

152 FERC ¶ 61,172  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur, and  
Tony Clark.

Southwest Power Pool, Inc.	Docket Nos. ER13-1939-001
Duke Energy Carolinas, LLC Duke Energy Progress, Inc.	ER13-1928-003
Louisville Gas and Electric Company	ER13-1930-003
Ohio Valley Electric Corporation	ER13-1940-003 ER13-1940-004
Alabama Power Company	ER13-1941-003
	(not consolidated)

ORDER ON COMPLIANCE FILINGS

(Issued August 31, 2015)

1. On March 19, 2015, the Commission issued an order<sup>1</sup> conditionally accepting, subject to additional compliance filings, the filings made by Southwest Power Pool, Inc. (SPP); Duke Energy Carolinas, LLC and Duke Energy Progress, Inc. (Duke Carolinas); Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU); Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively, Southern Companies); and Ohio Valley Electric Corporation (OVEC) (collectively,

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<sup>1</sup> *Sw. Power Pool, Inc.*, 150 FERC ¶ 61,210 (2015) (First Compliance Order).

SERTP Filing Parties)<sup>2</sup> to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000<sup>3</sup> and the Commission's First Compliance Order.

2. On May 18, 2015 and May 20, 2015, SPP and SERTP Filing Parties separately submitted, pursuant to section 206 of the Federal Power Act (FPA),<sup>4</sup> revisions to the interregional transmission coordination and cost allocation procedures of their respective Open Access Transmission Tariffs (OATTs or Tariffs) to comply with the First Compliance Order (Second Compliance Filings).<sup>5</sup>

3. For the reasons discussed below, we accept SERTP Filing Parties' compliance filings, and require SPP to submit an additional compliance filing within 30 days of the date of issuance of this order. We also direct Duke Carolinas to submit, within 30 days of the date of issuance of this order, further compliance filings that include the correct eTariff records.

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<sup>2</sup> For purposes of this order, we refer to the public utility transmission providers in the Southeastern Regional Transmission Planning (SERTP) region (Duke Carolinas, LG&E/KU, Southern Companies, and OVEC) as SERTP Filing Parties.

<sup>3</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

<sup>4</sup> 16 U.S.C. § 824e (2012).

<sup>5</sup> Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, [Attachment O Addendum 4, Attachment O Addendum 4, 0.1.0](#) and [Attachment Y Section I, Attachment Y Section I, 3.1.1](#); Duke Energy Carolinas, LLC, Tariffs, Rate Schedules and Service Agreements, [Attachment N-1 - SPP, Transmission Planning Process \(SERTP-SPP Seam\), 1.0.0](#); Louisville Gas and Electric Company, Transmission, [Appendix 10, Appendix 10 Attach K, 11.0.0](#); Ohio Valley Electric Corporation, OVEC OATT, [Attachment M-5, ITC Between SERTP and SPP, 1.0.0](#), and Alabama Power Company, OATT and Associated Service Agreements, [Exhibit K-8, Interregional Transmission Coordination - SERTP/SPP, 1.0.0](#).

## I. Background

4. In Order No. 1000, the Commission adopted a package of reforms addressing transmission planning and cost allocation that, taken together, are designed to ensure that Commission-jurisdictional services are provided at just and reasonable rates and on a basis that is just and reasonable and not unduly discriminatory or preferential. In particular, the Commission determined that the transmission planning requirements of Order No. 890<sup>6</sup> were too narrowly focused geographically and failed to provide for adequate analysis of benefits associated with interregional transmission facilities.<sup>7</sup> Therefore, in Order No. 1000, the Commission required that each public utility transmission provider (1) establish further procedures with each of its neighboring transmission planning regions to coordinate and share the results of the respective regional transmission plans to identify possible interregional transmission facilities that may address transmission needs more efficiently or cost effectively than separate regional transmission facilities and jointly evaluate those identified interregional transmission facilities,<sup>8</sup> and (2) describe the methods by which it will identify and evaluate interregional transmission facilities, include a description of the type of transmission studies that will be conducted to evaluate conditions on neighboring systems, and explain in its OATT how stakeholders and transmission developers can propose interregional transmission facilities for the public utility transmission providers in neighboring transmission planning regions to evaluate jointly.<sup>9</sup>

5. The interregional cost allocation reforms in Order No. 1000 also required each public utility transmission provider, together with the public utility transmission

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<sup>6</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, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

<sup>7</sup> The Commission defined an interregional transmission facility as one that is located in two or more transmission planning regions. Order No 1000-A, 139 FERC ¶ 61,132 at P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

<sup>8</sup> Order No 1000-A, 139 FERC ¶ 61,132 at P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396).

