

November 24, 2009

**CANADIAN NIAGARA POWER INC.
APPLICATION FOR LEAVE TO CONSTRUCT
TRANSMISSION FACILITIES IN THE
NIAGARA FALLS / FORT ERIE AREA
BOARD FILE NO. EB-2009-0283**

**OEB STAFF SUPPLEMENTAL INTERROGATORIES FOR
THE INDEPENDENT ELECTRICITY SYSTEM OPERATOR**

PROJECT NEED

- References:*
- (1) *CNP Responses to Board Staff Interrogatories, Page 6*
 - (2) *CNP Responses to Board Staff Interrogatories, Page 7*
 - (3) *CNP Responses to Board Staff Interrogatories, Page 9*
 - (4) *CNP Responses to Board Staff Interrogatories, Page 12*

Preamble

In Ref (1), the IESO submitted that:

While the CNP transmission system is not currently classified as Bulk Electricity System from a NERC viewpoint, the IESO agrees with CNP's submission that the CNP transmission system should be able to withstand the N-1 contingency criterion, as a fundamental principle of good utility practice, and also agrees with CNP's response to 1.0(i).

In Ref (2), the CNP submitted that:

CNP's belief is that, for a system of the size and nature of CNP's transmission system, serving end-users with the diversity and economic significance of those served by CNP's system, good utility practice demands that such system have the ability to withstand the loss of one element such that a readily available secondary supply is available to provide uninterrupted service in the event of the unplanned loss of the system's primary supply.

In Ref (3), the IESO submitted that:

The IESO agrees with CNP's response to 1.0(iv)"

Note that the response to 1.0(iv) includes the above statement from CNP.

In Ref (4), the CNP submitted that:

The IESO is not in a position to comment on the criteria used by CNP to establish the need for reliability improvement, or on the application of those criteria in determining the adequacy of CNP's transmission system. However, in the IESO's opinion, CNP's responses to 1.0(viii) and 1.0(ix) appear reasonable.

Questions / Requests

SI-11 Please confirm that, since the CNP transmission system is not considered part of the "bulk" transmission network, NERC Standard TOP-002-2 does not apply to it and that meeting of the N-1¹ contingency criterion is not a NERC requirement for the CNP transmission system.

SI-12 Is the IESO aware of any other standard, code or market rule that would require the CNP transmission system to meet the N-1 contingency criterion? Please explain.

SI-13 Please explain the IESO's statement that "IESO agrees with CNP's submission that the CNP transmission system should be able to withstand the N-1 contingency criterion, as a fundamental principle of good utility practice".

SI-14 Further to SI-13, please provide any evidence or supporting documentation that providing for the N-1 contingency criterion for transmission systems supplying load levels similar to CNP's is accepted "by a significant portion of the electrical utility industry in North America" (from the definition of "good utility practice").

SI-15 In making the statement in SI-13, did the IESO consider the performance of the CNP transmission system, specifically:

- two forced outages in the period, 2005-2008, (one due to a severe snow storm)
- no outages in 2007 and 2008
- no outages in the period Jan - Oct 2009, i.e. almost 3 years without a single outage.

Please explain.

SI-16 Does the IESO have any of its own or other standards or guidelines that relate to reliability/availability/deliverability that would be applicable to a transmission system

¹ Refers to a system for which a single contingency will not result in the loss of supply, i.e., uninterrupted supply following a single contingency.

such as CNP's? Please explain the applicability to the CNP transmission system and provide an analysis based on that system.

- SI-17 Does the CNP transmission system meet the reliability/availability/deliverability standards or guidelines in SI-15, if any? Please explain.
- SI-18 Please explain the IESO's statement that it is not in a position to comment on the criteria used by CNP to establish the need for reliability improvement, or on the application of those criteria in determining the adequacy of CNP's transmission system.
- SI-19 Given that the CNP transmission system is part of the IESO-controlled grid, please comment on the IESO's responsibility pertaining to the reliability of CNP's transmission system as it relates to Section 5 of the *Electricity Act 1998*, parts (4) and (5).
- SI-20 In the IESO's opinion, based on the evidence on record:
- Does the CNP transmission system need to be reinforced so that it meets the N-1 contingency criterion in order to meet existing reliability standards, guidelines or rules including "good utility practice"?
 - Does the existing CNP transmission system meet existing reliability standards, guidelines or rules including "good utility practice"? If not, please explain.
 - If it does not, are there any measures that can be undertaken to improve the reliability of the existing CNP transmission system so that it meets existing reliability standards, guidelines or rules without meeting the N-1 contingency criterion? Please explain.
 - Does the four hour time needed to restore supply to the Fort Erie load from the US National Grid system upon the loss of the primary supply from the Hydro One system seem realistic/reasonable? Are there likely measures that can reduce the time? Please explain.