



September 13, 2007

Rita Y. Chan
Utilities Branch
Alberta Energy and Utilities Board
5th Floor, 640 - 5th Avenue SW
Calgary, Alberta, T2P 3G4

Dear Madam;

**RE: Application No. 1515869
Brintnell to Wesley Creek 240 kV Transmission Project
Response to Information Requests, BR-ATCO-1 and -2**

ATCO Electric Ltd. (ATCO) is pleased to provide the following information in response to the Board's information requests communicated by e-mail on August 13, 2007.

BR-ATCO-1

Preamble

Board staff note that ATCO is proposing to continue to expand the ring bus configuration in Wesley Creek 834S substation to terminate the two 240/144 kV transformers. The resulting configuration would then become a 5-element ring bus arrangement.

Information Request

Please confirm that ATCO is satisfied that the above-mentioned ring bus arrangement, instead of other bus arrangements, for example, breaker-and-half, would be sufficient with respect to substation reliability. As well, please discuss on the level of substation reliability required and how the ring bus arrangement could fulfill that requirement.

ATCO RESPONSE TO BR-ATCO-1

ATCO is satisfied with the proposed 240-kV 4-element ring-bus configuration at Wesley Creek substation. As shown on the single line diagram (drawing A-07b), reactor 909R is tied between transmission lines 9L15 and 9L11 and will serve only one line at a time during switching. Therefore, 909R should not be counted as a ring-bus element.

In the ring-bus scheme the breakers are arranged in a ring with circuits connected between breakers. There is the same number of circuits as there are breakers. During normal operation, all breakers are closed. The circuits connected to the ring are arranged so that sources are alternated with loads. For a circuit fault, two breakers are tripped, and in the event one of the

breakers fails to operate to clear the fault, an additional circuit will be tripped by operation of breaker-failure backup relays. During breaker maintenance, the ring is broken, but all circuits remain in service. Also, no changes to protective relays are required for any of the various operating conditions or during maintenance. The ring bus is less expensive to build than the breaker-and-a-half scheme, has good reliability, is safe for operation, is flexible, and is normally considered suitable for important substations with up to six circuits.

BR-ATCO-2

Preamble

On page 3 of the Application ATCO states that it has concluded that:

"Securing sufficient engineering and construction resources at reasonable cost cannot be achieved through a piecemeal approach, which is characterized by competitive bidding on a project-by-project or work-package-by-package basis after scopes are fully developed and engineering designs have been completed. A more comprehensive and integrated multi-year, multi-project approach such as a Target Price/Open Book approach is required."

Notwithstanding the above, apparently there is no indication that AESO has expressed any opinion respecting ATCO's proposed EPC contracting process.

Information Request

Please clarify whether or not AESO has adjusted procurement rules to accommodate ATCO's proposed EPC contracting process. If that has not been done, when would ATCO get this matter resolved?

ATCO RESPONSE TO BR-ATCO-2

By e-mail correspondence dated August 20, 2007 (copy attached), AESO has confirmed the following: "As stated in ATCO's Facility Application, ATCO is prepared to show the prudence of this approach to the EUB. If the EUB accepts and approves this approach, the AESO will acknowledge and support this exception to the ISO rules governing competitive procurement."

Please contact the undersigned if you require further information.

Yours truly,

< Original signed by >

Jim Crinklaw

Supervisor, Right-of-Way Planning
Phone (780) 420-7183 • Fax (780) 420-8017

Attachment: Copy of AESO e-mail, Aug. 20, 2007.

From: Brian Belway [mailto:Brian.Belway@aeso.ca]
Sent: Monday, August 20, 2007 7:23 AM
To: Lai, Albert
Cc: Neil Millar; Fred Ritter; Dan Shield
Subject: P598 - EUB IR to Procurement Strategy Aug 20/07

Good morning Albert.

In response to the question raised in IR BR-ATCO-2.

The AESO referenced the suggested alternative to delivering this project under point "d" in the Direct Assign Letter of June 4, 2007 which is included in Attachment 11 of your Facilities Application. In point "d", it is noted that ATCO will seek exceptions to certain ISO rules relating to competitive procurement and such exceptions will be visible through the Facilities Application.

As stated in ATCO's Facility Application, ATCO is prepared to show the prudence of this approach to the EUB. If the EUB accepts and approves this approach, the AESO will acknowledge and support this exception to the ISO rules governing competitive procurement.

Please let me know if you require something more/different.

Thank you.

Brian Belway
Project Manager
Alberta Electric System Operator
phone: 403-539-2569
cell: 403-389-7773
2500, 330-5th Ave SW Calgary Alta. T2P 0L4

brian.belway@aeso.ca
www.aeso.ca