

134 FERC ¶ 61,031  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Marc Spitzer, Philip D. Moeller,  
John R. Norris, and Cheryl A. LaFleur.

NorthWestern Corporation

Docket No. OA07-110-003

ORDER DENYING REQUEST FOR REHEARING

(Issued January 20, 2011)

1. On August 17, 2009, NorthWestern Corporation (NorthWestern)<sup>1</sup> filed a request for rehearing of the Commission's July 16, 2009 order in this proceeding.<sup>2</sup> The July 16 Order addressed NorthWestern's proposed Attachment C and Attachment K to its OATT, as required by Order No. 890.<sup>3</sup> In this order we deny rehearing, 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. The Commission, among other things, amended the *pro forma* OATT to require greater consistency and transparency in the calculation of

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<sup>1</sup> NorthWestern owns and operates transmission facilities in Montana and South Dakota that are neither physically connected nor in the same North American Electric Reliability Council (NERC) region. NorthWestern maintains separate open access transmission tariffs (OATTs) for its services in Montana and South Dakota. This proceeding addresses NorthWestern's South Dakota OATT services only. NorthWestern filed the Montana Attachments C and K in Docket Nos. OA07-84-000 and OA08-56-000, respectively.

<sup>2</sup> *NorthWestern Corp.*, 128 FERC ¶ 61,040 (2009) (July 16 Order).

<sup>3</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

available transfer capability and required transmission providers to amend their tariffs to include an Attachment C to set forth the methodology that would be used to calculate available transfer capability.

3. In addition, to remedy the potential for undue discrimination in planning activities, the Commission directed all transmission providers to develop a transmission planning process that satisfies the following nine principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability;<sup>4</sup> (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission also directed transmission providers to address the recovery of planning-related costs. The Commission directed each transmission provider to clearly describe the planning process in a new attachment (Attachment K) to their OATT.

4. On September 11, 2007, NorthWestern filed a request for waiver for additional time to meet its compliance obligations under Order No. 890. On January 10, 2008, in Docket No. OA07-110-000, the Commission granted NorthWestern an extension of time to file up to and including April 10, 2008. On April 10, 2008, in Docket No. OA07-110-001, NorthWestern submitted a proposed Attachment C and a proposed Attachment K to its OATT, as required by Order No. 890. On August 29, 2008, in Docket No. OA07-110-002, NorthWestern submitted a substitute version of its Attachment K (Substitute Filing).

5. In its compliance filings, NorthWestern stated that the Western Area Power Administration (WAPA)<sup>5</sup> operates the NorthWestern control area and that WAPA also provides energy marketing for NorthWestern's operations. NorthWestern stated that its transmission facilities are part of an integrated transmission system administered by WAPA pursuant to a network agreement between NorthWestern and WAPA and that studies involving NorthWestern's facilities are undertaken in concert with WAPA. In addition, NorthWestern stated that it has no non-firm transmission customers and that the Commission has granted NorthWestern waiver of the requirement to operate an Open Access Same-Time Information System (OASIS) because NorthWestern qualifies as a

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<sup>4</sup> In Order No. 890-A, the Commission clarified that the comparability principle requires each transmission provider to identify, as part of its planning process, how it will treat resources on a comparable basis and, therefore, how it will determine comparability for purposes of transmission planning. *See* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216.

<sup>5</sup> WAPA is a Federal Power Marketing Administration created in 1977 by section 302(a)(1)(E) and (F) of the Department of Energy Organization Act, 42 U.S.C. § 7152, to perform the power marketing and transmission functions previously performed by the Bureau of Reclamation for the Secretary of Interior.

small utility that is not a member of a tight power pool. NorthWestern also states that it and WAPA are members of the Mid-Continent Area Power Pool (MAPP).<sup>6</sup>

