



MEDIA ALERT Southwestern U.S.

FERC Gives Final OK to WestConnect Project

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The Federal Energy Regulatory Commission (FERC) has accepted a participation agreement and regional tariffs that will implement a two-year regional transmission pricing initiative that encourages more efficient use of the grid and reduces customer costs.

Background and Order

The agreement and tariffs implement the WestConnect Point-to-Point Regional Transmission Service, which FERC approved in September 2008. The plan marks another step toward a regional approach to use of the transmission grid in the desert Southwest region of the Western Interconnection.

Nine members of the WestConnect transmission group will participate in the experiment; six of them are FERC-jurisdictional: Arizona Public Service Company, El Paso Electric Company, NV Energy, Public Service Company of Colorado, Public Service Company of New Mexico and Tucson Electric Power Company. The non-jurisdictional participants are Southwest Transmission Cooperative Inc., Tri-State G&T Association and Western Area Power Administration.

The agreement calls for participants to offer customers the option of buying hourly non-firm, point-to-point transmission service across their transmission systems at a single rate. Taking coordinated service under the proposal would be an alternative to pancaked point-to-point transmission service now offered under each member's Open Access Transmission Tariffs. For providing these services, participants will be allocated a pro rata share of revenues based on the ratio of the ceiling rate of each transmission provider involved to the sum of those ceiling rates, provided that none of the transmission providers will collect more than their ceiling rates. All rates are those on the Open Access Same-time Information System (OASIS).

WestConnect participants must file minor modifications to their tariffs and to the proposal before service can begin. Service under the plan is expected to begin later in the first quarter.

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