

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

GARRY A. BROWN

Chairman

PATRICIA L. ACAMPORA

MAUREEN F. HARRIS

ROBERT E. CURRY JR.

JAMES L. LAROCCA

Commissioners



PETER MCGOWAN

General Counsel

JACLYN A. BRILLING

Secretary

May 10, 2010

SENT VIA ELECTRONIC FILING
Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. RM09-18-000 - Revision to Electric
Reliability Organization Definition of Bulk
Electric System

Dear Secretary Bose:

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

David G. Drexler
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Revision to Electric Reliability)
Organization Definition of Bulk) Docket No. RM09-18-000
Electric System)

NOTICE OF INTERVENTION AND COMMENTS
OF THE NEW YORK STATE
PUBLIC SERVICE COMMISSION

NOTICE OF INTERVENTION

On March 18, 2010, the Federal Energy Regulatory Commission (FERC or Commission) issued a Notice of Proposed Rulemaking proposing to revise the definition of the term "Bulk Electric System" to include all electric transmission facilities rated 100kV or higher. The New York State Public Service Commission (NYPSC) hereby submits its Notice of Intervention and Comments pursuant to the NOPR published in the Federal Register on March 24, 2010, and Rule 214 of the Commission's Rules of Practice and Procedure.

Copies of all correspondence and pleadings should be addressed to:

David G. Drexler
Assistant Counsel
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
david_drexler@dps.state.ny.us

William Heinrich
Chief, Policy Coordination
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
william_heinrich@dps.state.ny.us

BACKGROUND

The Energy Policy Act of 2005 amended the Federal Power Act to include authority for the Commission to certify an Electric Reliability Organization responsible for developing "reliability standards" that provide for the "reliable operation" of the "bulk-power system."¹ In accordance with this authority, the Commission certified the North American Electric Reliability Corporation (NERC) to serve as the Electric Reliability Organization.²

Pursuant to the expanded authority provided within the Federal Power Act, the Commission may approve or reject a reliability standard or modification to a reliability standard that is proposed by the NERC.³ Any reliability standard that is rejected, in whole or in part, must be remanded to the NERC for

¹ Electricity Modernization Act of 2005, Pub. L. No. 109-58, Title XII, Subtitle A, 119 Stat. 594, 941, §1211(a) (Energy Policy Act of 2005) (codified at 16 U.S.C. §824o). The term "reliable operation" means operating the elements of the bulk-power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements. The term bulk-power system is discussed below.

² Docket No. RR06-1-000, North American Electric Reliability Corporation, Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing, 116 FERC ¶61,062 (issued July 20, 2006).

³ 16 U.S.C. §824o(d)(2).

further consideration.⁴ In addition, the Commission may order the NERC to submit to the Commission a proposed reliability standard or a modification to a reliability standard that addresses a specific matter, if the Commission considers such a new or modified reliability standard appropriate.⁵

When considering a proposed reliability standard or modification to a reliability standard, the Commission is required to "give due weight to the technical expertise of the [NERC]." Once a proposed or modified reliability standard is approved by the Commission, it becomes mandatory and enforceable, subject to any transition period for ensuring compliance with such standard.

The Commission's Notice of Proposed Rulemaking, issued on March 18, 2010, proposes to direct the NERC to revise its definition of the "Bulk Electric System," which the Commission uses to implement the definition of the bulk power system within the Federal Power Act, to include all electric transmission facilities with a rating of 100 kV or higher. The Commission also proposes to allow the NERC to seek exemptions from this definition on a specific facility-by-facility basis. Where an exemption is granted, the costs associated with complying with

⁴ 16 U.S.C. §824o(d)(4).

⁵ 16 U.S.C. §824o(d)(5).

reliability standards, which would otherwise be applicable, could be avoided.

According to the Commission, the proposed revision to NERC's definition of the Bulk Electric System is needed to: 1) provide consistency in identifying those system facilities across regions; 2) maintain the "historical and current application of a 100 kV threshold...for reliability purposes;" and, 3) to protect the reliability of the Bulk Electric System based on a "technical justification...including events on facilities rated at 115 kV and 138 kV that have caused or contributed to significant Bulk Electric System disturbances and cascading outages."⁶ The Commission's proposal is primarily directed at the Northeast Power Coordinating Council, Inc. (NPCC), which is one of three Regional Reliability Organizations (also referred to as Regional Entities) that use the NERC definition of Bulk Electric System supplemented with additional criteria.⁷

⁶ Notice of Proposed Rulemaking, at ¶26.