6. In the July 16 Order, the Commission conditionally accepted NorthWestern's proposed Attachment C and Attachment K and directed NorthWestern to make an additional compliance filing. With regard to Attachment C, the Commission required NorthWestern to provide more detail about specific methodologies, as discussed further below. With regard to Attachment K, the Commission found that NorthWestern satisfied the requirements of Order No. 890 with respect to the regional participation principle by its adoption of the MAPP Template,<sup>7</sup> but that its reliance on WAPA for its local planning activities did not fully satisfy the remaining principles of coordination, openness, transparency, information exchange, comparability, dispute resolution, economic planning studies, cost allocation, and recovery of planning costs. On August 17, 2009, NorthWestern filed for rehearing of the July 16 Order and filed a motion for the Commission to stay the compliance requirements of the July 16 Order pending the outcome of NorthWestern's request for rehearing. On September 9, 2009, the Commission granted NorthWestern an extension of time to comply with the July 16 Order up to and including thirty days after the Commission issues an order addressing NorthWestern's request for rehearing.<sup>8</sup>

## II. Discussion

### A. Attachment C (Methodology to Assess Available Transfer Capability)

#### 1. Request for Rehearing

7. NorthWestern argues that the Commission erred in requiring NorthWestern to revise Attachment C to specifically identify the methodology employed to calculate available transfer capability; to describe in detail the specific mathematical algorithms used to calculate firm and non-firm available transfer capability for its scheduling,

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<sup>6</sup> MAPP is a voluntary organization of investor-owned utilities and other members serving customers in seven states and one province in Canada that provides a reserve sharing pool and a Regional Transmission Group. *See* Substitute Filing at 3.

<sup>7</sup> The MAPP Template is the regional planning process adopted by the Regional Transmission Committee Members of MAPP. It represents long-standing transmission planning procedures employed by MAPP members as they have been modified to conform to Order No. 890's requirements. *See* Substitute Filing at 4.

<sup>8</sup> *NorthWestern Corp.*, Notice of Extension of Time, Docket No. OA07-110-000, *et al.*, (Sept. 9, 2009) (Notice of Extension of Time).

operating, and planning horizons; to provide a detailed explanation of the available transfer capability components; and to post the mathematical algorithms on its website with a link noted in Attachment C.

8. NorthWestern notes that in its April 10, 2008 compliance filing, it proposed to revise its Attachment C to incorporate the MAPP procedures for calculation of available transfer capability and to include a URL website address referencing the MAPP procedures, but in the July 16 Order, the Commission found that NorthWestern's proposal did not meet the requirements of Order No. 890.<sup>9</sup>

9. NorthWestern states that both it and WAPA are members of MAPP, and TranServ International, Inc. calculates available transfer capability on behalf of the MAPP members. NorthWestern asserts that because its customers are subject to the MAPP procedures, it is appropriate to incorporate by reference the MAPP procedures, which the Commission has accepted as in compliance with the requirements of Order No. 890.<sup>10</sup> NorthWestern states that after September 1, 2009, functions that MAPP previously performed pursuant to MAPP's Schedule F will be transferred from MAPP to WAPA, and WAPA will then calculate available transfer capability for NorthWestern's system.<sup>11</sup>

10. NorthWestern also argues that in the July 16 Order the Commission failed to consider the inefficiency and added costs to ratepayers related to revising NorthWestern's OATT. According to NorthWestern, requiring it to explain in its tariff the processes and procedures implemented by third parties will lead to confusion and potential inconsistencies, ambiguities, or inaccuracies. NorthWestern argues that the Commission asks NorthWestern to "reinvent the wheel" rather than simply pointing to an accepted and understood procedure. NorthWestern asserts that this may lead to confusion and error in explaining the process, procedure, and rationale behind mechanisms which it did not develop and will not implement.

