

127 FERC ¶ 61,167  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
and Philip D. Moeller.

Xcel Energy Services, Inc. -  
Southwestern Public Service Company

Docket No. OA08-35-002

ORDER ON COMPLIANCE FILING

(Issued May 21, 2009)

1. On October 15, 2008, Xcel Energy Services, Inc. (Xcel) submitted a compliance filing for two of its operating affiliates, Southwestern Public Service Company (SPS) and the Public Service Company of Colorado (PSCo), to comply with the Commission's directives in the SPS Planning Order<sup>1</sup> and the PSCo Planning Order,<sup>2</sup> which accepted, as modified, the transmission planning process compliance filings submitted by SPS and PSCo pursuant to Order No. 890.<sup>3</sup> In this order, the Commission accepts Xcel's compliance filing as it applies to SPS, subject to a further compliance filing, as discussed below. The Commission will address Xcel's compliance filing as it applies to PSCo in a separate order.

**I. Background**

2. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff (OATT) to clarify and expand the obligations of transmission

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<sup>1</sup> *Xcel Energy Services, Inc. – Southwestern Public Service Co.*, 124 FERC ¶ 61,029 (2008) (SPS Planning Order).

<sup>2</sup> *Xcel Energy Services, Inc. – Public Service Co. of Colorado*, 124 FERC ¶ 61,052 (2008) (PSCo Planning Order).

<sup>3</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

providers to ensure that transmission service is provided on a non-discriminatory basis. One of the Commission's primary reforms was designed to address the lack of specificity regarding how customers and other stakeholders should be treated in the transmission planning process. To remedy the potential for undue discrimination in planning activities, the Commission directed all transmission providers to develop a transmission planning process that satisfies nine principles (discussed below) and to clearly describe those processes in a new attachment to their OATT (Attachment K).<sup>4</sup>

3. The nine planning principles each transmission provider was directed by Order No. 890 to address in its Attachment K planning process are (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission explained that it adopted a principles-based reform to allow for flexibility in implementation of and to build on transmission planning efforts and processes already underway in many regions of the country. The Commission also explained, however, that although Order No. 890 allows for flexibility, each transmission provider has a clear obligation to address each of the nine principles in its transmission planning process, and that all of these principles must be fully addressed in the tariff language filed with the Commission. The Commission emphasized that tariff rules, as supplemented with web-posted business practices when appropriate,<sup>5</sup> must be specific and clear to facilitate compliance by transmission providers and place customers on notice of their rights and obligations.

4. On December 7, 2007, Xcel submitted in a single compliance filing the transmission planning processes for both SPS and PSCo, as required by Order No. 890, but filed them as a separate Attachment R for each company under the SPS/PSCo Joint OATT (Attachment R – SPS and Attachment R – PSCo, respectively). Because there are differences between the transmission planning processes Xcel proposed for SPS and PSCo, the Commission issued two orders on Xcel's compliance filing which separately addressed the transmission planning processes of SPS and PSCo.

5. In the SPS Planning Order, the Commission accepted the SPS transmission planning process and required a further compliance filing to address a number of issues. The Commission found that Attachment R – SPS adequately addressed the openness,

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<sup>4</sup> Xcel labeled its Attachment K transmission planning process for SPS as "Attachment R – SPS." This was permitted by the Commission in Order No. 890. *See* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at n.246.

<sup>5</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649-55.

dispute resolution,<sup>6</sup> and regional participation principles adopted in Order No. 890.<sup>7</sup> However, the Commission found that further compliance was necessary to address the principles of coordination, transparency, information exchange, cost allocation, comparability, and economic planning studies, as well as the recovery of planning costs.

6. As a result, the Commission, in the SPS Planning Order, directed Xcel to (1) provide additional details of its coordination processes; (2) ensure that participants in the planning process have an opportunity to review and provide input on all of the assumptions to be utilized by Xcel in developing the transmission plan; (3) demonstrate how Attachment R – SPS fulfills the requirement to develop guidelines and a schedule for information; (4) remove language from the tariff describing Xcel’s load interconnection cost allocation policy and the related link, or justify retention of a cost allocation policy for “new load serving interconnections;” (5) address the necessary comparability demonstration required by Order No. 890-A; (6) explain whether and how the Southwest Power Pool, Inc. (SPP) planning process will consider an SPS-specific request for an economic planning study, and whether other customers and stakeholders may request economic planning studies, along with SPS’ responsibility to conduct such studies; and (7) detail its plan to recover planning costs for SPS.

7. On August 26, 2008, Xcel filed a motion for extension of time until October 17, 2008, to submit its compliance filing as required by the SPS Planning Order. On September 8, 2008, the Commission granted that motion, and on October 15, 2008, Xcel filed its revised Attachment R – SPS and Attachment R – PSCo in a single compliance filing.

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<sup>6</sup> With respect to the dispute resolution principle, while the Commission concluded that Xcel complied with this principle, the SPS Planning Order noted that Xcel’s dispute resolution procedure omits the second step, mediation, of a three step dispute resolution process consisting of negotiation, mediation, and arbitration. While the Commission did not direct Xcel to include mediation, we encouraged it to consider including a mediation step in its dispute resolution process. The SPS Planning Order at footnote no. 10 provided that if Xcel desires to include the mediation step in its dispute resolution process, it may do so in its subsequent compliance filing. In this compliance filing, Xcel has added the mediation step to section 12 of the Joint OATT and has revised section II.6 of Attachment R – SPS to state that disputes arising under Attachment R – SPS shall be subject to the dispute resolution procedures in section 12 of the Joint OATT. Consistent with the SPS Planning Order, we accept these revisions.

