

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE: APPLICATION OF TRANS-ALLEGHENY	:	
INTERSTATE LINE COMPANY FOR	:	
(I) A CERTIFICATE OF PUBLIC CONVENIENCE	:	
TO OFFER, RENDER, FURNISH AND/OR	:	
SUPPLY TRANSMISSION SERVICE IN THE	:	
COMMONWEALTH OF PENNSYLVANIA;	:	
(II) AUTHORIZATION AND CERTIFICATION	:	
TO LOCATE, CONSTRUCT, OPERATE AND	:	Docket Nos. A-110172
MAINTAIN CERTAIN HIGH VOLTAGE ELECTRIC	:	A-110172F0002
TRANSMISSION LINES AND RELATED ELECTRIC	:	A-110172F0003
SUBSTATION FACILITIES; (III) AUTHORITY	:	A-110172F0004
TO EXERCISE THE POWER OF EMINENT	:	G-00071229
DOMAIN FOR THE CONSTRUCTION AND	:	
INSTALLATION OF AERIAL ELECTRIC	:	
TRANSMISSION FACILITIES ALONG THE	:	
PROPOSED TRANSMISSION LINE ROUTES	:	
IN PENNSYLVANIA; (IV) APPROVAL OF AN	:	
EXEMPTION FROM MUNICIPAL ZONING	:	
REGULATION WITH RESPECT TO THE	:	
CONSTRUCTION OF BUILDINGS; AND	:	
(V) APPROVAL OF CERTAIN RELATED	:	
AFFILIATED INTEREST ARRANGEMENTS	:	

REBUTTAL TESTIMONY OF SCOTT W. GASS

Re: PJM and Regional Planning Process

December 10, 2007

REBUTTAL TESTIMONY OF SCOTT W. GASS

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Scott W. Gass and my business address is 15 Shannon Way,
3 Royersford, Pennsylvania.

4

5 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

6 A. Yes. I have filed written Direct Testimony on behalf of Trans-Allegheny
7 Interstate Line Company ("TrAILCo"), which has been designated as TrAILCo
8 Statement No. 4.

9

10 Q. PLEASE DESCRIBE THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

11 A. This Rebuttal Testimony addresses various assertions, concerning PJM and the
12 regional transmission planning process, by Office of Trial Staff ("OTS") witness
13 Gary Yocca in OTS Statement No. 1, Office of Consumer Advocate ("OCA")
14 witness Peter Lanzalotta in OCA Statement No.1, Energy Conservation Council
15 ("ECC") witness George Loehr in ECC Statement No. 1, and by certain members
16 of the public during public input hearings.

17

18 Q. WILL THE USE OF VARIOUS TERMS IN YOUR REBUTTAL TESTIMONY
19 BE CONSISTENT WITH THE DEFINITIONS ASSIGNED TO THOSE TERMS
20 IN THE TABLE OF NOMENCLATURE ATTACHED TO TRAILCO
21 WITNESS FLITMAN'S DIRECT TESTIMONY AS TRAILCO EXHIBIT DEF-

22 1?

1 A. Yes. In addition, I may define other terms in my rebuttal testimony.

2

3 Q. HAVE YOU REVIEWED THE REBUTTAL TESTIMONY FILED BY
4 STEVEN HERLING ON BEHALF OF TRAILCO RELATED TO THE PJM
5 AND NERC STANDARDS AND TESTS UNDERLYING THE NEED FOR
6 TRAIL?

7 A. Yes.

8

9 Q. DO YOU HAVE ANY ADDITIONAL POINTS TO ADD FROM YOUR
10 PERSPECTIVE?

11 A. Yes. I agree with what Mr. Herling has described as being the PJM and NERC
12 standards and tests. These standards and tests were employed in the identification
13 of the need for TrAIL. It is an important part of both the NERC and PJM
14 processes that any proposed changes to the standards are fully discussed and
15 voted on prior to implementing the changes. It is through this collaborative
16 approach that all participants' viewpoints can be fully vetted and that no one
17 individual's opinion dictates future changes.

