

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

NorthWestern Corporation

Docket No. ER06-1094-007

ORDER GRANTING REQUEST FOR WAIVER

(Issued November 16, 2006)

1. On June 1, 2006, NorthWestern Corporation (NorthWestern) filed a request for waiver from the standards adopted by the Commission in Order No. 676¹ for its South Dakota operations. In this order, the Commission grants the requested waiver, as discussed below.

Background

2. In Order No. 676, the Commission incorporated by reference in its regulations certain standards promulgated by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB). In addition, the Commission directed public utilities to comply with these standards and revise their open access transmission tariffs (OATTs) to include these standards. The standards establish a set of business practice standards and communications protocols (Standards WEQ-001, 002, and 003) for the electric industry that replace the Commission's existing Open Access Same-Time Information Systems (OASIS) standards, and also include business practices to complement reliability standards of the North American Electric Reliability Council (NERC) (Standards WEQ-004, 005, 006, and 007). As an alternative to complying with the standards, Order No. 676 gave public utilities the option of applying for a waiver, in whole or part, of the standards.

3. Specifically, Order No. 676 required public utilities to revise their OATTs to include the following WEQ standards: WEQ-001 – Business Practices for Open Access Same-Time Information Systems (OASIS); WEQ-002 – Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols; WEQ-003 – Open Access Same-Time Information Systems (OASIS) Data

¹ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, 71 FR 26199, FERC Stats. & Regs., Regulations Preambles ¶ 31,216, *order on reh'g*, Order No. 676-A, 116 FERC ¶ 61,255 (2006).

Dictionary; WEQ-004 – Coordinate Interchange; WEQ-005 – Area Control Error (ACE) Equation Special Cases; WEQ-006 – Manual Time Error Correction; and WEQ-007 – Inadvertent Interchange Payback.²

4. As explained above, Order No. 676 also permitted public utilities to request a waiver of specific standards by explaining the reasons why the waiver should be granted. Further, Order No. 676 stated that public utilities, including independent system operators (ISOs) and regional transmission organizations (RTOs), that have existing waivers of certain OASIS standards may reapply for such waivers using simplified procedures. These streamlined procedures require an applicant to identify the specific standard(s) from which it seeks waiver and to provide the caption, date, and docket number of the proceeding in which it previously received the waiver. In addition, an applicant must certify that the circumstances warranting its waiver(s) have not changed.³

Description of the Applicant

5. NorthWestern owns and operates electric and natural gas transmission and distribution facilities located primarily in Montana and South Dakota. NorthWestern states that because its Montana and South Dakota electric transmission facilities are neither physically connected, nor in the same NERC region, NorthWestern maintains separate OATTs for operations in each state. NorthWestern states that its South Dakota operations utilize a limited and discrete electric transmission system in eastern South Dakota. NorthWestern states that its South Dakota operations had a peak load of 296 MW in 2005 and include approximately 322 miles of 115 kV lines and 259 miles of 69 kW lines. Further, NorthWestern states that it does not operate a control area for its South Dakota operations and all customer load served by its South Dakota operations is within the Western Area Power Administration control area.

Basis for Granting Waiver

6. In its waiver application, NorthWestern states that its predecessor, Northwestern Public Service Company, has previously been granted waiver of Order No. 889 for its South Dakota operations in Docket No. OA96-222-000.⁴ NorthWestern states that the circumstances that warranted granting a waiver of Order No. 889 remain unchanged and support a waiver of Order No. 676 for its limited and discrete South Dakota operations.

7. NorthWestern states that its South Dakota operations qualify for a waiver of Order No. 676 because: (1) only limited and discrete transmission facilities are at issue; (2) it is

² Order No. 676 at P 19.

³ *Id.* at P 79.

⁴ Midwest Energy, Inc., *et al.*, 77 FERC ¶ 61,208 (1996).

not a member of a tight power pool; and (3) it disposes of less than 4 million MWh annually. Specifically NorthWestern requests waiver of the newly-created standards regarding the need to facilitate redirects of transmission services, address multiple submissions of identical requests and queuing issues and address Coordinate Interchanges, ACE Equation Special Cases, Manual Time Error Correction and Inadvertent Interchange Payback. NorthWestern contends that compliance with these standards is difficult for its South Dakota operations because NorthWestern does not operate a control area for these operations.

Notice of Filing and Responsive Pleadings

8. Notice of the filing was published in the *Federal Register* with comments, interventions, and protests due on or before June 22, 2006.⁵ No protests or adverse comments were filed.

Discussion

9. Based on the information provided in NorthWestern's waiver request, we will grant the requested waiver, because NorthWestern's South Dakota operations meet the criteria for small public utility waivers provided in Order No. 676.⁶ The request for waiver of Order No. 676 will be granted subject to the same conditions as applied to the NorthWestern's earlier waivers of Order No. 889.⁷

The Commission orders:

NorthWestern's request for waiver of the Order No. 676 standards for its South Dakota operations is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

⁵ 71 *Fed. Reg.* 34,914 (2006).

⁶ Order No. 676 at P 85-87.

⁷ *Id.* at P 87.