<sup>7</sup> SPS Planning Order, 124 FERC ¶ 61,029 at P 16.

## II. Xcel's Compliance Filing

8. On October 15, 2008, Xcel submitted a single filing containing a revised Attachment R – SPS and a revised Attachment R – PSCo, in compliance with the SPS Planning Order and the PSCo Planning Order, respectively. In this order, we address revised Attachment R – SPS. We will address revised Attachment R – PSCo in a separate order.<sup>8</sup>

9. In its revised Attachment R – SPS filing, Xcel explains that SPS is a transmission-owning member of SPP in the Eastern Interconnection and that most wholesale transmission service access to the SPS transmission system is subject to the SPP OATT. Xcel states that SPP is a Regional Transmission Organization (RTO) and performs coordinated and transparent regional planning in the SPP footprint through the annual SPP Transmission Expansion Plan (STEP) process.<sup>9</sup> Xcel adds, however, that SPS retains planning responsibility for lower voltage (below 69 kV) radial and load serving transmission facilities. As such, Xcel, on behalf of SPS, submits revisions to Attachment R – SPS to the Joint OATT to describe the local planning process on the SPS system and coordination of the SPS process with SPP's STEP regional process.

## III. Notice of Filing and Responsive Pleadings

10. Notice of Xcel's filing was published in the *Federal Register*, 73 Fed. Reg. 63,467 (2008), with interventions and protests due on or before November 5, 2008. Golden

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<sup>8</sup> In its October 15, 2008 filing, Xcel included additional revisions to Attachment R – PSCo under section 205 of the Federal Power Act. 16 U.S.C. §824d (2006). In a letter order issued on December 12, 2008, the Commission rejected these additional revisions to Attachment R – PSCo, as submitted by Xcel, as being beyond the scope of Xcel's compliance obligations as ordered by the Commission in the PSCo Planning Order. *Xcel Energy Services Inc.*, 125 FERC ¶ 61,284 (2008) (Rejection Order). On January 12, 2009, Xcel filed a request for rehearing of the Rejection Order. PSCo's transmission planning process and the request for rehearing of the Rejection Order (which relates solely to changes in Attachment R – PSCo) will be addressed in a separate order.

<sup>9</sup> The regional STEP process develops a 10-year plan for transmission expansion needed for reliability or economic purposes. The Commission accepted SPP's Order No. 890 transmission planning compliance filing on July 11, 2009, subject to a further compliance filing. *See Southwest Power Pool, Inc.*, 124 FERC ¶ 61,028 (2008) (SPP Planning Order). On February 6, 2009, SPP submitted its filing in compliance with the SPP Planning Order, in Docket No. OA08-61-001. The Commission is issuing an order addressing that filing, concurrent with the issuance of this order.

Spread Electric Cooperative, Inc. (Golden Spread) filed a timely motion to intervene and protest. On November 20, 2008, Xcel filed an answer to Golden Spread's protest.

#### **IV. Discussion**

##### **A. Procedural Matters**

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the timely, unopposed motion to intervene serves to make the entity that filed it a party to this proceeding.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2008), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept Xcel's answer because it has provided information that assisted us in our decision-making process.

##### **B. Substantive Matters**

13. We find that Xcel's Attachment R - SPS transmission planning process, as revised and with certain modifications, complies with the SPS Planning Order and the nine planning principles and other planning requirements adopted in Order No. 890. Specifically, Xcel has improved its transmission planning process by adding details describing the planning activities such as the transmission provider's role in meetings and the procedures for noticing meetings; including references to pertinent processes contained in SPP's Attachment O; incorporating guidelines and a schedule for the submittal of information; justifying inclusion of a provision for load interconnection cost allocation; clarifying that SPP will perform all economic planning studies raised by SPS and its stakeholders; and providing a recovery mechanism for planning costs. Accordingly, we accept Xcel's Attachment R – SPS, to be effective October 15, 2008, subject to a further compliance filing as discussed below. Xcel is directed to file a compliance filing within 60 days of the date of issuance of this order.

14. Although the Commission accepts Xcel's compliance filing below, subject to a further compliance filing to address certain discrete issues, the Commission remains interested in the development of transmission planning processes and will continue to examine the adequacy of the processes accepted to date. We reiterate the encouragement made in prior orders for further refinements and improvements to the planning process as transmission providers, their customers, and other stakeholders gain more experience through actual implementation of the processes. As part of the Commission's ongoing evaluation of the implementation of each transmission provider's planning process, the Commission intends to convene regional technical conferences later this year to determine if further refinements to these processes are necessary. The focus of the 2009 regional technical conferences will be to determine the progress and benefits realized by each transmission provider's transmission planning process, obtain customer and other

stakeholder input, and discuss any areas that may need improvement. The conferences will examine whether existing transmission planning processes adequately consider needs and solutions on a regional or interconnection-wide basis to ensure adequate and reliable supplies at just and reasonable rates. The Commission will also explore whether existing processes are sufficient to meet emerging challenges to the transmission system, such as the development of interregional transmission facilities, the integration of large amounts of location-constrained generation, and the interconnection of distributed energy resources.

