

160 FERC ¶ 61,073
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, and Robert F. Powelson.

Arizona Public Service Company

Docket Nos. ER16-2656-000
ER16-2656-001
ER16-2656-002
ER16-2656-003

ORDER ON TARIFF FILING AND REHEARING

(Issued September 20, 2017)

1. On September 23, 2016 (Initial Filing), as supplemented on December 16, 2016, (Supplemental Filing) and amended on January 18, 2017 (Amended Filing), pursuant to section 205 of the Federal Power Act,¹ Arizona Public Service Company (APS) submitted proposed tariff revisions to its Open Access Transmission Tariff (OATT). On March 15, 2017, pursuant to the authority delegated by the Commission's February 3, 2017 Order Delegating Further Authority to Staff in Absence of Quorum,² APS's proposed OATT revisions were accepted for filing, suspended for a nominal period, to become effective November 23, 2016, as requested, subject to refund and further Commission order.³ On April 14, 2017, APS filed a request for clarification and/or rehearing of the March 15 Order.

2. As discussed below, in this further order, we accept APS's proposed tariff revisions, as amended, effective November 23, 2016, as requested. Accordingly, we dismiss APS's request for clarification and/or rehearing.

¹ 16 U.S.C. § 824d (2012).

² *Agency Operations in the Absence of a Quorum*, 158 FERC ¶ 61,135 (2017).

³ *Ariz. Public Service Co.*, 158 FERC ¶ 62,203 (2017) (March 15 Order).

I. Background

3. In its Initial Filing, APS proposed OATT revisions that it stated were non-substantive and did not alter any rates, terms, or conditions of service previously approved by the Commission. Among other things, APS proposed revisions to: (1) OATT sections 17 and 18 (addressing procedures for arranging firm and non-firm point-to-point transmission service, respectively) to update language and clarify the process for eligible customers requesting an umbrella service agreement; (2) Schedule 5 (Operating Reserve – Spinning Reserve Service) and Schedule 6 (Operating Reserve – Supplemental Reserve Service) to reflect the price caps for unbundled reserve service by generation, load, and generation plus load; (3) section 3.5 of the Large Generator Interconnection Procedures (LGIP) to describe APS’s expectations for interconnection customers regarding affected system issues; and (4) Appendix A, section 4 of the Large Generator Interconnection Agreement (LGIA) to add language to coincide with the proposed LGIP revisions regarding affected systems.

A. Deficiency Letter and Responses

4. On November 18, 2016, Commission staff issued a deficiency letter requesting additional information regarding whether specific tariff provisions were consistent with or superior to existing *pro forma* language.

5. On December 16, 2016, in its Supplemental Filing, APS explained that its proposed revisions to section 3.5 of its LGIP and Appendix A, section 4 of its LGIA were intended to be consistent with existing *pro forma* language. APS stated that, to avoid any ambiguity, it proposed to make explicit its understanding that a transmission customer’s failure to fully address affected system issues may delay or prevent energization of an interconnection. APS argued that its proposed language is superior to the Commission’s *pro forma* OATT language because it ensures that transmission customers are fully aware of APS’s rights when an interconnection request is submitted. Regarding its proposed revisions to Appendix A of the LGIA, APS stated that the purpose of these revisions is to clarify that affected systems issues must be addressed prior to energization, even if such issues are unknown at the time the LGIA is executed. Regarding its proposed modifications to Schedules 5 and 6, APS explained that it does not seek to modify the rates previously approved by the Commission; rather, it is proposing to provide additional information to illustrate the breakdown of charges that a customer might receive.

6. Invenergy Thermal Development LLC, Invenergy Wind Development LLC, and Invenergy Solar Development LLC (collectively, Invenergy) argued that the Commission should reject APS’s proposed LGIP and LGIA revisions. Specifically, Invenergy stated that APS did not adequately explain its proposal to delay energizing interconnections until affected system issues are “fully addressed.” Invenergy expressed concern that APS could delay an interconnection indefinitely based on a potential affected system

consideration, regardless of the severity of the issue or whether it poses a reliability concern.⁴ Additionally, Invenergy stated that APS's proposal could deprive customers of their rights to change or extend the commercial operation date of a facility.⁵ According to Invenergy, APS's proposed revisions were not consistent with or superior to the terms of the *pro forma* LGIP and *pro forma* LGIA and could adversely affect transmission customers.

