



Department of Energy
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

November 20, 2015

Honorable Kimberly D. Bose, Secretary
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Room 1A, East
Washington, DC 20426

Re: Southwest Power Pool, Inc., FERC Docket No. ER16-209;
Submission of Revenue Requirement, Formula Rate Template and
Formula Rate Protocols for Central Power Electric
Cooperative, Inc.

Dear Secretary Bose:

Enclosed for electronic filing with the Federal Energy
Regulatory Commission is the attached document entitled "Motion
to Intervene with Request for Clarification of the United States
Department of Energy, Western Area Power Administration." A
copy of this document has been served on each person on the
Commission's service list in these proceedings.

Sincerely,

/s/ Gary P. Hoffman

Gary P. Hoffman
Attorney
Office of General Counsel

Enclosures

cc: Official Service List

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

Southwest Power Pool, Inc.

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Docket No. ER16-209

**MOTION TO INTERVENE WITH REQUEST FOR CLARIFICATION OF
THE UNITED STATES DEPARTMENT OF ENERGY,
WESTERN AREA POWER ADMINISTRATION**

I. INTRODUCTION

Pursuant to the Federal Energy Regulatory Commission's (Commission) Combined Notice of Filings #2 dated October 30, 2015, the United States Department of Energy (DOE), Western Area Power Administration (Western), a Federal Power Marketing Administration, files its Motion to Intervene with Request for Clarification pursuant to Rule 211, 212 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211, 385.212, 385.214 (2015).

II. COMMUNICATIONS

Western requests that all communications related to this proceeding be addressed to the following persons:

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In addition, Western requests a waiver of Rule 203(b)(3) to permit the inclusion of the following party on the official service list:

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III. BACKGROUND

On October 30, 2015, Southwest Power Pool, Inc. (SPP), on behalf of and at the request of Central Power Electric Cooperative, Inc. (Central Power), submitted revisions to SPP's Open Access Transmission Tariff (Tariff) to add an Annual Transmission Revenue Requirement (ATRR) and implement a formula rate template and implementation protocols (together referred to as the Formula Rate) for transmission service using the facilities of Central Power when Central Power transfers functional control of its transmission facilities to SPP on January 1, 2016.

On October 30, 2015, the Commission directed that persons desiring to be heard or to protest the filings should file motions to intervene or protest with the Commission on or before November 20, 2015. In submitting this Motion to Intervene with Request for Clarification, Western seeks full rights of participation as provided by the Commission's Rules of Practice and Procedure.

IV. NATURE OF WESTERN'S INTEREST AND SUPPORT FOR INTERVENTION WITH REQUEST FOR CLARIFICATION

Western is a Federal Power Marketing Administration (PMA) that markets Federal power and owns and operates transmission facilities throughout 15 western and central states, encompassing a geographic area of 1.3 million square-miles. It was created in 1977 by section 302(a)(1)(E) and (F) of the Department of Energy Organization Act.¹ Western's primary mission is to market Federal power and transmission resources constructed with congressional authorization.

Western's statutory obligation to market Federal hydropower from a particular Federal project extends for the life of that project. Western has entered into long-term firm electric service contracts for widespread distribution of Federal hydrogeneration to project use and preference customers comprised of non-profit public entities such as electric cooperatives, Native American tribes, municipal utilities, and Federal and state government entities.

Western owns and operates an extensive system of high-voltage transmission facilities. Within the marketing area of Western's Upper Great Plains Region (referred to as Western-UGP in the SPP Tariff), facilities in the Pick-Sloan Missouri Basin Program-Eastern Division (PSMB-ED) are located in Montana, east of the Continental Divide, North and South Dakota, eastern Nebraska, western Iowa, and western Minnesota. Western-UGP currently manages the "WAUW" Balancing Authority Area located within the Western Electricity Coordinating Council (WECC) and prior to transfer of functional control of facilities to SPP on October 1, 2015, managed the "WAUE" Balancing Authority Area located within the Midwest Reliability Organization (MRO), which has

¹ 42 U.S.C. § 7152(a).

since merged into the SPP Balancing Authority Area. Western operates and administers the WAUW from the Watertown Operations Office (WOO) located in Watertown, South Dakota.