<sup>9</sup> *Id.* P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398) and P 522.

providers in its own transmission planning region and a neighboring transmission planning region, to have a common method or methods for allocating the costs of a new interregional transmission facility among the beneficiaries of that transmission facility in the two neighboring transmission planning regions in which the transmission facility is located.<sup>10</sup> The Commission required that each public utility transmission provider's interregional cost allocation method or methods satisfy six interregional cost allocation principles.<sup>11</sup> To be eligible for interregional cost allocation, an interregional transmission facility must be selected in the relevant transmission planning regions' regional transmission plans for purposes of cost allocation.<sup>12</sup>

## **II. Notice of Filing and Responsive Pleadings**

6. Notice of LG&E/KU's, Southern Companies' and Duke Carolinas' May 18, 2015 compliance filings was published in the *Federal Register*, 80 Fed. Reg. 29,697 (2015), with interventions and protests due on or before June 8, 2015. None was filed. Notice of OVEC's May 18, 2015 compliance filing was published in the *Federal Register*, 80 Fed. Reg. 30,223 (2015), with interventions and protests due on or before June 8, 2015. None was filed.

7. Notice of SPP's May 18, 2015 compliance filing was published in the *Federal Register*, 80 Fed. Reg. 30,223 (2015), with interventions and protests due on or before June 8, 2015. Nebraska Public Power District (NPPD) and, together, International Transmission Company, Michigan Electric Transmission Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC (collectively, ITC Companies) filed timely motions to intervene and comments in support.

## **III. Discussion**

8. As discussed below, we find that SERTP Filing Parties' Second Compliance Filings comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000. Accordingly, we accept SERTP Filing Parties' Second Compliance Filings, effective January 1, 2015, as requested. We find that SPP's Compliance Filing partially complies with the directives in the First Compliance Order and thus we require SPP to make an additional compliance filing within 30 days of the

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<sup>10</sup> Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 578, 582, *order on reh'g* Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

<sup>11</sup> Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603.

<sup>12</sup> *Id.* P 400.

date of issuance of this order. We also find that Duke Carolinas incorrectly submitted their eTariff records as discussed below and accordingly, we direct Duke Carolinas to make an additional compliance filing within 30 days of the date of issuance of this order with the correct eTariff records.

**A. Interregional Transmission Coordination Requirements – General Requirements**

**1. First Compliance Order**

9. In the First Compliance Order, the Commission found that, while SPP's and SERTP Filing Parties' proposal to allow only interconnecting interregional transmission facilities to be eligible for interregional cost allocation is consistent with the requirements of Order No. 1000, limiting this interconnection to only interregional transmission facilities that interconnect to the transmission facilities of one or more SPP transmission owners and one or more SERTP Filing Parties is unduly limiting. The Commission found that SPP's and SERTP Filing Parties' proposed language would preclude interregional transmission facilities from interconnecting with transmission facilities that are selected in the regional transmission plan for purposes of cost allocation but that are currently under development by a transmission developer who has not yet become a sponsor in SERTP or a transmission owner in SPP.<sup>13</sup> As a result, the Commission directed SPP and SERTP Filing Parties to submit further compliance filings that include a definition of an interregional transmission facility that is consistent with Order No. 1000, which defines an interregional transmission facility as one that is located in two or more transmission planning regions.<sup>14</sup>

**2. Second Compliance Filings**

10. SPP and SERTP Filing Parties propose to revise their respective OATTs to define an interregional transmission project to require it to interconnect to transmission facilities in both the SPP and SERTP regions as well as meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of regional cost allocation in accordance with the respective regional transmission planning processes of both SPP and SERTP. SPP and SERTP Filing Parties also propose that the facilities to which the project is proposed to interconnect may be

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<sup>13</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 27 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374)).

