

154 FERC ¶ 61,189
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 11, 2016

In Reply Refer To:
PacifiCorp
Docket Nos. ER16-193-000
ER16-193-001

PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232

Attention: Patrick C. Cannon

Dear Mr. Cannon:

1. On October 30, 2015, PacifiCorp, on behalf of the Filing Parties,¹ filed a revised Western Electricity Coordinating Council (WECC) Unscheduled Flow Mitigation Plan (Revised Plan).² According to PacifiCorp, the Revised Plan was developed to address ongoing concerns associated with off-path or unscheduled flows in the Western Interconnection. Under the Revised Plan, phase shifters and other facilities that can be used to mitigate the effects of unscheduled flow can be designated as “Controllable Devices,” and entities whose controllable devices are approved for cost recovery under the Revised Plan may allocate a share of the costs of these facilities to applicable entities as defined in the Revised Plan.³ Cost allocation is based on the size of the applicable entity’s exports, imports, generating resources, and loads, with large utilities being

¹ The Filing Parties are PacifiCorp, Northwestern Corporation, NV Energy, Inc., Pacific Gas & Electric Company, Southern California Edison Company, and Tri-State Generation and Transmission Association.

² PacifiCorp has designated the Revised Plan as PacifiCorp Second Revised Rate Schedule No. 439. We note that the Revised Plan is now titled the Western Interconnection Unscheduled Flow Mitigation Plan.

³ PacifiCorp October 30, 2015 Transmittal Letter at 2.

assigned a majority of these costs.⁴ PacifiCorp states that, in pertinent part, the Revised Plan has also been rewritten to: (i) simplify the plan; (ii) improve readability and clarity; (iii) remove legacy notes, duplications of information, and unnecessary information; and (iv) update terms in accordance with North American Electric Reliability Corporation Glossary definitions.⁵

2. Notice of PacifiCorp's filing was published in the *Federal Register*, 80 Fed. Reg. 68,525 (2015), with interventions and protests due on or before November 20, 2015. Timely motions to intervene were filed by Modesto Irrigation District, Xcel Energy Services Inc., Cities of Santa Clara and Redding, California and the M-S-R Public Power Agency, California Department of Water Resources State Water Project, and the Transmission Agency of Northern California. Timely motions to intervene and comments were filed by the Western Area Power Administration (WAPA) and the Western Power Trading Forum (WPTF). An untimely motion to intervene was filed by Metropolitan Water District of Southern California. On December 1, 2015, PacifiCorp filed an answer to WPTF's comments.

3. Both WAPA and WPTF support PacifiCorp's filing of the Revised Plan. However, WPTF seeks additional specificity from the Filing Parties on the amount of compensation that is provided to controllable device owners' under the Revised Plan and on the use of any revenues collected from the proposed late payment penalty.⁶

4. In its answer, PacifiCorp explains that at the end of the year N, the administrator of the Revised Plan, requests that each controllable device owner provide the operation and maintenance costs for their device during the previous year N-1.⁷ Fixed costs for the controllable devices are reported to the administrator when the controllable device is approved for operation under the Revised Plan and are updated annually based upon the controllable devices effectiveness factors, which are added to the total reported operation and maintenance costs for the previous year N-1. According to PacifiCorp, the adjusted total costs for the previous year N-1 are divided by the Revised Plan specified amount of 2,000 hours to derive an hourly rate that is multiplied by the total amount of hours of

⁴ Costs are allocated proportionately to applicable entities based on a three-year averaging of the relative energy data.

⁵ PacifiCorp October 30, 2015 Transmittal Letter at 2.

⁶ WPTF's November 20, 2015 Comments at 4.

⁷ PacifiCorp December 1, 2015 Answer at 2.

continued operation of the controllable devices in year N, which is then added to the minimum payment specified under the Revised Plan.⁸ The final amount is then allocated for year N.