Prior to October 1, 2015, Western-UGP's transmission facilities were included within an integrated transmission system called the Integrated System (IS) along with portions of the transmission facilities of Basin Electric Power Cooperative (Basin Electric) and the transmission facilities of Heartland Consumers Power District (Heartland), together referred to as the IS Owners. Western-UGP signed a membership agreement with SPP in the fall of 2014, and became an SPP Transmission Owner on October 1, 2015, upon transferring functional control of its transmission facilities to SPP.²

Western-UGP is part of the same multi-owner SPP pricing zone as Basin Electric, Heartland and others, including Central Power. As a result, Western-UGP will be affected by the ATRR of all entities that join SPP and place their transmission facilities and associated revenue requirements in that pricing zone, as those combined ATRRs will define the transmission service rates which Western-UGP will pay for its Statutory Load Obligations within that pricing zone. With Western-UGP as a Transmission Owning Member and Transmission Customer of SPP, Western has a vital, direct and substantial interest in this proceeding that is not adequately represented by any other party.

Accordingly, Western should be allowed to intervene in this proceeding, and be made a

² On September 11, 2014, SPP filed for revisions to its tariff under Docket Nos. ER14-2850 and ER14-2851. Basin Electric, Heartland, and Western-UGP joined SPP, contingent upon Commission approval of certain negotiated provisions in the SPP Membership Agreements for each IS Owner, and the SPP Bylaws and Tariff. A compliance filing was made by SPP on April 20, 2015. The Commission issued an Order on Rehearing and Clarification on October 15, 2015.

party for all purposes, and requests that the Commission grant Western's motion to intervene in this proceeding.

V. GENERAL COMMENTS

Central Power is a Class A member of Basin Electric. Western fully supports Central Power joining SPP, including integration of their eligible transmission facilities into SPP on January 1, 2016, in the multi-owner Upper Missouri Zone (also referred to as UMZ or Zone 19), which also includes Western-UGP's eligible transmission facilities and Western-UGP's ATRR for its transmission facilities in the UMZ. Western also fully supports SPP's request that the Commission act on the filing to establish Central Power's ATRR within 60 days of the filing.

VI. REQUEST FOR CLARIFICATION ON FACILITIES INCLUDED IN CENTRAL POWER'S ATRR

Under the Formula Rate filed by Central Power, the cost of Central Power facilities are included in its ATRR. Facilities offered by Central Power (as is the case with others placing facilities under the functional control of SPP), must qualify under Attachment AI of the SPP Tariff.³ However, there is a lack of detail in the filing as to which facilities of Central Power are proposed to be included in Central Power's ATRR for the UMZ and the basis upon which Central Power's transmission facilities are qualified under Attachment AI of the SPP Tariff. For example, it is Western-UGP's understanding that, based upon feedback from SPP, certain components that make up a

³ Specifically, Section II. "Criteria for Inclusion of Facilities" in Attachment AI, which in part provides: "Transmission Facilities shall include all facilities that meet the following criteria: 1. All existing non-radial power lines, substations, and associated facilities, operated at 60 kV or above, plus all radial lines and associated facilities operated at or above 60 kV that serve two or more eligible customers not Affiliates of each other."

substation bus would not qualify under Attachment AI, if they were added to support a radial load to one eligible customer. The lack of detail regarding which specific substation facilities are included, and the Attachment AI basis for the inclusion of those facilities (e.g. radial facility with two eligible customers, etc.) makes it impossible for Western to determine whether all of the Central Power transmission facilities to be transferred to the functional control of SPP qualify under Attachment AI of the SPP Tariff, and are therefore, appropriate costs to be included in the UMZ. Without the detail of which facilities (such as components within substations) and the basis for qualification of these components within substations, and without any certainty regarding whether SPP has undertaken an independent review⁴ or whether it has provided a representation that the Central Power transmission facilities in the filing qualify under Attachment AI, it is impossible for Western, FERC Staff, or the Commission to determine whether the proposed Central Power ATRR includes only the costs of qualifying facilities. Western would like to see more detailed drawings and information regarding the specific transmission facilities (particularly components within Central Power's substations), and the basis for qualification (e.g. the identification of eligible customers, etc.) for such facilities, that Central Power intends to transfer to SPP's functional control as part of its ATRR for recovery within the UMZ.

VII. CONCLUSION and RELIEF REQUESTED

For the above reasons, Western requests that the Commission:

1. Grant this motion for leave to intervene and permit Western to become a full party for all purposes; and

⁴ “With this filing, SPP is not independently supporting or justifying the Central Power ATRR...”, SPP Submission of Revenue Requirement, Formula Rate Template and Formula Rate Protocols for Central Power Electric Cooperative, Inc., Docket No. ER16-209, October 30, 2015, Filing Letter, p 5.

2. Require clarification of the Central Power facilities qualifying (including components within substations), along with the basis for those facilities qualifying for inclusion in the ATRR.

Respectfully submitted,

/s/ Gary P. Hoffman

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Dated: November 20, 2015

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of November, 2015, served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Rosemarie Rodriguez

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