

142 FERC ¶ 61,035
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.

Peetz Logan Interconnect, LLC

Docket Nos. ER11-2970-001
ER11-2970-002

ORDER CONDITIONALLY ACCEPTING COMPLIANCE FILINGS SUBJECT TO
MODIFICATION

(Issued January 17, 2013)

1. In this order, the Commission conditionally accepts two compliance filings, subject to modification, that were submitted by Peetz Logan Interconnect, LLC (Peetz Logan) in accordance with an order issued by the Commission in this proceeding on August 2, 2011.¹ The compliance filings address Peetz Logan's proposed open access transmission tariff (OATT), which was filed in response to a request for third-party interconnection and transmission services over its existing 78.2 mile, 230 kV generator interconnection facility (the Peetz Logan Facility).

I. Background

2. On February 28, 2011, in Docket No. ER11-2970-000, Peetz Logan submitted its proposed OATT in response to a request from Arion Energy, LLC (Arion) for interconnection and transmission services over Peetz Logan's existing generator interconnection facility (i.e., the Peetz Logan Facility). To date, the Peetz Logan Facility has been used to connect three affiliated wind generation projects of Peetz Logan to the Public Service Company of Colorado's (PSCo) transmission system, in order to deliver

¹ *Peetz Logan Interconnect, LLC*, 136 FERC ¶ 61,075 (2011) (August 2011 Order).

their output to the interconnection point with PSCo.² Peetz Logan's proposed OATT contained certain deviations from the *pro forma* OATT, which Peetz Logan argued were due to the unique nature of its radial line. In particular, Peetz Logan proposed to limit the applicability of any new requests for transmission service to conditional firm and conditional non-firm point-to-point transmission, while retaining the provision of firm service currently enjoyed by its affiliated wind generators.

3. In the August 2011 Order, the Commission accepted several of Peetz Logan's proposed tariff deviations as consistent with or superior to the Commission's *pro forma* OATT, and it found that the deviations were similar to those found acceptable in *Sagebrush*³ and *Terra Gen* in regard to radial transmission lines.⁴ Conversely, the Commission rejected several other proposed deviations that it determined were not consistent with or superior to the *pro forma* OATT.⁵

4. In the August 2011 Order, the Commission directed Peetz Logan to file a revised Attachment C (Methodology to Access Available Transfer Capability) and to remove its proposed section 2 (Priority for Transmission Service).⁶ Consistent with its findings in

² The Commission approved the long-term transmission service agreements for Logan Wind Energy, LLC, Peetz Table Wind Energy, and Northern Colorado Energy Wind, LLC in February 2008 and March 2010, granted Peetz Logan waivers of Order Nos. 888, 889, 890, Part 358 of the Commission's regulations, and the Commission's Standards of Conduct, and directed Peetz Logan to file a *pro forma* OATT within 60 days of receiving a third-party request for transmission service. See *Peetz Logan Interconnect, LLC*, 122 FERC ¶ 61,086, at P 15 n.20 (2008).

³ *Sagebrush, a California Partnership*, 130 FERC ¶ 61,093 (2010) (*Sagebrush*).

⁴ *Terra-Gen Dixie Valley, LLC*, 134 FERC ¶ 61,027 (*Terra-Gen I*), order on reh'g, 135 FERC ¶ 61,134 (2011) (*Terra-Gen II*) (collectively, *Terra-Gen*).

⁵ See, e.g., August 2011 Order, 136 FERC ¶ 61,075 at P 29 (citing *Sagebrush*, 130 FERC ¶ 61,093); *id* P 33 (citing *Terra-Gen*, 134 FERC ¶ 61,027 at PP 32-33, order on reh'g, 135 FERC ¶ 61,134).

⁶ The Commission rejected section 2 of the proposed OATT because it was the subject of a petition for declaratory order in Docket No. EL11-46-000. The Commission's order addressing this petition is being issued concurrently with the instant order and grants petitioners' request for priority access to the Peetz Logan Facility for three specific pre-existing projects for which the petitioners presented evidence of expansion plans, with milestones for the planning, design and construction of generation and material progress toward meeting those milestones.

