

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Coordination between Natural Gas)
and Electricity Markets)**

Docket No. AD12-12-000

COMMENTS OF SOUTHWEST POWER POOL, INC.

Southwest Power Pool, Inc. (“SPP”) respectfully submits to the Federal Energy Regulatory Commission (“Commission”) comments regarding certain issues to be addressed at the Commission's technical conference currently scheduled to be held in the above-captioned proceeding on February 13, 2013.

I. INTRODUCTION

Pursuant to the Commission's December 7, 2012, *Notice of Request for Comments and Technical Conference*, SPP submits the following comments from its perspective as independent transmission provider. SPP submitted comments in this docket jointly with other RTO/ISOs on March 30, 2012, and remains appreciative of the Commission's attention to the issue of inter-industry communications and coordination. Within SPP's footprint, the bulk of interaction with the gas industry involves SPP's individual stakeholders. In its role as RTO, SPP's interaction with gas suppliers is limited, but SPP is interested in any potential for improvement of electrical transmission reliability. SPP solicited input from its individual stakeholders for these comments but may defer to specific comments individual stakeholders may file in this matter on specific operational issues outside the scope of SPP's involvement.

II. COMMENTS

- 1. During an emergency, what kind of verbal communications and data exchanges do and should take place between the natural gas and electric industries? What are the industries' current "best practices" for these communications? How can today's best practices be improved? What should the Commission do, if anything, to facilitate the application of best practices between the industries?**

In today's environment, the majority of SPP's communications regarding gas-supply are with the electric utility or generator rather than with a representative of the gas industry, although the frequency of SPP's interaction with representatives of the gas industry is growing. The initial communication is generally via telephone and can range in subject matter from an indication of a potential problem to the reporting of an incident that immediately impacts electrical transmission reliability. Basic information is shared and documented by SPP, and it can include, without limitation, when the incident occurred, its location, cause, generation impacted, and estimates of its duration.

Though regional distinctions must be kept in mind, SPP believes some ISO/RTOs have developed processes that appear to be effective for real-time electrical system operations within their respective footprints. These processes allow for quick communications with gas industry pipeline staff so that generators and transmission providers can determine the need, if any, for adjustments to the daily plan for generation necessary to support electrical transmission reliability.

A clear inter-industry communication protocol should be established in order to facilitate sharing of information in real time to protect the reliability of the electric transmission grid. This protocol should enhance the understanding of fuel supply limitations for any generators the electrical industry is planning to use to support

transmission system reliability. The protocol should also establish a clear understanding of the specific electrical power supply systems that directly support gas deliveries to the generation units that are, in turn, required to support transmission system reliability.

The Commission should continue to emphasize the importance of free communication between RTOs/ISOs and the electric utilities, generators, and gas industry representatives in their service areas. The Commission has made clear its Standards of Conduct for Transmission Providers do not limit communications between natural gas pipeline operators and electric transmission operators. Indeed, the Commission has specifically noted the necessity of communication with Commission-approved RTOs/ISOs.¹ The Commission should also work to ensure that operators from both industries are able to communicate freely during system emergencies. Successful and confident communication will require clarity and uniformity in the terminology used to refer to particular concepts and issues arising in gas system and electric system emergencies. Further, clarity in terminology and protocol is needed to help parties ascertain the identities, roles, and relevance of the parties involved in a particular communication, including whether any parties should be excluded from the communication for any reason.

¹ 141 FERC ¶ 61,125 at P 6 (November 15, 2012).

2. **Please provide specific examples of other communications practices between the natural gas and electric industries that could be enhanced, including any communications regarding maintenance and construction planning, day-to-day operations, and other non-emergency situations. In providing examples, please explain whether there are regulatory or other barriers that would prevent good communications such as specific Commission regulations, tariffs or contractual provisions, legal precedents, or inadequate communications infrastructure.**

SPP usually receives an email notification from gas pipeline operators or owners identifying expected maintenance activities and the associated generator that would be affected by the maintenance. This email notification is a limited communication that should be enhanced with a greater amount of real-time detail about planned maintenance activities on the gas pipelines, including, for example, information as to the criticality of the required maintenance. In some cases, conference calls with generation operators must be conducted in order to develop an alternate plan or to reschedule the gas maintenance if possible. This could pose a potential risk to transmission system reliability if the maintenance is not rescheduled in a timely manner. SPP is compiling a list of industry contacts for utilization during various operational situations.

As an independent transmission provider, SPP has not experienced specific regulatory barriers to relevant inter-industry communication but defers to its individual members and stakeholder entities that may experience communication issues at the delivery and generation levels. SPP reiterates, however, the importance of establishing uniform protocol and terminology to expedite effective communication during system emergencies—including the exchange of relevant, non-public information as discussed further below.

3. **Should natural gas pipeline and electric utility system operators be allowed to exchange information that is not publicly posted? If so, what kinds of information should be permitted to be shared and under what circumstances? If information is shared, is there a need for enhanced protections against the improper use of the material communicated and what protections would be appropriate? Is the answer the same if a natural gas pipeline or its affiliate sells or buys wholesale electric power? If there are concerns that the increased communications might cause potential harm to industry participants, please explain those concerns. Please consider examples of information sharing that include both verbal and digital information.**

The real-time staff for both industries should be allowed to communicate, pursuant to uniform protocols, any information necessary for the prevention of or response to a system emergency—including information not publicly posted. The types of information that could be most helpful to real-time electric system operations include, without limitation, specific generator gas procurement data and any limitations to that procurement, electrical power supply requirements for particular pipeline deliveries, and conditions that would allow for interruption of the gas procurement for specific generators. This information is useful during crucial operating conditions such as peak load conditions or inclement weather.

Because each industry has its own information protection and data sharing needs and protocols, a need may exist for each industry to educate the other about particular information sensitivity and criticality to ensure that any shared information is protected appropriately. Operators need clear, uniform guidance on what information can be shared and what measures are necessary to protect any sensitive information without hindering the goal of transmission reliability.

From a real-time transmission operations perspective, SPP does not perceive any harm that increased communication under uniform protocols would bring to either

industry. SPP respectfully submits that its members would be in a better position to comment on potential harm to participants in the electrical generation and delivery industry. With those industry participants in mind, SPP cautions and urges that, in these efforts to develop and improve protocols and communication, all parties should remember the need for practicality and should avoid making these needed improvements overly burdensome upon those who are the front line for these communications, often in times of criticality.

III. CONCLUSION

SPP appreciates the opportunity to provide comments and looks forward to the next technical conference.

Respectfully submitted,

/s/ Paul Suskie

Paul Suskie
Senior Vice President, Regulatory Policy
and General Counsel
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, Arkansas 72223-4936

January 7, 2013