11. In addition, NorthWestern argues that requiring it to reiterate MAPP's or WAPA's procedures in its OATT and website creates an unnecessary redundancy and an administrative burden. NorthWestern contends that requiring it to revise its OATT to specifically identify the procedures and calculations used rather than citing to Commission-approved MAPP and WAPA procedures requires NorthWestern to update

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<sup>9</sup> See NorthWestern Request for Rehearing at 6-7.

<sup>10</sup> See *id.* (citing *Mid-Continent Area Power Pool*, 122 FERC ¶ 61,111 (2008)).

<sup>11</sup> See *Mid-Continent Area Power Pool*, Docket No. ER09-363-000 (Jan. 8, 2009) (unpublished letter order) (accepting changes related to the winding down of service under MAPP's Schedule F).

its OATT and seek Commission approval for such modification every time MAPP or WAPA revises its procedures. In addition, NorthWestern argues that if it has to post the details of the available transfer capability calculation procedures on its website, it will have to update its website with each modification or change made by MAPP or WAPA. Most importantly, according to NorthWestern, such activities would come at a cost to ratepayers and the State of South Dakota that is not justified by any resulting benefit to the ratepayers given that MAPP's and WAPA's procedures are already subject to the Commission's review and approval.

## 2. Commission Determination

12. We will deny rehearing. As the Commission found in the July 16 Order, NorthWestern's proposal to incorporate by reference into its OATT the MAPP available transfer capability calculations and to provide the URL for those procedures does not comply with requirements of Order No. 890. In Order No. 890, as clarified by Order No. 890-A, the Commission required transmission providers to amend their OATTs to include an Attachment C to set forth the methodology that would be used to calculate available transfer capability. The Commission required a transmission provider to clearly identify which methodology it employs (e.g., contract path, network available transfer capability and available flowgate capacity, if applicable) for its scheduling, operating, and planning horizons;<sup>12</sup> include a process flow diagram that describes the various steps it takes in performing the available transfer capability calculation; and provide a detailed explanation of the available transfer capability components.<sup>13</sup> Thus, Attachment C need only contain an accurate documentation of processes and procedures related to the calculation of available transfer capability, which should not be unduly burdensome to provide. The actual mathematical algorithms themselves need not be set forth in the OATT, but may be posted on the transmission provider's website.<sup>14</sup> NorthWestern did not include any of this required information in its proposed Attachment C but instead incorporated by reference the MAPP procedures. This is insufficient to meet the mandates of Order No. 890.

13. NorthWestern argues that requiring it to revise its Attachment C to provide the specific information called for under Order No. 890 would lead to inefficiency and added

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<sup>12</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Att. C and P 323.

<sup>13</sup> The available transfer capability components are total transfer capability, existing transmission commitments, capacity benefit margin, and transmission reserve margin.

<sup>14</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 325.

costs to ratepayers, as well as result in confusion and potential inconsistencies, ambiguities, and inaccuracies. NorthWestern also contends that the Commission is asking NorthWestern to “reinvent the wheel” which creates unnecessary redundancy and administrative burden. However, similar arguments were raised by commenters<sup>15</sup> and addressed by the Commission in Order No. 890.<sup>16</sup> Specifically, the Commission stated that “[w]e do not believe our requirement to include additional information in Attachment C will be overly burdensome or lead to an excessive level of future tariff revisions.”<sup>17</sup> The Commission explained that the available transfer capability calculation processes define service availability and, as such, must be part of the transmission provider’s OATT. The Commission stated that it is entirely appropriate that, because revisions to such processes impact transmission availability, they should be filed for Commission approval and included in a transmission provider’s OATT. The Commission also found that the requirement for transmission providers to include in their tariff the details of their available transfer capability calculation would not trigger an unacceptable level of tariff filings to modify the description of the available transfer capability components and processes because it expected transmission providers to rarely change their available transfer capability calculation methodologies.<sup>18</sup>

