

125 FERC ¶ 61,022  
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.

Southwest Power Pool, Inc.

Docket No. ER08-1379-000

ORDER ACCEPTING TARIFF CHANGES

(Issued October 7, 2008)

1. On August 8, 2008, in Docket No. ER08-1379-000, Southwest Power Pool, Inc. (SPP) filed revised tariff sheets seeking revisions to Attachment Z1 and other provisions within its Open Access Transmission Tariff (OATT). SPP seeks to change, for two years, its Aggregate Transmission Service Study (ATSS) procedure, stating that it needs to do so to alleviate delay and congestion in its transmission service request queue.

2. In this order, we will accept the proposed tariff revisions for filing and make them effective August 9, 2008, as requested.

**I. Background**

3. SPP conducts its ATSS procedure to evaluate the system impacts of groups of long-term transmission service requests, estimate additional facility or network upgrades needed to meet all requests in each group, and assign the projected costs of upgrades to customers within a group. SPP developed this study procedure to ensure efficient expansion of its transmission system.<sup>1</sup>

4. Pursuant to Attachment Z1 in SPP's OATT, SPP holds open seasons throughout the year to receive and assess transmission service requests through use of the ATSS procedure. At the end of each four-month open season, SPP groups all qualifying transmission service requests into a single aggregate system impact study. Each of these studies provides an estimate of upgrade costs to be assigned to each transmission reservation to allow customers to evaluate their own costs associated with service requests.

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<sup>1</sup> See *Southwest Power Pool, Inc.*, 110 FERC ¶ 61,028 (2005).

5. After receiving these estimates, customers choose whether to proceed to a facilities study under the ATSS procedure. During the facilities study, the original aggregate system impact study is revised to reflect withdrawals of service requests. If a transmission customer withdraws a request that was included in a previous study, SPP must re-study that aggregate study group and all subsequent groups. The overall ATSS procedure is a sequential and iterative process.

6. At this time, SPP has developed a substantial backlog of uncompleted transmission studies. SPP states the withdrawal of service requests during the facilities study has contributed to the growing queue of uncompleted studies.

## **II. Description of the Filing**

7. In Docket No. ER08-1379-000, SPP filed revisions to Attachment Z1 and other provisions within its OATT to temporarily modify the ATSS procedure. The proposed revisions seek to combine, for study purposes, pairs of consecutive open seasons. The proposed revisions apply to the open season that closes January 31, 2008 through the open season that closes January 31, 2010. During this time, consecutive, four-month open seasons will be combined into a single eight-month aggregate study. This pairing reduces the overall number of studies SPP needs to conduct, allowing SPP to complete studies in its backlog. SPP states the proposed revisions are an interim mechanism to reduce its backlog while the SPP stakeholder process produces more substantial queue improvements.

8. SPP also proposes additional OATT revisions to adopt language conforming to the proposed pairing of seasons, including: revising the definition of “Aggregate Transmission Service Study” in Section 1, amending Section 13.2 to reflect the pairing of open seasons, revising Section 30.2 to reflect the pairing of open seasons, and amending Attachment D to reflect that all requests received during each pair of open seasons will be combined into a single aggregate study.

9. SPP requests an effective date of August 9, 2008 and waiver of the 60-day prior notice requirement.

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

10. Notice of SPP’s filing was published in the *Federal Register*, 73 Fed. Reg. 49,178 (2008), with protests and interventions due on or before August 29, 2008. The following parties filed timely motions to intervene: Golden Spread Electric Cooperative, Inc.; Central Valley Electric Cooperative, Inc., Farmer’s Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt County Electric Cooperative, Inc., (the New Mexico Cooperatives); Xcel Energy Services, Inc.; Westar Energy, Inc. and Kansas

Gas and Electric Company (Westar); and Missouri Joint Municipal Electric Utility Commission, Oklahoma Municipal Power Authority, and West Texas Municipal Power Agency (the TDU Intervenors).

11. American Electric Power Services Corporation (AEP) and Empire District Electric Company (Empire) filed motions to intervene and comments. AEP also protested the filing.
12. East Texas Electric Cooperatives, Inc., Northeast Texas Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc., (the East Texas Cooperatives) submitted a motion to intervene out-of-time.
13. On September 15, 2008, SPP filed an answer.

**A. Comments**

14. AEP states that the proposed revisions do not adequately address the root causes of the delays in the study process.<sup>2</sup> AEP also states that the proposed changes may adversely affect its outstanding requests for proposals (RFP) for generation resources.<sup>3</sup>
15. Empire supports the proposed tariff changes for their potential to alleviate the ATSS backlog. However, Empire asserts this proposal does not address the substantive issues contributing to the backlog, namely, seams issues that contribute to the withdrawal of service requests during the facilities study.<sup>4</sup> Empire states that a customer is most likely to withdraw a request when it is blindsided by a “requirement” that it fund costly upgrades to address unanticipated adjacent-system impacts. It states that customers would be far less likely to be “caught off-guard” if SPP is a party to a seams agreement that provides for impartial and transparent analyses of third party impacts and reasonably and equitably allocates responsibility for those impacts. Empire requests that the Commission issue an order directing SPP to finalize seams agreements with adjacent systems owners.<sup>5</sup> In the absence of a Commission order directing the formation of seams agreements, Empire requests that the Commission convene a technical conference to

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<sup>2</sup> AEP’s Aug. 29, 2008 Protest at 3.

