

December 15, 2016

Wade Vienneau
Executive Director, Facilities Division
Alberta Utilities Commission
Fifth Avenue Place
400, 425 – 1st Street SW
Calgary, Alberta
T2P 3L8

Dear Mr. Vienneau:

Re: Application to Amend Alberta Utilities Commission (Commission) Needs Identification Document Approval No. U2014-166 (Grist Lake NID Approval)

1. Pursuant to the *Electric Utilities Act*, S.A. 2003, c. E-5.1 (EUA) and the *Alberta Utilities Commission Act*, S.A. 2007, c. A-37.2 (AUCA), the Alberta Electric System Operator (AESO) applies to amend the Grist Lake NID Approval, as more particularly described below (Application).

I. Organization of this Application

2. This Application is organized as follows:

- I. Organization of this Application
- II. Grist Lake NID Approval
- III. Proposed Amendment
- IV. Rationale for Amendment
- V. Additional Information
- VI. Technical Considerations
- VII. Cost Estimate
- VIII. AESO Participant Involvement Program
- IX. Information Regarding Rule 007, Section 6.2.1 - NID15(2)

- X. Request to Combine
- XI. Request for Approval

- Appendix A AltaLink Cost Estimate
- Appendix B Participant Involvement Program Summary
- Appendix C AltaLink Confirmation Regarding Rule 007, Section 6.2.1 - NID15(2)

II. Grist Lake NID Approval

3. On November 8, 2013, by Application No. 1610050, the AESO applied to the Commission for approval of the *Grist Lake 190S Substation Needs Identification Document* (Grist Lake NID), as a result of a request from FortisAlberta Inc. (FortisAlberta), the legal owner of electric distribution facilities in the Christina Lake area, for system access service to serve a new steam-assisted gravity drainage oil recovery project in the Christina Lake area. The Commission approved the Grist Lake NID by way of Decision 2014-119¹ and the Grist Lake NID Approval.
4. The Grist Lake NID Approval approved the need for the project consisting of the following transmission system developments:
 - a) *The construction of a new 138/25-kV Grist Lake 190S substation that includes three 138/25-kV, 25/33/42-megavolt-ampere transformers.*
 - b) *The construction of two 138-kV transmission lines connecting the proposed Grist Lake 190S substation to the Pike 170S substation.*

¹ Decision 2014-119: Alberta Electric System Operator, *Grist Lake 190S Substation Needs Identification Document*, and AltaLink Management Ltd., *Grist Lake 190S Substation and 138-kV Transmission Line Facility Application* (April 30, 2014).

III. Proposed Amendment

5. For the reasons provided below, the AESO proposes to amend paragraph a) of the Grist Lake NID Approval as follows:

a) *The construction of a new 138/25-kV Grist Lake 190S substation that includes ~~three~~ two 138/25-kV, 25/33/42-megavolt-ampere transformers.*

[Emphasis Added]

IV. Rationale for Amendment

6. FortisAlberta has requested a change in project scope and schedule in response to its end-use customer's altered plans, consisting of a delay in the requested in-service date from July, 2016 to December 1, 2019, and a reduction in requested demand transmission service from 77.8 MW to 46.0 MW.
7. In light of FortisAlberta's request, the AESO has determined that the number of transformers at the approved Grist Lake 190S substation should be reduced from three to two 138/25-kV, 25/33/42 MVA transformers.²
8. Therefore, the AESO is seeking the Commission's approval to amend the Grist Lake NID Approval as described in Section III.

V. Technical Considerations

9. This Application is consistent with the AESO's transmission system plans for the area, does not change the AESO engineering study conclusions described in the Grist Lake NID, and has no impact upon the AESO's choice of preferred transmission development alternative.

² Details and configuration of equipment required for the proposed transmission development, including substation single-line diagrams, are more specifically described in the revised AESO *Functional Specification For Grist Lake 190S*, dated September 2, 2015 which will be included in the transmission facility owner *Grist Lake 190S Substation and Transmission Line – Letter of Enquiry* which the AESO understands will be filed shortly. Also, further details will be determined as detailed engineering progresses. Routing and/or siting of transmission facilities do not form part of this Application and will be addressed by the transmission facility owner.

VI. Cost Considerations

10. In the Grist Lake NID, AltaLink Management Ltd. (AltaLink), the legal owner of transmission facilities in the area, estimated the cost of the Grist Lake transmission developments to be in the order of \$60 million (+20/-10%).³
11. AltaLink currently estimates the cost of the Grist Lake transmission developments, as amended by this Application, to be in the order of \$52 (+20/-10%). In accordance with the ISO tariff, the AESO has determined that there are no system-related costs associated with the Grist Lake transmission development. A copy of AltaLink's current estimate of the costs associated with this Application is included in Appendix A.⁴

VII. Participant Involvement Program

12. Pursuant to section 39 of the EUA, the AESO directed AltaLink to assist the AESO in conducting a participant involvement program (PIP) in accordance with the requirements of NID19 and Appendix A2 of Commission Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments* (Rule 007).
13. A report summarizing the AESO's PIP is included in Appendix B.

VIII. Information Regarding Rule 007, Section 6.2.1 - NID15(2)

14. AltaLink has confirmed that it will be filing a related letter of enquiry shortly, and that the letter of enquiry will address the aspects listed in Rule 007, Section 6.2.1 - NID15(2). As a result, and based on the request below that this Application be combined with AltaLink's letter of enquiry, the AESO has not undertaken a

³ Grist Lake NID, Section 2.3 and Appendix B (Proceeding 2909, Exhibits 0001.00.AESO-2909).

⁴ AltaLink's estimate is in nominal dollars using a base year of 2016 with escalation considered.

separate assessment of the sort contemplated in Rule 007, Section 6.2.1 – NID15(2). A copy of AltaLink’s confirmation letter is included as Appendix C.

IX. Request to Combine

15. The AESO requests that this Application be combined with AltaLink’s related letter of enquiry for consideration by the Commission in a single process. This request is consistent with Section 15.4 of the *Hydro and Electric Energy Act*.

X. Request for Approval

16. For all of the above reasons, and in reliance upon the following:
- i. the relevant provisions of the EUA, the AUCA and the *Transmission Regulation*;
 - ii. the AESO's PIP;
 - iii. technical considerations; and
 - iv. the AESO's transmission system plans,

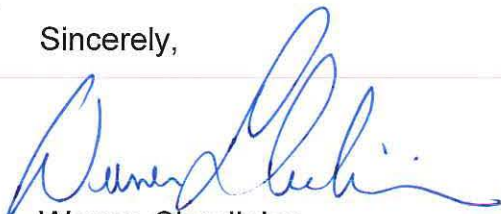
the AESO submits that this Application is technically complete and in the public interest.

17. Accordingly, the AESO respectfully requests that the Commission (i) approve this Application, and (ii) grant such further relief as may be necessary to give effect to such approval.
18. If the proposed Grist Lake transmission developments are not in-service by June 1, 2020, which is six months following the scheduled in-service date of December 1, 2019, the AESO will inform the Commission in writing if the need to expand or enhance the transmission system described in this Application continues, and if the technical solution described in this Application approval continues to be the AESO's preferred technical solution.

Please address all correspondence concerning this application to:

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Sincerely,



Warren Clendining
Manager, Transmission Connection Projects