

148 FERC ¶ 61,021
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket No. ER14-1175-001

ORDER ON REHEARING

(Issued July 17, 2014)

1. On April 9, 2014, Sunflower Electric Power Corporation (Sunflower) filed a request for rehearing of the Commission's delegated letter order accepting Southwest Power Pool, Inc.'s (SPP) filing of a Network Integration Transmission Service Agreement (NITSA) between SPP and Kansas Municipal Energy Agency (Kansas Municipal), and a Network Operating Agreement (NOA) between SPP, Kansas Municipal, and Sunflower (together, the Agreement).¹ In this order, we deny rehearing, as discussed below.

I. Background

2. On January 28, 2014, SPP filed the Agreement, proposing non-conforming language to state that wholesale distribution service charges, if any, are specified under agreements regulated by the Kansas Corporation Commission. On February 14, 2014, Sunflower and Mid-Kansas Electric Company jointly filed a motion to intervene. No other parties filed interventions or protested the filing. On March 10, 2014, the Commission accepted the Agreement, effective January 1, 2014, as requested.

¹ *Southwest Power Pool, Inc.*, Docket No. ER14-1175-000 (Mar. 10, 2014) (delegated letter order) (March 10 Letter Order).

II. Request for Rehearing

3. Sunflower argues that, since SPP filed the Agreement, new information surfaced showing that the NITSA is an essential piece of a defective supply arrangement that rests upon multiple violations of the SPP Open Access Transmission Tariff (Tariff), other SPP rules, and the Commission's rules and regulations under the Federal Power Act.

4. Sunflower explains that, prior to January 1, 2014, one of Sunflower's six member cooperatives, Wheatland Electric Cooperative, Inc., provided bundled wholesale service to Garden City, Kansas (Garden City). Sunflower notes that Garden City selected Kansas Municipal to be its new power provider commencing January 1, 2014. Sunflower states that Kansas Municipal entered into the Agreement to facilitate the transmission of power to Garden City. Sunflower contends that, under the NITSA, the only designated load is Garden City and the only designated network resource to serve the Garden City load is a displacement agreement for 2.3 MW, which Sunflower claims is 3.2 percent of Garden City's historical 2013 peak load.²

5. Sunflower asserts that it became increasingly troubled that the Kansas Municipal-Garden City supply arrangement was deficient in key respects, because Sunflower determined that it was supplying Kansas Municipal valuable back up firm service to ensure reliability of the grid. Sunflower states that it requested SPP bill to Kansas Municipal the costs of the back up services Sunflower was supplying, but after the Commission issued its letter order on March 10, 2014, SPP rejected Sunflower's request to bill Kansas Municipal. Accordingly, Sunflower states that it filed the instant rehearing request and a separate complaint to resolve the dispute.³

6. Sunflower urges the Commission to revise its letter order issued March 10, 2014, and condition the acceptance of the Agreement on remediation of the various violations of the Commission's regulations and the Tariff requirements associated with the Agreement.⁴ Sunflower notes that the Complaint details the various violations resulting from the Kansas Municipal-Garden City supply arrangement and the ongoing harm caused from the violations. As an example, Sunflower maintains that Kansas Municipal lacked firm power to serve Garden City's load in contravention of section 2 of the SPP Criteria,

² Rehearing Request at 2.

³ *Id.* at 3; Sunflower Complaint, Docket No. EL14-38-000 (filed Apr. 10, 2014) (Complaint).

⁴ Rehearing Request at 4.

which requires Kansas Municipal to provide firm electric power to Garden City on a “continuously available” basis.⁵

7. Sunflower states that, based on its experience as a former balancing authority, Kansas Municipal did not have adequate firm power to serve Garden City’s load. Sunflower claims that, between January 1, 2014 and February 28, 2014, Kansas Municipal provided scheduled service to Garden City from 2.3 MW supplied under a displacement agreement, 10 MW Kansas Municipal received under a contract with Kansas City Power and Light Company sourced from the Spearville Wind Farm, and various non-firm energy purchases. Sunflower alleges that the scheduled resources were less than Garden City’s load at virtually all times and that Kansas Municipal made up the shortfall using non-firm energy and transmission associated with SPP’s Energy Imbalance Service Market.⁶

8. Sunflower maintains that the reliance on non-firm resources is not permitted under the Tariff, and that Sunflower was harmed by being forced to backstop such purchases.⁷ Sunflower also argues that Kansas Municipal has been allowed to benefit unfairly from its avoidance of section 2 of the SPP Criteria. Moreover, Sunflower argues that Kansas Municipal’s supply inadequacy creates significant reliability issues due to the remote area of Sunflower’s service territory.⁸ According to Sunflower, if the Commission had been aware of the violations by Kansas Municipal and SPP at the time the Commission issued the March 10 Letter Order, the Commission would have found the NITSA to be unjust and unreasonable.

III. Commission Determination

9. We deny Sunflower’s rehearing request. Sunflower notes that it filed the Complaint to address the issues associated with the Kansas Municipal-Garden City supply arrangement. We address those issues in an order on the Complaint being issued concurrently with this order. We find the Complaint proceeding to be the more appropriate proceeding in which to rule on Sunflower’s dispute. Specifically, Sunflower does not take issue with a particular provision of the NITSA or NOA in its rehearing request, and instead, focuses on the infirmities of the Kansas Municipal-Garden City

⁵ *Id.* at 4-5.

⁶ *Id.* at 5.

⁷ *Id.* at 6.

⁸ *Id.* at 7.

supply arrangement. These infirmities are neither relevant nor appropriate for consideration in the instant docket. Moreover, Sunflower failed to comment on any such issues in its motion to intervene in this docket.⁹ Accordingly, we deny Sunflower's rehearing request in this proceeding.

The Commission orders:

Sunflower's rehearing request is hereby denied, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁹ See, e.g., *PJM Interconnection, L.L.C.*, 126 FERC ¶ 61,030, at P 15 & n.10 (2009); *Startrans IO*, 130 FERC ¶ 61,209, at P 22 (2010); *Tesoro Refining and Mktg. Co. v. Calnev Pipe Line, LLC*, 136 FERC ¶ 61,083, at P 8 (2011).