

The Brattle Group

Régie de l'énergie

DOSSIER: R-3669-2008 phase 2

DÉPOSÉE EN AUDIENCE

Date: 18 octobre 2010

Pièces n°: 13158

Testimony of Philip Q Hanser

Theme 2 ATC Coordination

Presented to:
Régie de l'énergie

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International Trade Product Liability Regulatory Finance and Accounting Risk Management Securities Tax Utility Regulatory Policy and Ratemaking Valuation
Electric Power Financial Institutions Natural Gas Petroleum Pharmaceuticals, Medical Devices, and Biotechnology Telecommunications and Media Transportation

I. *The Brattle Group*, Philip Q Hanser and Recognition of his Field of Expertise

◆ *The Brattle Group*

- Main activities and areas of specialization
- Client base

◆ Philip Q Hanser

- Academic background
- Past and current occupations and responsibilities
- Experience in the electric utility business
- Experience relating to electricity transmission, market design and regulation in the U.S. and in Canada
- Testimony and recognition as an expert in regulatory and legal proceedings in the U.S. and in Canada

◆ Recognition as an expert in electricity transmission, market design and regulation issues

II. Mandate and Filing of Expert Report

◆ Scope of Mandate

- Provide and discuss a brief history of FERC's open access transmission policy relating to ATC Coordination
- Opine as to whether HQT's methodology for ATC Coordination complies with FERC Order 890

III. FERC's Orders and Requirements Relating to ATC Coordination

- ◆ Consistent ATC values on either side of an interface, irrespective of ATC methodologies
 - Coordination and exchange of data
- ◆ FERC's expectation of similar ATC value postings without an obligation to have identical ATC values in every instances and at all times
 - A matter of transparency, consistency, accuracy, predictability, equivalency and replicability
- ◆ Level of discretion left to the transmission service provider on how to coordinate ATC values, considering relevant circumstances
- ◆ Compliance with applicable norms (NERC)

IV. Compliance of HQT's Methodology with FERC Orders

- ◆ Description of HQT Methodology for ATC Coordination
 - Relevant sections of Attachment C-1:
 - Last paragraph of Sheet 198
 - Section 3a) ii)
 - Section 3d) i)
 - Section 3d) ii)
 - The “lowest common denominator” approach

IV. Compliance of HQT's Methodology with FERC Orders

- ◆ Comparison of HQT's methodology with other utilities' methodologies
 - Nature of the differences
 - No need for load flow analysis in simultaneous modeling of all interfaces
 - Simple two step process
 - ◆ Step 1: Set TRM at $\max(\text{TRM}_{\text{HQT}}, \text{TRM}_{\text{Adjoining ISO}})$
 - ◆ Step 2: $\text{ATC}_{\text{HQT}} = \text{TTC}_{\text{HQT}} - \text{TRM}$ (Before adjustments for ETC)
 - Reasons for the differences: characteristics and distinguishing features of HQT's transmission system and its interconnections to neighbouring systems
 - Asynchronicity
 - Controllable and radial DC inerties
 - Lack of internal congestion
 - Hub and spoke topology

IV. Compliance of HQT's Methodology with FERC Orders

- ◆ Compliance of HQT's Methodology with FERC Order 890
 - Results in consistent ATC values on either side of an interface
 - Produces predictable, accurate, equivalent and replicable results
 - Simple and objective methodology without arguable assumptions in load flow analysis