

122 FERC ¶ 61,223
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

El Paso Electric Company

Docket No. OA07-101-000

ORDER ACCEPTING COMPLIANCE FILING, AS MODIFIED

(Issued March 11, 2008)

1. On September 10, 2007, pursuant to section 206 of the Federal Power Act (FPA),¹ El Paso Electric Company (EPE), submitted a revised version of Attachment C (Methodology to Assess Available Transfer Capability) to its Open Access Transmission Tariff (OATT) as required by Order No. 890.² In this order, we accept EPE's compliance filing, as modified, as in compliance with Order No. 890, as discussed below.

I. Background

2. In Order No. 890, the Commission reformed the *pro forma* OATT to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. Among other things, Order No. 890 amended the *pro forma* OATT to require greater consistency and transparency in the calculation of Available Transfer Capability (ATC), open and coordinated planning of transmission systems and standardization of charges for generator and energy imbalance services. The Commission also revised various policies governing network resources, rollover rights and reassignments of transmission capacity.

3. The Commission established a series of compliance deadlines to implement the reforms adopted in Order No. 890. Transmission providers that have not been approved as independent system operators (ISO) or regional transmission organizations (RTO), and whose transmission facilities are not under the control of an ISO or RTO, were directed

¹ 16 U.S.C. § 824e (2000 & Supp. V 2005).

² *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, 73 Fed. Reg. 2984 (January 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007).

to submit, within 180 days from publication of Order No. 890 in the *Federal Register* (i.e., September 11, 2007), section 206 compliance filings to revise Attachment C of their OATTs.

II. Compliance Filing

4. EPE states that its Attachment C compliance filing includes the following information about the methodology by which EPE assesses ATC: (i) an identification of EPE's use of the contract path methodology; (ii) a description of the mathematical algorithm used to calculate firm and non-firm ATC for the scheduling horizon, operating horizon and planning horizon; (iii) the ATC process flow diagram describing the various steps used to calculate ATC; and (iv) the definitions of each ATC component and how each is derived in both the operating and planning horizons. EPE states that it does not reserve any Capacity Benefit Margin (CBM) on its transmission lines and thus its ATC formulas do not include such a deduction.

III. Notice of Filing and Responsive Pleadings

5. Notice of EPE's filing was published in the *Federal Register*, 72 Fed. Reg. 54025 (2007), with interventions and protests due on or before October 1, 2007. Powerex Corp. (Powerex) filed a motion to intervene one day out of time and comments. EPE filed an answer to Powerex's motion. Powerex subsequently filed a motion for leave to answer, answer, and supplemental comments.

6. Powerex, in its motion to intervene one day out of time, states that it missed the intervention date by one day due to the press of other business. Powerex also states that it was unable to complete its review of EPE's compliance filing.

7. EPE, in its answer to Powerex's motion, states that it opposes Powerex's motion and argues that the press of other business does not constitute good cause for allowing late interventions.

8. Powerex, in its subsequent motion for leave to answer, answer, and supplemental comments, states that the Commission's Secretary initially assigned EPE's filing two separate dockets, with two separate comment dates—the second docket was later canceled. Powerex notes that the two comment dates were one day apart. The second docket received the later date, the same date that Powerex filed its late intervention. Thus, Powerex argues that because of the confusion surrounding the EPE dockets and the large number of interventions due on October 1-3, 2007, Powerex's motion to intervene should not be rejected. Powerex also states that no substantive matters had yet been decided by the Commission when its motion was filed, and that EPE has not suffered any prejudice from its one-day late filing.

9. On the substance of the filing, Powerex argues that EPE failed to list the databases it uses in its TTC and TRM assessments.³ Powerex notes that information provided by EPE does not provide transparency, and prevents customers from accessing all the information necessary to verify EPE's ATC calculations. Powerex requests that the Commission require EPE to revise its Attachment C to specifically list the databases it uses for TTC and TRM calculations.

IV. Discussion

A. Procedural Matters

10. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2007), the commission will grant Powerex's late-filed motion to intervene given its interest in the proceeding, the early state of the proceeding and the absence of undue prejudice or delay.

B. EPE's Filing

11. We accept EPE's revised Attachment C, as modified below, to be effective September 11, 2007. We also direct EPE to file, within 30 days of the date of this order, a further compliance filing, as discussed below.

1. ATC Methodology

12. In Order No. 890, the Commission required a transmission provider to clearly identify which methodology it employs (e.g., contract path, network ATC, or network Available Flowgate Capacity (AFC)). The transmission provider also must describe in detail the specific mathematical algorithms used to calculate firm and non-firm ATC (and AFC, if applicable) for its scheduling, operating and planning horizons.⁴ Further, the actual mathematical algorithms must be posted on the transmission provider's website, with the link noted in the transmission provider's Attachment C.⁵

³ The ATC components are total transfer capability (TTC), existing transmission commitments (ETC), capacity benefit margin (CBM) and transmission reserve margin (TRM). Powerex also noted that EPE does not list the databases it will use in its CBM assessment, but as EPE does not currently set aside any CBM, such explanation is not necessary.

