140 FERC ¶ 61,165
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

Avista Corporation Docket No. ER12-2119-000

ORDER ACCEPTING CONFORMING
LONG-TERM FIRM POINT-TO-POINT SERVICE AGREEMENT

(Issued August 31, 2012)

1. On June 27, 2012, Avista Corporation (Avista) filed an unexecuted long-term firm point-to-point service agreement (service agreement) between Avista and Kootenai Electric Cooperative (Kootenai). The service agreement is a conforming transmission service agreement under Attachment A of Avista's Open Access Transmission Tariff (OATT). In this order, we accept the service agreement for filing without modification, effective September 1, 2012.

I. Background and Description of Filing

2. Avista explains that on May 3, 2012, Kootenai submitted a request to Avista for long-term firm point-to-point transmission service for 3 MW of reserved capacity from a point of receipt (POR) on Avista's system to a point of delivery (POD) at the LOLO scheduling point.[1] Avista states that it tendered the service agreement to Kootenai on May 31, 2012 and that Kootenai did not execute the agreement but instead requested Avista file the service agreement unexecuted with the Commission. Avista states that it understands that Kootenai is seeking a more specific description of the POD than the description that is currently contained in the service agreement. The service agreement

[1] Transmittal at 2 (asserting that Kooteani followed its OASIS request with a written application requesting a POD as "[t]he Imnaha Point of Interconnection. The point where Avista's Lolo-Imnaha 230 kV Transmission Line connects with Idaho Power's Imnaha-Oxbow 230 kV Transmission Line, at Idaho's Engineer Station 1600 plus 97.3 (on the section line between Section 16 and 21, Township 1 North, Range 48 East, W M) near Imnaha, Oregon").

describes the POD as "the point on the Lolo-Oxbow 230 kV transmission line where the 230 kV facilities of Idaho Power Company and Avista are interconnected and, for scheduling purposes, the LOLO POD."

3. According to Avista, the Lolo-Oxbow 230 kV Transmission Line (Lolo-Oxbow line) is a single 108-mile jointly-owned line connecting the transmission systems of Avista and Idaho Power Company (Idaho Power) where the point of change of ownership is at the approximate mid-point of the line at a point near Imnaha, Oregon.[2] Avista states that it owns the transmission line facilities to the north of that point to Avista's Lolo 230 kV Substation (located in the State of Idaho) and Idaho Power owns the transmission line facilities south of that point to Idaho Power Company's Oxbow 230 kV Switching Station (located in the State of Oregon). Avista states that the metered interchange boundary between the Avista and Idaho balancing authority areas is located at Avista's Lolo Substation. Further, Avista explains that the Lolo Substation is the only point where the balancing authority areas of Avista and Idaho Power meet and the point on the Lolo-Oxbow line near Imnaha is the only point where the Avista and Idaho transmission systems connect.

4. Avista states that from a transmission service standpoint, Avista provides transmission service over the entirety of its assets on the Lolo-Oxbow line, and therefore provides transmission service to the point of change of ownership. Avista states from a scheduling standpoint, consistent with all applicable reliability standards, energy scheduled between Avista and Idaho is exchanged or "handed off" at the balancing authority area boundary between the two systems.

5. Avista states that it understands that Kootenai and Idaho Power are parties to a pending proceeding before the Oregon Public Utility Commission (Oregon Commission) in which the Oregon Commission has been asked to determine whether Idaho Power is obligated to enter into an Oregon power purchase agreement for the output of Kootenai's QF facility. Avista states it is not a party to the Oregon Commission proceeding.

II. Notice of Filing and Responsive Pleadings

6. Notice of Avista's filing was published in the *Federal Register* 77 Fed. Reg. 40,353 (2012), with interventions and protests due on or before July 18, 2012. On July 18, 2012, Idaho Power filed a timely motion to intervene and a protest. On July 18, 2012, Kootenai filed a timely motion to intervene and a protest. On July 30, 2012 Avista filed an answer.

[2] *See* Transmittal Appendix A (diagramming the physical geography of the Lolo-Oxbow 230 kV Transmission Line).

III. Discussion

A. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, C.F.R. § 385.214 (2012), Idaho Power's and Kootenai's timely, unopposed motions to intervene serve to make them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept Avista's answer because it has provided information that assists us in our decision-making process.

