

138 FERC ¶ 61,025  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

January 17, 2012

In Reply Refer To:  
Public Service Company of  
Colorado  
Docket Nos. ER12-435-000  
ER12-436-000

Southwest Power Pool, Inc.  
Docket No. ER12-455-000  
(not consolidated)

Xcel Energy Services Inc.  
Attention: James P. Johnson, Esquire  
414 Nicollet Mall – 5th Floor  
Minneapolis, MN 55401

Southwest Power Pool, Inc.  
Attention: Matthew Harward, Esquire  
415 North McKinley, #140 Plaza West  
Little Rock, AR 72205

Reference: Tariff and Joint Operating Agreement Revisions

Dear Sirs:

1. On November 18, 2011, in Docket No. ER12-435-000, Xcel Energy Services Inc. (Xcel), on behalf of itself and the Xcel Energy Operating Companies<sup>1</sup> filed proposed

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<sup>1</sup> Public Service Company of Colorado (PSCo) is the designated filing entity for the Xcel Operating Companies, which include PSCo, Southwestern Public Service Company (SPS), Northern States Power Company-Minnesota and Northern States Power Company-Wisconsin.

revisions to restate the Joint Operating Agreement (JOA) in eTariff format and amend Schedule E (Capacity and Energy Exchange Across the Lamar Tie Line (Lamar Tie)) of the JOA (JOA Filing). In Docket No. ER12-436-000, Xcel, on behalf of SPS and PSCo, submitted revisions to the Xcel Energy Operating Companies Joint Open Access Transmission Tariff (Xcel OATT) (Xcel OATT Filing). Xcel's proposed revisions address the prospective treatment of transmission service over the Lamar Tie and issues related to the firmness of the capacity and energy sales under the JOA. On November 21, 2011, Southwest Power Pool, Inc. (SPP) filed proposed revisions to SPP's open access transmission tariff (OATT), in Docket No. ER12-455-000 (SPP OATT Filing). SPP's proposed revisions address the prospective treatment of transmission services under the SPP OATT for transactions over the Lamar Tie between SPS and PSCo. SPP and Xcel request an effective date of January 17, 2012 for the proposed revisions. As discussed below, we accept Xcel's JOA and OATT revisions, to become effective January 17, 2012, and conditionally accept SPP's OATT revisions, to become effective January 17, 2012, subject to a compliance filing.

2. The Lamar Tie comprises a 220-mile long 345 kV transmission line from Amarillo, Texas to a substation in Holcomb, Kansas; a 120-mile 345 kV transmission line from Holcomb to Lamar, Colorado; and a back-to-back High Voltage Direct Current (HVDC) converter with a capacity of 210 MW. The Lamar Tie interconnects the PSCo and SPS systems and was energized in May 2005. The interconnection of the PSCo and SPS systems via the Lamar Tie was a condition of the Securities and Exchange Commission (SEC) approval of the merger of PSCo, Cheyenne Light, Fuel, and Power Company, and SPS to form New Century Energies, Inc. (New Century) in 1997.<sup>2</sup>

3. In the JOA Filing, Xcel proposes to revise Schedule E of the JOA. Schedule E provides the terms and conditions for generation capacity and energy exchanges between SPS and PSCo over the Lamar Tie. Specifically, Xcel proposes to remove language that permits the exchanges between PSCo and SPS across the Lamar Tie to be curtailed for economic reasons and, instead, to clarify that a selling utility (i.e., SPS or PSCo) may only decline to provide energy and capacity to the other affiliated company when necessary to preserve continuation of service to the selling utility's native load. Xcel also proposes certain non-substantive updates to the JOA related to the submission of the JOA in eTariff format.

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<sup>2</sup> See *New Century Energies, Inc.*, Holding Company Act Release No. 26748; *New Century Energies, Inc.*, Release No. 35-27212, 70-9337, and 70-9537, 2000 SEC LEXIS 1690 (Aug. 16, 2000). Under the terms of the merger, the SEC required PSCo and SPS to interconnect their systems, consistent with the then-effective Public Utility Holding Company Act of 1935 (PUHCA).