<sup>14</sup> First Compliance Order, 150 FERC ¶ 61,210 at PP 27, 181.

either existing facilities or transmission projects included in the regional transmission plan that are currently under development.<sup>15</sup>

### 3. Commission Determination

11. We find that SPP's and SERTP Filing Parties' proposals regarding the definition of an interregional transmission project comply with the directives of the First Compliance Order.

#### B. Data Exchange and Identifying Interregional Transmission Facilities

##### 1. First Compliance Order

12. In the First Compliance Order, the Commission directed SPP and SERTP Filing Parties to correct their OATTs to provide for the review of each other's then-current regional transmission plans to identify potential interregional transmission facilities that could be "more efficient *or* cost-effective" than projects included in their regional transmission plans, instead of "more efficient *and* cost-effective."<sup>16</sup>

13. In addition, the Commission rejected certain language that SPP proposed because it is not required to comply with Order No. 1000 and SERTP Filing Parties did not agree to the additional language.<sup>17</sup> Specifically, the additional language SPP proposed but that was not included in SERTP Filing Parties' proposal states that stakeholders may also propose new transmission projects to address *interregional* transmission needs pursuant to SPP's and/or SERTP's regional transmission planning processes.<sup>18</sup>

14. Further, the Commission found that SPP and SERTP Filing Parties did not explain how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by SPP and SERTP Filing Parties by submitting the interregional transmission facility into SPP's and SERTP Filing Parties' regional transmission planning processes. Accordingly, the Commission directed SPP

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<sup>15</sup> *E.g.*, SPP, OATT, Attachment O, Addendum 4 (0.1.0), § 2.1.A; Alabama Power Company, OATT, Ex. K-4 (1.0.0) and Ex. K-7 (1.0.0), § 2.1.A.

<sup>16</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 66.

<sup>17</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 69.

<sup>18</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 69 (citing SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2).

and SERTP Filing Parties to propose revisions to their tariffs that satisfy these requirements.<sup>19</sup>

## 2. Second Compliance Filings

15. SPP and SERTP Filing Parties propose that, if SPP and SERTP identify a potential interregional transmission project that could be more efficient *or* cost-effective than transmission projects included in the respective regional transmission plans, then SPP and SERTP will jointly evaluate the potential transmission project.<sup>20</sup>

16. SPP also proposes to delete the additional language from its first compliance filing that allowed stakeholders to propose new transmission projects to address *interregional* transmission needs pursuant to SPP's and/or the SERTP's regional transmission planning processes.

17. In order to address the requirement to explain how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated, SPP and SERTP Filing Parties propose the following new provision in their tariffs:

Identification of Interregional Transmission Projects by Developers: Interregional transmission projects proposed for purposes of potential interregional cost allocation must be submitted in both the SERTP and SPP regional transmission planning processes and satisfy the requirements of Section 2.1[(Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes)]. The submittal must identify the potential transmission project as interregional in scope and identify that such project will interconnect between [the SERTP and SPP regions]. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify [the other transmission planning region]. Once the potential

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<sup>19</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 70.

<sup>20</sup> *E.g.*, SPP, OATT, Attachment O, Addendum 4 (0.1.0), § 2.1.A; Alabama Power Company, OATT, Ex. K-4 (1.0.0) and Ex. K-7 (1.0.0), § 1.3.1.

interregional transmission project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, [SPP and the Transmission Providers in SERTP] will jointly evaluate the proposed interregional transmission projects pursuant to Sections 1.3.4 [(Evaluation of Interregional Transmission Projects)].<sup>21</sup>

### **3. Commission Determination**

18. We find that SPP's and SERTP Filing Parties' proposals, as described above, comply with the directives of the First Compliance Order.

#### **C. Procedure for Joint Evaluation**

##### **1. First Compliance Order**

19. The Commission found that SPP and SERTP Filing Parties did not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities, as required by Order No. 1000.<sup>22</sup> The Commission stated that, although SPP and SERTP Filing Parties generally cross-referenced the relevant regional transmission planning processes throughout their compliance filings, there was no description of the type of transmission studies that will be conducted. The Commission explained that Order No. 1000 does not require any particular type of studies to be conducted, but it does require public utility transmission providers, at a minimum, to indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities. Therefore, the Commission directed SPP and SERTP Filing Parties to list either the type of transmission studies that will be conducted or cross references to the specific

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<sup>21</sup> *E.g.*, SPP, OATT, Attachment O, Addendum 4 (0.1.0), § 1.3.3.; Alabama Power Company, OATT, Ex. K-4 (1.0.0) and Ex. K-7 (1.0.0), § 1.3.3.

