

151 FERC ¶ 61,145  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

Alabama Power Company  
Southern Company Services, Inc.

Docket Nos. ER15-540-000  
ER15-549-000

ORDER ON COMPLIANCE FILING AND REQUEST FOR WAIVERS

(Issued May 18, 2015)

1. On December 1, 2014, Southern Company Services, Inc. (Southern), as agent for Alabama Power Company (Alabama Power), Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively, the Southern Companies) filed a compliance filing<sup>1</sup> in response to the compliance requirements of Order No. 676-H.<sup>2</sup> Order No. 676-H revised the Commission's regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. Also, on December 1, 2014, Southern, as agent for the Southern Companies, filed a request for waivers of certain of the business practice standards incorporated by reference in Order No. 676-H.<sup>3</sup> For the reasons discussed below, we conditionally accept the Order No. 676-H Compliance Filing, grant in part, deny in part, and dismiss in part the

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<sup>1</sup> Southern Companies, Docket No. ER15-540-000 (filed Dec. 1, 2014) (Order No. 676-H Compliance Filing).

<sup>2</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 Fed. Reg. 56,939 (Sept. 24, 2014), FERC Stats. & Regs. ¶ 31,359 (2014) (Order No. 676-H), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh'g*, 151 FERC ¶ 61,046 (2015) (Order No. 676-H Rehearing Order).

<sup>3</sup> Southern Companies, Docket No. ER15-549-000 (filed Dec. 1, 2014) (Waiver Filing).

requested waivers, and direct the Southern Companies to make an additional compliance filing within 60 days of the date of this order.

## **I. Background**

2. On September 18, 2014, the Commission issued Order No. 676-H, which amends the Commission's regulations under the Federal Power Act (FPA)<sup>4</sup> to incorporate by reference, with certain enumerated exceptions, Version 003 of the Business Practice Standards.<sup>5</sup> In addition, in Order No. 676-H, the Commission listed, as guidance, NAESB's Smart Grid Standards (Standards WEQ-016, WEQ-017, WEQ-018, WEQ-019 and WEQ-020) in Part 2 of the Commission's regulations but did not incorporate these standards by reference into its regulations.<sup>6</sup>

3. The Version 003 Business Practice Standards update earlier versions of the WEQ standards that the Commission previously incorporated by reference into its regulations.<sup>7</sup> These revised standards include modifications to support Order Nos. 890, 890-A, 890-B, and 890-C,<sup>8</sup> including standards to support Network Integration Transmission Service (NITS) on an Open Access Same-Time Information System (OASIS), Service Across Multiple Transmission Systems (SAMTS), standards to support the Commission's policy regarding rollover rights for redirects on a firm basis, standards that incorporate the functionality for Transmission Providers to credit redirect requests with the capacity of

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<sup>4</sup> 16 U.S.C. § 791a (2012).

<sup>5</sup> The specific NAESB standards that the Commission incorporated by reference in Order No. 676-H are WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-005, WEQ-006, WEQ-007, WEQ-008, WEQ-011, WEQ-012, WEQ-013, WEQ-015, and WEQ-021. *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 18.

<sup>6</sup> *See id.* P 1; Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 2 (citations omitted).

<sup>7</sup> 18 C.F.R. § 38.2 (2014).

<sup>8</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009). The Version 002 standards also included revisions made in response to Order No. 890.

the parent reservation, and standards modifications to support consistency across the OASIS-related standards.<sup>9</sup>

4. In Order No. 676-H, the Commission explained that public utilities have a number of options with respect to compliance with Order No. 676-H. The Commission explained that public utilities can incorporate the complete set of NAESB standards into their tariffs without modification by submitting a compliance filing containing a single statement acknowledging their obligation to comply with Version 003 Business Practice Standards, as specified in Part 38 of the Commission's regulations as updated and revised.<sup>10</sup> Alternatively, public utilities may incorporate the complete set of Version 003 Business Practice Standards into their tariffs, without modification, if they so choose.<sup>11</sup> The Commission also indicated that a public utility can file a request for waivers of specific provisions, along with its reasons supporting the request.<sup>12</sup>

5. The Commission required public utilities to make compliance filings by December 1, 2014 in order to achieve compliance with the incorporated Version 003 Business Practice Standards by February 2, 2015.<sup>13</sup> Subsequently, the February 2, 2015 deadline was extended to May 15, 2015.<sup>14</sup>

6. On April 16, 2015, the Commission issued the Order No. 676-H Rehearing Order, which addressed various requests for rehearing of Order No. 676-H. With respect to entities seeking waivers of certain NAESB WEQ standards, the Commission clarified that:

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<sup>9</sup> See Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 2.

