

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

July 5, 2006

In Reply Refer To:  
Otter Tail Power Company  
Docket No. ER06-992-000

Wright and Talisman, P.C.  
Attention: Amanda M. Riggs  
Suite 600  
1200 G Street, NW  
Washington, DC 20005-3802

Reference: Contract for Interconnection and Load Control Boundary

Dear Ms. Riggs:

1. On May 11, 2006, Otter Tail Power Company (Otter Tail), a transmission-owning member of the Midwest Independent Transmission System Operator, Inc. (Midwest ISO), filed an executed "Contract for Interconnection and Load Control Boundary" (Contract) between United States Department of Energy - Western Area Power Administration (Western) and Otter Tail. The Commission conditionally accepts the Contract for filing, effective April 1, 2006, as discussed below.
2. Otter Tail states that the Contract clarifies the existing points of interconnection and load control boundary points, as well as the procedures governing those arrangements, between the Otter Tail and Western transmission systems. The term of the Contract is proposed as April 1, 2006 through December 31, 2025, with an option to extend it, by mutual agreement, up to four years at a time until December 31, 2045. The Contract will supersede a similar agreement on file with the Commission (Otter Tail FERC Rate Schedule No. 172).
3. Notice of the filing was published in the *Federal Register*, 71 *Fed. Reg.* 30,909 (2006), with protests or interventions due on or before June 1, 2006. Missouri River Energy Services filed a timely motion to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), the timely, unopposed motion to intervene serves to make Missouri River Energy Services a party to this proceeding.

4. Upon review of the terms and conditions of the Contract, and consistent with prior Commission orders, *see, e.g., Union Electric Co.*, 108 FERC ¶ 61,189 (2004) and *Cinergy Services Inc.*, 107 FERC ¶ 61,260 (2004), we find that Midwest ISO must be added as a party to the Contract. Articles 2, 6, and 9 address issues such as interconnection operations and planning. Article 14 recognizes that the Midwest ISO administers transmission service over Otter Tail's transmission facilities and is responsible for certain interconnections to the Otter Tail system. Article 14 further acknowledges that the Contract will not abrogate any of Midwest ISO's rights over transmission or over interconnections. In this case, Midwest ISO has the responsibility to reliably operate and plan for transmission facilities under its management and control, including the Otter Tail transmission system. For this reason, the transmission and interconnection issues contained in the Contract are not properly the subject of a bilateral agreement solely between Otter Tail and Western. Therefore, Otter Tail is required to file, within 60 days of the date of this order, a revised Contract that includes the Midwest ISO as a signatory. Such revised Contract should reflect that the Midwest ISO has operational authority over the Otter Tail transmission system, including the interconnection with WAPA, and provide that all future amendments to the Contract will be subject to negotiation and approval by all three parties.

5. Further, the Commission has explained that when an ISO or regional transmission operator (RTO) becomes a signatory to this type of interconnection agreement, it must also designate the agreement as related to its open access transmission tariff and provide that designation, or show cause why the interconnection agreement should not be so designated. *See American Electric Power Service Corp.*, 110 FERC ¶ 61,276, *reh'g denied*, 112 FERC ¶ 61, 128 (2005). Accordingly, we will require the same of Midwest ISO here.

6. In addition, Otter Tail's proposed designation of the Contract does not comply with the guidelines for similar agreements set forth in *Southwest Power Pool*, 92 FERC ¶ 61,109 (2000). Therefore, Otter Tail must re-file the Contract, within 60 days of the date of this order, as a service agreement under its Control Area Services and Operations Tariff and designate it accordingly in compliance with Order No. 614, *Designation of Electric Rate Schedule Sheets*, 65 Fed. Reg. 18,221, FERC Stats. & Regs. ¶ 31,096 (2000).

7. Otter Tail requests waiver of the Commission's 60-day notice requirement, 18 C.F.R. § 35.3 (2005), to permit an effective date of April 1, 2006, for the Contract. The Commission has stated that waiver of notice generally will be appropriate when an

uncontested filing has no rate impact. *See Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61,338 (1992), *reh'g denied*, 61 FERC ¶ 61,089 (1992). In the instant case, Otter Tail's filing does not affect rates, and, therefore, we accept the Contract for filing, and grant waiver of the 60-day notice requirement to permit an effective date of April 1, 2006, as requested.

By direction of the Commission.

Magalie R. Salas,  
Secretary.