commission

Alberta Electric System Operator

**Westwood 422S Substation and
138-kV Transmission Line Interconnection**

Needs Identification Document Application

August 31, 2011

The Alberta Utilities Commission

Decision 2011-360: Alberta Electric System Operator

Westwood 422S Substation and 138-kV Transmission Line Interconnection

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Application No. 1606988

Proceeding ID No. 1070

August 31, 2011

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The Alberta Utilities Commission

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1 Introduction

1. The Alberta Electric System Operator (AESO) filed an application with the Alberta Utilities Commission (AUC or the Commission) seeking approval of the needs identification document (NID) for the construction of a new 138/25-kilovolt (kV) substation, designated as Westwood 422S (the substation), and a connection to the Alberta Interconnected Electric System via an in-and-out configuration of two new short 138-kV single-circuit transmission lines to the existing 138-kV transmission line 700L (the transmission lines) near Fort Saskatchewan, Alberta (the project). This application was registered on January 31, 2011, as Application No. 1606988.

2. Pursuant to Section 35 of the *Electric Utilities Act*, the AESO directed AltaLink Management Ltd. (AltaLink) to submit a facility proposal to the Commission to meet the need identified in the NID application. On February 8, 2011, AltaLink filed Application No. 1607010 (facility application) with the AUC seeking approval to construct and operate the substation and the transmission lines.

3. The AESO requested that the Commission consider the NID application and the facility application separately, as contemplated by sections 34(1)(c) and 35(1)(a) of the *Electric Utilities Act* and sections 14 and 15 of the *Hydro and Electric Energy Act*.

4. The Commission issued a notice of applications on March 22, 2011. On March 30, 2011, the Commission issued a revised notice of applications that corrected an error that appeared in a map in the first notice. The deadline for filing statements of intent to participate with the Commission was April 21, 2011. In its notice of applications, the Commission advised that it would consider the AESO's NID application and AltaLink's facility application jointly as Proceeding ID No. 1070.

5. The AUC held an information session regarding public involvement in AUC processes in Fort Saskatchewan on April 14, 2011, as announced in the notice of applications. The Commission issued a notice of hearing on June 24, 2011.

6. On July 21, 2011, the Commission issued a ruling to the AESO in relation to its requests of May 11, 2011 and July 11, 2011, for approval of the NID application. The Commission considered that no objections or concerns had been raised by interested parties regarding the AESO's NID application and pursuant to Section 38(e) of the *Transmission Regulation*, the Commission approved the NID application with reasons to follow in a decision issued at a later date. The AltaLink facility application remains before the Commission and will be the subject of a future hearing.

2 Discussion

7. The AESO, pursuant to its responsibilities under Section 29 of the *Electric Utilities Act*, must provide system access service on the transmission system in a manner that provides market participants with a reasonable opportunity to exchange electricity. The AESO submitted its NID application in response to a request by FortisAlberta Inc., the distribution facilities owner, to develop a new 138/25-kV point of delivery in the Fort Saskatchewan area in order to serve the growing distribution system load.

8. The AESO directed AltaLink to assist the AESO in conducting a participant involvement program to notify stakeholders of the need for transmission development in the Fort Saskatchewan area. The AESO stated in its NID application that there were no outstanding concerns related to the AESO's assessment of the need for this development.

9. The estimated cost of the developments in the NID application is \$16,302 million (+20/-10%), with \$333,000 designated as system cost.

10. In response to the notice of applications, the Commission received three submissions from parties that did not provide sufficient information to assert standing for the NID application. In a standing ruling issued by the Commission on June 23, 2011, these parties were directed to file written submissions to the Commission on or before July 4, 2011, providing further information regarding what right(s) they were asserting and how such right(s) may be directly and adversely affected by the Commission's decision on the NID application. No further submissions were received regarding standing for the NID application.

3 Commission findings

11. The Commission reviewed the NID application and determined that it contains the information required by the *Electric Utilities Act*, the *Transmission Regulation*, and AUC Rule 007: *Applications for Power Plants, Substations, Transmission Lines, and Industrial System Designations*.

12. The Commission considers that the AESO's assessment of the need for the project to serve the growing load in the service area is correct, pursuant to Section 38 of the *Transmission Regulation*.

13. The Commission is satisfied that the public interest criteria set out in Section 38(a) of the *Transmission Regulation* have been met by the AESO. Reliable electrical transmission and distribution facility infrastructure is a prerequisite to having an efficient and competitive market.

14. The Commission also finds that the NID application is reflective of the AESO's responsibilities to direct the safe, reliable and economic operations of the Alberta interconnected transmission system and its responsibilities to plan the transmission system. The Commission finds that the requirements of subsections 38(c) and 38(d) of the *Transmission Regulation* have been met.

15. The AESO conducted a participant involvement program in conjunction with AltaLink and no outstanding objections or concerns, related to the AESO's assessment of the need for the proposed development, were identified. Additionally, the Commission notes that no interested person submitted a concern or objection with regard to need or that they may be directly and adversely affected by the Commission's decision with regard to need. Subsection 38(e) of the *Transmission Regulation* states that the Commission must:

- e. consider the [AESO]'s assessment of the need to be correct unless an interested person satisfies the Commission that
 - i. the [AESO]'s assessment of the need is technically deficient, or
 - ii. to approve the needs identification document would not be in the public interest.

Accordingly, the Commission finds that the AESO's assessment of the need for the project is correct in accordance with subsection 38(e) of the *Transmission Regulation*.

16. As a result of the above, the Commission considers that its decision or order would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*. Based on the findings that the project will serve the confirmed load growth, the Commission finds the application is in the public interest.

4 Decision

17. Pursuant to Section 34 of the *Electric Utilities Act*, and Section 38 of the *Transmission Regulation*, the Commission approves Application No. 1606988 and grants the approval set out in Appendix 1 – Needs Identification Document – Approval No. U2011-264 – August 31, 2011 to the AESO regarding the need for the Westwood 422S substation and the transmission line development (Appendix 1 will be distributed separately).

Dated on August 31, 2011.

The Alberta Utilities Commission

(original signed by)

Mark Kolesar
Panel Chair

(original signed by)

Tudor Beattie
Commission Member

(original signed by)

Clifford Goerz
Acting Commission Member