<sup>10</sup> See *id.* PP 87-88, 95.

<sup>11</sup> See *id.* P 89.

<sup>12</sup> See *id.* P 88.

<sup>13</sup> See *id.* PP 20, 88, 95. The Commission also established a separate 18-month compliance schedule for Standard 002-5.10.3 regarding the implementation of Network Integration Transmission Service OASIS templates, which are not at issue in this compliance filing.

<sup>14</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice Granting Limited Time Extension, Docket No. RM05-5-024 (issued Jan. 15, 2015).

[r]equiring a public utility to file (and the Commission to process) a waiver request for standards that on their face specifically state [that they] are only applicable to entity groups that the potential waiver requestor does not belong to is an unnecessary expenditure of time and effort for both the potential waiver requestors and the Commission, since the standard itself makes clear to whom it applies.<sup>15</sup>

Thus, the Commission stated that, going forward, any request for waivers of standards that by their terms do not apply to an entity potentially requesting waivers during the time frame the standards are effective would be dismissed as unnecessary.<sup>16</sup>

## II. Filings

### A. Order No. 676-H Compliance Filing (Docket No. ER15-540-000)

7. In the Order No. 676-H Compliance Filing, the Southern Companies state that while they are generally adopting the language specified in paragraph 89 of Order No. 676-H, they did not include WEQ-015 (Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012) and WEQ-021 (Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012) in Attachment O to their open access transmission tariff (OATT)<sup>17</sup> because these standards are not applicable to them. To support this contention, the Southern Companies state that Order No. 676-G provides that these standards “apply only in organized wholesale electric markets administered by” Regional Transmission Organizations (RTO) and Independent System Operators (ISO) and accordingly, the

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<sup>15</sup> Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 20.

<sup>16</sup> *Id.* P 19.

<sup>17</sup> The Southern Companies note that the amended Attachment O is being filed in Alabama Power’s database because Alabama Power is the designated filer for the Southern Companies’ OATT and related service agreements. Order No. 676-H Compliance Filing at 1 n.2.

Commission only required RTOs and ISOs to revise their OATT to include these standards.<sup>18</sup>

8. The Southern Companies also propose to adopt the following introductory language in Attachment O:

Pursuant and subject to the Commission orders issued in FERC Docket No. RM05-5, and subject to the provisions of Attachment T of this Tariff, and any granted requests for waiver, the following business practice standards of the Wholesale Electric Quadrant of the North American Energy Standards Board are hereby incorporated by reference, recognizing to the extent that those that by their terms only apply (in whole or in part) within markets administered by Regional Transmission Providers/Independent System Operators do not apply for purposes of this Tariff, and the implementation schedule for applying the following business practices shall be as established by the Commission in that docket or by other Commission action.<sup>19</sup>

9. The Southern Companies state that the referenced Attachment T (Point-to-Point Transmission Service) was adopted in compliance with *Cargill Power Markets, LLC v. Public Service Company of New Mexico*,<sup>20</sup> and specifies the NAESB products associated with the provision of point-to-point transmission service that the Southern Companies

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<sup>18</sup> *Id.* at 2 (citing *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-G, FERC Stats. & Regs. ¶ 31,343 (2013) at PP 37, 54 (2013)). The Southern Companies note that Edison Electric Institute (Edison) requested rehearing of Order No. 676-H's requirement that each transmission provider include WEQ-015 and WEQ-021 in its OATT.

<sup>19</sup> Order No. 676-H Compliance Filing at 3.

<sup>20</sup> 132 FERC ¶ 61,079 (2010), *reh'g denied*, 141 FERC ¶ 61,141 (2012) (*Cargill Power*).

provide. The Southern Companies state that Attachment T thereby clarifies their implementation of certain aspects of WEQ-001.<sup>21</sup>

10. The Southern Companies also state that, like WEQ-015 and WEQ-021, other standards, such as WEQ-001-17.3 and WEQ-001-17.4, apply only to RTOs and ISOs. The Southern Companies state that the proposed introductory language provides that to the extent standards by their terms “only apply (in whole or in part) within markets administered by” RTOs or ISOs, they do not apply for purposes of their OATT.<sup>22</sup>

11. The Southern Companies request that the Commission provide an effective date of May 15, 2015 for the Order No. 676-H Compliance Filing.<sup>23</sup>