B. Kootenai's Protest

8. Kootenai protests Avista's proposed service agreement to the extent it does not unambiguously provide that Avista will deliver Kootenai's QF output all the way to the interconnection point near Imnaha, Oregon.[3] Specifically, Kootenai argues that the 1958 Interconnection Agreement on file with the Commission is controlling over the location of the POD between Idaho Power and Avista. Kootenai states that the 1958 Agreement reads "The Points of Delivery for energy supplied between the parties hereto, unless otherwise specified, shall be at the place and in the interconnecting circuit between the parties where ownership and control of the facilities changes."[4] Kootenai states that in 2003, Idaho Power filed an amended version of the 1958 Interconnection Agreement with the Commission that was accepted for filing by unpublished letter order issued on July 26, 2004 in Docket No. ER03-953-001, *et al*. which still defines the POD as the point of change in ownership, and is still in effect.

9. Kootenai argues that Avista's OATT entitles Kootenai to deliver its QF output all the way across Avista's transmission system to the point of interconnection near Imnaha, Oregon. Kootenai states that Avista's OATT reads "The Transmission Provider will provide Firm and Non-Firm Point-to-Point Transmission Service over, on or across its transmission system to any Transmission Customer that met the requirements of Section 16."[5] Accordingly, Kootenai argues that it is entitled to deliver its QF output all the way across Avista's transmission system.

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[3] Kootenai Protest at 1.

[4] *Id.* at 3.

[5] Avista's OATT at § 15.1.

10. Kootenai further argues that Avista's OATT does not specify any limitation on the manner in which a customer may request that Avista describe the POD in the service agreement only that the POD be specified in the service agreement. Accordingly, Kootenai's application for transmission service included a specific request to have the POD precisely described as the point of interconnection near Imnaha, Oregon. Kootenai states that its intent was to obtain contractual assurance as to the precise location where Avista would deliver Kootenai's QF output.[6]

11. Kootenai states that OASIS does not control the precise location of the POD. Kootenai further states that the Commission's regulations require transmission providers to post available capacity across posted paths, which includes "any control area to control area interconnection."[7] Kootenai asserts that the word interconnection means all facilities connecting two adjacent systems or control areas and therefore, the regulation requires the posted path to LOLO on OASIS to include a posting of available transmission capacity at least up to the point of interconnection near Imnaha, Oregon, not merely the available capacity to Lolo Substation.[8]

12. Further, Kootenai states that even if the OASIS abbreviation were somehow determinative on the matter, the abbreviation of LOLO in Avista's OASIS does not describe the terminus for the posted path as "Lolo Substation" any more than it describes it as "Lolo-Oxbow." Kootenai states that LOLO is a scheduling point for a posted path which would be used to implement deliveries to the transaction-specific POD set forth in the service agreement. Kootenai states abbreviations on OASIS cannot be used to deny Kootenai non-discriminatory transmission service all the way across Avista's transmission system.[9]

C. Idaho Power's Protest

13. Idaho Power maintains that the POD designated in the service agreement impermissibly conflates two distinct locations to describe the POD: the Lolo Substation and the point where ownership changes along the Lolo-Oxbow line. Idaho Power states that Avista interconnects to Idaho Power at only one point on the Lolo-Oxbow

[6] Kootenai Protest at 9.

[7] *Id.* at 17.

[8] *Id.* at 18.

[9] *Id.*

transmission path and therefore there can only be one POD and that POD is the Lolo Substation. Idaho Power maintains that the QF's output will be delivered to Idaho.[10]

14. Idaho Power states that both Avista's and Idaho Power's OASIS websites confirm that the Lolo Substation is the designated POD for transmission across the Lolo-Oxbow line. Idaho Power states that the Commission's rules require that all control area-to-control area interconnections be posted on OASIS and that Kootenai is requesting transmission from Avista's control area to Idaho Power's control area through the Lolo Substation interconnection. Therefore, Idaho Power asserts that Kootenai is requesting transmission across a path that Avista and Idaho Power are required to post on OASIS.[11]

15. Idaho Power also argues that PODs must be approved by the North American Electric Reliability Corporation (NERC) and included in NERC's Transmission System Information Network (TSIN) directory. Idaho Power states that according to the TSIN, the only designated POD for the Lolo-Oxbow line is the Lolo Substation. Idaho Power contends that a point along a transmission line where ownership of the line changes is not, in and of itself, a valid POD where a transmission customer can make a delivery to Idaho Power. Idaho Power states this can only be done at a designated POD, which in this case is the Lolo Substation, rather than the point of change of ownership near Imnaha, Oregon.[12]