⁴ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C; *see also id.* P 323.

⁵ *Id.* P 325, 328.

13. We have reviewed EPE's filing and find that EPE's revised Attachment C does not provide the link to the EPE's web site with the actual mathematical algorithms. Therefore, EPE's filing fails to comply with Order No. 890. We direct EPE to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide the link to the EPE's website with the actual mathematical algorithms, as required in Order No. 890.

2. Detailed Explanation of the ATC Components⁶

a. TTC

14. In Order No. 890, the Commission required a transmission provider to: (i) explain its definition of TTC; (ii) explain its TTC calculation methodology for both the operating and planning horizons; (iii) list the databases used in its TTC assessments; and (iv) explain the assumptions used in its TTC assessments regarding the load levels, generation dispatch and modeling of both planned and contingency outages.⁷

15. We have reviewed EPE's Attachment C filing and find that EPE's revised Attachment C assumptions used for TTC calculation regarding load levels, generation dispatch, and modeling of planned and contingency outages are not listed clearly. Therefore, EPE fails to comply with Order No. 890. We direct EPE to file, within 30 days of the date of issuance of this order, a further compliance filing that revises its Attachment C to provide the assumptions used for TTC calculation regarding load levels, generation dispatch, and modeling of planned and contingency outages.

16. In response to Powerex's protest, we find that EPE's Attachment C states that it uses the "GE PSLF power flow and stability programs using system modeling data obtained through WECC," identifying these databases as power flow and stability models. This provides the information required about the databases, and thus, we deny Powerex's request with respect to the lists of databases used for TTC assessments.⁸

b. ETC

17. In Order No. 890, the Commission required a transmission provider to explain: (i) its definition of ETC; (ii) the calculation methodology used to determine the

⁶ The ATC components are total transfer capability (TTC), existing transmission commitments (ETC), capacity benefit margin (CBM), and transmission reserve margin (TRM).

⁷ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C.

⁸ See El Paso Electric Company, FERC Electric Tariff, Fourth Revised Volume No. 1, Substitute Original Sheet No. 165.

transmission capacity to be set aside for native load (including network load) and non-OATT customers (including, if applicable, an explanation of assumptions on the selection of generators that are modeled in service) for both the operating and planning horizons; (iii) how point-to-point transmission service requests are incorporated; (iv) how rollover rights are accounted for; and (v) its processes for ensuring that non-firm capacity is released properly (e.g., when real-time schedules replace the associated transmission service requests in its real-time calculations).⁹

18. We have reviewed EPE's filing and find that EPE's revised Attachment C does not explain the calculation methodology used to determine the transmission capacity set aside for native load and non-OATT customers. Additionally, the explanation of how point-to-point transmission service requests are incorporated is unclear. Furthermore, EPE has not provided a clear description of how rollover rights are accounted for and its explanation on its processes for ensuring that non-firm capacity is released properly is not clear. Therefore, EPE fails to comply with Order No. 890. We direct EPE to file, within 30 days of the date of issuance of this order, a further compliance filing that revises its Attachment C to explain its calculation methodology used to determine the transmission capacity set aside for native load and non-OATT customers, to explain how point-to-point transmission service requests are incorporated, to provide a clear description of how rollover rights are accounted for, and to explain its processes for ensuring that non-firm capacity is released properly.

c. TRM

19. In Order No. 890, the Commission required a transmission provider to explain: (i) its definition of TRM; (ii) its TRM calculation methodology (e.g., its assumption on load forecast errors, forecast errors in system topology or distribution factors and loop flow sources) for both the operating and planning horizons; (iii) the databases used in its TRM assessments; and (iv) the conditions under which the transmission provider uses TRM. If the transmission provider does not use TRM, it must so state.¹⁰

20. We have reviewed EPE's filing and find that EPE's revised Attachment C does not present a detailed explanation of its TRM calculation methodology. Furthermore, EPE fails to provide a list of assumptions and databases used to calculate TRM. EPE also does not provide the list of conditions under which TRM is used. Therefore, EPE fails to comply with Order No. 890. We direct EPE to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to present a detailed explanation of its TRM calculation methodology, to provide a list of assumptions and databases used to calculate TRM, and to provide the list of conditions under which TRM

⁹ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C.

¹⁰ *Id.*

is used. We find that this addresses Powerex's request as it relates to the list of databases used for TRM calculations.

The Commission orders:

(A) EPE's compliance filing is hereby accepted, as modified, effective September 11, 2007, as discussed in the body of this order.

(B) EPE is hereby directed to submit a compliance filing, within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.