**B. Waiver Filing (Docket No. ER15-549-000)**

12. In the Waiver Filing, the Southern Companies request waivers of several of the Business Practice Standards. First, the Southern Companies seek waiver of certain Business Practice Standards concerning optional point-to-point transmission service products. Specifically, the Southern Companies request waivers of WEQ-001-2.1.6 (Sliding Daily), WEQ-001-2.1.10 (Extended Daily), WEQ-001-2.1.11 (Extended Weekly), WEQ-001-2.1.12 (Extended Monthly), WEQ-001-2.1.13 (Extended Yearly), and WEQ-001-2.1.14 (Next Increment Hourly). To support the waiver requests, the Southern Companies state that in Order No. 638,<sup>24</sup> the Commission clarified that transmission providers are not required to offer “sliding” and “extended” service products.<sup>25</sup> The Southern Companies state that the Commission later stated that while transmission providers are not required to adopt each of the services set forth in the

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<sup>21</sup> Order No. 676-H Compliance Filing at 3. The Southern Companies note that concurrently with the Order No. 676-H Compliance Filing, they filed to amend their Attachment T. The Southern Companies’ amended Attachment T filing was accepted for filing on January 22, 2015. *Alabama Power Co.*, Docket No. ER15-541-000 (Jan. 22, 2015) (delegated letter order).

<sup>22</sup> Order No. 676-H Compliance Filing at 4.

<sup>23</sup> *Id.*

<sup>24</sup> *Open Access Same-Time Information System and Standards of Conduct*, Order No. 638, FERC Stats. & Regs. ¶ 31,093 (2000) (cross-referenced at 90 FERC ¶ 61,202 (2000)).

<sup>25</sup> Waiver Filing at 4 (citing Order No. 638, FERC Stats. & Regs. ¶ 31,093 at 31,404 (cross-referenced at 90 FERC ¶ 61,202)).

Business Practice Standards, transmission providers are to state accurately in their OATT which services are offered.<sup>26</sup> The Southern Companies state that they offer “fixed” and most “sliding” products but not “extended” products, sliding daily service, or the next hour service set forth in the Business Practice Standards. Additionally, the Southern Companies state that, on October 1, 2012, they filed a new Attachment T to their OATT, which outlines the various point-to-point transmission service products and service periods that the Southern Companies offer.<sup>27</sup>

13. According to the Southern Companies, good cause exists to grant the requested waivers as evidenced by the 2012 letter order accepting Attachment T. The Southern Companies state that transmission customers are able to acquire point-to-point transmission service under the Southern Companies’ OATT with only certain, optional products not being offered. They add that there are no undesirable consequences associated with these requested waivers because transmission customers are able to acquire point-to-point transmission services under the OATT. Finally, with regard to these waivers, the Southern Companies argue that Attachment T provides transparency by setting forth which point-to-point products they offer.<sup>28</sup>

14. Second, the Southern Companies seek waiver of certain Business Practice Standards for which they assert compliance is not possible before the completion and testing of certain utility templates. They argue, for example, that good cause exists for granting waivers of these standards because compliance is not possible on February 2, 2015 because the SAMTS templates have not yet been developed.<sup>29</sup> Additionally, the Southern Companies support a general extension of time until May 15, 2015 to comply with the non-NITS related aspects of Order No. 676-H to allow for the appropriate development and testing of the requisite OASIS templates. The Southern Companies argue that these waivers are appropriate because they are only for a limited period and should not have undesirable consequences, as the underlying business practice standards cannot be implemented until the OASIS templates are developed.<sup>30</sup>

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<sup>26</sup> *Id.* (citing *Cargill Power*, 132 FERC ¶ 61,079 at P 22).

<sup>27</sup> *Id.* (citing *Alabama Power Co.*, Docket No. ER13-6-000 (Nov. 23, 2012) (delegated letter order) (2012 Letter Order)).

<sup>28</sup> *Id.* at 5.

<sup>29</sup> *Id.* The Southern Companies note that Edison has requested rehearing of the Commission’s compliance requirements with respect to the SAMTS templates.

<sup>30</sup> *Id.* at 6.

