



November 26, 2014

via eFiling

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

ER15-511-000

Re: *NorthWestern Corporation (South Dakota)*, ER15-____-000

Request for Waiver of the Standards for Business Practices & Communication Protocols
for Public Utilities and Order No. 676-H Compliance Filing

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act¹, 18 C.F.R. § 385.212, and Order No. 676-H,² NorthWestern Corporation d/b/a NorthWestern Energy respectfully requests that the Federal Energy Regulatory Commission grant NorthWestern a continued waiver of the OASIS-related standards promulgated in the Order No. 676 series of orders for NorthWestern's South Dakota operations. The Commission previously granted NorthWestern's South Dakota operations waiver of the Order No. 676 standards.³ As discussed more fully below, the circumstances that warranted granting a waiver of the OASIS-related standards remain unchanged, for now.⁴ These factors support a waiver of Order No. 676-H for NorthWestern's discrete South Dakota operations.

I. Background

NorthWestern is a public utility engaged in the generation, transmission, and distribution of electricity and the supply and transportation of natural gas. Its facilities are located primarily in

¹ 16 U.S.C. § 824d.

² *Standards for Business Practices and Communications Protocols for Public Utilities*, 148 FERC ¶ 61,205 (Sept. 18, 2014) (Order No. 676-H).

³ *NorthWestern Corp.*, Order Granting Request for Waiver, Docket No. ER06-1094-007 (Nov. 16, 2006).

⁴ NorthWestern (South Dakota) is in the process of joining the Southwest Power Pool (SPP), with an anticipated integration date of October 1, 2015. See NorthWestern's filings in Docket No. ER13-62-002 regarding an extension of time to comply with Order No. 1000.



Montana and South Dakota. NorthWestern's Montana and South Dakota electric transmission facilities are not physically connected and are not in the same electric reliability region. As a result, NorthWestern maintains separate Open Access Transmission Tariffs (OATTs), each approved by the Commission, for transmission operations in each state. This filing concerns only NorthWestern's South Dakota OATT.

In 1996 and again in 2006, the Commission granted a waiver of the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) standards adopted in Order No. 676 to NorthWestern's South Dakota operations.⁵ For reasons discussed below, NorthWestern respectfully requests that the Commission continue for its South Dakota operations the waiver of the OASIS-related standards.

On September 18, 2014, the Commission issued Order No. 676-H, which amended its regulations to incorporate into its regulations Version 003 of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the NAESB WEQ. In this order, the Commission required public utilities to modify their OATTs to include these WEQ standards by making a compliance filing by December 1, 2014.⁶ The Commission, however, also stated that public utilities may seek waiver, or seek continued waiver, of the requirements under the order if they meet certain standards.⁷

II. Request for Continued Waiver

In Order No. 676, the Commission confirmed that it would "extend small entities (that the Commission previously granted waivers of the Commission's OASIS-related standards) a streamlined procedure for requesting waivers of the corresponding newly-adopted OASIS – related standards."⁸ Specifically, the Commission has held that waiver of the OASIS-related requirements is appropriate in the following circumstances:

- (1) if the applicant owns, operates, or controls only limited discrete transmission facilities (rather than an integrated transmission grid);
- or (2) the applicant is a small public utility that owns, operates, or

⁵ *NorthWestern Corp.*, Order Granting Request for Waiver, Docket No. ER06-1094-007 (Nov. 16, 2006). In addition, the Commission previously granted a waiver of the Order No. 889 OASIS requirements to NorthWestern's South Dakota operations (then being operated as Northwestern Public Service Company). *Midwest Energy, Inc., et al.*, 77 FERC ¶ 61,208, p. 61,853 (1996).

⁶ Order No. 676-H at P 20.

⁷ Order No. 676-H at P 72 (stating that the Commission's policy on when such waivers will be granted was not changed by Order No. 676-H).