Terra-Gen II, the Commission found that Peetz Logan's proposed Attachment C did not include the mathematical algorithms for calculating Available Transfer Capability (ATC) for the scheduling, operating, and planning horizons but merely indicated that the Attachment C methodology was inapplicable to radial transmission lines because Total Transfer Capability (TTC) and ATC would be zero. The Commission also questioned Peetz Logan's argument that, under the Rated System Path Methodology for calculating ATC (described in NERC MOD-029-1) on a radial transmission line, ATC would be zero because N-1 criteria had to be considered in calculating TTC.⁷ Consistent with the Commission's precedent in *Terra-Gen II*, the Commission found that it was illogical for Peetz Logan to claim that TTC would be zero while simultaneously arguing that capacity was available to accommodate its existing customers but not other potential users.

5. The Commission also rejected Peetz Logan's proposal to grandfather firm transmission service for its existing customers and its request to offer conditional transmission service to new customers (including Arion). This argument was also based on Peetz Logan's contention that ATC and TTC would be zero when considering N-1 criterion, which the Commission rejected. Hence, the Commission directed Peetz Logan to establish the TTC value for the line in compliance with the requirements of Order No. 890, while taking into consideration the most limiting component of the line, electrical characteristics, or other factors (such as ground clearance) that affect reliable operation, recognizing that an allocation of capacity to existing users implies that TTC on the Peetz Logan line must exceed zero.

6. On August 3, 2011, Arion filed a motion to lodge in this proceeding as well as in Peetz Logan's petition for declaratory order in Docket No. EL11-46-000. The motion to lodge asks the Commission to place in the record information Arion has found relating to potential new Peetz Logan customers referenced in a transmission planning website. Arion contends that these materials are pertinent to Peetz Logan's contentions regarding available capacity on the Peetz Logan Facility.⁸

7. On September 2, 2011, Peetz Logan submitted a compliance filing containing tariff revisions that it claimed met all the requirements of the August 2011 Order, except

⁷ The N-1 methodology predicts what happens to the rest of the system when a line is taken out of service. In the August 2011 Order, the Commission found that with a single radial line system, there is no rest of the system. Thus, this methodology has no meaning in this context.

⁸ Motion to lodge at 2-3.

for those related to Attachment C. On September 14, 2011, Peetz Logan submitted an additional compliance filing providing revisions to its Attachment C.⁹

II. Notice of Filing and Responsive Pleadings

8. Notice of Peetz Logan's September 2, 2011 filing was published in the *Federal Register*, 76 Fed. Reg. 56,192 (2011), with interventions and protests due on or before September 23, 2011. Notice of Peetz Logan's September 14, 2011 filing was published in the *Federal Register*, 76 Fed. Reg. 59,674 (2011), with interventions and protests due on or before October 5, 2011. No protests or additional interventions were filed in response to either filing.¹⁰

III. Discussion

9. As a preliminary matter, we will deny Arion's motion to lodge, because the information it seeks to make part of this record is not pertinent to a determination on whether Peetz Logan's compliance filing satisfies the requirements of the August 2011 Order and, thus, is outside the scope of this proceeding.

10. The August 2011 Order directed Peetz Logan to file: (1) revised tariff sheets to reflect the changes proposed subsequent to its initial filing;¹¹ (2) substitute an acceptable term in place of the term "Transmitting Utility;"¹² (3) re-file Attachment C establishing the TTC value for the line in compliance with the requirements of Order No. 890, while taking into consideration the most limiting component of the line, electrical characteristics, or other factors (such as ground clearance) that impact reliable operation, consistent with the fact that an allocation of capacity to existing users implies that TTC on the Peetz Logan line must exceed zero;¹³ (4) delete Schedule 12, Reliability

⁹ Peetz Logan sought and was granted an extension of time to make its September 2, 2011 filing. It also requested an extension of time for its September 14, 2011 filing. We grant this request in this order for good cause shown.

¹⁰ The entities who were already parties to the proceeding did not need to file additional motions to intervene to preserve their party status.

¹¹ August 2011 Order, 136 FERC ¶ 61,075 at P 24.

¹² *Id.* P 27.

¹³ *Id.* P 46.

