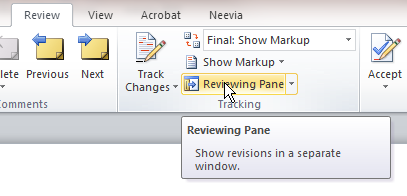
In order to more easily view the comments in this document it is recommended that this document be read in Word with the Reviewing Pane displayed in a separate window.



Highlighting is used in the **body** of this document as follows:

Yellow – indicates information relative to new requirements for OASIS

Turquoise – indicates information relative to existing requirements for OASIS

Highlighting is also used in the **comments** as follows:

Green – specific text that has been referred to by FERC in the body of this document

### Transmission Curtailments

1. In the NOPR, the Commission proposed no changes to the pro forma OATT with respect to curtailment provisions for point-to-point service (set forth in sections 13.6 and 14.7) and network service (set forth in section 33). These provisions establish the terms and conditions under which a transmission provider may curtail service to maintain reliable operation of the system. Though several commenters claimed in response to the NOI that the reasons for transmission curtailments are difficult to discern, they did not provide sufficient detail to indicate whether that difficulty is a result of inadequate disclosure regulations, inadequate compliance with those regulations, or some other reason. Therefore, the Commission sought further comment on whether requiring transmission providers to post additional information would improve transparency and the ability of customers to make use of that information. The Commission also declined in the NOPR to propose generic penalties for improper transmission curtailments.

**Comments**

1. APPA suggests that the Commission require transmission providers to produce additional information regarding firm transmission service curtailments, including all circumstances and events contributing to the need for such firm service curtailments, specific services and customers curtailed (including the transmission provider’s own retail loads), and the duration of all such curtailments. TAPS also urges the Commission to move toward maximum transparency and require that sufficient information be provided for a customer to evaluate whether it has been treated fairly as compared to other users of the system including the transmission provider. TDU Systems suggests that the Commission require investigations into the need for network upgrades when Level 5 Transmission Loading Relief (TLR) procedures are repeatedly employed. It also suggests that all Level 5 TLRs be posted on OASIS and filed with the Commission. EEI agrees that providing customers with information on transmission curtailments may help to reduce confusion and suspicion concerning curtailments and suggests the Commission request WEQ (NAESB) to develop a more detailed template for posting information on curtailments that will be more useful to customers.
2. Southern and other commenters[[1]](#footnote-1) state that sufficient information regarding curtailments of transmission service is already available on OASIS and believe that the existing rules requiring transmission providers to make curtailment data available on OASIS are adequate. Nevada Companies request the Commission be very specific if it decides to mandate additional reporting requirements in order to remove the burden of potential confidentiality problems from the reporting entity.
3. Powerex is concerned about inconsistent communication and curtailment procedures. It recommends that the Commission require three additional measures including: early notice of curtailment through the use of the “recall” function on OASIS; a requirement to provide credits for curtailed service when non-firm point-to-point transmission service is interrupted; and requiring pro rata curtailments made prior to the energy scheduling and tagging deadline (e.g., 20 minutes before the operating hour) to be based on reservation rather than schedule. In its reply comments, Seattle states support of pro rata curtailments based on reservations. TDU Systems recommend that the Commission require transmission providers to refund transmission charges to curtailed customers, to discourage transmission providers from overselling their systems. On reply, EEI and PNM-TNMP urge the Commission to reject the proposals to require transmission providers to refund transmission service charges to curtailed customers. They state that transmission providers are following ATC calculation procedures, but the planning process is not structured to overbuild the system to ensure that no curtailments occur. They also argue that the rate of return permitted in existing cost of service regulation does not account for the risk of loss of curtailment-related revenues. Northwest IOUs request the Commission examine whether pro rata curtailments of transactions to relieve transmission constraints unnecessarily impose burdens on transmission customers, because different curtailments on different paths have different effectiveness in relieving a given transmission constraint.
4. Manitoba Hydro notes that MISO is the only RTO in the Eastern Interconnection that does not redispatch when constraints occur on non-market to market flows. Manitoba Hydro therefore urges the Commission to encourage implementation of redispatch to the fullest extent before resorting to curtailment. Seattle also supports modifying the pro forma OATT to require reliability redispatch. Seattle proposes that redispatch costs should be allocated to all classes of customers, and transmission providers’ cost recovery should be allowed through automatic adjustment clause-type formulas to ensure all such costs are recovered. It suggests that routine maintenance outages are resulting in curtailments, which is an indication that transmission service is oversold. Seattle further suggests that transmission providers prepare a quarterly incident report for redispatch events detailing circumstances resulting in the redispatch, system status information, power transfer distribution factors, generator offers for redispatch and other information supporting redispatch determinations, including the basis for selecting generators called for redispatch.
5. APPA, EEI and others comment that the Commission should not impose generic penalties for improper curtailments, but treat violations on a case-by-case basis. To ensure compliance with curtailment posting information, Southwestern Coop suggests that the Commission adopt generic penalties for curtailment violations, claiming that penalties for transmission provider curtailment discrimination would provide incentives for compliance.

