

August 21, 2018

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: *Southwest Power Pool, Inc.*, Docket No. ER18-____-000
Informational Filing Regarding Change in Administrator under
Western Interconnection Unscheduled Flow Mitigation Plan**

Dear Secretary Bose:

On behalf of PacifiCorp, NorthWestern Corporation d/b/a NorthWestern Energy, and NV Energy, Inc., Southwest Power Pool, Inc. (“SPP”) submits this informational filing to inform the Federal Energy Regulatory Commission (“Commission”) of a change in the administrator under the Western Interconnection Unscheduled Flow Mitigation Plan (“Plan”), PacifiCorp Second Revised Rate Schedule No. 439.¹ As permitted under the Plan, SPP assumed the role of administrator effective August 1, 2018.²

The Plan was developed to address the ongoing concerns and problems associated with off-path or unscheduled flows³ in the Western Interconnection and results in

¹ The Plan is currently on file with the Commission as a rate schedule for the following jurisdictional entities: PacifiCorp, NorthWestern Corporation d/b/a NorthWestern Energy, and NV Energy, Inc. *See PacifiCorp*, Letter Order, Docket No. ER16-193-000, et al. (Mar. 11, 2016). *See also Nevada Power*, Letter Order, Docket No. ER16-580-000 (Feb. 3, 2016) (NV Energy certificate of concurrence, Nevada Power Rate Schedule 140).

² SPP submits this filing solely to inform the Commission of the change in administrator. Per the express terms of the Plan, the parties to the Plan are authorized to change administrators at any time with no filing with or action by the Commission. Plan at 1, *see infra* note 7 and accompanying text.

³ Off-path or unscheduled flow refers to the portion of actual flows on a given path or element that results from scheduled transactions that do not utilize transmission on the given path or element. This is calculated as the difference between actual flow and flow that is scheduled on that path.

significant cost savings and reliability benefits to the Western Interconnection. The Commission accepted the Plan on November 29, 1995.⁴ Under the Plan, phase shifters and other facilities that can be used to mitigate the effects of unscheduled flow can be designated “Qualified Controllable Devices.” Entities whose facilities are approved as Qualified Controllable Devices (“Qualified Controllable Device owners”) may allocate a share of the costs of these facilities to “Applicable Entities” as defined in the Plan. Cost allocation is based on the size of the entity’s exports, imports, generating resources and loads, with large utilities being assigned a majority of these costs. The Plan works in conjunction with Reliability Standard IRO-006-WECC-2 to relieve unscheduled flow in the Western Interconnection.

The Plan provides for the Qualified Controllable Device owners and Transmission Operators of Qualified Paths to “select a new organization, multiple organizations, or individuals as the Administrator(s) of the WIUFMP.”⁵ As the Western Electricity Coordinating Council (“WECC”) provided notice that it no longer desired to provide administrator services, in accordance with the Plan, in January 2018, the Qualified Controllable Device owners and Transmission Operators of Qualified Paths selected and ratified by the requisite two-thirds votes⁶ SPP as the new administrator for the Plan, with a plan to transition the administration of the Plan from WECC to SPP by August 1, 2018.⁷

⁴ *S. Cal. Edison Co., et al.*, 73 FERC ¶ 61,219 (1995). Later modifications to the Plan prior to PacifiCorp’s filing of the Plan as its First Revised Rate Schedule No. 439 were accepted by the Commission in the following letter orders: *S. Cal. Edison Co., et al.*, Docket No. ER97-4724-000 (Nov. 12, 1997); *W. Sys. Coordinating Council*, Docket No. ER00-1670-000 (Mar. 24, 2000); *W. Sys. Coordinating Council*, Docket No. ER01-3085-000 (Nov. 20, 2001).

⁵ Plan at 1.

⁶ *Id.*

⁷ The Plan specifies that actual administrative costs may be added to the final yearly costs as approved by a majority of the Qualified Controllable Device owners and a majority of the Transmission Operators of Qualified Paths. Plan at 7. SPP will perform the administrator services on a fixed fee basis as approved by a majority of the Qualified Controllable Device owners and a majority of the Transmission Operators of Qualified Paths. As a not-for-profit corporation and a revenue-neutral Regional Transmission Organization (“RTO”), SPP will credit any revenues it receives as administrator of the Plan to its cost of service recovered under Schedule 1-A of SPP’s Open Access Transmission Tariff, thereby reducing the Schedule 1-A fee, consistent with SPP’s treatment of revenues received from other non-RTO related contract services.

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If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully submitted,

/s/ Susan E. Polk

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