<sup>22</sup> Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398.



provisions in the respective tariffs that reference such studies at the regional transmission planning level.<sup>23</sup>

## **2. Second Compliance Filings**

20. SPP and SERTP Filing Parties propose to cross-reference the provisions in their respective OATTs that reference the type of transmission studies they will conduct to evaluate potential interregional transmission projects.<sup>24</sup> Specifically, SERTP Filing Parties propose language in their OATTs stating that they will evaluate potential interregional transmission projects consistent with specific provisions in each Filing Party's OATT, and the cross-referenced provisions provide examples of the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems, including power flow, dynamic, and short circuit analyses.<sup>25</sup> SPP proposes to include similar language in its OATT,<sup>26</sup> and, with respect to the type of transmission studies SPP will perform, the cross-referenced sections of SPP's OATT state that for each regional review of a proposed interregional transmission facility, SPP shall publish a report that will include, among other items, study input/assumptions, reliability impacts and impacts on third parties not participating in the interregional process, and expected benefits of the interregional projects.<sup>27</sup>

## **3. Commission Determination**

21. We find that SERTP Filing Parties' proposals, as described above, comply with the directives of the First Compliance Order. However, we find that SPP does not fully comply. SPP's OATT provisions that SPP proposes to cross-reference do not indicate the type of transmission studies that SPP will conduct to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities. Instead,

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<sup>23</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 95.

<sup>24</sup> *E.g.*, SPP, OATT, Attachment O, Addendum 4 (0.1.0), § 1.3.4.1.; Alabama Power Company, OATT, Ex. K-4 (1.0.0) and Ex. K-7 (1.0.0), § 1.3.4.1.

<sup>25</sup> *See, e.g.*, Alabama Power Company, OATT, Ex. K-8 (1.0.0), § 11.1.2.

<sup>26</sup> SPP proposes that it will evaluate potential interregional transmission projects in accordance with sections IV.6.b and IV.6.d of Attachment O. SPP, OATT, Attachment O, Addendum 4 (0.1.0), § 1.3.4.1.

<sup>27</sup> SPP, OATT, Attachment O, § IV.6.d.f

the portions of the SPP tariff that SPP references state only that the types of studies SPP performs to evaluate a proposed interregional transmission project will be revealed in a report after the studies are complete. Therefore, we direct SPP to submit, within 30 days of the date of issuance of this order, a further compliance filing that lists either the particular type of transmission studies that will be conducted or cross-references the specific provisions in the SPP tariff that indicate the type of transmission studies SPP will conduct to evaluate interregional transmission facilities.

#### **D. Cost Allocation**

##### **1. First Compliance Order**

22. In the First Compliance Order, the Commission found that SPP and SERTP Filing Parties must allow stakeholders to propose, and must keep a record of, interregional transmission facilities that are found not to meet the minimum threshold criteria for transmission facilities potentially eligible for selection in a regional transmission plan for purposes of cost allocation in both the SPP and SERTP regions. The Commission also stated that as part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures,<sup>28</sup> SPP and SERTP Filing Parties must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.<sup>29</sup>

23. In addition, the Commission noted that SPP and SERTP Filing Parties proposed creating an exception for when a transmission project could be considered for purposes of interregional cost allocation even if the transmission project does not meet all the specified criteria, but noted that they disagreed on the requirements of the exception. The Commission explained that such an exception is not required or precluded by Order No. 1000. However, the Commission found that SPP and SERTP Filing Parties had not developed the same language for an exception to be included in their respective OATTs. Accordingly, the Commission found that, if SPP and SERTP Filing Parties choose to

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<sup>28</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 183 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 458).

