

123 FERC ¶ 61,010  
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.

Florida Power & Light Company

Docket No. OA07-89-000

ORDER ACCEPTING COMPLIANCE FILING, AS MODIFIED

(Issued April 3, 2008)

1. On September 11, 2007, pursuant to section 206 of the Federal Power Act (FPA),<sup>1</sup> Florida Power & Light Company (FPL), 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.<sup>2</sup> In this order, we accept FPL'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

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

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

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 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. FPL states that its compliance filing includes new requirements regarding ATC. FPL also states that it is posting the mathematical algorithms it employs to calculate ATC contemporaneously with this filing on the Company's Open Access Same-Time Information System (OASIS).

## **III. Notice of Filing and Responsive Pleadings**

5. Notice of FPL's filing was published in the *Federal Register*, 72 Fed. Reg. 54,025 (2007), with interventions and protests due on or before October 2, 2007. Reliant Energy, Inc. and Seminole Electric Cooperative, Inc. filed timely motions to intervene. Florida Municipal Power Agency (FMPA) filed a timely motion to intervene, protest and a request for technical conference. FPL filed an answer to FMPA's protest and request for technical conference.

6. FMPA argues that the ATC calculation as described in Attachment C is not clear and transparent, and FPL's ATC calculation cannot be verified. It states that FPL's "interruptible demands" are not utilized in determining ATC values, and requests further clarification as to how FPL defines "interruptible demands."<sup>3</sup> In addition, regarding FPL's definition of point-to-point transmission service reservations, FMPA contends that the term "comparable" is not sufficiently explained and it is not clear how modeling point-to-point transactions is comparable to modeling the assumption of economically dispatched designated resources.<sup>4</sup> Further, FMPA questions how FPL solves the problem if FPL identifies a situation in which the generator's nameplate capacity is exceeded due to multiple reservations from that generator to different points of delivery for the same request period.

7. FMPA states that it is unclear how FPL accounts for point-to-point transactions in the ATC calculation for the various time horizons. More specifically, FMPA asserts that FPL may use different rules for calculating ATC in the scheduling and operating horizons depending on whether the firm point-to-point transaction has been confirmed or

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<sup>3</sup> FMPA Protest at 5.

<sup>4</sup> *Id.*

scheduled. In addition, FMPA raises several questions concerning FPL's description of transmission reserve margin (TRM).<sup>5</sup>

8. Further, FMPA contends that FPL's planning horizon is too short and should be two through ten years. Thus, FMPA argues that FPL should clarify that its definition of planning horizon does not conflict with the Commission's regulations and that FPL will post ATC, total transfer capability (TTC), TRM, and capacity benefit margin (CBM) consistent with those regulations.<sup>6</sup>

9. Lastly, FMPA requests that the Commission establish a technical conference to allow parties to work with FPL to develop an explanation of FPL's ATC calculation.

10. In its answer, FPL requests that the Commission reject FMPA's protest and request for a technical conference. FPL states that it performs its simulations using PTI's PSS/E and MUST software and contends that FMPA has the data to duplicate FPL's calculations using this software or any other software that can accept the required data inputs. FPL asserts that FMPA has access to this data through its participation in the Florida Reliability Councils' Available Transfer Capability Working Group (ATCWG).<sup>7</sup> Regarding FMPA's proposal for a technical conference, FPL states that a technical conference is not necessary for questions related to one utility. FPL responds that it is willing to conduct a meeting with FMPA and any other interested parties to address questions and concerns regarding its ATC calculation.

#### **IV. Discussion**

##### **A. Procedural Matters**

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2007), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept FPL's answer because it provided information that assisted us in our decision-making process.

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<sup>5</sup> *Id.* at 6-7.

<sup>6</sup> *Id.* at 8.

<sup>7</sup> FPL Answer at 3.

**B. FPL's Filing**

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

**1. ATC Methodology**

14. 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.<sup>8</sup> Further, the actual mathematical algorithms should be posted on the transmission provider's web site, with the link noted in the transmission provider's Attachment C.<sup>9</sup>

15. We have reviewed FPL's filing and find that FPL's revised Attachment C does not provide a working link to its web site with the actual mathematical algorithms. While the link provides FPL's OASIS web site, it does not directly connect to the actual mathematical algorithms, nor can the algorithms be easily found. Therefore, FPL's filing fails to comply with Order No. 890. We direct FPL to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide the working link to FPL's web site with the actual mathematical algorithms, as required in Order No. 890.

