



Our Ref: C2004/506-05
Contact Officer: Kenny Yap
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7 March 2005

Mr Terry Miller
Group General Manager Networks
Country Energy
Cnr Littlebourne Street & Hampden Park Road
Kelso NSW 2795

Dear Mr Miller

Information on alternative back up supply to Tenterfield

I am writing to seek Country Energy's advice regarding possible options for the retention of an N-1 supply to the Tenterfield area.

On 8 February 2005, the Directlink Joint Venturers (DJV) lodged a supplementary submission with the Australian Competition and Consumer Commission (ACCC) as part of its application for conversion of Directlink from a market network service to a prescribed service. In that submission, DJV assumed that TransGrid would need to dismantle the 132 kV line between Tenterfield and Lismore in order to obtain a route for constructing the Dumaresq to Lismore 330 kV line.¹ This would leave Tenterfield with only one 132 kV line from the south and would remove the possibility of back feeding Tenterfield from Lismore in the event of an outage of the 132 kV line. Therefore, TransGrid could restore 132 kV back-up by building a second line from Glen Innes to Tenterfield.

I note that the district around Tenterfield is currently supplied from the Tenterfield 132 kV substation. However its winter peak demand is around 6 MW and would normally not justify a duplicated 132 kV supply. Therefore, rather than build a 132 kV line from Glen Innes, there may be other more economic solutions which would provide back-up for the 6 MW demand.

For example, Country Energy may have a 66 kV line from Glen Innes serving communities along the New England highway which might be able to be extended to Tenterfield. Alternatively the procurement of grid support may also provide a more economic outcome.

To assist the ACCC in considering this matter, I would be grateful if you could please advise on the following questions. In the event that the Tenterfield to Lismore 132 kV line is dismantled to provide a route for a 330 kV line to Lismore:

¹ The construction of a 330 kV line linking Dumaresq and Lismore is considered to be the default reliability augmentation required to relieve present local thermal and voltage constraints, and provide continuity of supply to Lismore following the most critical outage of the existing Armidale to Lismore 330 kV line.

- does Country Energy face any statutory requirements to provide an alternative back-up supply to the Tenterfield load area?
- what options (that is, augmentations or procurement of grid support services) would be possible within Country Energy's network to provide this back-up in an economic manner?
- what would be the approximate cost for these augmentations or procurement of grid support?

Should you wish to discuss this further, please contact me on (02) 6243 1240 or Kenny Yap on (02) 6243 1224. Otherwise, I look forward to receiving your reply as soon as practicable.

Yours sincerely

[signed]

Warwick Anderson
Director
Regulatory Affairs – Electricity