

141 FERC ¶ 61,007  
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.

Montana Alberta Tie Ltd.  
MATL LLP

Docket Nos. ER12-761-004  
ER10-981-001

ORDER DENYING REHEARING

(Issued October 1, 2012)

1. On May 29, 2012, Montana Alberta Tie Ltd. and its wholly-owned subsidiary MATL LLP (collectively, MATL) submitted a request for rehearing of an order issued by the Commission in this proceeding on April 27, 2012.<sup>1</sup> The Commission denies MATL's request for rehearing for the reasons discussed below.

**I. Background**

2. On March 31, 2010, in Docket No. ER10-981-000, MATL submitted a Federal Power Act section 205 filing proposing to remove from its *pro forma* Large Generation Interconnection Procedures (LGIP), Large Generator Interconnection Agreement (LGIA), and Small Generator Interconnection Agreement (SGIA) provisions requiring it to reimburse interconnection customers for network upgrade costs.<sup>2</sup> MATL's filing was protested by NaturEner USA, LLC (NaturEner) and by NorthWestern Corporation (NorthWestern). As a result of the protest and while the filing was pending Commission consideration, MATL requested that the Commission defer consideration of its filing while MATL negotiated a settlement of its differences with NaturEner and NorthWestern. On February 23, 2012, MATL submitted an agreement package containing two uncontested settlement agreements along with the proposed revisions to its standard interconnection agreements and procedures. MATL requested that the February 23, 2012 filing supersede its March 31, 2010 filing.

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<sup>1</sup> *Montana Alberta Tie Ltd. and MATL LLP*, 139 FERC ¶ 61,075 (2012) (April 2012 Order).

<sup>2</sup> MATL's filing also proposed to clarify that it will not provide network resource interconnection service or network integration transmission service.

3. In the April 2012 Order, the Commission approved an agreement package containing two uncontested settlement agreements, subject to modifications discussed in that order.<sup>3</sup> Specifically, the Commission approved, as part of the agreement package, a non-conforming LGIA that MATL entered into with NaturEner's affiliate, NaturEner Rim Rock Wind Energy, LLC, and NorthWestern (the Rim Rock LGIA) that deviated from the *pro forma* LGIA in its treatment of transmission credits. The April 2012 Order also accepted two transmission agreements governing the rates, terms and conditions of transmission service that MATL will provide to NaturEner.<sup>4</sup> However, the Commission declined to accept modifications to MATL's transmission credit provisions contained in proposed revisions to MATL's *pro forma* LGIA, LGIP, and SGIA, finding that the proposed revisions were not necessary to resolve the narrow dispute among the parties.<sup>5</sup>

4. On May 29, 2012, MATL filed a request for rehearing and clarification, arguing that the Commission erred by not accepting the settlement in its entirety. In the alternative, MATL argued that, if the Commission denies rehearing, it should clarify that the Commission's acceptance of the parties' settlement establishes that MATL is not required to reimburse interconnection customers for network upgrade costs both with respect to NaturEner's current interconnection request and with respect to any future interconnection requests, whether by NaturEner or any other party, in which the crediting issue might arise.<sup>6</sup> NaturEner responded with an answer taking no position on MATL's rehearing request, but arguing that, if the Commission denies rehearing, the proposed elimination from the MATL open access transmission tariff of standard transmission crediting provisions should be applied evenhandedly to any of MATL's future interconnection customers, including NaturEner and its affiliates.<sup>7</sup> Finally, on July 6, 2012, MATL and NaturEner filed a joint motion requesting that the Commission approve the settlement as originally proposed, in its entirety, and without modification.

## II. Discussion

5. Rule 713(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.713(d) (2012), provides that the Commission will not permit answers to requests

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<sup>3</sup> April 2012 Order, 139 FERC ¶ 61,075 at P 1.

<sup>4</sup> *Id.* PP 6, 8.

<sup>5</sup> *Id.* P 10.

<sup>6</sup> MATL Rehearing at 2.

<sup>7</sup> NaturEner Answer at 2-3.

for rehearing. Accordingly, we will reject NaturEner's answer to the MATL's request for rehearing.