15. Finally, because certain aspects of Xcel's compliance with the SPS Planning Order depend on revisions to the SPP transmission planning process made in SPP's February 6, 2009 compliance filing in Docket No. OA08-61-001, we accept Xcel's Attachment R – SPS, subject to compliance, pending the outcome of Docket No. OA08-61-001.

**1. Coordination**

**a. SPS Planning Order**

16. In the SPS Planning Order, the Commission found that Attachment R – SPS did not clearly identify the details of how the SPS planning process will be coordinated with interested parties. The Commission anticipated that transmission providers would include more detail describing planning activities such as: (1) whether any committees or specific meeting structures will be used to conduct planning activities; (2) what role groups or committees would play in planning, including how they will be formed, their responsibilities, and how decisions will be made; (3) the role the transmission provider will play in coordinating the activities of the meetings or committees; (4) existing processes and any changes thereto that will satisfy the requirements of Order No. 890; and (5) the procedures for noticing meetings or other planning-related communications. Furthermore, Xcel acknowledged that there were still open issues related to the SPS planning process. Therefore, the Commission directed Xcel to revise Attachment R – SPS to provide additional details of its coordination processes to address these requirements.<sup>10</sup>

17. The Commission further noted that it is unclear how the specific plans and projects submitted by SPP transmission owners that choose to have separate local planning processes, such as SPS, will be evaluated as part of the SPP planning process for potential inclusion in the STEP, and to what extent local plans developed by these transmission owners will be subject to further review and approval by stakeholders and SPP. Accordingly, the Commission determined that it was necessary for Xcel and SPP to ensure that their respective planning processes are consistent with regard to how projects

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<sup>10</sup> SPS Planning Order, 124 FERC ¶ 61,029 at P 23.

submitted by a transmission owner with a separate local planning process will be evaluated as part of the SPP planning process.<sup>11</sup>

**b. Compliance Filing**

18. Xcel states that the SPS local planning process must be viewed in conjunction with the overall SPP regional transmission planning process. Specifically, Xcel relies on SPP and its STEP planning processes to provide the vehicles for openness and communication regarding the planning of 115 kV and above transmission facilities. The focus of SPS' local planning activities is on the lower voltage 69 kV system. Xcel has revised Attachment R – SPS to provide additional details regarding how the SPS planning process for these lower-voltage facilities will be coordinated with other parties and, in particular, load serving entities connected to those facilities. Specifically, Attachment R-SPS identifies the particular planning activities that will occur in each quarter of the planning cycle. SPS is required to hold at least one open planning meeting each year where stakeholders can participate in local planning discussions.<sup>12</sup> SPS may hold additional meetings at the request of SPP or stakeholders if SPS agrees, at its own discretion, that a topic cannot be addressed through SPP-sponsored sub-regional planning meetings or through direct input to the STEP process. SPS will schedule meetings to permit the incorporation of stakeholders into both the SPS local process and the SPP regional STEP process. Xcel has revised Attachment R – SPS to set forth the procedures for scheduling and providing notices of such meetings, describe SPS' role in coordinating these meetings, and add detail regarding the interplay between the timing of the SPS local process and the SPP sub-regional and regional process.

19. SPS will provide a minimum 15 days' notice of its annual local planning meeting, and it will issue such notice within 30 days after SPP notifies SPS of the schedule for the SPP STEP annual process. SPS will coordinate the local planning meetings, preside over the meetings, and keep minutes of the meetings, which it will post on its Open Access Same-Time Information System (OASIS).<sup>13</sup> Stakeholders may suggest topics for the meeting agenda by notifying SPS at least 30 days prior to the meeting date, but SPS is not obligated to include a proposed agenda topic. SPS will forward information developed in the meetings to SPP for consideration in the STEP. Attachment R – SPS also provides

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<sup>11</sup> *Id.* P 24.

<sup>12</sup> Attachment R-SPS defines stakeholders to include interested parties, including but not limited to transmission customers, sponsors of transmission, generation and demand resources, interconnected transmission providers, and regulatory bodies.

<sup>13</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, First Revised Sheet No. 491.

that SPS will maintain a Points of Contact List and a Hyperlinks List on the SPS portion of the SPP OASIS to aid in coordination.<sup>14</sup> While no standing committees shall be constituted for purposes of SPS' local transmission planning process, Attachment R – SPS provides that SPS may, at its discretion, create and dissolve ad hoc committees to address specific issues.

20. Regarding the evaluation of plans and projects submitted by SPP transmission owners that have separate local planning processes, Xcel states that SPS, along with the other SPP transmission owners at the time of this filing, was participating in a stakeholder process being conducted by SPP to address issues including coordination between transmission owners' local planning processes and the regional SPP STEP process. Xcel states that the results of that process will be included in the separate filing SPP plans to make in compliance with the Commission's SPP Planning Order addressing SPP's transmission planning process. Xcel does not anticipate that the SPP compliance filing will necessitate further revisions to Attachment R – SPS, but states that it will review the SPP compliance filing and submit further revisions to Attachment R – SPS if needed.

