

# Order No. 890 Transmission Planning Regional Technical Conferences—Midwest Region, October 15, 2007

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MEAN and IAMU on MAPP and MEC Attachment K Drafts

# MEAN and IAMU

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- ❑ Transmission Dependent Utilities in MAPP Footprint.
- ❑ Supporters of joint, regional and inclusive transmission planning and ownership.
- ❑ Represented at June 29 Pittsburgh technical conference.

MEAN and IAMU on MAPP  
and MEC Attachment K  
Drafts

# MEAN and IAMU

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- Municipal Energy Agency of Nebraska
  - Joint action agency serving more than 65 municipal utilities on 8 different transmission systems; ~ 500 MW peak demand.
  - Two subregions in MAPP (Nebraska and Iowa).
  
- Iowa Association of Municipal Utilities
  - Statewide association of municipal utilities, including 136 electric utilities.
  - Own and purchase generation.
  - Loads on MidAmerican and Alliant systems, among others.

MEAN and IAMU on MAPP  
and MEC Attachment K  
Drafts

# MAPP Attachment K Draft

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- ❑ Appreciate MAPP's efforts to ensure that its TOs are complying with Order 890.
- ❑ Three principal concerns.
  - Promises to develop joint planning process that is Order 890 compliant rather than proposing such a process.
  - Cost allocation proposals developed outside of the joint planning process.
  - Cost allocation proposals appear inconsistent with *pro forma* tariff and pricing principles.

MEAN and IAMU on MAPP  
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Drafts

# MidAmerican Draft Attachment K

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- ❑ Recognize that MidAmerican is working to develop a compliant planning process.
- ❑ 5 principal concerns.
  - What happens to transmission planning if MEC (and other MAPP utilities) join MISO?
  - Need more information about how MEC plans today for native load, including for economics (addressing constraints).
  - Stakeholder input should begin at early stages; not just after draft plans are presented.
  - Only two high priority studies?
  - Cost allocation should involve stakeholders.

MEAN and IAMU on MAPP  
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# MAPP Attachment K Draft

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- ❑ Assigns responsibilities related to Order 890 principles, but not specific about activities.
  - *E.g.*, Public input.
    - ❑ Section 5.2(f): TPSC shall “establish procedures, standards, and requirements for public input ....”
    - ❑ White Paper (at 4) recommends that description of opportunities for input regarding “data gathering and customer input into study development; review of study results; review of draft transmission plans; and coordination of draft plans with those of neighboring transmission providers.”

MEAN and IAMU on MAPP  
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Drafts

# MAPP Attachment K Draft

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- ❑ Assigns responsibilities related to Order 890 principles, but not specific about activities.
  - *E.g.*, Coordination of plans.
    - ❑ Section 6.4(a): SPGs should “incorporate proposed Member load-serving plans to the subregional transmission system in to the SPG Biennial Plan.
    - ❑ Section 6.4(f): SPGs should “coordinate the Subregional Plans of the SPG with the Subregional Plans of neighboring SPGs.
    - ❑ No information about this coordination process works. White Paper (at 13) recommends identification of the mechanisms subregional groups will use to coordinate among themselves and with others.

MEAN and IAMU on MAPP  
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# MAPP Attachment K Draft

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- Cost allocation rules (Section 12) quite detailed, especially compared to other parts of Attachment K
- Order 890 requires that Attachment K address cost allocation but also does not prescribe a particular methodology.
- Instead, FERC “will permit transmission providers and stakeholders to determine their own specific criteria which best fit their own experience and regional needs.”  
Order 890 P 558.

MEAN and IAMU on MAPP  
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# MAPP Attachment K Draft

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- Attachment K stakeholder process should be used to develop consensus cost allocation principles.
- Involve customers, owners, regulators.
- Consensus proposals more likely to have buy-in from stakeholders and thus reduce disputes.

MEAN and IAMU on MAPP  
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Drafts

# MAPP Attachment K Draft

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- ❑ Specific cost allocation concerns include:
  - Subscription rights: Look like transmission use rights different from either OATT point-to-point or network service.
  - Payment for subscription rights in addition to tariff service charges looks like “and” pricing.
  - Subscription rights limited to economic projects.

MEAN and IAMU on MAPP  
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Drafts

# MAPP Attachment K Draft

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- ❑ Specific cost allocation concerns include:
  - Subscription rights available only for economic upgrades.
  - Investment/ownership opportunities appear limited to just Host TOs.
  - Roll-in of costs appears limited to just Host TOs.
  - Serious comparability issues.

MEAN and IAMU on MAPP  
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# MidAmerican Attachment K Draft

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- ❑ Future of transmission planning if MEC joins MISO.
  - One option would have MEC join for congestion management but not transmission.
  - Will MAPP regional process continue?
  - Uncertainty could put transmission planning on hold.

MEAN and IAMU on MAPP  
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# MidAmerican Attachment K Draft

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- ❑ Need information about how MEC plans for native load today.
  - Assess whether planning satisfies comparability.
  - Does MEC collect same kinds of information about native load as it is asking from OATT customers?
  - Economic planning: White Paper (at 16) recommends description of economic planning for native load and OATT customers.

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# MidAmerican Attachment K Draft

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- ❑ Stakeholder input should occur early and often.
  - “Customers must be included at the early stages of the development of the transmission plan.” Order 890 P 454.
  - “Staff recommends that the exchange of information be a continual, two-way process as the transmission provider moves through the study process.” White Paper at 10.
  - MEC provides only 2 face-to-face meetings and an undefined *ad hoc* process left to MEC’s discretion.

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# MidAmerican Attachment K Draft

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- ❑ High priority studies and cost allocation
  - Limitation to just 2 high priority studies not explained. Numerous constraints recommend at least 5, if not more.
  - IAMU and MEAN are committed to working with MEC in developing consensus cost allocation principles. MEC should set forth a process.

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