16. Idaho Power argues that it is inappropriate to request a new POD from Avista by asking it to submit an unexecuted point-to-point transmission service agreement to the Commission. Idaho Power states that the creation of a new POD would be a substantial undertaking and would require the construction of a new substation, the installation of new metering equipment, and most likely an amendment to the existing facilities interconnection agreement between Idaho Power and Avista.[13]

D. Avista's Answer

17. Avista states that while the description of the POD in the service agreement may not satisfy Kootenai or Idaho Power's desire to have the service agreement resolve their pending case before the Oregon Commission, Avista maintains that the service agreement is conforming and that the description of the POD satisfies the Commission's requirements. Avista states that it provides transmission service to, and delivers energy

[10] Idaho Power Protest at 3.

[11] *Id.* at 7.

[12] *Id.* at 11.

[13] *Id.* at 10.

to, both the point of change of ownership and the Lolo point of interchange for scheduling purposes.[14] Avista states that Kootenai does not identify any violation of any Commission requirement as a result of the description of the POD currently stated in the service agreement. Avista maintains that it is common for a POR/POD identifier to represent multiple facilities or capacity between multiple transmission service providers, not just a single control area interface. Avista argues that its LOLO POR/POD includes and incorporates both the scheduling boundary between the Avista and Idaho Power balancing authority areas and the entirety of Avista's transmission assets on the Lolo-Oxbow line.[15]

E. Commission Determination

18. We find that Avista's unexecuted service agreement meets the standards set forth in both the North American Energy Standards Board (NAESB) and NERC guidelines, as required by Commission precedent. Accordingly, we accept Avista's proposed service agreement for filing without modification, effective September 1, 2012.

19. In Order No. 676, the Commission required any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce, as well as any non-public utility that seeks voluntary compliance with jurisdictional transmission tariff reciprocity conditions, to comply with standards promulgated by the NASEB Wholesale Electric Quadrant (NAESB-WEQ).[16]

20. Under the NAESB Business Practices Standards, transmission service providers must register all PODs and PORs in NERC's TSIN registry.[17] The NERC Rules of Procedure define a POD as "a location that a Transmission Service Provider specifies on

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[14] Avista Answer at 3.

[15] *Id.* at 6.

[16] *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, 71 FR 26199, FERC Stats. & Regs., Regulations Preambles ¶ 31,216, *order on reh'g*, Order No. 676-A, 116 FERC ¶ 61,255 (2006), Order No. 676-B, 119 FERC ¶ 61,049 (2007), Order No. 676-C, 124 FERC ¶ 61,070, *order on reh'g*, Order No. 676-D, 124 FERC ¶ 61,317 (2008), Order No. 676-E, 129 FERC ¶ 61,162 (2009), Order No. 676-F, 131 FERC ¶ 61,022 (2010).

[17] NAESB WEQ Standard 001-3.4 (providing that a transmission provider must register and thereafter maintain on the OASIS Home Page at http://www.tsin.com all PORs and PODs to and from which a transmission customer may reserve and schedule transmission service).

its transmission system where an Interchange Transaction leaves or a Load-Serving Entity receives its energy."[18] Additionally, this registry facilitates identification and communication of interchange transaction between parties in accordance with the NERC Interchange Scheduling and Coordination Reliability Standards.

21. We conclude that it is not uncommon for a POR/POD to represent multiple facilities or capacity between multiple transmission service providers, not just a single control area interface. Additionally, we conclude that Avista's description of the POD provides Kootenai non-discriminatory transmission service all the way across Avista's transmission system, because the description incorporates the entirety of Avista's transmission assets on the Lolo-Oxbow line. Finally, we find that Kootenai's requested clarification that the term "near Imnaha, Oregon" be in the description of the POD or, alternatively, that the order state that Imnaha, Oregon is the only location to which Avista will deliver the QF output for Idaho Power's purchase and use is unnecessary in light of our finding that Avista's proposed language meets the standards set forth in both the NAESB and NERC guidelines.

The Commission orders:

Avista's unexecuted long-term firm point-to-point service agreement under Attachment A of Avista's OATT is hereby accepted, as discussed in the body of this order, effective September 1, 2012.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

[18] NERC Rules of Procedure, Appendix 2, Definitions Used in the Rules of Procedure at 12 (2012).