Requirements for Generation Resources Connected to the Transmitting Utility's Transmission System;¹⁴ and (5) delete section 2 (Priority for Transmission Service).¹⁵

11. As discussed further below, Peetz Logan's compliance filing satisfies some, but not all of these directives. Specifically, as directed by the Commission, Peetz Logan's compliance filing: (1) revises its tariff sheets to reflect the changes proposed subsequent to its initial filing;¹⁶ (2) introduces a satisfactory replacement term in lieu of "Transmitting Utility;"¹⁷ and (3) revises its Attachment C to state that TTC on the Peetz Logan Facility has a minimum value of 661 MVA (the Summer facility rating) and maximum value of 1024 MVA (the Winter facility rating). The revised Attachment C also states that firm transmission service between 661 MVA and 1024 MVA will be provided subject to the condition that the Peetz Logan generator interconnection facility is in service and has an adequate facility rating. Peetz Logan commits that during non-conditional periods, all customers will be curtailed on a pro rata basis. Thus, the Commission finds that Peetz Logan's revised Attachment C adequately provides a method for calculating ATC, as required by Order No. 890.

12. On compliance, Peetz Logan's revised OATT introduced new language in the preamble to section 13, Nature of Firm Point-To-Point Transmission Service. The revised preamble adds the following language:

All Firm and Non-Firm Point-To-Point Transmission Service shall be **CONDITIONAL** based upon the availability of the Line or any of its components that may partially limit its capability. References in this Tariff to Firm and Non-Firm Point-To-Point have not been changed to reflect this condition. Transmission Service Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and

¹⁴ *Id.* P 49.

¹⁵ *Id.* P 51.

¹⁶ *Id.* P 23.

¹⁷ In the August 2011 Order, 136 FERC ¶ 61,075 at P 27, we denied Peetz Logan's use of the term "Transmitting Utility" but allowed it to propose another term that better expresses the fact that Peetz Logan is the owner, but not operator, of the Peetz Logan Facility. In its revised filing, Peetz Logan has substituted the term "Tie Line Owner," which meets the Commission's concerns as expressed in the August 2011 Order.

the transfer of such capacity and energy to designated Point(s) of Delivery.^[18]

13. Given that this proposed language was not added pursuant to a directive in the August 2011 Order and that Peetz Logan has not provided any support for how the new language is consistent with or superior to the Commission's *pro forma* OATT, we direct Peetz Logan to remove the new language from its OATT. Similarly, our review of Peetz Logan's filing shows that it has failed to remove from its OATT the provision in Attachment C that defines the grandfathering of transmission service, as directed in the August 2011 Order. Therefore, we direct Peetz Logan to remove the new language as part of the compliance filing we are directing in this order.

14. Our review of Peetz Logan's filing also reveals that it failed to include, under section 19.3 (System Impact Study Procedures), the *pro forma* OATT provision for redispatch options. We direct Peetz Logan to include this provision as part of the compliance filing we are directing in this order.

15. The function of compliance filings is to correct any deficiencies that the Commission found and identified in the original filing; it is not an opportunity to make other revisions in the tariff unrelated to these issues. This problem is exacerbated when the applicant includes tariff revisions in its compliance filing that it does not identify in its transmittal letter. Unfortunately, this has occurred here. Our review shows that Peetz Logan has made revisions to its proposed tariff that were not directed by the August 2011 Order without alerting us to those changes. For example, Peetz Logan has made revisions to Attachment L (Creditworthiness) that were neither directed in the August 2011 Order, nor explained.¹⁹ In light of these events, we are concerned that Peetz Logan's revised proposed OATT may contain other revisions that Peetz Logan has not identified and supported, and that the Commission may not have detected. This being the case, we direct Peetz Logan to identify in a separate section 205 filing any such revisions and present its reasons as to why such revisions are appropriate.

The Commission orders:

(A) Peetz Logan's revised OATT is hereby conditionally accepted in part and rejected in part, effective March 1, 2011, as discussed in the body of this order.

¹⁸ The only new language in the last quoted sentence (the third sentence) is the addition of the words "Transmission Service" at beginning of the sentence.

¹⁹ We make no judgment here on the merits of these proposed revisions.

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

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.