

123 FERC ¶ 61, 024
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.

Arizona Public Service Company

Docket No. OA07-109-000

ORDER ACCEPTING COMPLIANCE FILING, AS MODIFIED

(Issued April 8, 2008)

1. On September 11, 2007, pursuant to section 206 of the Federal Power Act (FPA),¹ Arizona Public Service Company (APS), 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 APS' 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 nondiscriminatory 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 (Jan. 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. APS states that it has filed its Attachment C to address how it calculates the components that determine ATC, pursuant to Order No. 890. APS states that it has provided the details of its methodology used in calculating both firm and non-firm ATC in the scheduling, operating, and planning horizons. Additionally, APS states that the algorithms it uses to determine ATC are included in the ATC business practice document posted on APS' OASIS website at <http://www.westTrans.net/>.

III. Notice of Filing and Responsive Pleadings

5. Notice of APS' filing was published in the *Federal Register*, 72 Fed. Reg. 54,026 (2007), with interventions and protests due on or before October 2, 2007. The Navajo Tribal Utility Authority (NTUA) filed a timely motion to intervene and protest. Powerex Corp. (Powerex) filed a timely motion to intervene and comments.³ APS subsequently filed an answer.

6. NTUA states that APS' OATT does not adequately protect transmission customers' rollover rights. According to NTUA, APS' proposed Attachment C indicates that "[c]urrently a component does not exist to maintain rollover rights for existing transmission customers past the current stop date/time."⁴ In addition, NTUA states that while APS' proposed Attachment C provides that "[r]equests for the posted ATC by other customers are held until the existing right holder exercises those rights to rollover,"⁵ there is no indication that capacity is set aside to account for potential exercise of rollover rights by existing customers. NTUA states that other transmission providers have explicitly set aside capacity associated with rollover rights in their Attachment C filings. NTUA argues that APS should modify its ATC methodology to explicitly set aside capacity associated with potential exercise of rollover rights.

7. In response to NTUA, APS states that while there is currently no specific component on APS' OASIS to allow APS to set aside rollover rights, APS takes existing transmission customers' rollover rights into consideration when assessing whether to

³ Powerex simply stated it had not completed its review of the filing.

⁴ NTUA Protest at 3 (quoting APS FERC Electric Tariff, Fourteenth Revised Volume No. 2, First Revised Sheet No. 124).

⁵ *Id.*

confirm a request for long-term firm point-to-point transmission service. APS acknowledges that its approach is different from those of other transmission providers. APS states that it does not set aside capacity associated with its rollover rights; instead it posts potentially available ATC on its OASIS, including capacity associated with the rollover rights. However, APS states, it does not release transmission associated with such rollover rights until those rollover rights have expired. According to APS, this allows a customer to consider all of the potentially available ATC and submit a request to obtain a queue position should the existing transmission customer allow its rollover rights to expire.

8. In addition, APS explains that if it were to set aside all transmission related to rollover rights such that no ATC was available on APS' OASIS, all transmission service requests would be denied because there would be no ATC to reserve. As a result, if transmission set aside for potential rollover rights were subsequently released, the customer would not be able to retain a queue position and APS would be unable to track prior requests and queue statuses. According to APS, posting potentially available ATC enables a transmission service request to be assigned a queue position so that if the existing transmission customer does not exercise its rollover rights, the new transmission customer would have a queue position and would be able to compete for the released transmission capacity. APS also states that while it believes that its proposed Attachment C meets the requirements of Order No. 890, it is willing to further clarify how it posts ATC to account for potential exercise of rollover rights and how it ensures that a transmission customer's rollover rights are preserved.

IV. Discussion

A. Procedural Matters

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the timely, unopposed motion to intervene serves to make the entity that filed it a party to this proceeding.

10. 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 APS' answer because it has provided information that assisted us in our decision-making process.

B. APS' Filing

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

1. **Detailed Explanation of the ATC Components**⁶

a. **TTC**

12. 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.⁷

13. We have reviewed APS' Attachment C filing and find that APS' revised Attachment C does not provide a clear list of assumptions used for TTC calculation regarding load levels, generation dispatch, and modeling of planned and contingency outages. Therefore, APS fails to comply with Order No. 890. We direct APS to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide a list of assumptions used for TTC calculation regarding load levels, generation dispatch, and modeling of planned and contingency outages.

b. **ETC**

14. 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 released properly (e.g., when real-time schedules replace the associated transmission service requests in its real-time calculations).⁸

15. We have reviewed APS' filing and find that its revised Attachment C does not provide a clear description of how rollover rights are accounted for. In response to NTUA's concern that currently a component does not exist to maintain rollover rights for existing transmission customers beyond a certain date, we direct APS to submit additional information as to how it administers the rollover rights of its existing

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 *Id.*

transmission customers. Therefore, we direct APS to file, within 30 days of issuance of this order, a further compliance filing that revises its Attachment C to provide a clear explanation of how rollover rights are accounted for.

The Commission orders:

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

(B) APS 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)

Kimberly D. Bose,
Secretary.