4. In the Xcel OATT Filing, Xcel proposes a number of revisions to the provisions governing transmission service over the Lamar Tie. Xcel states that PSCo and SPS are providing network service over the Lamar Tie under the Xcel OATT. The proposed revisions prospectively “grandfather” this network transmission service currently being provided on the Lamar Tie by both PSCo and SPS under the Xcel OATT and establish the terms for both network and point-to-point transmission service for new “non-grandfathered” transmission service over the Lamar Tie.<sup>3</sup> The “grandfathered” network transmission service across the SPS system to the Lamar Tie would be provided under the Xcel OATT, whereas the non-grandfathered network and point-to-point service across the SPS system to the Lamar Tie will be provided under the SPP OATT.<sup>4</sup>

5. Xcel proposes a new Schedule 13a (Network Integration Transmission Service Across the Lamar Tie Line) that sets forth terms for grandfathered and non-grandfathered network service unique to the Lamar Tie. Xcel states that for grandfathered network service under Schedule 13a, SPS and PSCo will continue to use the network service agreements they have provided each other, paying rates that were established through settlements reached in Docket Nos. ER04-1174-000<sup>5</sup> and ER08-313-000.<sup>6</sup> Xcel states that for non-grandfathered network service under Schedule 13a (and the contemporaneously filed SPP OATT revisions), the entity that designates network resources on the sister utility’s transmission system for delivery across the Lamar Tie will pay the monthly demand charge only on the transmission system where network load is being served. Xcel also proposes revisions to Schedules 7 and 8 which, along with the contemporaneously filed SPP OATT revisions, would modify the manner in which point-to-point service is provided over the Lamar Tie for transactions that source or sink on the SPS system. Xcel states that for such point-to-point service in either direction, customers will be charged one half the point-to-point rate for service in PSCo (under the Xcel OATT) and one half the point-to-point rate for service in SPS (under the SPP OATT).<sup>7</sup>

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<sup>3</sup> The Municipal Energy Agency of Nebraska (MEAN) was assigned 2 MW of network transmission service capacity previously reserved by PSCo to serve MEAN’s network loads on PSCo’s system. The proposed revisions also grandfather MEAN’s 2 MW network service on SPS across the Lamar Tie.

<sup>4</sup> Xcel OATT Filing at 10.

<sup>5</sup> *Xcel Energy Services Inc.*, 115 FERC ¶ 61,011 (2006).

<sup>6</sup> *Xcel Energy Services, Inc.*, 129 FERC ¶ 61,193 (2009).

<sup>7</sup> Xcel OATT Filing at 10.

6. In the SPP OATT Filing, SPP makes corresponding changes to the manner in which transmission service is provided over the Lamar Tie. SPP states that it has been its understanding that the network transmission service over the Lamar Tie is not taken pursuant to the SPP OATT since it is a “grandfathered” service.<sup>8</sup> SPP’s proposed revisions mirror Xcel’s proposed revisions to the Xcel OATT by establishing that the network service agreement between PSCo and SPS for transmission service over the Lamar Tie is a prospectively grandfathered agreement under the SPP OATT. SPP also lists the network transmission service agreements between SPS and PSCo and SPS and MEAN in its revised list of grandfathered agreements in Attachment W of the SPP OATT. Further, SPP proposes to revise the definition of Grandfathered Agreements or Transactions to include the network transmission service agreements between SPS and PSCo across the Lamar Tie. SPP’s revisions also provide that for new service on the SPS system over the Lamar Tie, SPP is the transmission provider and that discounted rate treatment mirroring the rate treatment proposed by Xcel is applicable.<sup>9</sup>

7. Finally, SPP asks that the Commission grant waiver of the 60-day notice requirement to allow its tariff changes to become effective January 17, 2012. SPP asserts that good cause for the waiver exists, as its revisions are intended to coordinate with the corresponding revisions to the Xcel OATT.

8. Notice of Xcel’s Filings in Docket Nos. ER12-435-000 and ER12-436-000 was published in the *Federal Register*, 76 Fed. Reg. 73,610 (2011), with interventions and protests due on or before December 9, 2011. Notice of SPP’s Filing in Docket No. ER12-455-000 was published in the *Federal Register*, 76 Fed. Reg. 75,539 (2011), with interventions and protests due on or before December 12, 2011.