**c. Golden Spread Protest**

21. Golden Spread maintains that Xcel's failure to form any standing committees is inadequate. First, Golden Spread asserts it is insufficient for Xcel to obtain input from its customers and other stakeholders at only one meeting a year. Golden Spread states that creation of a standing committee is appropriate to meet demonstrated needs in the SPS zone and to allow wholesale customers and other stakeholders to participate in the local planning process on an ongoing basis. Golden Spread states that a standing committee is also needed to provide wholesale customers and others dependent on SPS' facilities with a forum to address ongoing issues concerning the quality of wholesale transmission service provided by SPS as well as poor transmission maintenance. In particular, Golden Spread asserts that it has received numerous complaints from its members regarding the quality of transmission service on the SPS system and claims that SPS is not performing necessary transmission maintenance. Thus, Golden Spread requests that the Commission require SPS to create a standing committee, with membership open to each wholesale customer and other entities that depend on service provided over SPP's facilities, to assure that issues are identified and included in the planning process.

22. Second, while Golden Spread does not object to the creation of ad hoc committees as necessary to deal with certain issues, it maintains that the right to create such committees cannot be left to SPS' "sole discretion," as proposed by Xcel. Rather,

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<sup>14</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, First Revised Sheet Nos. 490-493.



Golden Spread contends, any stakeholder must have the ability to request the creation of an ad hoc committee, and Xcel should evaluate such a request on a reasoned and non-discriminatory basis. Furthermore, Golden Spread asserts that a majority of the standing committee should have the authority to establish such subcommittees as are deemed necessary.

**d. Xcel's Answer**

23. Xcel argues that Golden Spread's concerns are misplaced since SPP is the transmission provider for the SPS system, and SPS intends to primarily satisfy the nine Order No. 890 planning principles through full participation in the SPP STEP process and its related sub-regional planning process. Xcel states that the local planning process described in Attachment R – SPS pertains specifically to the SPS lower voltage 69 kV system and serves as a complement to the SPP regional and sub-regional planning process. Xcel states that all SPS stakeholders are SPP stakeholders and are encouraged to participate in the SPP STEP process. Xcel contends that the limited nature of the SPS local planning process described in Attachment R – SPS renders an elaborate stakeholder-infused planning process unnecessary.

24. Xcel further contends that, because all stakeholders are welcome to participate in the annual SPS local planning meeting, there is no need for the creation of a standing committee because it would be duplicative of the SPS planning meeting schedule. Furthermore, Xcel disputes Golden Spread's assertions that a standing committee will ensure that issues are identified or included in the planning process, citing Order No. 890's statement that formal meeting procedures are not necessary.<sup>15</sup> Xcel maintains that stakeholders have sufficient opportunity to interact meaningfully through (1) attending the SPS planning meeting(s); (2) presenting concerns to contacts on the SPS Contacts List; and (3) participating in the SPP STEP process. Xcel asserts that Golden Spread should provide its transmission planning input through the SPP STEP, just as other SPS customers do, and should continue to express its concerns to Xcel, SPS and the Commission through direct communication, as it has done in the past.

25. Finally, Xcel states that while the concerns raised by Golden Spread as to the quality of transmission service and maintenance may warrant further discussion between SPS and Golden Spread, they are irrelevant to this compliance proceeding.

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<sup>15</sup> Xcel November 20, 2008 Answer at 5-6 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 452-453) (Xcel Answer).

e. **Commission Determination**

26. We find that Xcel's revised Attachment R – SPS complies with the requirements of the SPS Planning Order and the coordination principle of Order No. 890. Attachment R – SPS details the SPS local planning process, including how and when customers and interested stakeholders can review local planning issues and provide input into the local planning process. Specifically, Xcel identifies how SPS will discuss system issues and solicit input through the annual stakeholder meeting, notice of which will be posted on the SPS portion of the SPP OASIS. Attachment R – SPS also details more clearly the relationship between the planning activities conducted by SPS and SPP, including SPS' reliance on the SPP STEP process, as revised in Docket No. OA08-61-001. As noted above, however, our acceptance of Xcel's revised Attachment R – SPS is subject to the outcome of the Commission's review of the revisions to SPP's STEP process in Docket No. OA08-61-001.

27. With respect to Golden Spread's concerns, we find that, based on the interrelationship between the SPS and SPP planning processes and the resulting conveyance of information into the SPP STEP, it is appropriate for SPS to retain discretion with regard to the number of additional meetings it may hold with stakeholders during each planning cycle. The revised Attachment R – SPS provides that SPS shall not be obligated to conduct additional meetings if such topics will be adequately addressed through SPP-sponsored sub-regional planning meetings or through direct input into SPP's STEP process. However, it appears that the only opportunity for stakeholders to provide input regarding local planning activities that are outside the scope of the SPP STEP process is the one stakeholder meeting held by SPS each planning cycle, which may occur long after certain planning-related decisions are made by SPS. In order to comply with the requirements of the coordination principle of Order No. 890, Xcel must revise Attachment R – SPS within 60 days of the issuance of this order to allow stakeholders to provide input regarding local planning activities at each stage of the local planning process. While this may not require formal meetings with stakeholders, SPS must state explicitly that stakeholders are able to submit comments regarding planning activities, such as the development of assumptions and models and the identification of system needs and potential solutions, at each stage of the process, such as for example through the submission of comments to the Points of Contact identified by SPS on its OASIS.

