

125 FERC ¶ 61,003
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 1, 2008

In Reply Refer To:
Carolina Power & Light Company
Docket No. ER08-1368-000

Progress Energy Service Co., LLC
P.O. Box 1551
Raleigh, NC 27602

Attention: Kendal C. Bowman
Associate General Counsel

Reference: Revisions to Carolina Power & Light Company and Florida Power
Corporation's Open Access Transmission Tariff Adopting Local
Transmission Loading Relief Procedures

Dear Ms. Bowman:

1. On August 7, 2008, Progress Energy, Inc. (Progress Energy), on behalf of its subsidiaries Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (CP&L) and Florida Power Corporation d/b/a Progress Energy Florida, Inc. (FPC), filed proposed revisions to adopt, in the CP&L Zone, the local Transmission Loading Relief (TLR) procedures of PJM Interconnection, L.L.C. (PJM).¹ As discussed below, we accept Progress Energy's proposed tariff revisions effective October 7, 2008.

2. On March 16, 2007, the Commission approved the TLR procedures of the North American Electric Reliability Corporation (NERC) as mandatory Reliability Standard IRO-006-3.² This standard established a detailed TLR procedure for use in the Eastern Interconnection to alleviate loadings on the system by curtailing or changing transactions

¹ See *PJM Interconnection, L.L.C.*, 124 FERC ¶ 61,006 (2008) (PJM TLR Order).

² *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, at P 952-64, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

based on their priorities and according to different levels of TLR procedures.³ In addition to establishing mandatory TLR procedures for the Eastern Interconnection, Reliability Standard IRO-006-3 also provides that “Reliability Coordinator[s] shall be allowed to implement a local transmission loading relief or congestion management procedure simultaneously with an Interconnection-wide procedure.”⁴

3. Subsequently, on May 8, 2008, PJM proposed to revise its TLR procedures by adding a local TLR procedure, to be implemented through agreements with neighboring control areas adopting the local procedure. PJM explained that it intended to sign such agreements as soon as possible with the Virginia-Carolina (VACAR) South members.⁵ On July 2, 2008, the Commission issued the PJM TLR Order, which accepted PJM’s proposed revisions to the local TLR procedures for the VACAR South members and imposed compliance requirements. In addition, the Commission directed each transmission-operating public utility in the VACAR South region adopting PJM’s local TLR procedures to file revised tariff sheets. As a result, Progress Energy filed the revised tariff sheets to propose a Notice of Adoption of Local TLR Procedure, and requested an effective date of July 18, 2008.⁶

4. Notice of Progress Energy’s filing was published in the *Federal Register*, 73 Fed. Reg. 49,178 (2008), with interventions and protests due on or before August 28, 2008. No comments, protests or interventions were received.

5. Progress Energy states that because of the 2000 merger of CP&L and FPC, the two became affiliated Open Access Transmission Tariff (OATT) providers and filed a

³ *Id.* P 952.

⁴ NERC Standard IRO-006-3, *Reliability Coordination—Transmission Loading Relief*, Attachment 1, section 1.5.1.

⁵ CP&L is a VACAR South Member. We note that FPC is not a VACAR South Member, and that Progress Energy’s revised tariff sheets, despite being filed in the tariffs of both FPC and CP&L, adopt PJM’s local TLR procedures only in the CP&L Zone.

⁶ Progress Energy characterizes the instant filing as having been filed “[p]ursuant to section 206 of the Federal Power Act” (FPA), and we construe this to mean that Progress Energy intended this filing to be a compliance filing. The filing is, however, a new rate filing because the Commission did not impose specific compliance requirements on CP&L; it only instructed VACAR South members to make a filing if they chose to adopt the PJM local TLR procedures. *PJM TLR Order* at P 10. Rather than instruct Progress Energy to resubmit its filing as a new rate filing pursuant to section 205 of the FPA, the Commission has elected to treat Progress Energy’s filing as a section 205 filing.

Joint OATT. Progress Energy proposes to amend each copy of the Joint OATT, i.e., both the CP&L OATT and the FPC OATT, to reflect the adoption, in the CP&L Zone only, of the PJM Local Transmission Loading Relief Procedure.⁷

6. Specifically, Progress Energy proposes to incorporate a Notice of Adoption of Local Transmission Loading Relief Procedure in CP&L Zone into Attachment N of the CP&L and FPC Joint OATT.⁸ The proposed language, which is substantially the same as that adopted by PJM and accepted by the Commission in its PJM TLR Order, provides that if the current NERC TLR procedure, which has a five percent Transfer Distribution Factor (TDF), “does not provide the required relief from Non-Firm schedules, then the parties will curtail Non-Firm schedules down to 3% TDF.” The proposed tariff sheets also state that CP&L will implement the local TLR procedure with neighbors who sign an agreement to the procedure, and that the procedure “shall be used to supplement, and not as a substitute for, the Interconnection-wide [TLR] procedure.”

7. In the PJM TLR Order, the Commission stated that PJM’s local TLR procedures appeared to be just and reasonable. The Commission directed each transmission-owning public utility in VACAR South adopting PJM’s local TLR procedures to file revised tariff sheets adopting the new procedures. Consistent with this directive, Progress Energy has filed revised tariff sheets adopting the local TLR procedures in the CP&L Zone. Our review of the adopted local TLR procedures indicates that the conditions are consistent with the tariff language accepted in the PJM TLR Order. Thus, we accept the filed tariff sheets to become effective on October 7, 2008, as discussed below.

8. Progress Energy explains that CP&L signed a TLR agreement with PJM on June 2, 2008, and, following Commission approval of the PJM proposal, placed the local TLR procedures into effect on July 18, 2008. As a result, Progress Energy requests an effective date of July 18, 2008.

⁷ The Joint OATT defines “zone” as: “The Transmission System of CP&L or the Transmission System of FPC, as applicable.” Original Sheet No. 30, section 1.72 of the CP&L and FPC Joint OATT.

⁸ Attachment N, Procedures for Addressing Parallel Flows, is the Second Revised Sheet No. 267 of the CP&L and FPC Joint OATT.

9. However, Progress Energy's filing lacks a request for waiver of the 60-day prior notice requirement.⁹ As such, the FPA and the Commission's regulations require that we assign an effective date of October 7, 2008, i.e., 61 days after Progress Energy filed the proposed tariff sheets.

10. Revisions to the Joint OATT of CP&L and FPC are hereby accepted for filing, effective October 7, 2008.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁹ 16 U.S.C. § 824d(d) (2006); 18 C.F.R. § 35.3(a) (2008). Moreover, absent a strong showing of good cause to justify an earlier effective date, the Commission generally denies any requests for waiver of the 60-day prior notice requirement. *Central Hudson Gas and Electric Company*, 60 FERC ¶ 61,106, at 61,339, *reh'g denied*, 61 FERC ¶ 61,089 (1992) (*Central Hudson*); *Prior Notice and Filing Requirements Under Part II of the Federal Power Act (Prior Notice)*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).