**Commission Determination**

1. The Commission concludes that the posting of additional curtailment information is necessary to provide transparency and allow customers to determine whether they have been treated in the same manner as other transmission system users, including customers of the transmission provider. A primary goal of this rulemaking is to remove opportunities for transmission providers to unduly discriminate in favor of their own or their affiliates’ use of the transmission system. Making transparent details concerning transmission curtailments so that regulators and customers can verify that the transmission provider curtailed services in accordance with its OATT is entirely consistent with this goal. Commenters who oppose greater curtailment transparency offer no convincing evidence to suggest that any harm or hardship of doing so outweigh the benefits.
2. We agree with suggestions for the posting of additional curtailment information on OASIS and, therefore, require transmission providers, working through NAESB, to develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. These postings must include all circumstances and events contributing to the need for a firm service curtailment, specific services and customers curtailed (including the transmission provider’s own retail loads), and the duration of the curtailment. This information is in addition to the Commission’s existing requirements: (1) when any transmission is curtailed or interrupted, the transmission provider must post notice of the curtailment or interruption on OASIS, and the transmission provider must state on OASIS the reason why the transaction could not be continued or completed; (2) information to support any such curtailment or interruption, including the operating status of facilities involved in the constraint or interruption, must be maintained for three years and made available upon request to the curtailed or interrupted customer, the Commission’s Staff, and any other person who requests it; and, (3) any offer to adjust the operation of the transmission provider’s system to restore a curtailed or interrupted transaction must be posted and made available to all curtailed and interrupted transmission customers at the same time.
3. The Commission rejects TDU Systems’ proposal to require reports filed with the Commission regarding Level 5 TLRs or to require transmission providers to conduct investigations into the need for network upgrades when TLR 5 procedures are repeatedly employed. TDU Systems’ proposal is unnecessary at this time in light of our requirement that OASIS templates for curtailment information be developed that will report occurrences of all levels of TLRs. This will enable the Commission and customers to monitor TLR patterns and frequency. Furthermore, the requirements imposed in this Final Rule for congestion studies as part of the coordinated, open and transparent planning requirement will allow stakeholders in the transmission provider’s planning process to request studies of those portions of the transmission system where they have encountered transmission problems due to frequent and recurring constraints.
4. The Commission rejects the three proposals suggested by Powerex. First, it is not necessary to provide early curtailment notification through the OASIS “recall” function since the OASIS currently provides a curtailment notification function. Transmission providers should continue to use the OASIS Schedule Details template to post information on the scheduled uses of the transmission system and any curtailments and interruption thereof. Second, with respect to Powerex’s request to credit customers when their non-firm point-to-point transmission service is interrupted, we find it unnecessary to modify the pro forma OATT to adopt such crediting procedures, consistent with our finding in Order No. 888-A that proper crediting would vary depending on the specific rate design a company uses.[[2]](#footnote-2) Third, we believe that pro-rating curtailments based on reservations would have the potential to impair reliability since the amount of capacity actually curtailed using this approach would not address actual power flows and, therefore, may be less than required to relieve the overloaded facility.
5. The Commission also rejects TDU Systems’ recommendation to refund transmission charges to curtailed customers as a means of disciplining instances of improper curtailments or transmission providers’ overselling their systems. We also reject proposals to remedy improper curtailments through refunds of transmission charges to curtailed customers or imposing generic penalties. Rather, the Commission believes that addressing allegations of inappropriate curtailment practices or transmission providers overselling their transmission system are more effectively administered by the Commission on a case-by-case basis.
6. With respect to the proposal to require redispatch to be performed to the fullest extent prior to curtailments, Manitoba Hydro itself notes that the proposal is intended to address curtailment and redispatch practices unique to MISO. Therefore we conclude that Manitoba Hydro’s concerns are best addressed on a case specific basis.
7. Regarding Seattle’s proposal to require what it characterizes as “reliability redispatch” to benefit and be paid by all customer classes, we note that this proposal would require expansion of the network service “reliability redispatch” provisions to apply to point-to-point service as well. The network service “reliability redispatch” provisions in pro forma OATT sections 33.2 and 33.3 were established in Order No. 888 to ensure comparable reliable service to network customers as the service that the transmission provider provides to its bundled retail load. These redispatch procedures further provide for redispatch of not just the transmission provider's own resources, but all network resources, including those of network customers, when required to maintain the reliability of the system and avoid the need for curtailments. Seattle has not demonstrated that its proposal to extend “reliability redispatch” for point-to-point service is required to ensure comparable, not unduly discriminatory transmission service and has not addressed why network customer resources should be redispatched for the benefit of point-to-point customer. Accordingly, we decline to adopt Seattle’s proposal. We discuss redispatch issues more broadly in section V.D.1 of this Final Rule.

1. PNM-TNMP and TranServ. [↑](#footnote-ref-1)
2. See Order No 888-A at 30,276. In Allegheny Power System, Inc., 80 FERC ¶ 61,143 at 61,549 (1997), the Commission clarified that where a transmission provider has not proposed an express crediting provision for the interruption of non-firm point-to-point customers, the transmission provider must compute its bill to an interrupted non-firm customer as if the term of service actually rendered were the term of service reserved. In other words, if a customer with a weekly reservation was interrupted after one day, its bill must be computed as if it had a daily reservation, and if a customer with a daily reservation was interrupted after ten hours, its bill must be computed using the hourly rate applied to ten hours of service. [↑](#footnote-ref-2)