15. Third, the Southern Companies request waivers of Business Practice Standards related to ancillary services: WEQ-001-5 (Procurement of Ancillary and Other Services); WEQ-002-4.2.12 (Linking of Ancillary Services to PTP); and WEQ-002-4.3.8 (Purchase of Ancillary Services). They state that these standards provide for OASIS templates that allow the coupling of ancillary service arrangements with the purchase of transmission service, the related OASIS node conventions and naming structure for the linking of ancillary services to point-to-point transactions, and the general OASIS and point-to-point template descriptions for the purchase of ancillary services, respectively. The Southern Companies argue that there is good cause for granting this request because the Southern Companies recently changed to an OASIS vendor that is used by most transmission providers and that does not provide the functionality necessary to effectuate WEQ-001-5. The Southern Companies note, however, that public utilities, including the Southern Companies, have adopted a general business practice that links required ancillary services to the transmission service being taken by automatically invoicing a transmission customer for Schedule 1 (Scheduling, System Control and Dispatch Service) and Schedule 2 (Reactive Supply and Voltage Control from Generation Sources Service). The Southern Companies contend that this adopted business practice effectively serves the same purpose as WEQ-001-5, and thus, WEQ-001-5, WEQ-002-4.2.12, and WEQ-002-4.3.8 are not necessary to effectuate the linkage for transmission customers with requisite ancillary services.

16. Finally, the Southern Companies argue that WEQ-015 and WEQ-021 apply only in organized wholesale electric markets administered by RTOs and ISOs. They assert that because the Southern Companies are not located in an organized wholesale electric market administered by an RTO or ISO, neither WEQ-015 nor WEQ-021 applies to Southern Companies.<sup>31</sup>

### **III. Notice and Responsive Pleadings**

17. Notices of the Order 676-H Compliance Filing and the Waiver Filing were published in the *Federal Register*, 79 Fed. Reg. 73,058 (2014), with interventions and protests due on or before December 22, 2014. None was filed.

### **IV. Discussion**

18. We conditionally accept the Order No. 676-H Compliance Filing, grant in part, deny in part, and dismiss in part the requested waivers, and direct the Southern Companies to make an additional compliance filing. We also require that the Southern Companies remove from the proposed introduction to Attachment O language indicating that those Business Practice Standards that by their terms only apply within

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<sup>31</sup> *Id.* at 7.

markets administered by RTOs/ISOs do not apply under the Southern Companies' OATT. As explained further below, such language is unnecessary because the inclusion of Business Practice Standards that, on their face, do not apply to the Southern Companies will not adversely affect the Southern Companies.

19. We find good cause exists to grant the Southern Companies' request for waivers of Business Practice Standards WEQ-001-2.1.6, WEQ-001-2.1.10, WEQ-001-2.1.11, WEQ-001-2.1.12, WEQ-001-2.1.13, and WEQ-001-2.1.14 concerning optional point-to-point transmission service products. In making this finding, first we note that the Commission has previously recognized that transmission providers need not adopt each of the services set forth in the Business Practice Standards,<sup>32</sup> but that an OATT must accurately state which services the transmission provider offers.<sup>33</sup> As the Southern Companies note, under Attachment T to their OATT, the Southern Companies offer "fixed" and most "sliding" products but not extended products, sliding daily service, or the next hour market service that are the subject of the listed Business Practice Standards.

20. We also find that there are no undesirable consequences associated with granting the requested waivers because the products associated with these Business Practice Standards are optional and transmission customers are able to acquire point-to-point transmission services under the OATT. In addition, granting these requested waivers eliminates some ambiguity as to the applicability of any optional point-to-point transmission Business Practice Standard. As discussed further below, we direct the Southern Companies to include in a further compliance filing tariff records indicating those standards for which the Commission has granted waiver and a citation to the order granting those waiver requests.

21. We therefore, grant waivers of Business Practice Standards WEQ-001-2.1.6, WEQ-001-2.1.10, WEQ-001-2.1.11, WEQ-001-2.1.12, WEQ-001-2.1.13, and WEQ-001-2.1.14.

22. For good cause shown, we also grant the Southern Companies' request for waivers of Business Practice Standards WEQ-001-5, WEQ-002-4.2.12, and WEQ-002.4.3.8 related to ancillary services. We note that the Southern Companies use an OASIS vendor that does not provide the functionality necessary to effectuate WEQ-001-05. To compensate for this shortcoming, they explain that they have adopted a general business practice that effectively serves the same purpose.<sup>34</sup> The Southern Companies

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<sup>32</sup> Waiver Filing at 4 (citing Order No. 638, FERC Stats. & Regs. ¶ 31,093 at 31,404 (cross-referenced at 90 FERC ¶ 61,202)).

<sup>33</sup> *Id.* (citing *Cargill Power*, 132 FERC ¶ 61,079 at P 22).

<sup>34</sup> *Id.* at 6.

consequently reason that WEQ-001-5, and WEQ-002-4.2.12, and WEQ-002-4.38, which also relate to linking transmission and ancillary services, are unnecessary. We agree given that there are no undesirable consequences in granting this request because the reservation of ancillary services are addressed pursuant to the Southern Companies' posted business practices. Accordingly, we grant the request for waiver of Business Practice Standards WEQ-001-5, WEQ-002-4.2.12, and WEQ-002.4.3.8.