⁸ Order No. 676, FERC Stats and Regs. ¶ 31,216, P 85.



controls an interstate transmission grid (unless it is a member of a tight power pool, or other circumstances are present which indicate that a waiver is not justified).⁹

Order No. 676-H specifically contemplates that these standards for waiver remain in place, but requires entities to re-file renewed waiver requests.¹⁰ NorthWestern submits that continuation of its existing waiver is warranted and appropriate for the same reasons that the Commission granted NorthWestern a waiver of the OASIS-related business practice standards — and the Order No. 889 OASIS-related standards before them — in the past. For the reasons set forth below, NorthWestern submits that its South Dakota operations continue to satisfy the criteria for small public utility waivers provided in Order No. 676,¹¹ and it therefore requests that the Commission affirm a continuation of the waiver.

NorthWestern's South Dakota operations utilize a limited and discrete electric transmission system in eastern South Dakota that serves approximately 61,600 retail customers, with a peak demand of approximately 324 megawatts and an annual electric load of approximately 1.53 GWh. NorthWestern has only a handful of firm point-to-point transmission customers in South Dakota, who use the transmission service to transmit firm power and energy obtained from the Western Area Power Administration (WAPA). NorthWestern has no non-firm transmission customers in South Dakota.

Further, NorthWestern does not operate a control area for its South Dakota operations. WAPA's control area includes all of NorthWestern's South Dakota transmission system — specifically, 337 miles of 115-kV lines. These facilities are included in the Integrated System (IS) and administered under WAPA's OATT.¹² Aside from the 115-kV system, the remainder of NorthWestern's transmission in South Dakota comprises lower voltage lines used primarily for local distribution. NorthWestern's dispatch control in South Dakota is limited to its 69-kV system and lower, which serves as a distribution network to NorthWestern's retail customers.

⁹ *Id.* at P 87.

¹⁰ Order No. 676-H at P 72 (stating that the Commission's policy on when such waivers will be granted was not changed by Order No. 676-H).

¹¹ *NorthWestern Corp.*, Order Granting Request for Waiver, Docket No. ER06-1094-007, at P 9; *Midwest Energy, Inc., et al.*, 77 FERC ¶ 61,208, p. 61,855.

¹² See Western Area Power Administration Upper Great Plains Region Open Access Same-Time Information System (OASIS) Business Practice Posting, available at <http://www.oasis.oati.com/WAPA/WAPAdocs/WAPA-NWE-Coordination-SD-Facilities-2009-0921.pdf>.



NorthWestern's South Dakota operations rely on WAPA for a host of services needed to meet its local area load, including ancillary services and marketing services.¹³

NorthWestern's baseload generating plants are located outside the WAPA control area.¹⁴ These plants are pseudo-tied into WAPA's Balancing Authority Area. Sales to others are made from these baseload units which are connected to transmission lines that dispatchers for the South Dakota operations do not see on their consoles and cannot control from their dispatch facility. WAPA provides energy marketing and load management for NorthWestern's South Dakota operations.¹⁵ WAPA makes daily sales and purchases of non-firm power based on the requirements of the South Dakota operations. NorthWestern's dispatchers are not involved with these daily sales and purchases. WAPA notifies NorthWestern's dispatchers only when a plant within NorthWestern's South Dakota service territory needs to operate.¹⁶

As set forth above, NorthWestern's South Dakota operations qualify for a waiver of the standards incorporated by reference in Order No. 676-H because (1) only limited and discrete transmission facilities are at issue; (2) NorthWestern is not a member of a tight power pool; and (3) NorthWestern disposes of less than 4 million MWh annually. Specifically, NorthWestern respectfully requests waiver of the newly-created standards to support Network Integration Transmission Service on OASIS, Service Across Multiple Transmission Systems (SAMTS), standards to support the Commission's policy regarding rollover rights for redirects on a firm basis, and standards that incorporate the functionality for transmission providers to credit redirect requests with the capacity of the parent reservation. In particular, compliance with these newly-created standards is difficult for NorthWestern's South Dakota operations because NorthWestern does not operate a control area for these operations.

¹³ See WAPA Contract No. 11-UGPR-65, Service Agreement for Network Integration Transmission Service, Specifications for Network Integration Transmission Service (NITSA). The corresponding Network Operating Agreement provides for WAPA to operate NorthWestern's 115-kV transmission system between the Ellendale Substation and the Yankton Junction Substation.

¹⁴ NorthWestern owns a portion of the capacity in three baseload, electric generating facilities: the Big Stone Plant near Big Stone City, South Dakota; George Neal Energy Center Unit 4 near Sioux City, Iowa; and Coyote Station near Beulah, North Dakota.

