

148 FERC ¶ 61,156
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 29, 2014

In Reply Refer To:
El Paso Electric Company
Docket No. ER14-2345-000

El Paso Electric Company
Post Office Box 982
El Paso, Texas 79960

Attention: Cynthia Henry
Director – FERC Compliance

Dear Ms. Henry:

1. On July 1, 2014, El Paso Electric Company (El Paso) submitted proposed revisions to its Open Access Transmission Tariff (OATT) to provide clarity and greater flexibility to tariff customers, and to reflect certain ministerial changes and certain other minor corrections. The ministerial changes and minor corrections include updating: (1) points of contact; (2) legal citations; and (3) Western Electricity Coordinating Council (WECC) and North American Electric Reliability Corporation (NERC) references.
2. El Paso also proposes to revise sections 17, 22, and 29 of its OATT to allow transmission customers with unblemished payment history to seek new transmission service without having to provide a deposit. In addition, El Paso has revised Attachment M (Large Generator Interconnection Procedures) (LGIP) to incorporate additional detail regarding interconnection studies involving multiple points of interconnection, and to include an additional customer option for treatment of excess study funds. El Paso states these revisions are consistent with or superior to the Commission's *pro forma* OATT.
3. Notice of El Paso's filing was published in the *Federal Register*, 79 Fed. Reg. 38,878 (2014) with interventions and protests due on or before July 22, 2014. None was filed.
4. We will accept El Paso's ministerial changes and other minor corrections. We will also accept El Paso's revisions to the application procedures for point-to-point and network transmission services in sections 17, 22, and 29 of its OATT which allow

El Paso to waive the collection of a deposit for existing customers with a minimum two-year timely payment history and no default under their existing service agreement(s) because the revisions provide more flexibility for existing customers.

5. With respect to revised Attachment M, El Paso proposes new provisions in section 3 (Interconnection Requests) of its LGIP to clarify that an interconnection request to evaluate one generating project at two or more alternate points of interconnection will be treated as separate interconnection requests. El Paso also proposes additional details to the study process in the event a scoping meeting fails to result in a single project at a single point of interconnection, noting that the proposed revision does not affect an interconnection customer's ability to submit an interconnection request to El Paso with a less-than-definitive identification of the desired point of interconnection, and then use the subsequent scoping meeting to arrive at a single point of interconnection. We find these revisions are consistent with or superior to the *pro forma* LGIP and find that the revised study process to address multiple, alternate interconnection requests provides additional clarity to customers. Therefore, we will accept these revisions.

6. El Paso also proposes to revise its OATT LGIP¹ to allow interconnection customers who have received completed studies and have positive deposit balances to instruct El Paso to retain any remaining portion of a study deposit after completion of an interconnection study, to be used for other subsequent study work requested by the customer. El Paso explains that under its proposal, the interconnection customer retains the right to receive a refund of any unused deposit funds from El Paso, with interest, but will also have the option to instruct El Paso to hold the funds for the customer's future use. El Paso states that if the customer elects to have El Paso hold the funds for future use, the funds will not accrue interest. El Paso explains that this provision is intended to eliminate the incentive that might exist under certain financial market conditions to use El Paso as a vehicle to secure a more favorable short term interest rate than that available from banks or other lending institutions, without regard to whether the customer has any desire to pursue a future interconnection on El Paso's system.²

7. We find that the proposal to allow customers the option to have El Paso hold excess study deposit funds for future use provides customers convenience and flexibility. However, the Commission requires that study deposits held by a transmission provider must accrue interest.³ Accordingly, we will accept this revision, conditioned upon

¹ The proposed revisions are included in sections 3.6, 10.3, and 13.3 of the LGIP (as well as in the associated appendices 2 and 5).

² El Paso Transmittal at 4.

³ See, e.g., *Midwest Indep. Transmission Sys. Operator, Inc.*, 138 FERC ¶ 61,233, at P 167 (2012) (“[T]he Commission requires payment of interest on collected study deposits to compensate interconnection customers for the time-value of money.”).

El Paso making a compliance filing, within 30 days of the date of issuance of this order, to revise its OATT to provide that interest will accrue on the excess study deposits held by El Paso, at the direction of the interconnection customer, for future use.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.