2. **Transparency**

a. **SPS Planning Order**

28. In the SPS Planning Order, the Commission agreed with Xcel that Attachment R – SPS, in conjunction with SPP's Attachment O filing, encompasses most of the necessary information to fully describe the SPS transmission planning process, finding that it would be duplicative to direct Xcel to include the SPP procedures in its filing. However, to ensure that the procedures are clear to all parties, the Commission directed Xcel to revise

Attachment R – SPS to add statements to affected sections of Attachment R -- SPS where SPP's processes are invoked to clarify that the procedures contained in SPP's Attachment O are incorporated by reference.<sup>16</sup>

29. The Commission further found that, while SPS' criteria, assumptions or other underlying data are provided in the associated study report for that plan or study when it is released, it was unclear whether SPS shares its assumptions early enough in the planning process to allow stakeholders to review and question those assumptions prior to the development of the transmission plan. Accordingly, the Commission directed Xcel to modify Attachment R – SPS to ensure that participants in the planning process have an opportunity to review and provide input on all of the assumptions to be utilized by SPS in its development of the local SPS transmission plan.<sup>17</sup>

**b. Compliance Filing**

30. Xcel has revised Attachment R – SPS to clarify, in several sections, that the procedures in SPP's Attachment O are incorporated by reference. In addition, Xcel states that it has incorporated by reference an "SPS Attachment R Hyperlinks List," which will be posted on the SPS portion of the SPP OASIS and updated as needed. Links (i.e., URLs) to the SPS OASIS also are provided where references to outside documents or processes are made. The revised Attachment R – SPS includes a link to the SPS node of the SPP OASIS where stakeholders can access a document entitled SPS Planning Criteria and Study Methodology which describes SPS' existing criteria, assumptions, and methodology to be applied in the development of the power flow data and conducting studies. In addition, Attachment R – SPS provides that stakeholders may request the actual models used by SPS for local planning, adding that requesting parties must demonstrate to SPS that the stakeholder complies with SPP's policies and procedures for obtaining such models and data.

31. Attachment R – SPS, as revised, provides that, as part of the local planning meetings or through direct communication with stakeholders, SPS will request and consider comments on the assumptions it uses in the planning processes. In addition, SPS will provide a draft of its local planning report and related planning study documentation to requesting stakeholders for review and discussion prior to the release of the planning report on the SPS portion of the SPP OASIS. The stakeholder will have

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<sup>16</sup> SPS Planning Order, 124 FERC ¶ 61,029 at P 34.

<sup>17</sup> *Id.* P 35.

15 business days to provide comments on the draft report before the report is posted in its final form.<sup>18</sup>

**c. Commission Determination**

32. We find that Xcel's revised Attachment R – SPS partially complies with the requirements of the SPS Planning Order and the transparency principle of Order No. 890. Specifically, Xcel has complied by including in Attachment R – SPS statements clarifying that the procedures contained in SPP's Attachment O are incorporated by reference. Xcel has also provided a link to access and download a document that provides planning criteria, assumptions, and methodology. Attachment R – SPS also provides that SPS will request and consider comments on the assumptions used in the planning processes as part of a local planning meeting or through direct communication with stakeholders. In addition, Attachment R – SPS provides that a party may request the actual models used in a specific study after obtaining a non-disclosure agreement in compliance with Order No. 890-A's provision that required assumptions include disclosure of transmission base case and change case data used by the transmission provider.

33. We find, however, that Xcel has not complied with the requirement in the SPS Planning Order that it provide criteria, assumptions and underlying data early enough in the planning process to allow stakeholders to review and question those assumptions prior to SPS' use of such assumptions in the development of a local transmission plan.<sup>19</sup> It is unclear from Attachment R – SPS when stakeholders can access this information and when Xcel expects inputs or questions regarding the assumptions. Under Attachment R – SPS, a stakeholder can review the criteria, assumptions and underlying data that SPS uses to create a local plan only after SPS has already completed a draft of the local plan. We find that Attachment R – SPS does not allow for stakeholder input to those criteria, assumptions and underlying data before they are utilized by SPS in developing its transmission plan. Similarly, with regard to the actual base case, the revised Attachment

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<sup>18</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet No. 494.

<sup>19</sup> As the Commission noted in the SPS Planning Order, to the extent any of the assumptions necessary to understand the transmission plan are based on confidential information, such as information related to specific customer service requests, SPS must provide a means of protecting the confidentiality of that information (i.e., masking the data or only making it available subject to a confidentiality agreement). *See* SPS Planning Order, 124 FERC ¶ 61,029 at P 35, n.17.

R – SPS does not indicate when the models used in a specific study will be updated and available to a requesting party for purposes of the annual review.<sup>20</sup>

34. Accordingly, we direct Xcel to revise Attachment R – SPS, within 60 days of issuance of this order, to allow stakeholders the opportunity to review and provide input on the local planning models, criteria, assumptions and underlying data before SPS uses such data to develop the local transmission plan.

35. In addition, we note that, throughout Attachment R – SPS, Xcel makes frequent references to a link to the “SPS Attachment R Hyperlinks List,” which Xcel states will be posted on the SPS portion of the SPP OASIS and updated as needed. We find that, while much of the information cited can be found on the SPS node, an actual umbrella heading entitled “SPS Attachment R Hyperlinks List” does not exist. We find that such a list would be beneficial for ease in finding the appropriate documents that are referenced throughout Attachment R – SPS. Therefore, we direct Xcel to update the SPS page of the SPP OASIS to provide that all documents for which a link is provided in Attachment R – SPS be included under an all-inclusive “SPS Attachment R Hyperlinks List” heading.

