

UNITED STATES OF AMERICA 110 FERC ¶ 61, 388
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

North American Electric Reliability Council

Docket No. ER05-580-000

ORDER ACCEPTING FILING

(Issued March 30, 2005)

1. The North American Electric Reliability Council (NERC) has filed proposed revisions to its Transmission Loading Relief (TLR) procedures. As discussed below, we will accept NERC's proposed revisions to its TLR procedures effective on April 1, 2005, the same date that the Version 0 Reliability Standards (Version 0) take effect. This order benefits customers because the proposed TLR procedures will reduce ambiguity, enable better enforcement, and impose heightened accountability, thereby improving transmission system reliability.

Background

2. On February 15, 2005, NERC submitted a filing proposing revisions to its TLR procedures.¹ NERC states that the proposed revisions do not contain substantive changes to the existing reliability standards themselves but restate the existing standards while imposing heightened accountability. NERC further states that the substantive provisions of the revised TLR procedures submitted are the same as the TLR procedures currently on file with the Commission.

3. While NERC's proposed revisions to its TLR procedures are a subset of its Version 0 Reliability Standards, the latter are not submitted for filing here and are not at issue in this proceeding.

¹ To be precise, NERC submitted the filing on behalf of one or more public utilities, since NERC itself is not a public utility.

4. Notice of NERC's filing was published in the *Federal Register*, 70 Fed. Reg. 9,638 (2005), with comments, protests, and interventions due on or before March 8, 2005. PJM Interconnection, L.L.C., Transmission Agency of Northern California, and the WPS Companies² filed timely motions to intervene raising no issues.

Discussion

A. Procedural Matters

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the timely, unopposed motions to intervene filed by PJM Interconnection, L.L.C., Transmission Agency of Northern California, and the WPS Companies serve to make them parties to this proceeding.

B. NERC's Proposed Revisions

6. In *North American Electric Reliability Council*, 85 FERC ¶ 61,353 at 62,364 (1998), the Commission encouraged innovative market approaches to avoid constraints and/or ensure that curtailment is accomplished in an efficient and non-discriminatory manner. As discussed more fully below, we believe that NERC's proposed revisions to its TLR procedures further this goal. Accordingly, we find that NERC's proposed revisions are consistent with or superior to the pro forma tariff, and we accept them for filing, to become effective on April 1, 2005, as requested. Also, our precedent is clear that the TLR procedures, and those revisions to those procedures, affect the rates, terms, and conditions of jurisdictional service and, thus, must be filed under section 205.

7. NERC states that it adopted Version 0 on February 8, 2005, and that these standards are to take effect on April 1, 2005.³ The proposed TLR procedures are Attachment 1 to these standards. NERC states that it developed Version 0 in order to sharpen accountability. NERC maintains that the new standards will enable better enforcement, and thus should enhance reliability, because the requirements are written to be more objective and unambiguous than the currently effective policies and standards. NERC notes that Version 0 simply restates the existing standards while imposing

² Wisconsin Public Service Corporation, Upper Peninsula Power Company, WPS Energy Service, Inc., and WPS Power Development, LLC, (collectively, the WPS Companies).

³ As noted above, the filing here consists of revisions to the TLR procedures; the Version 0 reliability standards are not themselves at issue here.

heightened accountability, that Version 0 does not contain substantive changes to the reliability standards themselves, and therefore, the substantive provisions of the revised TLR procedures submitted with this filing are the same as the TLR procedures currently on file with the Commission.

8. In *North American Electric Reliability Council*, 85 FERC ¶ 61,353 at 62,362 (1998), and 91 FERC ¶ 61,122 at 61,476 (2000) the Commission directed the transmission-owning public utilities in the Eastern Interconnection using NERC's TLR procedures to file a notice informing the Commission that they would use the NERC TLR procedures and that their tariffs should be considered to be so modified. Similarly, we will direct every transmission-owning public utility in the Eastern Interconnection adopting the revised TLR procedures to file a notice that its tariff shall be considered so modified within 30 days of the date of this order.

9. We note that it appears that the reference contained in item number 1 under "Reallocation/Reloading Priorities" on sheet number 34 of the proposed TLR procedures is incorrect. It appears that this section should reference section 4 of the proposed TLR procedures. NERC should make any appropriate correction to the reference on sheet number 34 of the proposed TLR procedures and file any such correction with the Commission.

10. We also note that the designation of the TLR procedures currently on file with the Commission is as Original Sheets under NERC's FERC Electric Tariff, First Revised Volume No. 1. NERC has designated its proposed TLR procedures as Original Sheets under NERC's FERC Electric Tariff, Original Volume No. 1. NERC's proposed designation is incorrect. NERC shall file revised tariff sheets appropriately designated as Original Sheets under NERC's FERC Electric Tariff, Second Revised Volume No. 1 as specified by Order No. 614.⁴

C. Waiver of Notice

11. NERC states that, except for Attachment 1 (the proposed TLR procedures), the provisions of Version 0 do not require Commission approval and pursuant to the February 8, 2005 vote of NERC's Board of Directors, the Version 0 provisions will become effective on April 1, 2005. NERC requests waiver of the 60-day prior notice requirement to allow the proposed TLR procedures to become effective on the same date as the other provisions of Version 0, April 1, 2005.

⁴ *Designation of Electric Rate Schedule Sheets*, 65 Fed. Reg. 18,221 (2000) (Order No. 614).

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12. We will grant waiver of the 60-day prior notice requirement to permit NERC's proposed TLR revisions to become effective on April 1, 2005, as requested.⁵

The Commission orders:

(A) NERC's request for waiver of the Commission's prior notice requirement is hereby granted, as discussed in the body of this order.

(B) NERC's proposed revisions to its TLR procedures are hereby conditionally accepted for filing to become effective on April 1, 2005, as requested, subject to NERC filing appropriate revisions and properly designated pages as discussed in this order.

(C) NERC is hereby directed to file revised tariff sheets as discussed in this order, and designated as specified by Order No. 614, within 30 days of the date of this order.

(D) Every transmission-operating public utility adopting NERC's proposed revision to its TLR procedures shall file with the Commission a notice that its tariff shall be considered so modified within 30 days of the date of this order.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.

⁵ See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, order on reh'g, 61 FERC ¶ 61,089 (1992).