⁷ The NPCC represents the six New England States and New York, as well as the Canadian provinces of Ontario, Quebec, New Brunswick, and Nova Scotia.

SUMMARY

The NYPSC shares the Commission's interest and objective in ensuring reliability. In fact, we have worked closely with utilities within New York State to develop and adopt mandatory standards that ensure the State's electric system is constructed and operated in a safe and reliable manner. While we support the Commission's efforts to develop mandatory and enforceable reliability standards that will provide for the reliable operation of the bulk-power system, the Commission's proposal to adopt a bright-line test will not help in achieving this objective within the NPCC's footprint.

In particular, the proposal to apply the reliability standards to all transmission facilities rated 100 kV and higher would achieve little, if any, further reliability benefits, yet would cause entities to incur substantial expenditures to ensure compliance with such standards. The NERC and the NPCC have indicated that their impact-based approach to defining the bulk power facilities, in conjunction with its regionally-tailored reliability criteria, adequately ensures reliability. Despite the lack of a need for a 100 kV bright-line definition, the costs of compliance with such a definition, according to the NERC and the NPCC, would exceed \$280 million for the U.S.

portion of the NPCC.⁸ These costs would ultimately be paid by ratepayers, although they would not obtain any measurable reliability benefits.

Moreover, the Commission's proposal to adopt a bright-line test would be inconsistent with the definition of the term bulk-power system contained within the Federal Power Act. As defined therein, the bulk-power system includes "facilities and control systems necessary for operating an interconnected electric energy transmission network...."⁹ However, the Commission's proposal would likely encompass facilities not "necessary" for operating an "interconnected" network. As the Commission acknowledged, there may be certain facilities where "a variation from the proposed uniform 100 kV threshold is appropriate."¹⁰ Therefore, the Commission's proposed bright-line approach would go beyond the Commission's authority under the Federal Power Act, which is limited to the bulk-power system.

⁸ Docket No. RC09-3-000, Compliance Filing and Assessment of Bulk Electric System Definition Report of the NERC and NPCC (filed September 21, 2009) p. 13.

⁹ 16 U.S.C. §824o(a)(1)(A) (emphasis added). The term "interconnection" is defined as "a geographic area in which the operation of bulk-power system components is synchronized such that the failure of one or more of such components may adversely affect the ability of the operators of other components within the system to maintain reliable operation of the facilities within their control." 16 U.S.C. §824o(a)(5).

¹⁰ Notice of Proposed Rulemaking at ¶18.

The definition of the bulk-power system contained within the Federal Power Act, which explicitly references facilities and control systems that are "necessary" for operating an interconnected transmission network, appears to recognize the need for a functional test in determining which facilities constitute the bulk-power system. We recommend that the Commission employ such a functional test rather than pursue a bright-line approach. A functional test is consistent with the definition of the bulk-power system contained in the Federal Power Act; would avoid inappropriate designations of facilities and the imposition of unnecessary costs; and would ensure the Commission acts consistent with its jurisdictional authority.

The Commission's proposal would also exceed its statutory authority by directing the NERC to undertake a specific action. While the Federal Power Act allows the Commission to order the NERC to "submit...a proposed reliability standard or a modification to a reliability standard that addresses a specific matter," the Commission cannot direct the NERC to submit a specific standard or modification.¹¹ The former Chairman of FERC, Joseph T. Kelliher, has conveyed the same point that "FERC cannot directly require NERC to propose any

¹¹ 16 U.S.C. §824o(d)(5).

particular standard or modification."¹² Rather, the Commission is required to identify a "specific matter" to be addressed, and to direct the NERC to address that matter. This approach is consistent with the purpose and intent behind the Energy Policy Act of 2005 to designate the ERO as the clearing-house for developing and modifying reliability standards, subject to the Commission's approval.

