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# FEDERAL ENERGY REGULATORY COMMISSION

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WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

July 20, 2006  
Docket Nos. ER05-764-000 and  
ER05-764-002

### COMMISSION CONDITIONALLY APPROVES TRANSMISSION RIGHTS FOR 190-MILE TRANSMISSION LINE LINKING ALBERTA, MONTANA

The Federal Energy Regulatory Commission today conditionally accepted a proposal that will provide up to 600 megawatts of transmission capacity between Alberta, Canada, and Great Falls, Montana. Merchant transmission projects can play a useful role in expanding competitive generation alternatives for customers and meeting reliability needs, the Commission observed in taking today's action.

"This project will further integrate the U.S. and Canadian transmission grids and serve to increase electric system reliability in both countries," observed Commission Chairman Joseph T. Kelliher. "This week demonstrated how the interconnections between the U.S. and Canada improve reliability on both sides of the border. The U.S. was able to import power from Canada when it needed it most, and Ontario was able to import power from the United States when demand hit record levels."

The Montana Alberta Tie Ltd. (MATL) is selling transmission rights on its 190-mile line, expected to be in service by April 2007. The 230-kilovolt line would connect NorthWestern Energy's transmission system in Montana with the Alberta Interconnected Electrical System, operated by the Alberta Electric System Operator (Alberta ESO). The project would be Alberta's first transmission interconnection with the United States.

"MATL is proposing an innovative merchant transmission project that will provide a link between two regions and allow for efficient and economic access to existing and new generation sources, such as newly developing wind farms," the Commission said.

The Commission determined that MATL's initial rates for transmission capacity are just and reasonable and that MATL's open season commitment will help protect against physical and economic withholding.

Noting other commitments MATL has proposed, the Commission said that the transmission rights will be “auctioned in an open, fair and transparent manner at a price approximating the current cost of construction, cost of operation and cost of capital.”

The Commission conditionally accepted MATL’s proposed open-access transmission tariff (OATT), but directed a further compliance filing consistent with the Commission’s *pro forma* OATT.

The Department of Energy has delegated authority to the Commission to take actions to implement and enforce non-discriminatory open-access transmission service over the U.S. portion of international electric transmission lines.

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