9. On December 9, 2011, Golden Spread Electric Cooperative, Inc. (Golden Spread) filed a motion to intervene and comments under Docket Nos. ER12-435-000, ER12-436-000 and ER12-455-000. Also on December 9, 2011, MEAN filed a motion to intervene and comments and a motion to consolidate under Docket Nos. ER12-436-000 and ER12-455-000. On December 12, 2011, Xcel filed a motion to intervene and comments under Docket No. ER12-455-000. On December 19, 2011, Golden Spread filed a request that the Commission accept a revised motion to intervene and comments under Docket Nos. ER12-435-000, ER12-436-000 and ER12-455-000.

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<sup>8</sup> SPP OATT Filing at 4-6. However, such service is not included in SPP’s tariff list of grandfathered agreements.

<sup>9</sup> *Id.* at 5.

10. Golden Spread states in its comments that it does not object to the proposed revisions since the filings make clear that they do not adversely affect the rates of existing customers.<sup>10</sup> MEAN states in its comments that it supports the Xcel and SPP OATT changes but asks that they be conditionally accepted by the Commission, subject to SPP correcting the date referenced in describing the duration of MEAN's existing network service contract with SPS from June 1, 2010 to June 1, 2020.<sup>11</sup> In its comments, Xcel states that it supports SPP's Filing as well but requests that SPP submit a correction to PSCo's OASIS reservation number in a compliance filing.<sup>12</sup> Xcel notes that Attachment W of SPP's tariff lists the PSCo reservation as OASIS number 1089913; the correct OASIS number is 1256070.

11. On December 22, 2011, SPP filed an answer under Docket No. ER12-455-000. SPP states in its answer that the changes requested by MEAN and Xcel are appropriate and agrees that the Commission should conditionally accept SPP's OATT revisions subject to SPP making these changes in a compliance filing.<sup>13</sup>

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2011), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2011), prohibits an answer to comments unless otherwise ordered by the decisional authority. We will accept SPP's answer because it has provided information that assisted us in our decision-making process.

13. We accept Xcel's revisions to the JOA effective January 17, 2012, as requested. We find that the revisions remove economic curtailment provisions that would prohibit the JOA from being eligible to be designated as a network resource.<sup>14</sup>

14. With regard to the proposed tariff revisions, we find that the proposed Lamar Tie provisions in the Xcel and SPP OATTs represent an exception to the general transmission services provisions in the respective OATTs that addresses unique circumstances

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<sup>10</sup> Golden Spread December 9, 2011 Comments at 7-9.

<sup>11</sup> MEAN December 9, 2011 Comments at 5-7.

<sup>12</sup> Xcel December 12, 2011 Comments at 10.

<sup>13</sup> SPP December 22, 2011 Answer at 3.

<sup>14</sup> Notwithstanding our acceptance here, we remind Xcel that it must comply with all Commission rules related to the designation of network resources.

involving the Lamar Tie. In light of these unique circumstances, we accept the proposed revisions to the Xcel and SPP OATTs, which provide for the prospective grandfathering of certain services over the Lamar Tie in the manner described and establish the provisions for non-grandfathered transactions over the Lamar Tie, to become effective January 17, 2012.

15. Finally, consistent with its answer, we direct SPP to revise its OATT to change the date referenced in describing the duration of MEAN's existing SPS network service contract as requested by MEAN and to change PSCo's OASIS reservation number as requested by Xcel.

16. We emphasize that the SPP OATT and Xcel OATT and JOA tariff revisions are prospective as of the January 17, 2012 effective date, and do not affect any tariff violations that may have occurred before the effective date.<sup>15</sup>

The Commission orders:

(A) The Commission accepts the JOA revisions proposed in Docket No. ER12-435-000 and the tariff revisions proposed in Docket No. ER12-436-000, to become effective January 17, 2012, as discussed in the body of this order.

(B) The Commission conditionally accepts the tariff revisions proposed by SPP in Docket No. ER12-455-000, to become effective January 17, 2012, as discussed in the body of this order.

(C) The Commission directs SPP to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>15</sup> Concurrent with this order, the Commission is issuing an order approving a stipulation and consent agreement in Docket No. IN08-7-000 that resolves the Office of Enforcement's investigation into whether Xcel violated certain network service provisions of Xcel's and SPP's OATTs in connection with transactions over the Lamar Tie. *See Xcel Energy Services*, 138 FERC ¶ 61,026 (2012).