23. With regard to the Southern Companies' request for waiver of certain Business Practice Standards for which they assert compliance is not possible on February 2, 2015,<sup>35</sup> we find that Southern Companies have not made an adequate showing that good cause exists to grant their request. On rehearing of Order No. 676-H, Edison argued that the Commission erred by failing to specify that the implementation schedule for all OASIS template interactions (including SAMTS) is 18 months after the effective date of Order No. 676-H. Edison argued that the industry needs additional time to comply with all the new OASIS standards and not allowing its requested timeline would be more burdensome than allowing an 18-month schedule for all OASIS requirements. In the Order No. 676-H Rehearing Order the Commission found Edison's contentions to be general and non-specific and that they did not justify an across-the-board revision to the required timetable.<sup>36</sup> The Commission stated that if a particular public utility encounters specific problems that will prevent its compliance with these requirements in a timely manner it can ask for an extension for itself, and the merits of such a request will be considered on a case-by-case basis.<sup>37</sup>

24. In the Waiver Filing, the Southern Companies state that "compliance with other business practice standards also is not possible until completion and testing of the utility templates" and "[f]or example, as with the NITS templates, the SAMTS templates also have not been developed."<sup>38</sup> These general statements do not identify the particular Business Practice Standards for which the Southern Companies are seeking waiver. Additionally, the Southern Companies do not propose a time restriction for their proposed waivers. Instead they propose to limit the duration of this waiver request "until such templates have been developed and tested."<sup>39</sup> Accordingly, we deny the request for

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<sup>35</sup> As noted above, the February 2, 2015 deadline was extended to May 15, 2015.

<sup>36</sup> Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 24.

<sup>37</sup> *Id.*

<sup>38</sup> Waiver Filing at 5.

<sup>39</sup> *Id.* at 6.

waiver of unidentified standards for an unidentified period.<sup>40</sup> Our denial is without prejudice to Southern Companies' filing a new request for waivers that corrects these defects.

25. Finally, consistent with the Commission's clarification in the 676-H Rehearing Order, we dismiss as unnecessary the Southern Companies' request for waiver of Business Practice Standards WEQ-015 and WEQ-021. Both WEQ-015 and WEQ-021 state in their respective applicability sections that they are only applicable to RTO and ISO administered markets, and, therefore, WEQ-015 and WEQ-021 do not apply to the Southern Companies because they are not an RTO or ISO. As clarified in the 676-H Rehearing Order, requiring a public utility to file (and the Commission to process) a waiver request for standards that, on their face, specifically state that they are only applicable to entity groups that the potential waiver requestor does not belong to is an unnecessary expenditure of time and effort for both the potential waiver requestors and the Commission. The Commission explained that including such standards in the public utility's tariff will have no adverse effects on the company, since the standards would not impose the compliance obligation prescribed by the standard on that entity.<sup>41</sup> The Commission stated that in each public utility's compliance filing in which it submits a tariff revision incorporating the NAESB standards, the public utility must either incorporate by reference each standard or indicate in its tariff that it has obtained a waiver of that standard.<sup>42</sup>

26. Consistent with these determinations, we require the Southern Companies to submit a compliance filing within 60 days of the date of this order incorporating by reference all of the Version 003 NAESB standards. With regard to the waivers granted above, the Southern Companies are directed to include in that compliance filing tariff records that indicate those standards for which the Commission has granted waiver, and for each of those standards granted waiver, include a cite to the order granting these waiver requests.<sup>43</sup> Additionally, in the tariff records of their compliance filing, the Southern Companies are directed to reference, as applicable, those other sections of their OATT that they would be using in place of the standards granted waivers.

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<sup>40</sup> *Midcontinent Independent System Operator, Inc.*, 151 FERC ¶ 61,144 (2015).

<sup>41</sup> Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 20.

<sup>42</sup> *Id.* P 21.

<sup>43</sup> *Id.* (“[I]n each public utility's compliance filing in which it submits a tariff revision incorporating the NAESB standards, the public utility must either incorporate by reference each standard or indicate in its tariff that it has obtained a waiver of that standard”).

The Commission orders:

(A) The Southern Companies' compliance filing is hereby conditionally accepted, effective May 15, 2015, as discussed in the body of this order.

(B) The Southern Companies' requests for waiver are hereby granted in part, denied in part, and dismissed in part, as discussed in the body of this order.

(C) The Southern Companies are directed to submit a further compliance filing, within 60 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.