

111 FERC ¶ 61,415  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, Joseph T. Kelliher,  
and Suedeen G. Kelly.

Sierra Pacific Power Company

Docket No. ER05-366-000

ORDER CONDITIONALLY ACCEPTING  
INTERCONNECTION AGREEMENT

(Issued June 17, 2005)

1. On December 17, 2004, Sierra Pacific Power Company (Sierra Pacific) filed an executed Standard Large Generator Interconnection Agreement (Interconnection Agreement) between Sierra Pacific and Barrick Goldstrike Mines, Inc. (Barrick). As discussed below, the Commission conditionally accepts the Interconnection Agreement, to become effective July 1, 2005, as requested. This order benefits customers because it ensures that the terms and conditions of generator interconnection are just and reasonable.

**I. The Filing**

2. Sierra Pacific states that under the Interconnection Agreement, Barrick will receive Generation Interconnection Service under Part V of Sierra Pacific's Open Access Transmission Tariff (OATT), which has been accepted by the Commission.<sup>1</sup>

3. Sierra Pacific also explains that article 11.5 of the Interconnection Agreement departs from Sierra Pacific's Commission-approved *pro forma* LGIA by stating that the Transmission Provider will not require the Interconnection Customer to provide security if prepayment is received by the Transmission Provider, as outlined in Appendix A to the Large Generator Interconnection Agreement, within 15 calendar days after the invoice

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<sup>1</sup> *Nevada Power Co.*, 107 FERC ¶ 61,256 (2004).

date unless the Commission requires otherwise.<sup>2</sup> If the Interconnection Customer is unable to meet the 12-day deadline, then it is subject to a security requirement that is consistent with the provision in the Sierra Pacific's Commission-approved *pro forma* large generator interconnection agreement.

4. Finally, Sierra Pacific requests an effective date of July 1, 2005, and requests waiver of any filing requirements with which the filing does not comply.

## **II. Notices and Further Filings**

5. Notice of Sierra Pacific's filing was published in the *Federal Register*, 70 Fed. Reg. 805 (2005), with comments, protests or interventions due on or before January 11, 2005. None were received.

## **III. Discussion**

6. In Order No. 2003, the Commission required Transmission Providers (such as Sierra Pacific) to file *pro forma* interconnection documents and to offer their customers interconnection service consistent with these documents.<sup>3</sup> Sierra Pacific's proposed article 11.5 departs from its Commission-approved *pro forma* by allowing the Interconnection Customer to forego providing security as long as prepayment is made within 15 calendar days after the invoice date.

7. The proposed Interconnection Agreement provides a financial benefit to Barrick in that Barrick can choose to be relieved of the expense of providing a security, as long as it accepts the additional obligation to prepay within 15 calendar days after the invoice date as prescribed in Appendix A to the LGIA. We conclude that this gives the Interconnection Customer flexibility that is superior to that afforded in Order No. 2003. The Order No. 2003 discussion on security incorporates some level of flexibility to

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<sup>2</sup> Appendix A requires payments from Barrick due or before the first of each month beginning December 1, 2004, through August 1, 2005. The total is \$2,731,000. More than 96% of the cost of the facilities is due to be paid in advance of the July 1, 2005, effective date.

<sup>3</sup> Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 FR 49845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, 69 FR 15932 (Mar. 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004) (Order No. 2003-A), *order on reh'g*, Order No. 2003-B, 70 FR 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2005) (Order No. 2003-B), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005) (Order No. 2003-C); *see also* Notice Clarifying Compliance Procedures, 106 FERC 61,009 (2004).

customize the security required, and the appropriate deadline for providing that security (but no less than 30 days).<sup>4</sup> The flexibility proposed here – the option to eliminate security altogether in exchange for an earlier deadline for meeting its payment obligation – is greater. Therefore, we will accept this change in this agreement.

8. However, as a condition of approval, Sierra Pacific must revise its OATT to incorporate this variation, which is "consistent with or superior to" Order No. 2003, so that all Interconnection Customers receive this option. Although Sierra Pacific has submitted the revised interconnection agreement as a nonconforming agreement (due to the inclusion of a modified article 11.5), Sierra Pacific has not met the standard for a nonconforming agreement, which requires operational or other reasons that make the agreement unique and necessitate the change.<sup>5</sup> It has not explained why this provision is necessary in this particular case. Therefore, we reject the nonconforming agreement rationale. Nevertheless, we accept the provision because it is "consistent with or superior to" the *pro forma* large generator interconnection agreement. Because comparability requires that all Interconnection Customers receive the same option, our acceptance is conditioned on Sierra Pacific modifying its *pro forma* large generator interconnection agreement.

The Commission orders:

(A) The agreements are hereby conditionally accepted for filing, to become effective July 1, 2005, as requested.

(B) As a condition of acceptance, Sierra Pacific will file revised tariff language as discussed in the body of this order, within fifteen (15) days of the date of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>4</sup> See Order No. 2003 at P 593.

<sup>5</sup> See *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163 at P 10-11 (2005).