

September 28, 2012

Via Electronic Filing

Hon. Jaclyn A. Brillling
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

Re: Case 12-E-0136 – Petition of Dunkirk Power LLC and NRG Energy, Inc. for Waiver of Generator Retirement Requirements—Reliability Study Reports

Dear Secretary Brillling:

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or “Company”) hereby submits copies of the following: “Review of Dunkirk Mothball Notice – Part 1, Version 0 (July 23, 2012) (“Part 1 Study”) and “Review of Dunkirk Mothball Notice – Part 2; Review of Additional Solutions Associated with Dunkirk Mothball Notice, Version 0 (September 26, 2012) (“Part 2 Study”) (together, the Part 1 and Part 2 studies are referred to as the “Dunkirk Study Reports”). Submittal of the Dunkirk Study Reports follows from the Company’s commitment to do so set forth in the March 30, 2012, letter from Christopher Root to Thomas Dvorsky.¹ Copies of the Dunkirk Study Reports included here have been redacted to remove confidential information. Confidential versions of the Dunkirk Study Reports have been submitted to the Records Access Officer along with a request for protective treatment, and have also been provided simultaneously to members of Staff participating in this matter with direction to treat the information as confidential absent a contrary determination from the Records Access Officer or the Commission.

On March 14, 2012, NRG filed notice with the Commission of its intent to mothball the Dunkirk facility no later than September 10, 2012. Based on studies performed prior to the mothball notice, National Grid determined that “the proposed mothballing of Dunkirk units 1-4 will result in significant impacts to transmission system reliability in western NY.”² Since the mothball notice, the Company has undertaken additional analyses to determine the impacts of the Dunkirk mothballing on transmission system reliability and to identify solutions to address the reliability needs.

In the Part 1 Study, the Company identified a number of short duration projects that could be implemented by June 2013 that would reduce system reliance on Dunkirk to just one 115 kV

¹ Letter C.E. Root, National Grid Sr. V.P., Network Strategy, to T.G. Dvorsky, DPS Director, Office of Electric, Gas and Water (March 30, 2012).

² *Id.*

unit year around. These short duration projects include installation of 115 kV capacitor banks at Gardenville and Homer Hill substations, installation of 230 kV bus tie breakers at Huntley and Packard substations, changing the transmission line supply for three distribution stations and moving mobile capacitor banks from Huntley to Dunkirk upon completion of the first permanent capacitor bank at Huntley. Details of these projects are provided in the Part 1 Study.

In the Part 2 Study, the Company identified projects that would be needed to put the transmission system in a state similar to that which it would have been in had the Dunkirk plant not been mothballed. These projects include adding two permanent capacitor banks at Dunkirk substation, another capacitor bank at Huntley substation, reconductoring two 115 kV lines between Homer Hill substation and the future Five Mile Road substation, reconductoring one mile of the Niagara – Gardenville #180 line, and reconductoring fourteen miles of the Packard – Erie #181 line. Details of these projects are provided in the Part 2 Study.

The Company is also proceeding with the solicitation of alternative providers of reliability support services to reduce or eliminate the need to keep one of the Dunkirk 115 kV units on-line after implementation of the short duration projects identified in the Part 1 Study.

The Company is committed to the safe and reliable operation of the electric system for customers, and is working with Staff to keep them apprised of developments to address the reliability needs presented by the Dunkirk mothballing. Copies of this letter and the redacted versions of the Dunkirk Study Reports are provided to all persons on the service list in this proceeding pursuant to the Commission’s Document and Matter Management (“DMM”) system.

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Carlos A. Gavilondo

Carlos A. Gavilondo

Enclosure

cc: Service List Case 12-E-0136 (via DMM)
Raj Addepalli
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