<sup>29</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 183 (citing *Duke Energy Carolinas, LLC*, 150 FERC ¶ 61,044, at P 187 (2015); *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,046, at P 161 (2015); *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,045, at P 174 (2015)).

include an exception that broadens the category of transmission projects that would be eligible for interregional cost allocation beyond those transmission facilities that meet both regions' regional criteria, which is not a requirement of Order No. 1000, SPP and SERTP Filing Parties would need to provide a joint proposal, and the Commission would review the joint proposal at that time.<sup>30</sup>

## 2. Second Compliance Filings

24. SPP and the SERTP Filing Parties commit to post on their respective websites a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.<sup>31</sup>

25. In addition, SPP and SERTP Filing Parties state that, after further coordination between them, they have agreed to remove the conflicting provisions in their OATTs that would have provided a case-by-case exception to the specified interregional transmission cost allocation criteria.<sup>32</sup>

## 3. Commission Determination

26. We find that SPP's and SERTP Filing Parties' proposals, as described above, comply with the directives of the First Compliance Order.

### E. SPP Highway Cost Allocation

#### 1. First Compliance Order

27. In its first compliance filing, SPP proposed that SPP's portion of the costs for all selected interregional transmission projects, regardless of voltage level, will be recovered on a 100 percent regional basis though the highway method pursuant to SPP's Highway/Byway cost allocation method.<sup>33</sup> Western Farmers Electric Cooperative

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<sup>30</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 185.

<sup>31</sup> *E.g.*, SPP Second Compliance Filing at 10-11; Southern Companies Second Compliance Filing at 8-9.

<sup>32</sup> *E.g.*, SPP, OATT, Attachment O, Addendum 4 (0.1.0), § 2.1.B.; Alabama Power Company, OATT, Ex. K-4 (1.0.0) and Ex. K-7 (1.0.0), § 2.1.B.

<sup>33</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 199. Under SPP's Highway/Byway cost allocation method, the cost of transmission facilities that are

(continued ...)

(Western Farmers) submitted a protest, arguing that the costs of interregional transmission facilities operating below 300 kV should not be allocated on a 100 percent regional basis.<sup>34</sup> In the First Compliance Order, the Commission accepted SPP's proposal for a Highway cost allocation method that will allocate the costs of an interregional transmission project on a 100 percent postage stamp basis as that proposal applies to 300 kV and above transmission facilities.<sup>35</sup> In response to Western Farmers, the Commission noted that the SERTP Filing Parties' regional criteria will limit interregional transmission facilities between SPP and SERTP that are eligible for cost allocation to those operating at 300 kV and above.<sup>36</sup> The Commission found, therefore, that Western Farmers' arguments pertaining to regional cost allocation for facilities operating below 300 kV had been rendered moot. The Commission explained that, to the extent that SPP and SERTP Filing Parties jointly develop an exception that broadens the category of transmission projects currently eligible for interregional cost allocation, the Commission would require, at that time, that SPP demonstrate why the Highway cost allocation method is applicable to this new set of transmission facilities.<sup>37</sup>

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selected in the SPP regional transmission plan for purposes of cost allocation are allocated as follows: (1) transmission facilities at or above 300 kV: 100 percent on a regional postage-stamp basis (Highway facilities); (2) transmission facilities 100-300 kV: 1/3 on a regional post-stamp basis, 2/3 zonally (Byway facilities); and (3) transmission facilities at or below 100 kV: 100 percent to the zone in which the transmission project is located. Transmission facilities that are selected in the SPP regional transmission plan for purposes of cost allocation and that are associated with designated resources that are wind generation resources where the transmission facility is located in a different zone than the point of delivery, the Highway/Byway cost allocation method prescribes: (1) transmission facilities above at or 300 kV: 100 percent on a regional postage-stamp basis; (2) projects operating at less than 300 kV (including those operating at or below 100 kV): 2/3 on a regional post-stamp basis, 1/3 directly to the transmission customer. *Id.* n.10 (citing *Sw. Power Pool, Inc.*, 131 FERC ¶ 61,252 (2010) (Highway/Byway Order), *order on reh'g*, 137 FERC ¶ 61,075 (2011)).

<sup>34</sup> First Compliance Order, 150 FERC ¶ 61,210 at PP 202-203.

<sup>35</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 204.

<sup>36</sup> *E.g.*, Southern Companies, OATT, Attachment K, § 15.1.

<sup>37</sup> First Compliance Order, 150 FERC ¶ 61,210 at P 206.