6. We deny MATL's request for rehearing. While we found in the April 2012 Order that the parties presented adequate support for the Commission to accept the parties' settlement resolving their dispute, MATL did not demonstrate that the proposed revisions to the transmission credit provisions of the *pro forma* LGIA, LGIP, and SGIA are consistent with or superior to the *pro forma* open access transmission tariff or necessary to resolve the dispute between the parties.

7. MATL's rehearing request and its request for clarification make clear that MATL seeks not only to reach agreement with NaturEner on the transmission credit provisions that would apply to NaturEner's interconnection with MATL, but it also seeks to revise the provisions in its *pro forma* LGIA, LGIP, and SGIA governing transmission credits, with the effect that MATL would not be required to reimburse NaturEner or any other party for network upgrade costs in any future interconnection agreements with MATL. MATL has not demonstrated in the settlement record that the proposed revisions to its *pro forma* LGIA, LGIP, and SGIA are consistent with or superior to the *pro forma* open access transmission tariff.<sup>8</sup> Further, we remain unpersuaded that the proposed revisions to the *pro forma* LGIA, LGIP, and SGIA are necessary to resolve the dispute between the parties. Thus, we affirm our finding that it is not necessary to revise the *pro forma* LGIA, LGIP, and SGIA to resolve the narrow dispute among the parties.

8. In *Bangor Hydro*,<sup>9</sup> the Commission similarly directed that portions of a settlement be modified because the company improperly chose to pursue a revision of the *pro forma* open access transmission tariff in the settlement of a proceeding that was intended to address more limited issues. As in *Bangor Hydro*, MATL presented its proposed tariff provisions in the context of a settlement, but it has failed to present the kind of support for its proposed tariff revisions adequate for us to find that its deviations from the *pro forma* LGIA, LGIP, and SGIA are consistent with or superior to the standard provisions. Accordingly, we will deny rehearing. We clarify that our findings in the April 2012 Order do not preclude NaturEner or any other potential party from raising issues of

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<sup>8</sup> The Commission has stated that a transmission provider seeking deviations from [its] *pro forma* interconnection agreement "bears a burden higher than the consistent with or superior to standard . . . [and] must explain what makes the interconnection unique and what operational concerns or other reasons necessitate the change." *Midwest Indep. Transmission Sys. Operator, Inc.*, 116 FERC ¶ 61,252, at PP 10-11 (2006).

<sup>9</sup> *Bangor Hydro-Electric Company*, 94 FERC ¶ 61,208, *clarified*, 94 FERC ¶ 61,334, *reh'g denied*, 95 FERC ¶ 61,149 (2001) (*Bangor Hydro*).

concern regarding transmission credits in any future proceeding to modify MATL's *pro forma* LGIA, LGIP, and SGIA.

9. The same reasoning that leads us to deny MATL's request for rehearing also leads us to deny the parties' joint motion requesting the Commission to approve the settlement as originally filed. The changes requested to the *pro forma* LGIA, LGIP, and SGIA would affect all potential interconnection customers of MATL and would not merely resolve issues about NaturEner's current interconnection request. While the parties have shown that they are satisfied that their settlement mutually resolves their current issues they have not demonstrated that their proposed non-conforming revisions to the *pro forma* LGIA, LGIP, and SGIA are consistent with or superior to those *pro forma* agreements and procedures.

10. We note that, under section 2.12 of the Transmission Credits Settlement Agreement and section 4.14 of the Commercial Settlement Agreement, if the Commission modifies or conditions approval of these two agreements, the parties are not obligated to be bound by the settlements. However, these provisions exempt the non-conforming Rim Rock LGIA between the parties, which the Commission already accepted. In addition, section 2.12 of the Transmission Credits Settlement Agreement states that, if MATL withdraws the settlement, MATL will file a motion requesting the Commission to issue an order addressing the underlying filing in Docket No. ER10-981-000.

The Commission orders:

(A) MATL's request for rehearing is hereby denied, as discussed in the body of this order.

(B) The July 6, 2012 joint motion by MATL and NaturEner is hereby denied, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.