14. In addition, in Order No. 890-A, the Commission rejected a request to allow transmission providers to post the available transfer capability process flow diagram on a website instead of including it in the tariff. The Commission explained that a link to a website is not the equivalent of inclusion in the transmission provider’s OATT, leaving the Commission unable to enforce use of the process flow diagram and the public with potentially more limited notice of any changes to the process flow diagram. The Commission found that the transparency and enforceability benefits of including the flow diagram in the tariff outweigh any potential filing burden.<sup>19</sup> Similarly, we find here that the transparency and enforceability benefits of NorthWestern including in its OATT all of the required details about its available transfer capability calculation outweigh any potential filing burden. Therefore, NorthWestern must include in its OATT a statement identifying which methodology it employs for its scheduling, operating, and planning

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<sup>15</sup> *See id.* at P 316-317 (describing concerns that including all of the required available transfer capability information might be too burdensome and result in numerous tariff changes and would be duplicative and may result in confusion).

<sup>16</sup> *See id.* at P 325.

<sup>17</sup> *Id.*

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

<sup>19</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 111.

horizons, a detailed explanation of the available transfer capability components, and a process flow diagram that describes the various steps it takes in performing the ATC calculation. We note, however, that Northwestern will not have to create entirely new available transfer capability calculation procedures to include in its OATT because it intends to rely on the WAPA procedures, which the Commission recently accepted.<sup>20</sup>

15. Furthermore, the Commission made clear in Order No. 890 that all transmission providers that have not been approved as ISOs and RTOs, and whose transmission facilities are not under the control of an ISO or RTO, were required to submit Federal Power Act (FPA) section 206<sup>21</sup> filings to comply with Order No. 890.<sup>22</sup> Accordingly, as the Commission addressed arguments concerning any burden on transmission providers to include the required information in their Attachment C and held that the requirements of Order No. 890 apply to all transmission providers,<sup>23</sup> we find Northwestern's arguments to be an impermissible collateral attack on Order No. 890 and deny rehearing.

## **B. Attachment K (Transmission Planning Process)**

### **1. Request for Rehearing**

16. On rehearing, Northwestern argues that the Commission erred in requiring Northwestern to revise its Attachment K. Northwestern contends that its Attachment K properly reflects that both WAPA and Northwestern are members of MAPP and, as such, Northwestern relies on MAPP procedures to fulfill its regional planning requirements and on WAPA procedures to fulfill its local planning requirements.<sup>24</sup> Northwestern argues that the Commission accepted a similar approach in approving MidAmerican

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<sup>20</sup> See *Western Area Power Admin.*, 133 FERC ¶ 61,193 (2010) (WAPA).

<sup>21</sup> 16 U.S.C. § 824e (2006).

<sup>22</sup> See Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 135.

<sup>23</sup> The Commission clarified that the reforms to the *pro forma* OATT adopted in the Final Rule do not apply to transmission providers with existing waivers of the obligation to file an OATT or otherwise offer open access transmission service in accordance with Order No. 888. See *id.* at P 135 n.105.

<sup>24</sup> As noted above, in the July 16 Order, the Commission found that Northwestern's inclusion of the MAPP Template satisfied the requirements of Order No. 890 with respect to the regional participation principle, but that its reliance on WAPA did not satisfy its responsibility to conduct its local planning activities under a process that complies with Order No. 890.

Energy Company's (MidAmerican) Attachment M,<sup>25</sup> which adopted an earlier version of the MAPP Template.<sup>26</sup> NorthWestern argues that its proposed Attachment K accurately reflects that (1) NorthWestern is a small public utility and has already received a waiver from portions of Order No. 890 with regard to the requirement to operate an OASIS for its South Dakota operations;<sup>27</sup> (2) NorthWestern's South Dakota operations are embedded within the WAPA control area; and (3) WAPA had not yet made a filing to update its reciprocity tariff to incorporate the requirements of Order No. 890.