### **3. Information Exchange**

#### **a. SPS Planning Order**

36. In the SPS Planning Order, the Commission noted that, under the Joint OATT, SPS’ Network Integration Transmission Service (NITS) customers are required to provide annual updates to their network transmission service each year with a ten year forecast. SPS then provides summary data on SPS native load uses and Joint OATT NITS uses to SPP through the SPP Model Development activity. SPP OATT NITS and point-to-point customers with loads on the SPS system provide their input directly to SPP and SPS may obtain that information if needed for its studies and model building. Order No. 890 required transmission providers, in consultation with their customers and other stakeholders, to develop guidelines and a schedule for information exchange.<sup>21</sup> The Commission found that Xcel’s filing did not show how Attachment R – SPS satisfied the

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<sup>20</sup> Attachment R – SPS states that the procedure for obtaining models is available by accessing the SPP Non-Disclosure Agreement Information and Model Access Information link shown in the SPS Attachment R Hyperlinks List on the SPS portion of the SPP OASIS.

<sup>21</sup> See Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 486.

information requirements of Order No. 890 and directed Xcel to address the necessary demonstration in a compliance filing.<sup>22</sup>

**b. Compliance Filing**

37. Xcel has revised Attachment R –SPS to incorporate guidelines and a schedule for the submittal of information. Xcel states that the schedule for submission of information is designed to allow the SPS local process to be an input to the SPP regional STEP process. Attachment R – SPS provides that all NITS and point-to-point customers with loads on the SPS transmission system must provide any updates to planning model data, including a ten year load forecast, certain seasonal load forecasts, and any other required data by SPP, by October 1 of each year.<sup>23</sup> The data will be incorporated into the SPP model development process for use by SPS and SPP in their planning processes. SPS will notify customers of what specific data it needs within 10 calendar days of when SPP notifies SPS of the requirements. Further, revised Attachment R – SPS states that any additional information provided by stakeholders will be considered and evaluated as part of the SPS local planning process. To facilitate this information exchange, Xcel has developed a Points of Contact information sheet advising customers of the appropriate SPS or Xcel personnel to contact with specific transmission planning issues. Xcel references a link to the SPS portion of the SPP OASIS where the Points of Contact information will be posted.<sup>24</sup>

**c. Golden Spread Protest**

38. Golden Spread argues that, while it does not object to providing timely information that is relevant to the transmission planning process, SPS' proposal to require all customers to provide updates to planning model data as requested by SPS and SPP goes too far in giving SPS discretion to demand data upon a claim that it is related to a planning model. In the alternative, Golden Spread contends that transmission customers should only be required to provide such data as is required by the tariff, requested by SPP, or deemed necessary and appropriate by the standing committee.

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<sup>22</sup> See SPS Planning Order, 124 FERC ¶ 61,029 at P 39.

<sup>23</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet No 495.

<sup>24</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet Nos. 494-95.

**d. Xcel's Answer**

39. Xcel asserts that the information exchange principle included in Attachment R – SPS is consistent with Order No. 890, which requires transmission customers to provide to the transmission provider equivalent information as that collected from the transmission provider's native load in order to ensure effective planning. Xcel states that the collection of projected loads and resources is meant to ensure that SPS can accurately plan the transmission system for the benefit of all transmission customers. Xcel argues that, with respect to SPS' discretion to require data from transmission customers, Order No. 890 limits the exchange of information to the equivalent of that collected from native load. Xcel further argues that SPS has no intention of seeking information that is not relevant to the planning function.

**e. Commission Determination**

40. The Commission finds that Xcel has complied with the directives of the SPS Planning Order with respect to the information exchange principle. Specifically, Xcel has submitted guidelines and a schedule for submitting information. The information exchange requirements of Attachment R – SPS apply only to information related to SPS and SPP planning activities, and SPS has committed not to seek information that is not relevant to the planning function. If Golden Spread or any other customer feels that the data requested by SPS is either inappropriate or unnecessary, it may utilize the dispute resolution provisions of Attachment R – SPS to raise those concerns or file a complaint with the Commission. We therefore find that the revised tariff language does not give SPS excessive discretion with respect to the exchange of information with its customers.

**4. Comparability**

**a. SPS Planning Order**

41. In the SPS Planning Order, the Commission found that the SPS transmission planning process is consistent with the Order No. 890 comparability principle. In particular, the Commission found that Xcel had submitted language providing that demand response resources will be treated comparably. However, the Commission found that, because Order No. 890-A was issued on December 28, 2007, subsequent to the submission of Xcel's Order No. 890 transmission planning compliance filing, Xcel did not have an opportunity to demonstrate that it complies with the comparability requirement of Order No. 890-A.<sup>25</sup> In Order No. 890-A, the Commission provided additional guidance, among other things, as to how the transmission provider can achieve compliance with the comparability principle. Specifically, the Commission stated that

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<sup>25</sup> SPS Planning Order, 124 FERC ¶ 61,029 at P 46.

