

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, Joseph T. Kelliher,  
and Suedeem G. Kelly.

ISO New England Inc.  
and  
Maine Electric Power Company, Inc.

Docket No. ER05-730-000

ORDER ACCEPTING TARIFF FILING

(Issued May 27, 2005)

1. In this order, we accept for filing ISO New England Inc.'s (ISO-NE) and Maine Electric Power Company, Inc.'s (MEPCO) Transmission Operating Agreement (OA) and amendments to the ISO-NE Transmission, Markets and Service Tariff. Through the MEPCO OA, MEPCO will grant operating authority to ISO-NE over the MEPCO transmission facilities and MEPCO will continue to provide transmission service. The MEPCO Transmission System is a 345 kV transmission line intertie between Central Maine Power Company and Bangor Hydro Electric Company. ISO-NE submitted proposed tariff sheets reflecting the requested changes to its Tariff. ISO-NE requests an effective date of April 1, 2005. As discussed below, the Commission is accepting the proposed tariff sheets.

**The Filing**

2. On March 28, 2005, ISO-NE and MEPCO submitted the following: (1) the MEPCO OA that would grant ISO-NE, as the regional transmission organization "(RTO)" for New England, the authority to operate MEPCO's Transmission System; (2) a new Schedule 20B to Section II of the ISO-NE Transmission, Markets and Service Tariff, FERC Electric Tariff No. 3, containing the current MEPCO open access transmission tariff; and (3) revisions to the ISO-NE Large Generator Interconnection Procedures and the *pro forma* Large Generator Interconnection Agreement (Schedule 22 of Section II of the ISO-NE tariff) to account for ISO-NE's operational authority over interconnections on the MEPCO Transmission System pursuant to the MEPCO OA.

### **Notice, Interventions, and Comments**

3. Public notice of the applicants' filing was issued on April 1, 2005, and published in the *Federal Register*, 70 Fed. Reg. 18,387 (2005), with interventions, comments and protests due April 18, 2005. The New England Power Pool Participants Committee (NEPOOL), National Grid USA (National Grid), The United Illuminating Company (United Illuminating); and Northeast Utilities Service Company (Northeast Utilities) filed timely motions to intervene and comments. Duke Energy North America LLC, Duke Energy Marketing America, LLC, and Casco Bay Energy Company, LLC (jointly) filed a timely intervention. Bangor Hydro-Electric Company filed a motion to intervene out-of-time. MEPCO filed an answer/response to the comments.

4. The comments largely support the filing, but request various clarifications. Specifically, National Grid and United Illuminating request clarification of section 2.04(b) of the MEPCO OA, which pertains to "Elective Transmission Upgrade" provisions. They also request clarification as to how this section relates to section 2.05(b) of the Transmission Owner Agreements (TOA), which pertains to "Connection of Non-Parties." MEPCO addresses these requests for clarification in its answer/response.

### **Discussion**

#### **A. Procedural Matters**

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the timely, unopposed motions to intervene serve to make them parties to this proceeding. Motions to intervene filed out-of-time prior to the issuance of this order will not delay or disrupt the proceeding, and thus will be granted. MEPCO's answer is also accepted.

#### **B. Comments**

6. National Grid and United Illuminating request clarification that section 2.04(b) of the MEPCO OA will not be construed as providing the Participating Transmission Owners (PTO) with any less opportunity to undertake the design, construction, and interconnection of Elective Transmission Upgrades<sup>1</sup> than other entities have.

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<sup>1</sup> The TOA defines Elective Transmission Upgrade as: "A Transmission Upgrade constructed by any Person which is not required to be constructed pursuant to any applicable requirement of [the TOA], but may be subject to applicable requirements set forth in the [ISO New England Open Access Transmission Tariff] and [the TOA]."

7. Northeast Utilities, United Illuminating and National Grid note that section 11.19 of the OA mentions a possible roll-in of MEPCO transmission costs into Regional Network Service rates prior to the in-service date of the Second New Brunswick Tie. Northeast Utilities comments that it believes that such a possible roll-in would be presented to the other transmission owners for discussion and negotiation. United Illuminating and National Grid also note that under the TOA, the PTOs have the section 205 filing rights to modify rate design.

(2) **MEPCO's Response**

8. In its answer, MEPCO clarifies that section 2.04(b) of the OA should not be construed to provide the PTOs with any less opportunity to undertake the design, construction, and interconnection of an Elective Transmission Upgrade than other entities. MEPCO states further that section 2.04(b) of the OA, like section 2.05(b) of the TOA, does not apply with respect to PTOs whose rights and corresponding obligations are governed by other provisions of the ISO-NE Tariff and related operating procedures.

(3) **Commission Discussion**

9. In the initial ISO-NE RTO filing,<sup>2</sup> ISO-NE and the PTOs contemplated consistent operating authority by ISO-NE over each of the interties not included in the regional transmission service rate, a list that included the MEPCO Transmission System. Acceptance of the instant filing completes the process for bringing the MEPCO Transmission System under ISO-NE's operating authority.

10. We find that the instant filing benefits the New England region by achieving greater integration of the MEPCO Transmission System within the operations, administration, and planning of the New England Control Area. The MEPCO OA provides that the MEPCO Transmission System will be operated in similar fashion to the transmission facilities subject to the TOA, with a similar split of rights and responsibilities between ISO-NE and MEPCO. We find that the MEPCO OA promotes ease of transmission access by locating in one tariff all of the terms and conditions by which transmission service is available. The MEPCO OA also ensures that the MEPCO Transmission System is operated and administered in a manner consistent with ISO-NE's long-range system planning.

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<sup>2</sup> See "Request for approval of a Regional Transmission Organization for New England," Docket No. RT04-2-000, October 31, 2003.

11. The Commission is satisfied that the clarification provided by MEPCO should alleviate the commenters' concerns underlying their requests for clarification. Accordingly, section No. 2.04(b) of the OA, and its relationship to section No. 2.05(b) of the TOA, are to be interpreted consistent with MEPCO's response.

12. The Commission notes that in the event of any future proposal regarding the changing of rate designs or adding of facilities in the ISO-NE control area, ISO-NE and the PTOs will continue to follow due procedure in making such a proposal to the Commission. The MEPCO OA and TOA both provide adequate and reasonable procedures for the modification of current rate designs and addition of facilities.

13. The Commission is accepting ISO-NE and MEPCO's subject tariff filing, to become effective April 1, 2005. The tariff sheets implementing the filing are listed in the Appendix to this order.

The Commission orders:

ISO-NE's and MEPCO's tariff filing in Docket No. ER05-730-000 is, herein, accepted, to become effective on April 1, 2005.

By the Commission.

( S E A L )

Linda Mitry,  
Deputy Secretary.

Appendix

ISO New England Inc.  
FERC Electric Tariff No. 3  
Section II – Open Access Transmission Tariff

Accepted Tariff Sheets, to become effective April 1, 2005

Schedule 20B (Maine Electric Power Company)

Original Sheet Nos. 1150 through 1217

Schedule 22 – Large Generator Interconnection Procedures

First Revised Sheet No. 5105  
Superseding Original Sheet No. 5105

First Revised Sheet No. 5259  
Superseding Original Sheet No. 5259