¹⁵ Contract No. 14-UGPR-79.

¹⁶ WAPA is currently contemplating a move to the Southwest Power Pool. As described in ER13-62, WAPA's transition may also mean that NorthWestern's South Dakota operations also move to SPP. That transition is expected in October 2015 and may cause NorthWestern to reconsider the need for the instant waiver request.



III. Description of Filing

Order No. 676-H requires a public utility seeking waiver of the order's requirements to file a revised tariff acknowledging its obligation to comply with the newly incorporated by reference Business Practice Standards.¹⁷ Therefore, NorthWestern submits a revised tariff record to comply with this requirement. This revised record modifies Section 4, Open Access Same-Time Information System (OASIS), to indicate that NorthWestern has a pending request for waiver of Version 003 of the NAESB Wholesale Electric Quadrant Standards. Upon issuance of an order accepting this waiver request, NorthWestern will further revise Section 4 of its OATT to reflect that such waiver was granted.

In addition, NorthWestern proposes one ministerial change to Section 4 to correct the citation to the Standards of Conduct for Transmission Providers, from 18 C.F.R. § 37 to 18 C.F.R. § 358.

IV. Effective Date

NorthWestern respectfully requests an effective date of February 2, 2015, for the proposed tariff revisions. This is the same date that the initial requirements of Version 003 of the NAESB WEQ Standards go into effect.

To the extent that any filing requirement in Part 35 of the Commission's regulations is not satisfied by this filing, NorthWestern respectfully requests waiver of such requirement.

V. Filing Information

This compliance filing includes the following documents:

- 1) This transmittal letter and request for waiver;
- 2) Marked version of Section 4, Open Access Same-Time Information System (OASIS);
and
- 3) Clean version of Section 4, Open Access Same-Time Information System (OASIS).

¹⁷ Order No. 676-H at P 86.



VI. Notice

NorthWestern is providing a copy of this filing to the South Dakota Public Utilities Commission. In addition, this filing is available for public inspection at NorthWestern's Corporate Office, 3010 West 69th Street, Sioux Falls, South Dakota.

VII. Communications

Communications concerning this filing should be directed to the following persons, who should be included on the official service list compiled by the Secretary in this proceeding:

Michael Cashell
Vice President – Transmission
NorthWestern Energy
40 E. Broadway
Butte, MT 59701
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michael.cashell@northwestern.com

M. Andrew McLain
Corporate Counsel & FERC Compliance Officer
NorthWestern Energy
208 N. Montana Avenue, Suite 205
Helena, MT 59601
Phone: (406) 443-8987
andrew.mclain@northwestern.com

VIII. Conclusion

For the reasons discussed above, NorthWestern respectfully requests that the Commission grant waiver of the requirements of Order No. 676-H for its South Dakota operations.

Thank you for your consideration of this matter. If you have any questions, please contact me.

Respectfully submitted,

s/ M. Andrew McLain

M. Andrew McLain

Corporate Counsel & FERC Compliance Officer

andrew.mclain@northwestern.com

○ (406) 443-8987

MAM/dq

Attachment

cc: South Dakota Public Utilities Commission



Certificate of Service

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated this 26th day of November, 2014.

s/ M. Andrew McLain

M. Andrew McLain
Corporate Counsel & FERC Compliance Officer
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208 N. Montana Avenue, Suite 205
Helena, MT 59601
(406) 443-8987
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Attachment 1

Section 4

Open Access Same-Time Information System (OASIS)

Marked Tariff Record

NorthWestern Corporation
(South Dakota)

FERC Open Access Transmission Tariff
Volume No. 2

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System ~~and Standards of Conduct for Public Utilities~~), [18 C.F.R. § 358 of the Commission's regulations \(Standards of Conduct\)](#), and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

[NorthWestern Corporation has applied for a waiver of Version 003 of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the NAESB Wholesale Electric Quadrant.](#)

Attachment 2

Section 4

Open Access Same-Time Information System (OASIS)

Clean Tariff Record

NorthWestern Corporation
(South Dakota)

FERC Open Access Transmission Tariff
Volume No. 2

4 Open Access Same-Time Information System (OASIS)

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