the transmission provider needed to identify as part of its Attachment K planning process “how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning.”<sup>26</sup> Therefore, the Commission directed Xcel to make a compliance filing addressing the comparability requirements clarified in Order No. 890-A.<sup>27</sup>

**b. Compliance Filing**

42. Xcel states that it has revised Attachment R – SPS to describe how demand response resources will be treated comparably to other resources for purposes of transmission planning. In particular, Attachment R – SPS states that SPP planning procedures recognize that SPP and its members need to address transmission system requirements to meet state renewable portfolio standards, state resource adequacy and demand response requirements, and other similar regulatory programs that could include treatment of customer demand response resources. To that end, all stakeholders, including sponsors of transmission, generation and demand resources, can participate in local planning discussions through planning meetings held by SPS, and SPS commits to consider and evaluate any information provided by stakeholders in its local planning process.<sup>28</sup> Once SPS has identified system needs in its local planning process, Attachment R – SPS, as revised, provides that SPS will consider verified demand response, if available, when evaluating transmission project alternatives to respond to those needs.<sup>29</sup>

**c. Commission Determination**

43. We find that Attachment R – SPS, as revised, partially complies with the Commission’s directives in the SPS Planning Order with respect to the comparability principle. As revised above to allow for input at each stage of the local planning process, Attachment R – SPS identifies where and when in the planning process stakeholders, including sponsors of transmission, generation and demand resources, have an opportunity to provide input regarding the development of assumptions used by SPS in

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<sup>26</sup> *Id.* (citing Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216).

<sup>27</sup> *Id.*

<sup>28</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, First Revised Sheet Nos. 490, 495.

<sup>29</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet No. 495.



transmission planning activities.<sup>30</sup> However, Attachment R – SPS does not affirmatively state that, once local needs on the SPS system are identified, sponsors of transmission, generation and demand resources can propose alternative solutions to those identified needs. In addition, Xcel does not identify how competing solutions will be evaluated by SPS when determining what facilities are necessary to ensure the adequacy and reliability of the SPS system. We therefore require Xcel to submit a further compliance filing, within 60 days of this order, revising Attachment R – SPS to state that sponsors of transmission, generation and demand resources can propose alternative solutions to any needs identified by SPS in its transmission planning process, and to identify how SPS will evaluate competing alternative solutions when determining what facilities are necessary to ensure the adequacy and reliability of the SPS system.<sup>31</sup>

## 5. Economic Planning Studies

### a. SPS Planning Order

44. In the SPS Planning Order, the Commission found that Attachment R – SPS does not comply with the economic planning studies principle of Order No. 890. While Xcel indicated that it will primarily utilize SPP’s economic planning process to comply with the economic planning study requirements of Order No. 890, the Commission found it unclear whether and how the SPP process will consider an SPS-specific request for an economic planning study. Moreover, the fact that SPS may have conducted specific special studies upon request by certain NITS customers did not address whether other customers and stakeholders had similar opportunities to request economic planning

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<sup>30</sup> Attachment R – SPS states that stakeholders, including sponsors of transmission, generation, and demand resources, may provide input and participate in all stages of development of the SPS local transmission plan. *See* Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, First Revised Sheet No. 490. This input and participation also applies to requirements of the transparency principle of Order No. 890, as discuss above (i.e., Xcel must provide any criteria, assumptions and underlying data early enough in the planning process to allow stakeholders to review and question those assumptions before SPS utilizes them to develop the local transmission plan).

<sup>31</sup> Tariff language could state, for example, that solutions will be evaluated against each other based on a comparison of their relative economics and effectiveness of performance. Although the particular standard a transmission provider uses to perform this evaluation can vary, it should be clear from the tariff language how one type of investment would be considered against another and how the transmission provider would choose one resource over another or a competing proposal.

studies and SPS' responsibility to conduct such studies. Accordingly, the Commission directed Xcel to address these concerns in a compliance filing.<sup>32</sup>

**b. Compliance Filing**

45. On compliance, Xcel has revised Attachment R – SPS to incorporate the appropriate provisions of Attachment O to the SPP OATT by reference and to provide that all economic planning studies will be performed by SPP under the SPP OATT. If a stakeholder submits a request for an economic planning study to SPS, SPS shall forward the request to SPP for inclusion by SPP in its economic planning studies. SPS will not conduct economic planning studies unless directed to do so by SPP in accordance with SPP's Attachment O.<sup>33</sup>

**c. Commission Determination**

46. The Commission finds that the revised Attachment R – SPS complies with the requirements of the SPS Planning Order regarding the economic planning studies principle. Attachment R – SPS provides that SPP will perform the economic planning studies requested by SPS and/or its stakeholders, following the process outlined in the SPP OATT. The Commission has accepted SPP's economic planning process, subject to further compliance,<sup>34</sup> and we therefore find it is sufficient for SPS to rely on that process to satisfy the economic planning requirements of Order No. 890.

**6. Cost Allocation**

**a. SPS Planning Order**

47. In the SPS Planning Order, the Commission found that Xcel partially complied with the cost allocation principle of Order No. 890. The Commission found that, despite the fact that Xcel's Joint OATT already contained provisions governing cost allocation for upgrades to interconnect new load, Xcel proposed a cost allocation policy for new load serving interconnection. Therefore, the Commission directed Xcel to either remove the proposed new load interconnection cost allocation policy or justify retention of a cost allocation policy for "new load serving interconnections" notwithstanding the existence of related tariff provisions in its Joint OATT.<sup>35</sup>

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<sup>32</sup> SPS Planning Order, 124 FERC ¶ 61,029 at P 50.