DISCUSSION

- I. The Commission Should Not Direct The NERC To Revise The Definition Of The Bulk Electric System To Include All Electric Transmission Facilities Rated 100 kV And Above
 - A. The Proposed Revision To The Definition Of The Bulk Electric System Would Not Achieve Measurable Reliability Benefits

As noted above, the NERC and the NPCC undertook a review of the NPCC's approach for defining bulk power facilities, and determined that the NPCC's impact-based definition, coupled with its regionally-tailored reliability criteria, effectively and efficiently ensures reliability. The Commission's Notice of Proposed Rulemaking notes the NPCC's belief, as stated in the joint filing of the NERC and the NPCC, that the NPCC's current impact-based approach in classifying its

¹² Remarks of Joseph T. Kelliher, Executive Vice President - Federal Regulatory Affairs FPL Group, Inc., Reliability Primer for Lawyers and Energy Professionals Energy Bar Association (dated April 28, 2010).

bulk-electric system elements provides an adequate level of reliability. The proposed rulemaking does not dispute the NERC's or the NPCC's position, or even suggest that the NERC's or NPCC's impact-based assessment fails to achieve reliability. Therefore, the Commission should give due weight to the NERC's position and technical expertise, as required under the Federal Power Act.

The Commission points to several events on facilities rated at 115 kV and 138 kV that have either caused or contributed to significant Bulk Electric System disturbances and cascading outages as a technical justification for the proposed 100 kV bright-line definition. While those facilities may have contributed to disturbances or outages on the Bulk Electric System, such limited examples do not support the proposition that all facilities rated at or above 100 kV impact the reliable operation of the bulk system. For example, the Commission observes that the New York Independent System Operator, Inc., which serves as a reliability coordinator within the NPCC, declared transmission load relief events on a flowgate that included three 115 kV transmission lines that are not defined by the NPCC as part of the Bulk Electric System.¹³ However, the 115

¹³ A flowgate is a specified line, set of lines, or combination of lines and other facilities that link two zones in the power system over which power flows.

kV lines constitute a minor element of this flowgate, which predominately consists of higher voltage facilities. It is important to recognize that a fault on one of these 115 kV facilities would not result in a cascading event on the bulk system.

We note that there are various 100 kV class facilities that are designated as part of the bulk system by the NPCC. It may be that the other facilities in the country cited as examples of where there was an impact on the bulk system are already designated as part of the bulk system. Even assuming these facilities were not already designated as part of the bulk system, these limited examples do not support the need to revise the definition of the Bulk Electric System; instead, they suggest that a functional approach to defining the bulk system is appropriate.

The NOPR also references a June 27, 2007 incident as an example where multiple 138 kV circuits tripped, interrupting service to multiple generators and customers. This incident was caused by lightning strikes on the telecommunications system over which several relay signals were carried. The utility involved has since ensured separate paths are provided for telecommunications beyond the fence of the electric utility's facilities. Note that even with the multiple contingencies, the cause was identified, remedied and the system was fully restored

in just 48 minutes. We do not believe that the coverage of these facilities under NERC standards would have had any impact on preventing the situation. Furthermore, the event analysis report of the NPCC Working Group CO-08 concluded that "[t]he disturbance was confined to the Astoria West load pocket of the Consolidated Edison Company of New York, Inc. service territory. No other portions of the Con Ed system were impacted by the event, and the Eastern Interconnection was unaffected by the event."¹⁴ This event involving the interruption of six 138 kV circuits - which is well beyond any planning criteria - resulted in a very localized event. There could not be a better demonstration that these facilities are clearly not part of the bulk system.

The Commission also justifies its proposed rulemaking on the need to maintain consistency across the country, such as where the NPCC does not identify the portions of two 115 kV facilities within its system as part of the Bulk Electric System, while Reliability First Corporation considers those facilities part of the bulk system within its region. However, the Commission does not identify how any such inconsistencies have impacted or may in the future impact reliability, or why

¹⁴ See attached letter from the NPCC to Mr. Daniel Soulier, dated September 25, 2007.

all transmission facilities in the country that are rated at or above 100 kV should be identified as part of the bulk system.

B. The Proposed Revision To The Definition Of The Bulk Electric System Would Impose Significant Costs Upon Customers and Divert Resources

Adopting the Commission's proposed bright-line voltage test would be costly to implement within the NPCC footprint, as utilities would be required to upgrade portions of their electric systems historically considered non-bulk facilities in order to comply with newly-applicable reliability standards. As noted above, these non-bulk facilities do not necessarily have the ability to impact the reliable operation of the "interconnected" bulk-power system. As the NPCC noted in its Compliance Report, the estimated cost of applying the 100 kV and higher definition could exceed \$280 million. Moreover, focusing on non-bulk parts of the system would divert the Commission's and the NERC's resources away from ensuring the reliability of the bulk-power system.