<sup>3</sup> *Id.*

<sup>4</sup> Empire’s Aug. 29, 2008 Comments at 4.

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

(1) identify the specific seams problems that are adversely affecting SPP's ability to provide timely and efficient transmission service and (2) explore effective solutions to the problem.<sup>6</sup>

**B. SPP's Answer**

16. SPP responds that the proposed revisions are temporary in nature and are not meant to serve as a comprehensive reform of the ATSS procedure.<sup>7</sup> SPP, through its stakeholder process, plans to submit a more comprehensive proposal to amend the ATSS procedure in the early part of 2009.<sup>8</sup>

17. SPP argues that both AEP and Empire raise concerns that are either speculative or exceed the scope of this proceeding.<sup>9</sup> SPP contends that - contrary to AEP's assertion - the proposed temporary revisions do address one of the root causes of delays in the ATSS procedure, namely, the number of overall studies that SPP must complete.<sup>10</sup> SPP also notes that AEP provides no detail to support its allegation that the proposed revisions may affect its RFP process.<sup>11</sup> SPP argues the revisions will allow it to more quickly process transmission requests for all customers, including AEP, as well as generators seeking to bid into AEP's RFP process.<sup>12</sup> SPP also notes that it has been working with AEP to address these concerns and to develop proposals - such as customer-driven screening processes - to inform AEP's RFP process.<sup>13</sup>

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

<sup>7</sup> SPP's Sept. 15, 2008 Answer at 2.

<sup>8</sup> *Id.* at 3. SPP states that it has formed the Aggregate Study Improvement Task Force to review the current transmission service study process and propose modifications to address the backlog of transmission service requests.

<sup>9</sup> *Id.* at 3-4.

<sup>10</sup> *Id.* at 4.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 5.

<sup>13</sup> *Id.*

18. With respect to Empire's comments, SPP asserts it has already undertaken several steps to address seams with its first-tier neighbors.<sup>14</sup> For example, SPP recently filed a Joint Operating Agreement with a neighboring transmission system.<sup>15</sup> SPP also asserts that it has explored adopting similar agreements with other first-tier neighbors, such as Entergy Corporation.<sup>16</sup> SPP states the current filing is an initial step in improving the ATSS procedure, and SPP's stakeholder process is currently addressing issues, such as seams agreements, that may also improve the overall ATSS procedure.<sup>17</sup> SPP argues that development of seams agreements with neighboring utilities should not be a precondition to adopting the proposed revisions in the current filing.<sup>18</sup> Further, SPP argues it cannot force seams agreements on other parties nor control the pace at which these agreements are executed by others.<sup>19</sup>

#### **IV. Discussion**

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

19. Under Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Under Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the Commission will grant the East Texas Cooperatives' late-filed motion to intervene given their interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

20. Rule 213(a) (2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213 (a) (2) (2008), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept SPP's answer because it has provided information that assisted us in our decision-making process.

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<sup>14</sup> *Id.*

<sup>15</sup> *See* SPP's submission of a Joint Operating Agreement with Associated Electric Cooperative, Inc. in Docket No. ER08-1516-000 (Sept. 10, 2008).

<sup>16</sup> SPP's Sept. 15, 2008 Answer at 6.

<sup>17</sup> *Id.* at 5-6.

<sup>18</sup> *Id.* at 6.

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

**B. Commission Determination**

21. We agree that AEP's assertions are speculative. Without more information, we are unable to properly evaluate AEP's concerns.

22. We decline in this proceeding to issue a directive for SPP to enter into seams agreements with geographically-adjacent transmission service providers or to convene a technical conference to address seams issues. Empire has not demonstrated how these proposed remedies are within the scope of this proceeding. Here, SPP proposes an interim measure to reform its aggregate study procedures in order to reduce the number of studies required for its existing transmission service requests while its task force explores more comprehensive reforms including seams agreements. The Commission fully supports and encourages SPP and its neighbors' continuing efforts toward seams agreements, but we do not find it necessary for us to order SPP to finalize seams agreements with its neighbors as a condition to accepting the interim tariff changes proposed here. Accordingly, we accept SPP's limited proposal to revise Attachment Z1 and other provisions within its OATT for the time frame specified. We find that SPP's proposed revisions to temporarily combine consecutive seasons in its ATSS procedure a reasonable step towards alleviating the current delay and congestion in its transmission service request queue.

23. We also grant SPP's request for waiver of the Commission's notice requirement, since the filing has no rate impact.

**The Commission orders:**

(A) SPP's proposed tariff revisions are hereby accepted for filing, to become effective August 9, 2008.

(B) SPP's request for waiver of the Commission's notice requirement is hereby granted.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.