



LETTER NO. L-57-05

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ROBERT J. PELLATT
COMMISSION SECRETARY
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Log No. 10601

Via E-Mail

george.isherwood@fortisbc.com
lavern.humphrey@fortisbc.com

July 21, 2005

Mr. George Isherwood
Director, Regulatory Affairs
FortisBC Inc.
P.O. Box 130
1290 Esplanade
Trail, B.C. V1R 4L4

Dear Mr. Isherwood:

Re: FortisBC Inc. / British Columbia Transmission Corporation ("BCTC")
Customer Complaints – Nelson Hydro
Islanding event of June 13, 2005

Attached is a letter of Complaint from Nelson Hydro regarding an Islanding event of June 13, 2005 which damaged the electrical systems of a substantial number of Nelson Hydro customers (and perhaps others). This letter is to request a report from FortisBC and BCTC which investigates this event. The report should address the cause of the event; the result of the event on system voltages and frequencies; the amount of damage and number of customers affected; and the options to prevent the recurrence of the incident. FortisBC should also explain the reasons for denying damage responsibility.

The Commission is aware the event occurred on the BCTC System and therefore recognizes that solutions to prevent a recurrence are the responsibility of BCTC. Therefore the Commission, by copy of this letter to BCTC, requests that BCTC provide input to FortisBC to produce a comprehensive analysis.

Yours truly,

Original signed by:

Robert J. Pellatt

RJP/dlf

Attachment

cc: Mr. Marcel Reghelini
Director, Regulatory Affairs
British Columbia Transmission Corporation
Mr. Russell Leslie
Electrical Superintendent
Nelson Hydro
Mr. Mike Guthrie
Woodward and Company
Barrister and Solicitor

RECEIVED

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Routing Ccd to Comm & staff
LS RWR



101- 310 Ward Street, Nelson, British Columbia, V1L 5S4 • Phone: (250) 352-8212 • Fax: (250) 352-6417

July 7, 2005

Mr. Brian Williston
Director, Engineering and Commodity Markets
Sixth Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

By E-mail: brian.williston@bcuc.com

Dear Mr. Williston:

On June 13, 2005 at approximately 15:42, customers in the North Kootenay and Slocan Valleys, including those customers supplied by Nelson Hydro were subjected to extremely high voltages and frequencies for a period as long as nine seconds. Damage to customers on the Nelson Hydro system alone due to this disturbance is estimated to exceed \$50,000. These voltages and frequencies were reportedly as a result of an "island" condition during which a large amounts of generation on the Fortis and BC Hydro systems were mismatched to a relatively small amount of load in the local area.

Anyone who was living in the area in 1999 will recall that we experienced exactly the same sort of difficulties during lightning season that year, and that West Kootenay Power subsequently accepted financial responsibility for equipment damage suffered by customers due to those events. The City of Nelson strongly supported West Kootenay Power's subsequent efforts to upgrade the transmission system in the Kootenay Valley so that customers would not be exposed to extreme disturbances of this type into the future.

In our discussions with FortisBC management late last month, we understand that FortisBC will be declining financial responsibility for the damages as a result of this occurrence. As discussed with yourself and BCUC staff in Vancouver on June 30, we wish to have the reasons for this decision placed on the record. We are very concerned that customers may continue to be at risk to these sorts of disturbances into the future, despite the large investments that have been made on capital improvements in the Kootenay Valley, and we respectfully request the BCUC's assistance in ensuring that customers are protected going forward.

Yours truly,

Russell Leslie, P.Eng.
General Manager, Nelson Hydro
/rl