NorthWestern reasons that its compliance filing represented the most efficient and effective way to satisfy various requirements of Order No. 890 until WAPA addresses these matters. In NorthWestern's view, as a result and in light of the limited and discrete nature of NorthWestern's South Dakota transmission operations and the limited number of transmission customers, "the Commission's attempt to apply Order No. 890 is a scenario where one-size does not fill all."<sup>28</sup>

17. Additionally, NorthWestern argues that the details and process that the Commission asks NorthWestern to implement are simply not sought by NorthWestern's transmission customers.<sup>29</sup> NorthWestern also contends that the lack of interventions or comments in the instant proceeding is further evidence that the Commission's attempt to implement a more detailed coordination process is not a welcome opportunity for stakeholders but rather a complexity for NorthWestern to develop, implement, monitor, and enforce at an additional cost to ratepayers. Accordingly, NorthWestern avers that its coordination process as proposed in its Attachment K fully satisfies the coordination criteria set forth in Order No. 890.

18. NorthWestern also argues that the Commission similarly erred with respect to the transparency, information exchange, and coordination principles in requiring mechanisms for disclosure of information, timelines and milestones for local transmission planning, and the implementation of procedures for stakeholders to obtain information regarding

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<sup>25</sup> MidAmerican labeled its transmission planning process as "Attachment M."

<sup>26</sup> See NorthWestern Request for Rehearing at 10 (citing *MidAmerican Energy Company*, 123 FERC ¶ 61,160 (2008) (*MidAmerican*)).

<sup>27</sup> *Id.* at 10 (citing *Alcoa Power Generating Inc.*, 108 FERC ¶ 61,243, at P 146 (2004)).

<sup>28</sup> *Id.* at 11.

<sup>29</sup> *Id.* at 11-12. NorthWestern states that, when it attempted to schedule a stakeholder meeting, its stakeholders neither showed interest nor responded to NorthWestern's attempt to contact them. See *id.* at 12.

planning and evaluation and to submit requests for upgrades or investments. NorthWestern reiterates that its stakeholders do not actively participate and that requiring it to implement this “one-size fits all” approach to implementing a transmission planning process is detrimental rather than beneficial to stakeholders.<sup>30</sup>

19. NorthWestern contends that in addressing principles such as dispute resolution, economic planning studies, and cost allocation, the July 16 Order required NorthWestern to describe in detail readily available procedures implemented, managed, or coordinated by MAPP or WAPA. According to NorthWestern, this approach ignores the impact of NorthWestern’s membership in MAPP and its cooperation and coordination with WAPA. NorthWestern adds that MAPP members have a long-standing practice of cooperation in regional transmission planning pursuant to the MAPP Restated Agreement, as evidenced by MAPP members’ development of the MAPP Template.

20. In addition, NorthWestern states that local transmission studies for NorthWestern’s South Dakota facilities are undertaken in concert with WAPA. Thus, NorthWestern argues that requiring NorthWestern to provide for its own specific mechanisms where WAPA and/or MAPP mechanisms are available creates redundancy and potential inconsistency between the tariff procedures in the NorthWestern OATT and the actual MAPP and WAPA procedures. As it argued regarding Attachment C, NorthWestern contends that not only would it have to describe in its own OATT a process that is already described elsewhere, but it would have to revise its tariff each time a change is made to such process in order to ensure that the language in the tariff matches the procedures implemented by WAPA. According to NorthWestern, requiring it to restate processes and procedures which it does not implement and to explain rationales which it did not develop may lead to confusion, ambiguity, and inaccuracy.

21. Further, NorthWestern argues that precedent supports the Commission accepting, in compliance with Order No. 890, a transmission provider’s incorporation in its tariff of reliability council procedures. In particular, NorthWestern notes that the Commission authorized NorthWestern to incorporate by reference the NERC Transmission Loading Relief Procedures into its OATT as Attachment J (Procedures for Addressing Parallel Flows).<sup>31</sup>

22. Finally, NorthWestern argues that the required revisions to its Attachment K will result in increased costs to ratepayers. NorthWestern states that its system serves only six transmission customers at a total of eleven locations, seven of which are public facilities,

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<sup>30</sup> *See id.* at 13.