Before making any final determination, the Commission should consider the costs and benefits (i.e., the incremental reliability benefits) of expanding the application of the standards to facilities that have never been subject to NERC's standards. The NERC should be required to evaluate and report back on the reliability impacts and the feasibility and costs of implementing the reliability standards for portions of the

system where such standards have not previously applied. This evaluation should help avoid any unintended consequences. For instance, NERC's pending standards TOP-004, which calls for operating the bulk system to multiple contingencies, and TPL-003, which provides for system planning such that the network can be operated to supply projected customer demands with the loss of multiple elements, would be difficult, if not impossible, to adequately analyze if applied at the 100 kV level due to the hundreds of potential contingencies that may exist.

C. The Proposed Revision To The Definition Of The Bulk Electric System Would Encompass Facilities Beyond the Commission's Jurisdiction

The Energy Policy Act of 2005 authorizes the Commission to approve reliability standards for the "bulk-power system," which is defined to include: (A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and (B) electric energy from generating facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy.¹⁵

The NERC's Glossary of Terms indicates that the reliability standards would apply to the "Bulk Electric System," which means: "[a]s defined by the Regional Reliability

¹⁵ 16 U.S.C. §824o(a).

Organization [(RRO)], the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher. Radial transmission facilities serving only load with one transmission source are generally not included in this definition." Several Regional Reliability Organizations, such as the NPCC, utilize specific criteria or characteristics to identify the Bulk Electric System. For example, the NPCC identifies elements of the Bulk Electric System using an impact-based methodology.

Defining the bulk-power system as all facilities operating at or above 100 kV would exceed the Commission's jurisdiction by encompassing facilities that are clearly part of the non-bulk power system, and are not necessary for operating an *interconnected* transmission network.¹⁶ To illustrate, certain 138 kV facilities in New York City operate at voltage levels above 100 kV, yet do not serve a bulk system function due to the

¹⁶ Through years of studies and functional testing, the New York Independent System Operator, Inc. (NYISO), as well as its predecessor (*i.e.*, the New York Power Pool), have developed a list of facilities that have the potential to cause cascading problems on the electric system. These facilities are considered part of the Bulk System in New York, and are under the NYISO's operational control. In addition, the NYISO has developed a secondary list of facilities that can impact the Bulk System, but whose main function is to serve load, and, as such, are under the control of the transmission owner.

high concentration of load served by those lines.¹⁷ In fact, these lines are not involved in the movement of energy on the "interconnected" bulk-power system.¹⁸ As such, a loss of these lines would not have an affect on the reliable operation of the Bulk-Power System.

In general, there is a layer of "area" transmission facilities below the bulk-power system and above distribution facilities that serves to move energy within a utility service territory and toward load centers. Only a small subset of these underlying facilities assists in maintaining the reliability of the bulk system.

D. The Proposal To Direct NERC To Revise The Definition Of The Bulk Electric System Would Exceed The Commission's Authority Over The NERC

The NOPR proposes to direct the NERC to take specific actions to adopt a specific definition for the Bulk Electric System. The purported legal basis for this proposed revision is the Commission's authority to "order the [ERO] to submit...a

¹⁷ The majority of the 138 kV lines within New York City serve as direct feeders to the networked distribution system serving load. Although the few 138 kV facilities that can impact the bulk system are controlled by the transmission owner, any change in status must be reported to the NYISO.

¹⁸ According to the Federal Power Act of 2005, the Bulk-Power System does not cover "facilities and control systems [un]necessary for operating an *interconnected* electric energy transmission network." Pub. L. No 109-58, Title XII, Subtitle A, 119 Stat.594, 941 (2005).

proposed reliability standard or a modification to a reliability standard that addresses a specific matter" deemed appropriate.¹⁹ However, this authority merely allows the Commission to require NERC to file a proposal to establish a new reliability standard or to amend an existing standard, in order to address specific matters identified by the Commission. In other words, the NERC, as the Electric Reliability Organization, must decide in the first instance how the Commission's specific concerns should best be achieved.

