

120 FERC ¶ 61, 292
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 28, 2007

In Reply Refer To:
MidAmerican Energy Company
Docket No. OA07-80-000

MidAmerican Energy Company
401 Douglas Street
P. O. Box 778
Sioux City, Iowa 51102

Attention: Suzan M. Stewart
Managing Senior Attorney

Reference: Supplemental filing to comply with Order No. 890

Dear Ms. Stewart:

1. On July 13, 2007, in Docket No. OA07-56-000, MidAmerican Energy Company (MidAmerican) submitted its section 206 compliance filing to incorporate changes required by Order No. 890. MidAmerican stated that it sets the Capacity Benefit Margin (CBM) component of its Available Transfer Capability (ATC) at zero for all MidAmerican flowgates and contract paths, and that MidAmerican has no requirement or procedure for use of CBM.¹ Therefore, MidAmerican requested waiver of the requirement to make a section 205 filing as described in the Final Rule.²

2. Subsequently, on July 31, 2007, MidAmerican submitted a supplemental filing intended to further comply with Order No. 890. This supplemental filing was docketed as Docket No. OA07-80-000. The supplemental filing addresses MidAmerican's participation in the Coordinating Agreement for the Cooper-Fairport-St. Joseph 345 kV Interconnection (Coordinating Agreement) by and among MidAmerican, Associated

¹ Order No. 890 required transmission providers to revise their transmission rates to ensure that point-to-point customers who do not benefit from the set-aside of CBM do not pay rates that include the costs of the set-aside. *Preventing Undue Discrimination and Preference in Transmission Service*, FERC Stats. & Regs. ¶ 31,241, at P 263 (2007).

² Docket No. OA07-56-000 is currently pending before the Commission.

Electric Cooperative, Inc., Kansas Power & Light Company, Nebraska Public Power District, Omaha Public Power District, the City of Lincoln, Nebraska, and St. Joseph Light & Power Company. The Coordinating Agreement addresses the operation of the Cooper-Fairport-St. Joseph 345 kV Interconnection (the Missouri-Iowa-Nebraska transmission line or “MINT Line”). According to the Coordinating Agreement, the interconnection enhances the reliability of the interconnected operations of each participant’s electric utility system by creating parallel paths to existing regional transmission facilities and by providing for the emergency interchange of power on a priority basis. MidAmerican states that the Coordinating Agreement limits, for reliability purposes, the amount of firm transmission service that each participant may schedule over the MINT Line. MidAmerican states that it does not believe that the limitations on firm uses of the line are the equivalent of a CBM set-aside that would require revision of its point-to-point transmission rates, consistent with Order No. 890. However, MidAmerican submits revised Schedules 7 and 8 point-to-point rates in its Open Access Transmission Tariff (OATT) reflecting the reduction that would result if the Commission deemed its operating limits on the MINT Line to be the equivalent of a CBM set-aside.

3. MidAmerican states that the Coordinating Agreement does not permit the amount of the reduction in transfer capability allocated to transmission for emergency service to be used on a firm basis, but rather as the highest level of non-firm. Mid-American states that its understanding of the Commission’s requirements in Order No. 890 addresses CBM where firm transmission capacity is set aside for emergency use. Therefore, MidAmerican argues that the Coordinating Agreement does not provide MidAmerican with firm transmission capacity rights set aside for CBM. MidAmerican further states that it has never used or treated the capacity on the MINT Line that was reserved for emergency use as a CBM set-aside, has no plans for CBM use, and therefore does not believe it is required to revise its Schedules 7 and 8 point-to-point rates in its OATT.

4. Notice of the filing was published in the *Federal Register*, 72 Fed. Reg. 45,804 (2007), with interventions, comments and protests due on or before August 22, 2007. None were filed.

5. We agree with MidAmerican that the limitations on firm uses of the MINT Line are not the equivalent of a CBM set-aside that would require revision of its point-to-point rates in its OATT. Accordingly, we will reject MidAmerican’s proposed tariff sheets. In Order No. 890, the Commission stated that it would require transmission providers to give a narrative description detailing their respective CBM practices. Specifically, transmission providers must set forth a definition of each ATC component [i.e., Total Transfer Capability (TTC), Existing Transmission Commitments (ETC), Transmission Reliability Margin (TRM) and CBM] and a detailed explanation of how each one is

derived.³ Based on MidAmerican's representations in the instant filing that it does not treat the MINT Line capacity as a CBM set-aside, we reject MidAmerican's tariff sheets here.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Acting Deputy Secretary.

³ We note that on September 11, 2007, in Docket No. OA07-90-000, MidAmerican submitted a further compliance filing with respect to Order No. 890 which included Attachment C (Methodology to Assess ATC). In that filing, MidAmerican submitted a narrative description of the MINT Line stating that its share of the MINT Line is 170 MW and that it posts a value of 170 MW for the MINT Line TTC and a value of 85 MW for the MINT Line TRM. We make no finding on the merits of MidAmerican's filing in Docket No. OA07-90-000, currently pending before the Commission.