18

19 Q. HAVE YOU REVIEWED ECC WITNESS LOEHR'S TESTIMONY
20 CONCERNING THE UNDERLYING NEED FOR TRAIL?

21 A. Yes. Mr. Loehr's testimony concerning the 502 Junction – Mt. Storm –
22 Meadowbrook - Loudoun 500 kV states that no reliability issues were proven and
23 that the underlying motive was economics. I personally supervised the analysis

1 that was performed to determine the need for TrAIL and I can unequivocally state
2 that there was no underlying motive of economics. Furthermore, the NERC and
3 PJM reliability standards, as approved at that time, were studied and reliability
4 problems were identified as noted in Exhibit SWG-1. Mr. Loehr's testimony does
5 not dispute the fact that there are reliability problems if the existing PJM and
6 NERC reliability standards are evaluated. Instead, he simply unilaterally decides
7 that the standards are too conservative. Mr. Loehr's words are that "TrAILCO
8 and PJM seem to want to build a transmission system capable of delivering every
9 MW from any generator anywhere on the system to any load point in PJM". This
10 shows a complete misunderstanding of the PJM deliverability procedures and is
11 exactly the reason why changes to existing procedures are discussed in an open
12 forum and include the input of other participants and stakeholders.

13
14 Q. DID THE PJM STUDY OF NERC CATEGORY C3 CONTINGENCIES
15 ALLOW FOR MANUAL SYSTEM ADJUSTMENT?

16 A. Yes. PJM did study manual system adjustments, as allowed by NERC Criteria,
17 after the first Category B contingency and prior to the second Category B
18 contingency. However, the contingencies identified in Exhibit LAH-3 can not be
19 resolved through re-dispatch of generation or through curtailment of firm
20 transfers. As stated in Mr. Hozempa's rebuttal testimony, the amount of load that
21 would need to be shed after the first contingency in anticipation of the second
22 contingency has reached a sufficient level such that manual load shedding is no
23 longer considered an acceptable solution to resolve the reliability problems.

1 I'd also like to provide one clarification around the terminology used to describe
2 NERC Category C3 contingencies. The term "n-2" is sometimes used to describe
3 NERC Category C3 contingencies. The term "n-2" could be misinterpreted to
4 indicate two simultaneous contingencies without any ability for manual system
5 adjustments. A more precise term to describe the NERC Category C3
6 contingencies would be "n-1-1" which better describes the analysis which was
7 conducted.

8
9 Q. DID PJM CALCULATE THE PROBABILITY THAT THE CONTINGENCIES
10 LISTED IN TRAILCO EXHIBIT LAH-3 WOULD ACTUALLY OCCUR?

11 A. No. NERC Category C3 is a set of deterministic criteria and, as such, requires the
12 evaluation of all combinations of one NERC Category B contingency followed by
13 (after manual system adjustment) a second NERC Category B contingency. The
14 calculation of a probability associated with any specific n-1-1 outage is not
15 applicable for NERC Category C3 contingencies.

16
17 Q. DO YOU CONSIDER PJM'S GENERATOR AND LOAD DELIVERABILITY
18 TESTS TO BE TOO CONSERVATIVE?

19 A. No. The PJM Generator and Load Deliverability tests are the procedures by
20 which PJM studies NERC Category B contingencies. Section R1.3.2 of NERC
21 Standard TPL-002-0 states that the analysis should "Cover critical system
22 conditions and study years as deemed appropriate by the responsible entity." The
23 PJM Generator and Load Deliverability tests have been applied consistently for

1 RTEP baseline studies, generation interconnection studies and merchant
2 transmission interconnection studies on the PJM system for over 7 years. Any
3 PJM member whether they are generation owners, transmission owners, or end
4 use customers has the ability to request modifications to the existing procedures if
5 they deem the procedures too conservative. Any requested changes to the criteria
6 are then fully discussed and ultimately approved or not-approved through the PJM
7 committee structure. As such, the PJM Generator and Load Deliverability tests
8 are the method accepted by the PJM membership through which NERC Category
9 B contingencies are studied.

10

11 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

12 A. Yes. However, I reserve the right to file such additional testimony as may be
13 necessary or appropriate, and to supplement my rebuttal after reviewing responses
14 to discovery propounded to other parties.