16. In addition, we find that the information that FPL provided regarding simulation software (PSS/E and MUST) does not fully address the transparency of the ATC calculation. We note that the utilization of the same software and data, including all appropriate base cases, contingency lists and monitored element files that are shared with ATCWG members may not be sufficient for customers to understand all the modeling details incorporated in the cases. Therefore, we reiterate our requirement that FPL post, within 30 days of issuance of this order, the actual mathematical algorithms on its web site, which should be accessible using the link provided in FPL's Attachment C.<sup>10</sup>

17. With respect to the length of the planning horizon, we confirm that FPL accurately interpreted that the planning period is the time period beyond the Operating Horizon

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<sup>8</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 323.

<sup>9</sup> *Id.* P 325, 328.

<sup>10</sup> FPL must provide the actual formulas used to calculate the ATC values for OASIS posting purposes.

through 13 months in the future. As part 37 of the Commission's regulations, 18 C.F.R. § 37.6 (b)(3)(i)(2), provides, "[p]ostings shall also be made by the month, showing for the current month and the 12 months following."

## 2. Detailed Explanation of the ATC Components<sup>11</sup>

### a. Total Transfer Capability

18. 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 the modeling of both planned and contingency outages.<sup>12</sup>

19. We have reviewed FPL's Attachment C filing and find that FPL's revised Attachment C does not provide a clear definition for TTC and does not present a detailed explanation of its calculation methodology and assumptions. Therefore, FPL's filing fails to comply with Order No. 890. We direct FPL to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide a clear definition for TTC and a detailed explanation of its calculation methodology and assumptions.

20. We agree with FMPPA that FPL's description of TTC assumptions regarding the load levels does not address clearly whether "interruptible demands" are utilized in determining ATC values. Therefore, we direct FPL to clarify how FPL defines "interruptible demands" in the revised Attachment C filing.

### b. Existing Transmission Commitments

21. 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 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

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<sup>11</sup> The ATC components are TTC, existing transmission commitments (ETC), CBM, and TRM.

<sup>12</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C.

released properly (e.g., when real-time schedules replace the associated transmission service requests in its real-time calculations).<sup>13</sup>

22. We have reviewed FPL's filing and find that FPL's revised Attachment C does not provide a clear definition for ETC, or a clear explanation of how point-to-point transmission service requests are incorporated. FPL only states that appropriate point-to-point reservations are included in ETC and that "appropriate" means that reservations accounted under ETC depend on the firmness and duration of the reservation.<sup>14</sup> FPL must explain how point-to-point reservations, based on firmness and duration of the reservation, are accounted for in ATC calculations for different time horizons. In response to FMPA's concern, we direct FPL to explain how modeling point-to-point transmission service reservations will be comparable to modeling economically dispatched designated resources. Therefore, we find that FPL's filing fails to comply with Order No. 890. We direct FPL to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide a clear definition of ETC and an explanation of how point-to-point transmission service requests are incorporated.

**c. Transmission Reserve Margin**

23. 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.<sup>15</sup>

24. We have reviewed FPL's filing and find that FPL's revised Attachment C does not provide a clear definition for TRM. Therefore, FPL's filing fails to comply with Order No. 890. In its compliance filing, FPL should identify what TRM is intended for, such as for enabling operating flexibility to ensure reliable system operation as system conditions change. We direct FPL to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide a clear definition of TRM.

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<sup>13</sup> *Id.*

<sup>14</sup> FPL Attachment C filing, proposed First Revised Sheet No. 174.

<sup>15</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C.

**3. Technical Conference**

25. We deny FMPA's request for the Commission to initiate a technical conference. As discussed above, we have accepted FPL's compliance filing subject to FPL submitting additional explanations concerning a number of aspects of its ATC calculations. In addition, FPL has committed to meet with FMPA and any other interested customers concerning its methodology to assess ATC.<sup>16</sup> Accordingly, we conclude that a Commission-initiated technical conference is not necessary at this time.

The Commission orders:

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

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

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>16</sup> FPL Answer at 4.