7. On January 18, 2017, in the Amended Filing, APS filed to withdraw the tariff sheets containing revisions to section 3.5 of its LGIP and Appendix A, section 4 of its LGIA. In response to Invenergy's protest, APS stated that it did not intend for its proposed changes to alter any rates, terms, or conditions of service previously approved by the Commission. APS explained that, although it does not concede the validity of Invenergy's claims, it nevertheless was withdrawing the proposed modifications to section 3.5 of its LGIP and Appendix A, section 4 of its LGIA in the interest of expediting the proceeding. APS further stated that Invenergy had authorized it to state that Invenergy does not oppose the motion to withdraw.⁶

B. March 15 Order and Request for Clarification and/or Rehearing

8. The March 15 Order found that preliminary analysis indicated that APS's proposed tariff revisions had not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, the March 15 Order accepted APS's proposed tariff revisions for filing, suspended them for a nominal period, to become effective November 23, 2016, subject to refund and further Commission order.

9. APS requests that the Commission clarify and/or grant rehearing of certain issues raised by the March 15 Order. First, APS requests that the Commission clarify that only section 3.5 of its LGIP and Appendix A, section 4 of its LGIA have not been shown to be just and reasonable because these were the only tariff provisions that were protested. Second, if the Commission declines to grant clarification, APS requests rehearing of the finding in the March 15 Order that APS's proposed tariff provisions have not been shown to be just and reasonable because APS withdrew the challenged provisions. APS also seeks rehearing of the finding that the proposed tariff revisions are subject to refund, arguing that none of the proposed tariff revisions changes or impacts any rates or service charged by APS.

⁴ Invenergy Protest at 3.

⁵ *Id.* at 7-8.

⁶ APS January 18 Filing at 2.

II. Notice of Filing and Responsive Pleadings

10. Notice of APS's Initial Filing was published in the *Federal Register*, 81 Fed. Reg. 66,952 (2016), with interventions and protests due on or before October 14, 2016. None was filed.

11. Notice of APS's Supplemental Filing was published in the *Federal Register*, 81 Fed. Reg. 93,911 (2016), with interventions and protests due on or before January 6, 2017. Invenergy submitted a timely motion to intervene and protest.

12. Notice of APS's Amended Filing was published in the *Federal Register*, 82 Fed. Reg. 8515 (2017), with interventions and protests due on or before February 8, 2017. None was filed.

III. Commission Determination

A. Procedural Matters

13. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2016), the timely, unopposed motion to intervene serves to make Invenergy a party to this proceeding.

B. Substantive Matters

14. We will accept APS's OATT revisions, submitted in the Initial Filing, as amended by the Amended Filing, effective November 23, 2016, as requested. Based upon our review, we find that APS's proposed tariff revisions to sections 17 and 18 clarify the processes for customers requesting an umbrella service agreement and that the modifications to Schedules 5 and 6 provide further illustration of rates associated with operating reserve service. We also find that APS has incorporated various administrative changes which, among other things, correct capitalization and update references.

15. Regarding APS's revisions to section 3.5 of its LGIP and Appendix A, section 4 of its LGIA, we note that, in its Amended Filing, APS withdrew its proposed revisions. Because APS has withdrawn its revisions to section 3.5 of its LGIP and Appendix A, section 4 of its LGIA, we find that the concerns raised by Invenergy are moot.

16. Because we are accepting APS's proposed tariff revisions, as amended, we dismiss APS's request for clarification and/or rehearing request as moot.

The Commission orders:

(A) APS's OATT revisions, as amended, are hereby accepted for filing, effective November 23, 2016, as discussed in the body of this order.

(B) APS's request for clarification and/or rehearing is hereby dismissed as moot, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.