

127 FERC ¶ 61,117
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

May 5, 2009

In Reply Refer To:
Arizona Public Service Company
Docket No. OA08-154-000

Van Ness Feldman, P.C.
1050 Thomas Jefferson Street, NW
Washington, DC 20007

Attention: Gary D. Bachman
Attorney for Arizona Public Service Company

Reference: Order No. 890-B Compliance Filing

Dear Mr. Bachman:

1. On September 8, 2008, Arizona Public Service Company (APS) submitted revised tariff sheets¹ to its Open Access Transmission Tariff (OATT) to comply with Order No. 890-B.² APS also submitted revised tariff sheets³ reflecting proposed revisions it

¹ The revised tariff sheets are Third Revised Sheet No. 15, Second Revised Sheet No. 21, Original Sheet No. 21a, Alternate Second Revised Sheet No. 61, Second Revised Sheet No. 62, Alternate Fourth Revised Sheet No. 63, Third Revised Sheet No. 64, and Second Revised Sheet No. 78. For the purposes of this order, these sheets will be referred to as "Attachment A tariff sheets."

² *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 on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008).

³ The revised tariff sheets include the Order No. 890-B related revisions (i.e., Attachment A tariff sheets) and the revisions APS proposed in Docket No. ER08-1264-000. These proposed tariff sheets are Second Revised Sheet No. 61 and Fourth Revised Sheet No. 63. For the purposes of this order, these sheets will be referred to as "Attachment C tariff sheets."

had submitted for filing in Docket No. ER08-1264-000.⁴ For the reasons discussed below, the Commission accepts the proposed Attachment A tariff sheets for filing, effective September 8, 2008, as in compliance with Order No. 890-B, and rejects the Attachment C tariff sheets.

2. APS states that it made the following revisions to its OATT to comply with the requirements of Order No. 890-B: (1) revised section 1.33 and 30.4 of the APS OATT to eliminate the requirement that a reserve sharing program must be Commission-approved in order for a network customer or transmission provider's merchant function to use a designated network reserve to meet its reserve sharing obligations; (2) revised sections 29.2(viii), 30.1, and 30.2 to incorporate language from the *pro forma* OATT clarifying that "a reserve sharing program must limit service to the sharing of contingency reserves among the members for emergencies and the ability to use designated network resources to support reserve sharing obligations does not extend to other types of their-party sales;"⁵ (3) revised section 30.4 of its OATT to clarify that designated network resources may be used to support sales that permit curtailment without penalty to serve the seller's native or network load; and (4) revised section 2.2 of its OATT to adopt the rollover rights provisions of Order No. 890.

3. APS also states that in Order No. 890-B the Commission made minor revisions to the last paragraph of Schedules 4 (energy imbalance service) and 9 (generator imbalance service) of the *pro forma* OATT. APS states that because schedules 4 and 10⁶ of its OATT price energy and generator imbalance services are based on the Palo Verde index price and do not include the last paragraph of the *pro forma* OATT, it was unnecessary for APS to revise its Schedules 4 and 10 to comply with Order No. 890-B.

4. With regard to its proposed Attachment C tariff sheets, APS states that on July 14, 2008, as revised on August 26, 2008, in Docket No. ER08-1264-000, APS submitted tariff revisions to modify the requirements to designate a network resource. APS has included these proposed tariff revisions in the instant proceeding.

5. Notice of APS's filing was published in the *Federal Register*, 73 Fed. Reg. 70,992 (2008), with interventions and protests due on or before September 29, 2008. None was filed.

⁴ The Commission issued an order in Docket No. ER08-1264-000 on September 30, 2008 rejecting Arizona's proposed tariff revisions in that proceeding. *See Arizona Public Service Co.*, 124 FERC ¶ 61,314 (2008) (September 30, 2008 Order).

⁵ APS Filing at 3 (*citing* Order No. 890-B at P 215).

⁶ APS's Generator Imbalance Service is included in Schedule 10 of the APS OATT.

6. The Commission has reviewed APS's proposed Attachment A tariff sheets and finds them to be in compliance with the requirements of Order No. 890-B. With regard to APS's proposed Attachment C tariff sheets, we note that on September 30, 2008, the Commission issued an order in Docket No. ER08-1264-000 rejecting APS's proposed tariff revisions,⁷ which was subsequent to APS's filing in the instant proceeding. Accordingly, because the Commission has already addressed the issues raised in the Attachment C tariff sheets, we will reject the Attachment C tariff sheets for the reasons specified in our order in Docket No. ER08-1264-000. Additionally, we accept the Attachment A tariff sheets effective September 8, 2008, as requested, as in satisfactory compliance with Order No. 890-B.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁷ See *Arizona Public Service Co.*, 124 FERC ¶ 61,314, at P 6 (2008).