Page 1 of 1

Q: (Liberty December 17, 2014 Report to Board on Supply Issues and Power Outages Review Island Interconnected System addressing Newfoundland and Labrador Hydro) Chapter VII discusses the various control/service centres operated by the two utilities on the IIS. Is the number of control/service centres on the IIS typical of jurisdictions elsewhere in Canada and the United States? Could efficiencies, cost savings and performance improvements (i.e., reduce the probability that one control/service centre will produce results that contradict those from another control/service centre) be gained by reducing the number of control/service centres?

A. For the purposes of this RFI, Liberty differentiates Control and Service Centres. A Control Centre allows system operators to control the generation, transmission, and distribution facilities. A Control Centre can be located within Corporate Headquarters, within its own free-standing facility, or within a Service Centre. A Service Centre is a facility from which work crews are dispatched, and vehicles, materials, tools and equipment are stored. Localized engineering or customer service functions may also be housed at Service Centers.

Current best practice locates the primary Control Centre in its own, highly secure, free-standing facility, remote from corporate headquarters. The back-up site should be fully duplicative of capabilities, and be geographically separate from the primary centre. The goal is to preclude a single event from rendering both the primary and back-up sites inaccessible. Because Control Centres are staffed by a single department, whose employees can be relocated from site to site, differences between sites are usually not at issue. Hydro maintains its primary Control Centre for its generation and transmission facilities and its back-up site at locations removed from each other, consistent with NERC guidelines and good utility practice. Hydro's distribution Control Centres are located within Service Centers closer to its retail customer loads.

Combining these Control/Service Centres may provide opportunities to improve consistency in work methods and procedures across the utility, but the tradeoff that needs to be considered is deterioration of reliability of service (especially CAIDI) given the increased travel times of crews from a centralized Centre to remote customer locations. Liberty observed no advantage to combining these facilities.