<sup>31</sup> *Id.* at 14 (citing *NorthWestern Corp.*, Docket No. ER06-168-000 (Apr. 27, 2006) (unpublished letter order)).

and that none of NorthWestern's customers require new transmission. NorthWestern argues that, as a result of the required revisions to Attachment K, NorthWestern will be obligated to undertake and implement a transmission planning process which could cost more than \$200,000.<sup>32</sup> According to NorthWestern, allocating those costs among NorthWestern's six customers would mean that the majority would be allocated to public entities—i.e., the State of South Dakota and the City of Aberdeen—even though these customers neither requested nor need such transmission study. NorthWestern maintains that such a result is not just and reasonable, and that allocating such costs to ratepayers cannot justify any theoretical benefits of implementing mechanisms for which there is no current need.

## 2. Commission Determination

23. We will deny rehearing. As an initial matter, we note that, in the July 16 Order, the Commission found that NorthWestern's participation in the MAPP coordinated regional transmission planning process through its adoption of the MAPP Template, as laid out in sections 1 through 12 of NorthWestern's Attachment K, complies with the regional participation principle of Order No. 890.<sup>33</sup> However, we find unconvincing NorthWestern's claim that it should not have to fully comply with the requirements of Order No. 890 for NorthWestern's local planning procedures, as outlined in section 13 of its Attachment K.

24. Regarding NorthWestern's argument that the Commission should accept its Attachment K as proposed because the Commission accepted a similar approach in approving MidAmerican's Attachment M, while NorthWestern may have structured its Attachment K similarly to MidAmerican's,<sup>34</sup> section 13 of MidAmerican's Attachment M, as submitted on August 12, 2008, included much more detail than section 13 of NorthWestern's proposed Attachment K.<sup>35</sup> Additionally, NorthWestern suggests that

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<sup>32</sup> *Id.* at 15.

<sup>33</sup> July 16 Order, 128 FERC ¶ 61,040 at P 50 (citing *MidAmerican*, 123 FERC ¶ 61,160 at P 15-18, 30 (the Commission found that the MAPP Template, which is the same version NorthWestern filed in the instant proceeding, complies with the regional participation principle)).

<sup>34</sup> Like NorthWestern's Attachment K, MidAmerican's Attachment M outlines its regional transmission plan in sections 1-12 and its local plan in section 13. *See MidAmerican Energy Co.*, 123 FERC ¶ 61,160 at P 4.

<sup>35</sup> For example, MidAmerican included details about its Stakeholder Process and Procedures in its Attachment M. *See* sections 13.4 (c), (d), and (g) through (k)), which NorthWestern has omitted from its proposed Attachment K. In addition, NorthWestern's  
(continued...)

because it has been granted waivers of the requirement to operate an OASIS and to comply with the Standards of Conduct due to its limited size and limited number of customers, it should also be exempt from complying with the requirements of Order No. 890. We disagree. As discussed above, in considering the applicability of the Final Rule, the Commission made clear in Order No. 890 that all transmission providers that have not been approved as ISOs and RTOs, and whose transmission facilities are not under the control of an ISO or RTO, were required to submit FPA section 206 filings to comply with Order No. 890. The Commission also clarified that existing waivers of the obligation to file an OATT or otherwise offer open access transmission service in accordance with Order No. 888 will remain in effect. However, NorthWestern's existing waivers do not automatically provide NorthWestern a waiver of the transmission planning requirements of Order No. 890.