The Federal Power Act does not permit the Commission to prescribe how those concerns should be met and to direct the NERC to file a specific standard laid out by the Commission. To interpret the Federal Power Act to include this authority would override the provision directing the Commission to remand to the NERC, for further consideration, any reliability standard that was disapproved by the Commission.²⁰ Moreover, such an interpretation would essentially render the NERC meaningless, as the Commission could simply direct the NERC to file whatever specific reliability standards the Commission deems appropriate. As stated recently by former FERC Chairman Joseph T. Kelliher,

[i]t would completely circumvent the statutory scheme for standards development if FERC can order NERC to

¹⁹ 16 U.S.C. §824o(d) (5).

²⁰ 16 U.S.C. §824o(d) (4).

file a specific standard, regardless of whether NERC believes the standard meets the statutory test. It would be perverse if the statute barred FERC from modifying a standard proposed by NERC but allowed FERC to precisely dictate the content of a standard to be filed by NERC for FERC's approval. If FERC could do that there would be no need to ever modify a NERC proposed standard.²¹

The Commission previously acknowledged concerns about the "prescriptive nature of...proposed modifications," and directed NERC to "address the underlying issue through the Reliability Standards development process without mandating a specific change to the Reliability Standard."²² In directing modifications, the Commission emphasized that it was not mandating a particular outcome, but allowing the NERC to "respond with an equivalent alternative and adequate support that fully explains how the alternative produces a result that is as effective or more effective" than the Commission's directive.²³

²¹ Remarks of Joseph T. Kelliher, Executive Vice President - Federal Regulatory Affairs FPL Group, Inc., Reliability Primer for Lawyers and Energy Professionals Energy Bar Association (dated April 28, 2010).

²² Docket No. RM06-16-000, Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, ¶¶185-86 (issued March 16, 2007) (agreeing that "a direction for modification should not be so overly prescriptive as to preclude the consideration of viable alternatives in the ERO's Reliability Standards development process").

²³ Id. at ¶31.

When developing reliability standards, the NERC engages in a stakeholder process that includes reasonable notice and opportunity for public comment, due process, openness, and the balancing of interests. This process should not be short-circuited by the Commission's directives.

II. The Commission Should Allow The Use of A Functional Test To Define The Bulk Electric System

Given the legal and financial implications of adopting a bright-line test, the NYPSC encourages the Commission to allow a functional test for defining the bulk-power system, such as the one currently used by the NPCC to identify facilities having an adverse impact on the bulk system. For example, the NPCC identifies facilities having an adverse impact on bulk systems by defining the bulk power system as "the interconnected electrical systems within northeastern North America comprising generation and transmission facilities on which faults or disturbances can have a significant adverse impact outside of the local area. In this context, local areas are determined by the Council members."²⁴

Because a functional test identifies "facilities and control systems necessary for operating an interconnected

²⁴ See, <http://www.npcc.org/publicFiles/reliability/criteriaGuidesProcedures/a-07.pdf>.

electric energy transmission network (or any portion thereof),”²⁵ it is consistent with the Energy Policy Act of 2005. By determining which facilities are necessary to reliably operate the bulk-power system, this test would obviate the Commission’s concern that a discrepancy in definitions could lead to reliability gaps. Although this approach could result in the same voltage lines being classified differently, such an outcome is entirely consistent with an acknowledgement that facilities with similar voltages may or may not be part of the bulk-power system or affect such system, depending on the characteristics and configurations of regional electric systems.

CONCLUSION

For the reasons noted above, the Commission should not direct the NERC to revise its definition of the Bulk Electric System to include all facilities rated at 100 kV or higher. The Commission should allow the NERC and Regional Entities to use a functional test for determining which facilities are both part

²⁵ Energy Policy Act of 2005 §1211(a).

of and affect the bulk-power/electric system, as has been
successfully done in the NPCC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Peter McGowan". The signature is written in a cursive, flowing style.

Peter McGowan
General Counsel
Public Service Commission
of the State of New York

By: David G. Drexler
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-8178

Dated: May 10, 2010
Albany, New York



NORTHEAST POWER COORDINATING COUNCIL, INC.
1515 BROADWAY, NEW YORK, NY 10036-8901 TELEPHONE: (212) 840-1070 FAX: (212) 302-2782

November 19, 2007

Members, Reliability Coordinating Committee
and

Mr. Colin Anderson
Mr. Derek R. Cowbourne
Mr. David Goulding
Mr. Henry G. Masti
Ms. Jennifer Budd Mattiello
Mr. Edward A. Schwerdt

Re: Status of the Task Force on Coordination of Operation Review of the Interruption of a
Con Edison Load Pocket on June 27, 2007