5. With respect to the use of late payment penalty funds, PacifiCorp notes that previous versions of the agreement did not have a provision to charge a late payment penalty even though late payment did occur. PacifiCorp states that the Revised Plan does not contain a mandatory use for these funds, it anticipates that these funds would be used to: (i) fully compensate controllable device owners in the event of an ultimate inability to collect all allocated costs, (ii) to offset any approved administration costs associated with the Revised Plan, or (iii) to offset the costs of the Revised Plan in subsequent years.⁹

6. On December 17, 2015, the Director of Division of Electric Power West issued a deficiency letter (December 17 Deficiency Letter) requesting further clarification regarding cost determination for controllable devices, criteria and timeline for implementation of the 10 percent late payment penalty, and further clarification on how Filing Parties plan to resolve disputes under the Revised Plan. On January 12, 2016, PacifiCorp, on behalf of the Filing Parties, submitted a response to the December 17 Deficiency Letter (January 12 Filing).

7. PacifiCorp asserts that the Filing Parties have amended the Revised Plan to specify that actual operation and maintenance costs are requested by the administrator near the end of or immediately following year N and these costs must be submitted by controllable device owners within 60 days of the request.¹⁰ PacifiCorp notes that the administrator will complete the review and approval of these costs and issue invoices to applicable entities by the end of the second quarter of year N+1. Applicable entities have 90 days from the date of the invoice to pay their share of the allocated costs.

8. PacifiCorp also states that the Filing Parties have amended the Revised Plan to specify that actual administrative costs may be added to the final yearly costs or waived at the discretion of the administrator and as approved by a majority of the controllable device owners and a majority of the transmission operators of qualified paths.¹¹ In addition, the Filing Parties have amended the Revised Plan to specify when the 10 percent penalty for late payment will be assessed and under what conditions the

⁸ *Id.* at 3.

⁹ *Id.*

¹⁰ PacifiCorp January 12, 2016 Transmittal Letter at 3.

¹¹ *Id.*

penalty may be waived by the administrator as well as how any revenues from the penalty may be used.¹² PacifiCorp also notes that the Filing Parties have amended the Revised Plan to include dispute resolution procedures in the event of a dispute with regards to the Revised Plan.

9. Lastly, PacifiCorp requests waiver of the Commission's prior notice and filing requirements to permit the amended Revised Plan to take effect on January 1, 2016. PacifiCorp states that good cause exists to grant its waiver request because it is requesting the same effective date it sought in its October 30, 2015 filing, and that without the waiver, calculations under the revised Plan will not be performed until 2017.¹³

10. Notice of PacifiCorp's January 12 Filing was published in the *Federal Register*, 81 Fed. Reg. 3127 (2016), with interventions and protests due on or before February 2, 2016. A timely motion to intervene and comments was filed by Pacific Gas and Electric Company (PG&E). PG&E states that, as a Filing Party, it supports the Revised Plan, as amended, and that it previously filed a Certificate of Concurrence in Docket No. ER16-360-000, which was accepted by delegated letter order on January 8, 2016.¹⁴ Thus, PG&E does not believe that another Certificate of Concurrence is required for the amended Revised Plan, as the previously accepted Certificate of Concurrence is applicable to PacifiCorp's Rate Schedule No. 439 "as it may be revised from time to time."¹⁵

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. In addition, pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2015), we grant Metropolitan Water District of Southern California's late filed motion to intervene given their interest in the proceeding, the early stage of the proceeding and the absence of any prejudice or delay.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest unless otherwise ordered by the decisional authority. The Commission accepts PacifiCorp's answer because it has provided information that assisted us in our decision-making process.

¹² *Id.* at 4.

¹³ *Id.* at 5.

¹⁴ PG&E January 27, 2016 Comments at 3.

¹⁵ *Id.*

13. We find that PacifiCorp's Revised Plan, as amended on January 12, 2016, is just and reasonable and not unduly discriminatory or preferential. Therefore, we accept the amended Revised Plan submitted by PacifiCorp for filing, effective January 1, 2016, as requested. In response to the December 17 Deficiency Letter, the Filing Parties amended the Revised Plan to specify: (1) how compensation will be calculated for controllable device owners, (2) when the 10 percent late payment penalty will be assessed along with how any revenues derived from the penalty will be used, and (3) how disputes will be resolved regarding any issues under the amended Revised Plan. Accordingly, we find that the Filing Parties' January 12, 2016 amended Revised Plan adequately addresses both the issues raised in the December 17 Deficiency Letter and the concerns expressed by WPTF in its comments, and we accept the amended Revised Plan for filing. With respect to PG&E's comments regarding the Certificate of Concurrence that it filed in Docket No. ER16-360-000, we find that issue to be beyond the scope of the instant proceeding and therefore do not address it.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.