

121 FERC ¶ 61,124
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeem G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Tenaska Alabama II Partners, L.P.

v.

Docket No. EL05-25-004

Alabama Power Company and Southern Company
Services, Inc.

Tenaska Alabama Partners, L.P.

v.

Docket No. EL05-26-004

Alabama Power Company and Southern Company
Services, Inc.

Tenaska Georgia Partners, L.P.

v.

Docket No. EL05-27-004

Georgia Power Company and Southern Company
Services, Inc.

ORDER ON COMPLIANCE

(Issued October 31, 2007)

1. On July 25, 2007, Southern Company Services, Inc., for itself and as agent for Alabama Power Company (Alabama Power) and Georgia Power Company (Georgia Power) (collectively, Southern), and Tenaska Georgia Partners, L.P. (Tenaska Georgia), each filed supplemental information concerning the disputed classification of three 500 kV disconnect devices (Disconnect Devices) that were the subject of an Interconnection Agreement (IA) between Southern and Tenaska Georgia, as directed in

the Commission's June 25, 2007 Order (June 25 Order).¹ In this order, the Commission accepts the modifications to the Interconnection Agreements (IAs) and finds that the Disconnect Devices at issue in these proceedings are located prior to the point of interconnection and are therefore properly classified as interconnection facilities eligible for direct assignment.

2. In the June 25 Order, the Commission also directed Southern to refund, with interest, charges collected for Operations and Maintenance (O&M) on facilities that were properly reclassified as Network Facilities. In this order, we will direct Southern to file a Compliance Report on the status of payment of these refunds.

Background

3. On January 19, 2007, the Commission issued an order granting a complaint filed by Tenaska Alabama II Partners, L.P., Tenaska Alabama Partners, L.P., and Tenaska Georgia Partners, L.P. (collectively, Tenaska) requesting that the Commission direct Southern to reclassify certain facilities as network facilities and to provide transmission credits with interest for all network upgrades.² On rehearing, Southern argued that the Commission erred in finding that certain facilities located prior to the interconnection point, including three Disconnect Devices located beyond the generator's high side step-up transformers, were network facilities eligible for transmission credits. Southern maintained that, even though the parties originally agreed that the point of interconnection was located at the point where ownership of the facilities changed from Tenaska Georgia to Georgia Power, the true point of interconnection is located where the generator tie line dead ends at Georgia Power's transmission system. Southern concluded that, because the Disconnect Devices were located prior to the true point of interconnection, they should be classified as interconnection facilities eligible for direct assignment.

4. In the June 25 Order, the Commission directed Southern to reinsert section 5.4 of the IAs, finding that Southern was authorized to collect O&M charges only on Interconnection Facilities, and directed Southern to delete sections 5.6.5 and section 5.7.5 of the IAs, which the Commission determined were beyond the scope of the January 19 Order. The June 25 Order also found that the Commission lacked sufficient information to act on Southern's claim that the Disconnect Devices were located prior to the point of interconnection at the Georgia Tenaska Partners, L.P. generating facility. Southern and Tenaska were directed to provide supplemental information, such as updated one-line

¹ *Tenaska Alabama II Partners, L.P. v. Alabama Power Co. and Southern Co. Servs., Inc.*, 119 FERC ¶ 61,315 (2007) (June 25 Order).

² *Tenaska Alabama II Partners, L.P. v. Alabama Power Co. and Southern Co. Servs., Inc.*, 118 FERC ¶ 61,037 (2007) (January 19 Order).

diagrams, to aid the Commission in determining how the Disconnect Devices should be classified.

Filings

5. Southern's July 25, 2007 supplemental filing includes reinstated section 5.4 in each of the IAs and deletes sections 5.6.5 and 5.7.5 (as applicable) from each IA.

6. Southern's supplemental filing also includes a one-line diagram depicting the location of the Disconnect Devices in relation to the point of interconnection. The filing also includes an affidavit with a detailed description of the one-line diagram and Southern's rationale as to why the Disconnect Devices should be classified as interconnection as opposed to network facilities. Specifically, the one-line diagram and the Affidavit depict the disconnect devices as being located on the generator tie line between the high side step-up transformer and the point where the generator tie line dead ends at the three ring bus, which Southern defines as the point of interconnection.

7. Tenaska Georgia's supplemental filing also includes a one-line diagram which also depicts the Disconnect Devices located on the generator tie line between the high side step-up transformer and the point where the generator tie line dead ends at the 500 kV ring bus. Tenaska Georgia, however, contends that the point of interconnection is where the Disconnect Devices connect to the high side step up transformer as opposed to where the generator tie line dead ends at the 500 kV three ring bus.

Discussion

8. The Commission finds that Southern has revised the IAs as directed in the June 25 Order. Accordingly, we will accept the compliance filing.

9. While the Commission initially found the facilities at issue to be network facilities, our analysis of the new information submitted by the parties pursuant to the requirements of the June 25 Order dictates a different finding. The supplemental filings, which include clear one-line diagrams that did not accompany the original IA filed by Southern,³ indicate that the facilities are not network facilities.

10. Accordingly, with regard to the Disconnect Devices, we find that the point of interconnection is where the generator tie line dead ends at the 500 kV three ring bus. That is the point where the interconnection facilities physically connect to Georgia

³ See Docket No. ER00-682-000, Interconnection Agreement by and between Georgia Power and Tenaska Georgia Partners, L.P. dated October 19, 1999 and filed with the Commission on November 29, 1999.

Power's transmission system. For this reason, we find that any facility prior to that point is an interconnection facility for which direct assignment is appropriate.⁴

The Commission orders:

- (A) Southern's and Tenaska's compliance filings are hereby accepted.
- (B) The facilities at issue are hereby deemed Interconnection Facilities for which direct assignment is appropriate.
- (C) Southern is hereby directed to file a Compliance Report, as stated in the body of this order, within 15 days of the date of issuance.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁴ Consistent with *Pacific Gas and Electric Company*, 105 FERC ¶ 61,020 (2003), *order on reh'g*, 106 FERC ¶ 61,303 (2004), the Commission would reach a different conclusion if Southern treated Disconnect Devices as network facilities by booking their costs to the transmission function for inclusion in its rates for network customers.