

120 FERC ¶ 61,232
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 12, 2007

In Reply Refer To:
Puget Sound Energy, Inc.
Docket No. ER07-1163-000

Perkins Coie LLP
10885 NE 4th Street, Suite 700
Bellevue, WA 98004-5579

Attention: Donald G. Kari, Esq.

Reference: Section 205 Filing Proposing Order No. 890 OATT Variations

Dear Mr. Kari:

1. On July 16, 2007, on behalf of Puget Sound Energy, Inc. (Puget), you submitted a filing under section 205 of the Federal Power Act (FPA)¹ to revise certain provisions of Puget's Open Access Transmission Tariff (OATT) that vary from the *pro forma* OATT as modified in Order No. 890.² Puget requests waiver of the prior notice requirement so that its filing will become effective on July 13, 2007. The Commission conditionally accepts Puget's filing effective July 13, 2007, as requested, subject to the compliance filing discussed below.

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. Among other things, Order No. 890 amended the *pro forma* OATT to require greater consistency and transparency in the calculation of available transfer capability (ATC), open and coordinated planning of transmission

¹ 16 U.S.C. § 824d (2000).

² *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) (Order No. 890).

systems and standardization of charges for generator and energy imbalance services. The Commission also revised various policies governing network resources, rollover rights and reassignments of transmission capacity.

3. The Commission established a series of compliance deadlines to implement the reforms adopted in Order No. 890. Transmission providers that have not been approved as independent system operators (ISOs) or regional transmission organizations (RTOs), and whose transmission facilities are not under the control of an ISO or RTO, were directed to submit, within 120 days from the date of publication of Order No. 890 in the *Federal Register* (i.e., July 13, 2007), section 206 compliance filings that conform the non-rate terms and conditions of their OATTs to those of the *pro forma* OATT, as reformed in Order No. 890.³

4. In addition, after submission of their FPA section 206 compliance filings, non-ISO/RTO transmission providers may submit optional FPA section 205 filings proposing rates for the services provided for in their tariffs, as well as non-rate terms and conditions that differ from those set forth in Order No. 890 if those provisions are “consistent with or superior to” the *pro forma* OATT.⁴

5. In its section 205 filing, Puget proposes the following non-rate terms and conditions that differ from the *pro forma* OATT: adopting a definition for “working day” and using this term in its tariff provisions relating to the timing of non-firm transmission reservations; conforming the language of section 19.1 to that used in section 19.3, which requires a transmission customer to notify Puget if it elects to have Puget study redispatch or conditional curtailment as a part of a system impact study; deleting from section 29.2 the requirement for the identification of control area(s) for off-system network resources; revising section 30.3 to incorporate by reference unchanged information when redesignating a network resource following a temporary termination; revising schedule 9 (generator imbalance services) to conform with schedule 4 (energy imbalance service) with respect to market index pricing; revising the title of schedule A-1 to clarify its applicability; and referencing Puget’s Electronic Quarterly Reports (EQR) to identify its transmission customers.

³ The original 60-day compliance deadline provided for in Order No. 890 was extended by the Commission in a subsequent order. *See Preventing Undue Discrimination and Preference in Transmission Service*, 119 FERC ¶ 61,037 (2007).

⁴ *See* Order No. 890 at P 135.

6. Notice of Puget's filing was published in the *Federal Register*, 72 Fed. Reg. 41,725 (2007) with interventions, comments and protests due by August 6, 2007. Arizona Public Service Company filed a timely motion to intervene and comments supporting Puget's filing. Powerex Corp. filed a timely motion to intervene and comments stating that it has been unable to complete its review of Puget's filing and that it reserves the right to file additional comments. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

7. The Commission finds the proposed variations from the Order No. 890 *pro forma* OATT to be consistent with or superior to the requirements of Order No. 890 because these variations should allow greater efficiency and flexibility in the planning of transmission services, clarify ambiguous terms and conditions of Puget's OATT and conform Puget's OATT to industry standards, particularly in the Western Interconnection. First, Puget states that its proposed definition of "working day" recognizes the prescheduling holidays observed by the Western Electricity Coordinating Council (WECC) and that its use of this term to govern the timing of non-firm transmission reservations will enlarge the time that its transmission customers will have to request hourly and daily non-firm service and the time that Puget's staff will have to process requests for non-firm transmission services. Puget also states that reference to the EQR for the identification of customers has become common practice among transmission providers. We agree with Puget that its proposed definition of "working day" should afford greater administrative efficiency, increase customer flexibility in the planning of transmission services and increase consistency with WECC standards. Similarly, we agree that Puget's proposed reference to the EQR for the identification of customers is consistent with industry standards.

8. In addition, Puget states that the description of a designated network resource should not change following a temporary termination, therefore its proposal to incorporate by reference unchanged information will help to avoid unnecessary repetition of information and streamline the temporary termination process. Puget also states that its proposal to conform the language of section 19.1 to that used in section 19.3 will avoid a potential conflict between the two sections and that its proposed revision to the title of schedule A-1 will clarify its applicability. Because we find that these proposed revisions should clarify terms and conditions of Puget's OATT and resolve conflicting terms, the Commission will accept these proposed revisions. However, we note that as

Puget has not included the necessary tariff sheets as required by section 35.10 of the Commission's regulations,⁵ Puget is hereby directed to file the required tariff sheets within 15 days of the date of issuance of this Order.

9. With regard to Puget's proposal to revise schedule 9 to conform with Schedule 4, the Commission has determined that subjecting both energy and generation imbalances to the same charges is appropriate.⁶ Accordingly, we accept Puget's proposal to modify Schedule 9.

10. Regarding its proposal to delete from section 29.2 the requirement for the identification of control area(s) from which power will originate for off-system network resources, Puget states that this requirement is unnecessary. Puget explains that a requirement in section 29.2 for the transmission customer to specify delivery points is sufficiently specific to allow Puget to evaluate that transaction for its effect on the ATC of the transmission provider's transmission system. We will accept Puget's proposed deletion from section 29.2 of the requirement for the identification of control area(s) from which power will originate for off-system network resources as unnecessary for its ATC calculation at this time. In Order No. 890, the Commission required public utilities, working through the North American Electric Reliability Corporation (NERC), to develop consistent methodologies for ATC calculation.⁷ Further, all transmission providers, including Puget, are obligated as part of their Order No. 890 compliance requirements to revise their ATC calculation methodology to incorporate any changes in NERC's reliability standards and North American Energy Standards Board's business practices related to ATC calculation within 60 days of the completion of such ATC standardization process.⁸ Accordingly, we will conditionally accept Puget's revision to section 29.2 for now subject to Puget submitting, after Commission action on its required ATC compliance filing, information demonstrating that the specification of delivery points is consistent with that order, in particular whether it continues to be sufficiently specific to allow a transaction to be evaluated for its effect on the ATC on Puget's transmission system.

⁵ 18 C.F.R. § 35.10 (c) (2007).

⁶ See Order No. 890 at P 668.

⁷ See Order No. 890 at P 2.

⁸ See Order No. 890 at P 325.

11. Finally, for good cause shown, we will grant Puget's request for waiver of the prior notice requirement⁹ and accept the filing, subject to conditions as discussed above, effective July 13, 2007, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Acting Deputy Secretary.

⁹ *Central Hudson Gas and Electric Co, et al.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992), and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).