## **2. SPP Second Compliance Filing**

28. In its Second Compliance Filing, SPP agrees that the SPP-SERTP proposal accepted by the Commission as a practical matter did not include interregional transmission projects under 300 kV.<sup>38</sup> SPP states, however, that the provisions it proposed in its OATT governing cost allocation for approved interregional transmission projects were not intended to only be applicable to the SPP-SERTP process. Rather, according to SPP, Highway (aka “Regional”) funding applies to any interregional transmission project that is approved by the SPP Board.<sup>39</sup> SPP notes that there is no prohibition in the SPP-Midcontinent Independent System Operator, Inc. (MISO) Joint Operating Agreement or either RTO’s tariff that requires a potential interregional transmission project be greater than 300 kV. Therefore, SPP states that, although SPP’s proposed Highway funding for SPP’s share of approved interregional transmission projects may not be applicable in its coordination with the SERTP, SPP requests the Commission evaluate SPP’s proposal in light of the approved interregional transmission planning coordination and cost allocation procedures between SPP and MISO.<sup>40</sup> In addition, SPP proffers arguments on why Highway cost allocation for all interregional transmission facilities with voltage ratings of 100 kV and higher is just and reasonable as a means to comply with Order No. 1000 and promote effective interregional planning.<sup>41</sup>

## **3. Commission Determination**

29. We affirm the finding in the First Compliance Order that Western Farmers’ arguments pertaining to regional cost allocation for facilities operating below 300 kV are moot in this proceeding. As SPP acknowledges, interregional cost allocation for transmission facilities below 300 kV is not applicable to the interregional transmission coordination that occurs between SPP and SERTP.<sup>42</sup> However, SPP asserts that its proposed interregional cost allocation method applies to transmission facilities below 300 kV with respect to the interregional coordination that occurs between SPP and MISO. As such, we will address any arguments regarding SPP’s proposed interregional

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<sup>38</sup> SPP Second Compliance Filing at 13.

<sup>39</sup> SPP Second Compliance Filing at 13-14.

<sup>40</sup> SPP Second Compliance Filing at 14.

<sup>41</sup> SPP Second Compliance Filing at 13.

<sup>42</sup> SPP Second Compliance Filing at 14.

cost allocation as it applies to transmission facilities below 300 kV in the SPP-MISO Order No. 1000 interregional compliance proceeding.<sup>43</sup>

## **F. Additional Revisions**

### **1. Second Compliance Filing**

30. SPP proposes to reconcile its interregional planning process accepted in the First Compliance Order with the related provisions of SPP's OATT dealing with approval and construction of transmission projects in SPP's regional process, namely, Attachment Y of the OATT. To that end, SPP proposes to comply with Order No. 1000 by including "Interregional Projects" in section I.1 of Attachment Y, so that the OATT will contain consistent terms for the approval of Interregional Projects within the SPP regional process for the identification and construction of transmission projects within the SPP region.<sup>44</sup>

### **2. Commission Determination**

31. We find that SPP's proposal to reconcile its interregional planning process accepted in First Compliance Order with the related provisions of SPP's OATT dealing with approval and construction of transmission projects in SPP's regional process is just and reasonable.

## **G. Duke Carolinas eTariff**

32. We find that the eTariff records submitted by Duke Carolinas do not contain the proposed changes as shown in the Second Compliance Filing. Therefore, we direct Duke Carolinas to submit, within 30 days of the date of issuance of this order, further compliance filings that include the correct eTariff records.<sup>45</sup>

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<sup>43</sup> The SPP-MISO Order No. 1000 interregional coordination and cost allocation filings are pending in Docket Nos. ER13-1938, ER13-1939, and ER13-1945.

<sup>44</sup> SPP Second Compliance Filing at 12.

<sup>45</sup> For example, Section 2.1B is marked for deletion in the redlined version of the tariff that Duke Carolinas filed. However, this section remains intact in the filed eTariff records.

The Commission orders:

(A) The compliance filings of Duke Carolinas, LG&E/KU, OVEC, and Southern Companies are hereby accepted, effective January 1, 2015.

(B) The compliance filing of SPP is accepted, subject to a further compliance filing, as discussed in the body of this order.

(C) We hereby direct Duke Carolinas to submit, within 30 days of the date of issuance of this order, further compliance filings that include the correct eTariff records.

By the Commission. Commissioner Honorable is not participating.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

Document Content(s)

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