<sup>33</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet No. 497.

<sup>34</sup> See SPP Planning Order, 124 FERC ¶ 61,028 at P 55.

<sup>35</sup> See SPS Planning Order, 124 FERC ¶ 61,029 at P 43.

**b. Compliance Filing**

48. In its compliance filing, rather than removing references to the load interconnection cost allocation policy, Xcel modified Attachment R – SPS to list two categories of facilities for cost allocation purposes. First, SPP’s Transmission Expansion Cost Allocation Plan process contained in Attachment J of the SPP OATT will govern the cost of new transmission reliability projects, generation interconnection upgrades, and requested transmission service upgrades. Second, the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections will be governed by the provisions of section 13.5 (Transmission Customer Obligations for Facility Additions and Redispatch Costs), section 27 (Compensation for New Facilities and Redispatch Costs) and section 31.2 (New Network Loads Connected with the Transmission Provider) of Xcel’s Joint OATT, as well as the transmission customers’ individual service agreements, if applicable. Attachment R – SPS further provides that more information regarding the direct assignment provision of the Xcel Energy Transmission Load Interconnection Cost Allocation Policy is available at the link shown in the SPS Attachment R Hyperlinks List “on the SPS page of the SPS [sic] OASIS.”<sup>36</sup>

49. Xcel explains that the load interconnection cost allocation was developed in order to provide the transmission customer with a clear understanding of Xcel’s process for constructing new or upgraded load serving interconnections and how facility upgrades related to a load interconnection would be funded. Under this cost allocation mechanism, the interconnecting customer is responsible for all direct interconnection costs related to the new or expanded interconnection. Xcel asserts that the load interconnection cost allocation policy is consistent with the policy set forth in the Order No. 2003 Large Generation Interconnection Procedure<sup>37</sup> and the Order No. 2006 Small Generation Interconnection Procedure.<sup>38</sup> However, Xcel states, to avoid any potential for a

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<sup>36</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet No. 498. We note that Xcel has inadvertently referenced the SPS OASIS rather than the SPP OASIS and direct Xcel to make the correction in the compliance filing being ordered.

<sup>37</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh’g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh’g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh’g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff’d sub nom. Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

discrepancy, revised Attachment R – SPS expressly provides that, in the event of inconsistency between Attachment R – SPS and the Xcel Energy Load Interconnection Cost Allocation Policy, Attachment R – SPS would control.<sup>39</sup>

**c. Commission Determination**

50. The Commission finds that Xcel’s revisions regarding cost allocation in Attachment R – SPS comply, in part, with the requirements of the SPS Planning Order and Order No. 890. However, Attachment R – SPS’ statement that the provisions of Attachment R – SPS would control in the event of inconsistency between Attachment R – SPS and the Xcel Energy Load Interconnection Cost Allocation Policy, is insufficient. We direct Xcel to revise that statement to clarify that, rather than Attachment R – SPS, the Joint OATT would control in the event of any inconsistency among these documents.

**7. Recovery of Planning Costs**

**a. SPS Planning Order**

51. In the SPS Planning Order, the Commission found that Xcel had not addressed how SPS will recover its planning costs and directed Xcel to file a further compliance filing detailing its plan to recover planning costs for SPS.<sup>40</sup>

**b. Compliance Filing**

52. Xcel has revised Attachment R – SPS to include a description of the cost recovery mechanisms for SPS’ local planning costs. Revised Attachment R – SPS indicates that SPS shall recover its costs through existing rate structures, such as through the overall SPS transmission cost of service recovered under the Attachment O – SPS formula transmission rates in the Joint OATT, under the formula transmission rates for the SPS rate zone set forth in the SPP OATT, or from SPS retail native load customers through retail rate cases. Attachment R – SPS provides that SPS will record costs associated with the planning process in its Account No. 561. Furthermore, Attachment R – SPS provides

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<sup>38</sup> *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, *order on reh’g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006).

<sup>39</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet Nos. 497-98.

<sup>40</sup> SPS Planning Order, 124 FERC ¶ 61,029 at P 52.

that the costs for any economic planning studies performed by SPS at the direction of SPP will be recovered through SPP's Attachment O, while individual customers would pay the actual costs of specific studies that they request.<sup>41</sup>

**c. Commission Determination**

53. We find that the revised Attachment R – SPS complies with the directives in the SPS Planning Order related to recovery of planning costs. Attachment R – SPS, as revised, provides that all costs incurred by SPS related to its transmission planning process will be recovered through SPS' existing rate structures.

The Commission orders:

(A) Xcel's Attachment R – SPS is hereby accepted, as modified, effective October 15, 2008, subject to the outcome of Docket No. OA08-61-001 and subject to a further compliance filing, as discussed in the body of this order.

(B) Xcel is hereby directed to submit a compliance filing, within 60 days of the date of this order, as discussed in the body of this order.

(C) Xcel's OATT revisions to its dispute resolution procedures are hereby accepted, effective October 15, 2008.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary

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<sup>41</sup> Xcel Energy Operating Companies, FERC Electric Tariff, First Revised Vol. No. 1, Original Sheet No. 498.