Sir / Madam:

On June 27, 2007, the Consolidated Edison Company of New York, Inc., experienced the loss of 137,000 customers in parts of the boroughs of the Bronx and Manhattan in New York City. At the direction of the NPCC Task Force on Coordination of Operation, the NPCC System Operations Managers Working Group (CO-08) reviewed the Con Edison report on the disturbance, "Con Edison June 27, 2007 Event-Shutdown of Astoria West, Bruckner, and Hell Gate Substations." As directed in Document B-13, "Guide for Reporting System Disturbances," the Working Group CO-08 reviewed this report and assessed the circumstances surrounding the disturbance, the findings identified by Con Edison and the lessons to be learned from the incident.

The report summarizing the conclusions of the Working Group CO-08 in its review of the June 27th Con Edison event report was submitted to the NPCC Task Force on Coordination of Operation at its meeting of November 8 and 9, 2007. The TFCO approved the findings of the Working Group CO-08 as follows:

1. The disturbance was confined to the Astoria West load pocket of the Consolidated Edison Company of New York, Inc. service territory. No other portions of the Con Ed system were impacted by the event, and the Eastern Interconnection was unaffected by the event.

2. Restoration of the customer load was exceptional, with all service fully returned within forty-eight minutes.
3. The Working Group CO-08 accepts and endorses the recommendations identified by Con Edison.
4. The Working Group CO-08 agrees that all operational concerns and issues have been fully addressed, and the Working Group believes that no further analysis of the Con Edison June 27, 2007, event is required.

The NPCC Task Force on Coordination of Operation accepts these conclusions and recommends no further investigation of the June 27, 2007, event.

In parallel with the review by the Working Group CO-08, and at the request of the Working Group, the Task Force on System Protection also reviewed the Con Edison report in detail to ensure that all protection specific concerns were identified. You will find appended to this letter the conclusions of the TFSP as well (letter of Mr. John R. Ferraro dated October 26, 2007), recommending additional language to NPCC Document B-05, "Bulk Power System Protection Guide," addressing the consequences in choosing a proper balance between the security and the dependability of a protection system (The dependability of a protection system is the confidence that it will operate as designed when it is required to operate; the security of a protection system is the confidence that it will not inadvertently operate when it is not required to do so.).

Thank you for your attention to this matter.

Very truly yours,

J. G. Mosier, Jr.

John G. Mosier, Jr.
Assistant Vice President-System
Operations

JGM:mr

cc: Members, NPCC Compliance Committee
Members, NPCC Task Force on Coordination of Operation
Members, NPCC Task Force on Coordination of Planning
Members, NPCC Task Force on Infrastructure Security and Technology
Members, NPCC Task Force on System Protection
Members, NPCC Task Force on System Studies



Northeast
Utilities
System

107 Selden Street, Berlin, CT 06037

Northeast Utilities Service Company
P.O. Box 270
Hartford, CT 06141-0270
(860) 665-6743

John R. Ferraro, P. E.
Manager – Transmission Protection &
Controls Eng.

October 26, 2007

To: NPCC Working Group CO-8

Ref.: TFSP Review of the Con Edison June 27, 2007 Event

The TFSP held a conference call on September 11, 2007 to review the subject report. In summary, the Task Force found that the authors had prepared an excellent summary of the event, and the conclusions and recommendations were open and thorough.

TFSP noted the fact that the disturbance involved the coincident loss of pilot communications for several lines and challenges to fault-detector level settings. The Task Force also recognizes that the level settings for fault detectors in pilot wire and current differential schemes are often a compromise between security and dependability. The Task Force agreed that it would serve some useful purpose that guidance be developed in the NPCC Document B-5 dealing with the proper balance between these influences. This guidance needs to consider the exposure these schemes may have as a result of third party (leased) communication circuits. This guidance will be developed during our next scheduled review to Document B-5.

TFSP also reviewed the likelihood that similar exposures could exist on the bulk power system. Based on the collective knowledge of the members of the Task Force, it can be stated that the use of the Tollgrade interface to convert the analog signal to digital (as installed at Con Edison) never received broad-based acceptance among other utilities in the northeast. Hence, TFSP concluded that the risk of exposures to misoperations of this nature is very low on the NPCC bulk power system.

If you have any concerns or questions regarding this information, please let me know.

Sincerely,



John R. Ferraro

cc: Members, Task Force on System Protection

