

123 FERC ¶ 61,023
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

NorthWestern Corporation

Docket No. OA07-84-000

ORDER ACCEPTING COMPLIANCE FILING, AS MODIFIED

(Issued April 7, 2008)

1. On September 10, 2007, pursuant to section 206 of the Federal Power Act (FPA),¹ NorthWestern Corporation (NorthWestern)² submitted a revised version of Attachment C (Methodology to Assess Available Transfer Capability) to its Montana Open Access Transmission Tariff (OATT) as required by Order No. 890.³ In this order, we accept NorthWestern's compliance filing, as modified, as in compliance with Order No. 890, as discussed below.

I. Background

2. In Order No. 890, the Commission reformed the *pro forma* OATT to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. Among other things, Order No. 890 amended the *pro forma* OATT to require greater consistency and transparency in the calculation of

¹ 16 U.S.C. § 824e (2000 & Supp. V 2005).

² NorthWestern operates transmission facilities located in both Montana and South Dakota. These transmission systems are neither physically connected, nor in the same North American Electric Reliability Council (NERC) region. Accordingly, NorthWestern maintains separate Commission-approved OATTs for operations in each state. The Montana OATT is the subject of this order.

³ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, 73 Fed. Reg. 2984 (Jan. 16, 2008), FERC Stats. & Reg. ¶ 31,261 (2007).

Available Transfer Capability (ATC), open and coordinated planning of transmission systems and standardization of charges for generator and energy imbalance services. The Commission also revised various policies governing network resources, rollover rights and reassignments of transmission capacity.

3. The Commission established a series of compliance deadlines to implement the reforms adopted in Order No. 890. Transmission providers that have not been approved as independent system operators (ISO) or regional transmission organizations (RTO), and whose transmission facilities are not under the control of an ISO or RTO, were directed to submit, within 180 days from publication of Order No. 890 in the *Federal Register* (i.e., September 11, 2007), section 206 compliance filings to revise Attachment C of their OATTs.

II. Compliance Filing

4. NorthWestern has submitted Attachment C to its Montana OATT and states that it is in compliance with Order No. 890.

III. Notice of Filing and Responsive Pleadings

5. Notice of NorthWestern's filing was published in the *Federal Register*, 72 Fed. Reg. 54,025 (2007), with interventions and protests due on or before October 1, 2007. Central Montana Electric Power Cooperative, Inc. (Central Montana) filed a motion to intervene and protest and Powerex Corporation (Powerex) filed a motion to intervene.

6. Central Montana argues that NorthWestern's Attachment C fails to conform to the requirements of Order No. 890, and undermines the Commission's policy goal to ensure that all ATC components be transparent to reduce the opportunity for undue discrimination by transmission providers.⁴ Central Montana states that NorthWestern (1) does not identify which of the NERC-approved methodologies it employs, e.g., contract path, network ATC or network Available Flowgate Capacity (AFC); (2) does not include a link to its website where the actual mathematical algorithms are posted; (3) does not have the required level of details regarding assumptions used in its TTC assessments; (4) does not discuss under ETC how transmission capacity is set aside for non-OATT customers, and additionally, does not provide the necessary level of detail in its Attachment C regarding its processes for ensuring non-firm capacity is released properly;

⁴ The ATC components are Total Transfer Capability (TTC), Existing Transmission Commitments (ETC), Capacity Benefit Margin (CBM), and Transmission Reserve Margin (TRM).

(5) fails to detail how it determines TRM; and, (6) needs to correct several typographical mistakes.

IV. Discussion

A. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. NorthWestern's Filing

8. We accept NorthWestern's revised Attachment C, as modified below, to be effective September 11, 2007. We also direct NorthWestern to file, within 30 days of the date of this order, a further compliance filing as discussed below.

1. ATC Methodology

9. In Order No. 890, the Commission required a transmission provider to clearly identify which methodology it employs (e.g., contract path, network ATC, or network Available Flowgate Capacity (AFC)). The transmission provider also must describe in detail the specific mathematical algorithms used to calculate firm and non-firm ATC (and AFC, if applicable) for its scheduling, operating and planning horizons.⁵ Further, the actual mathematical algorithms must be posted on the transmission provider's website, with the link noted in the transmission provider's Attachment C.⁶

10. We have reviewed NorthWestern's filing and find that as Central Montana observes, NorthWestern's revised Attachment C does not provide for the identification of the methodology or the link to the NorthWestern's website with the actual mathematical algorithms. Therefore, NorthWestern's filing fails to comply with Order No. 890. We direct NorthWestern to file, within 30 days of the date of this order, a further compliance filing that revises its Attachment C to provide the methodology used for calculating ATC, and the link to NorthWestern's website with the actual mathematical algorithm, as required in Order No. 890.

⁵ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C; *see also id.* P 323.

⁶ *Id.* P 325, 328.

2. Detailed Explanation of the ATC Components

a. TTC

11. In Order No. 890, the Commission required a transmission provider to (i) explain its definition of TTC; (ii) explain its TTC calculation methodology for both the operating and planning horizons; (iii) list the databases used in its TTC assessments and (iv) explain the assumptions used in its TTC assessments regarding the load levels, generation dispatch and the modeling of both planned and contingency outages.⁷

12. We have reviewed NorthWestern's Attachment C filing and find that NorthWestern's revised Attachment C does not provide a clear list of assumptions used for TTC calculation regarding load levels, generation dispatch and modeling of planned and contingency outages. NorthWestern therefore fails to comply with Order No. 890. We direct NorthWestern to file, within 30 days of the date of this order, a further compliance filing that revises its Attachment C to provide the list of assumptions used for TTC calculation regarding load levels, generation dispatch and modeling of planned and contingency outages.

b. ETC

13. In Order No. 890, the Commission required a transmission provider to explain (i) its definition of ETC; (ii) the calculation methodology used to determine the transmission capacity to be set aside for native load (including network load) and non-OATT customers (including, if applicable, an explanation of assumptions on the selection of generators that are modeled in service) for both the operating and planning horizons; (iii) how point-to-point transmission service requests are incorporated; (iv) how rollover rights are accounted for; and (v) its processes for ensuring that non-firm capacity is released properly (e.g., when real-time schedules replace the associated transmission service requests in its real-time calculations).⁸

14. We have reviewed NorthWestern's filing and find that NorthWestern's revised Attachment C does not explain the calculation methodology used to determine the transmission capacity set aside for non-OATT customers. Therefore, NorthWestern fails to comply with Order No. 890. We direct NorthWestern to file, within 30 days of the date of this order, a further compliance filing that revises its Attachment C to provide an explanation of its calculation methodology used to determine the transmission capacity set aside for non-OATT customers.

⁷ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C.

⁸ *Id.*

15. However, we disagree with Central Montana's contention that NorthWestern fails to provide the necessary level of detail regarding its processes for ensuring non-firm capacity is released properly. We find that NorthWestern makes clear that its non-firm ATC calculation for scheduling and operating horizon replaces transmission service reservations with the associated schedules (e-tags) which releases non-scheduled transmission reservations for use as non-firm ATC.⁹ We therefore deny Central Montana's request for more detail, and accept the NorthWestern explanation as sufficient.

The Commission orders:

(A) NorthWestern's revised tariff sheets are hereby accepted, effective September 11, 2007, subject to modification, as discussed in the body of this order.

(B) NorthWestern is hereby directed to submit a compliance filing, within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁹ NorthWestern Attachment C, Original Sheet No. 95B.