25. We find lack of stakeholder interest in a prior NorthWestern transmission planning meeting to be insufficient to find that NorthWestern does not have to comply with the requirement to include in its OATT provisions that provide for an open and transparent local transmission planning process. NorthWestern argues that its customers did not wish to participate in NorthWestern's initial annual stakeholder meeting. However, this does not obviate NorthWestern's obligation under Order No. 890 to allow any interested stakeholder to participate in the NorthWestern transmission planning process. Under Order No. 890, NorthWestern has the flexibility to design its process to accommodate its and its stakeholders' needs,<sup>36</sup> but it cannot decide not to develop an open and transparent transmission planning process because it perceives little or no interest.

26. With regard to NorthWestern's arguments that requiring it to comply with the transmission planning principles of Order No. 890 will be burdensome, costly, and cause confusion, we recognize that NorthWestern has a limited number of customers and that its local transmission system is jointly planned with WAPA. The requirement that NorthWestern comply with the transmission planning requirements of Order No. 890 does not mean that NorthWestern must create a new transmission planning process from scratch if it relies on the WAPA process for its local planning. For example, the Commission in the July 16 Order recognized that NorthWestern relies on WAPA's local

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Attachment K lacks a section on Local Study Group Process and Procedures as well as key elements under the Transparency and Information Exchange sections. Also, under the section on local Economic Planning Studies, the NorthWestern tariff simply refers to the section on regional Economic Planning Studies.

<sup>36</sup> NorthWestern could, for example, include in its OATT a registration process that would require a stakeholder to notify NorthWestern within a certain number of days of the annual meeting whether it plans to attend. If no party registers to attend, then NorthWestern would not be obligated to hold the meeting.

transmission planning process to address economic planning studies. The Commission did not require NorthWestern to create a new, different process. Instead, the Commission explained that NorthWestern must include in its OATT a description of the WAPA process in sufficient detail to meet the economic planning requirements of Order No. 890 and to provide direct URL links to that process.<sup>37</sup> Similarly, if NorthWestern relies on the WAPA process to meet any of the other transmission planning requirements of Order No. 890, it does not have to create an entirely new process to include in its OATT. NorthWestern need only revise its OATT to include sufficient detail about the WAPA process to demonstrate how it complies with each of the relevant transmission planning principles and to provide direct URL links to that process.<sup>38</sup>

27. Furthermore, NorthWestern is correct that including language in its OATT describing the WAPA process will necessarily require NorthWestern to monitor the WAPA process and to be diligent about filing changes to its own OATT so that it remains accurate. However, we do not find that this requirement is overly burdensome, especially because NorthWestern is already participating in the WAPA process and should be keeping track of how that process impacts its own transmission system and its own customers. Additionally, the Commission's acceptance of NorthWestern incorporating by reference the NERC procedures in its Attachment J does not support the proposition that NorthWestern need not describe its transmission planning process—or the WAPA process if it chooses to rely on that process—in its Attachment K. As the Commission made clear in Order No. 890, although Order No. 890 allows for flexibility, each transmission provider has an obligation to address each of the nine principles in its transmission planning process, and all of these principles must be fully addressed in the tariff language filed with the Commission. The Commission emphasized that tariff rules, as supplemented with web-posted business practices when appropriate, must be specific and clear to facilitate compliance by transmission providers and place customers on notice of their rights and obligations.<sup>39</sup>

28. Accordingly, for the reasons discussed above, NorthWestern's request for rehearing is denied. The Commission directs NorthWestern to submit a filing to comply

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<sup>37</sup> See July 16 Order, 128 FERC ¶ 61,040 at P 55.

<sup>38</sup> On October 1, 2009, WAPA filed a more detailed local transmission planning process as part of an update to its reciprocity tariff in Docket No. NJ10-1-000 to reflect the reforms in Order No. 890. In response to that filing, the Commission found that WAPA's Attachment P transmission planning process substantially conformed with the planning principles outlined in Order No. 890. See *WAPA*, 133 FERC ¶ 61,193 (2010).

<sup>39</sup> See Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649-55.

with the requirements of the July 16 Order within 30 days of the date of issuance of this order, as specified in the Notice of Extension of Time.

The Commission orders:

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

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

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.