

108 FERC ¶ 61,146
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 5, 2004

In Reply Refer To:
Vermont Electric Cooperative, Inc.
Docket No. EL04-66-000

Miller, Balis & O'Neil, P.C.
1140 Nineteenth Street, N.W., Suite 700
Washington, DC 20036-6600

Attention: Susan N. Kelly, Esq.
Attorney for Vermont Electric Cooperative, Inc.

Reference: Waiver of Order No. 2003

Dear Ms. Kelly:

1. On January 20, 2004, you filed with the Commission, on behalf of Vermont Electric Cooperative, Inc. (VEC)¹, a request for waiver of Order No. 2003's requirement that VEC adopt the *pro forma* Large Generator Interconnection Procedures (*pro forma* LGIP) and Large Generator Interconnection Agreement (*pro forma* LGIA).²
2. Notice of the filing was published in the *Federal Register*, 69 Fed. Reg. 6960 (2004), with interventions and protests due on or before February 10, 2004. No protests or adverse comments were filed.

¹ VEC is a consumer-owned electric distribution cooperative headquartered in Johnson, Vermont. VEC serves approximately 16,000 members in Vermont and Massachusetts.

² See Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs., Regulations Preambles ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220 (2004) (Order No. 2003-A), *reh'g pending*.

3. VEC states that it is a small public utility with limited staff. It argues that the burden of implementing Order No. 2003 outweighs the benefits to consumers. In addition, VEC states that its facilities operate at low voltage and that many are radial in nature.

Background

4. On April 15, 2003, VEC agreed to purchase portions of the electric system owned by Citizens Communication Company (Citizens).³ As part of the purchase agreement, VEC agreed to assume responsibility for Citizens' OATT and certain of Citizens' Commission-jurisdictional service agreements.⁴ On December 24, 2003, VEC filed with the Commission a proposed OATT, along with eight rate schedules covering grandfathered transmission agreements, which were accepted in a February 13, 2004 Order.⁵

Discussion

5. In Order No. 2003 the Commission recognized that complying with Order No. 2003 might place an undue burden on small Transmission Providers since small Transmission Providers may not have the staff or expertise to efficiently accommodate all interconnection requests and may indeed not receive any requests for interconnection.⁶

³ Citizens is an investor-owned utility providing electric, gas and other services across the country. The purchase is part of a series of transactions in which Citizens is selling its jurisdictional assets in Vermont and exiting the electric utility business. Previously, Citizens transferred certain higher voltage transmission assets and associated rate schedules to Vermont Electric Power Company (VELCO). The Commission approved the VELCO sale in Citizens Communications Co., 105 FERC ¶ 62,028 (2003) and Citizens Communications Company, Docket No. ER03-1235-000 (unpublished letter order dated October 8, 2003).

⁴ On December 24, 2003, in Docket No. EC04-45-000, Citizens, Great Bay Hydro Corporation (Great Bay) and VEC filed an application under section 203 of the FPA for Citizens to sell transmission facilities and related assets, as well as several generating facilities, to Great Bay.

⁵ Vermont Electric Cooperative, Inc., 106 FERC ¶ 62,103 (2004).

⁶ Order No. 2003 at P 830.

6. VEC's system consists mostly of 46kV lines which are each less than 23 miles long.⁷ VEC states that it currently owns a total of 57.35 miles of transmission facilities operated at 12.47 to 34.50 kV, which do not comprise an integrated transmission grid.⁸ While VEC has an OATT and eight rate schedules covering grandfathered transmission agreements, it has yet to receive an Interconnection Request.

7. VEC states that implementing the LGIPs, the LGIA and accommodating Interconnection Requests as required by Order No. 2003 would be extremely difficult. VEC anticipates having only one employee dealing with the non-operational aspects of its wholesale transmission function. VEC further states that it does not believe that it can provide Network Resource Interconnection Service, given the limited nature of its transmission facilities.

8. In prior orders, the Commission recognized that the burden on Transmission Providers similar to VEC exceeded the benefits of complying with Order No. 2003.⁹ Because the burden of complying with Order No. 2003 is likely to exceed the benefits, the Commission will grant VEC's waiver request.

9. However, should VEC receive a request for large generator service in the future, the Commission will require that VEC amend its OATT to include the *pro forma* LGIA and *pro forma* LGIP within 30 days of receiving such a request.

10. This letter terminates Docket No. EL04-66-000.

By direction of the Commission.

Linda Mitry,
Acting Secretary.

⁷ Transmittal at 5.

⁸ Transmittal at 7.

⁹ See, e.g., Inland Power & Light Co., 107 FERC ¶ 61,054 at P 23 (2004).