

OTTER TAIL POWER COMPANY
Docket No: EL15-045

Response to: South Dakota Public Utilities Commission
Analyst: SDPUC Staff
Date Received: 02/05/2016
Date Due: 02/08/2016
Date of Response: 02/08/2016
Responding Witness: Bryce Haugen, Senior Rates Analyst, Regulatory Administration

Information Request:

2. Quantify any reliability benefits OTP will see with the CPEC membership in SPP.

Attachments: 0

Response:

Otter Tail is not aware of any reliability benefits with CPEC membership in SPP. In fact, Otter Tail was concerned that reliability could become more challenging with the integration of CPEC and the Integrated System (IS) Parties into SPP. Consequently, Otter Tail raised this concern in its motion to intervene and protest in SPP's filing to incorporate the IS Parties into SPP in FERC Docket Nos. ER14-2850 and ER14-2851.¹ The Federal Energy Regulatory Commission (FERC) set Otter Tail's reliability concern to settlement, along with other Otter Tail concerns, and a settlement addressing Otter Tail's concerns was reached and is currently pending approval at FERC.

Specifically, because the Integrated Transmission System (ITS) between Otter Tail and CPEC is comprised both of facilities owned and operated by Otter Tail and facilities owned by CPEC, but operated by Otter Tail on behalf of CPEC. Otter Tail, as the Local Balancing Authority (LBA) and transmission operator, has responsibility for maintaining system reliability within the LBA and the ITS. The Otter Tail LBA is in MISO and MISO is the Reliability Coordinator for the Otter Tail LBA. With SPP as the Reliability Coordinator for CPEC's facilities, there is now two Reliability Coordinators within the Otter Tail LBA that could have

resulted in a complicated set of layered and inefficient communication protocols, and possibly even conflicting directives from two different Reliability Coordinators (MISO and SPP) for the same ITS facilities within the Otter Tail LBA.

In settlement, the IS Parties, Otter Tail, CPEC, MISO, and SPP agreed that to the extent practicable, reliability-related coordination will occur from Reliability Coordinator to Reliability Coordinator (SPP to MISO and vice versa) and from Transmission Operator to Transmission Operator (WAPA to Otter Tail and vice versa). Furthermore, coordination between a Reliability Coordinator and Transmission Operator shall occur within the respective footprint (*e.g.*, SPP to WAPA and/or MISO to Otter Tail, as applicable).

This communication protocol closely mirrors what Otter Tail has traditionally done in the past, prior to the introduction of SPP as another Reliability Coordinator within the Otter Tail LBA. Since the October 1, 2015 integration of the IS parties into SPP, there has been clear lines of communications occurring, in conformance with the protocols described above, resulting in no reliability concerns within the Otter Tail LBA.

¹ "Integrated System" Parties collectively refers to Western Area Power Administration – Upper Great Plains Region (WAPA), Basin Electric Power Cooperative (Basin), and Heartland Consumers Power District (Heartland).