

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Alcoa Power Generating Inc.
(Long Sault Division)

Docket No. OA06-5-000

ORDER GRANTING REQUEST FOR WAIVERS FROM ORDER NO. 889

(Issued September 21, 2006)

1. On May 25, 2006, Alcoa Power Generating Inc. (APGI) filed on behalf of its Long Sault Division (Long Sault) a request for waiver of the Commission's Open Access Same-Time Information System (OASIS) requirements under Order No. 889.¹ As discussed below, we grant the request for waiver.

Background

2. APGI is a wholly-owned subsidiary of Alcoa Inc. (Alcoa), which owns and/or operates 10 aluminum smelters and associated fabricating facilities. APGI provides Alcoa, either from APGI's own resources or from purchases, with all of the power needed for Alcoa's smelters. APGI also owns limited transmission facilities that connect its generation assets to Alcoa's smelters, as well as interconnect with nearby public utilities. According to APGI, it utilizes its generation and transmission assets primarily to meet Alcoa's industrial energy requirements. APGI notes that it makes only limited power sales into wholesale power markets, and only incidentally provides transmission service.

3. As one of APGI's five divisions, Long Sault owns five 115 kV transmission lines in northern New York that connect the Alcoa Massena Operations with its electric energy

¹ *Open Access Same-Time Information System (Formerly Real-Time Information Network) and Standards of Conduct*, Order No. 889, FERC Stats. & Regs. ¶ 31,035 (1996), *order on reh'g*, Order No. 889-A, FERC Stats. & Regs. ¶ 31,049 (1997), *reh'g denied*, Order No. 889-B, 81 FERC ¶ 61,253 (1997).

suppliers; each line is approximately 7 miles in length. The three lines relevant here, referred to by APCI as its “Moses-to-Alcoa” (MAL) lines, connect the Alcoa Massena Operations with the New York Power Authority’s (NYPA) Moses substation at the St. Lawrence Project. These three MAL lines are not under the operational control of the New York Independent System Operator, Inc. Two of these three MAL lines have a tap that connect to the Town of Massena Electric Utility Board (Town of Massena). Long Sault provides transmission service for the Town of Massena under a long term transmission service contract that predates Order Nos. 888² and 889 and Long Sault’s Open Access Transmission Tariff (OATT).

Description of Filing

4. In the instant filing, APCI requests waiver with respect to Long Sault’s three MAL lines of the requirements in sections 37.5, 37.6 and 37.7 of the Commission’s regulations, 18 C.F.R. §§ 37.5-.7 (2006), including but not limited to waiver of sections 37.6(b), (c), (d), (e), (f), and (g), which require posting on OASIS of : (1) average and real-time Available Transmission Capacity (ATC) and Total Transmission Capability (TTC) and calculations for each posted path; (2) prices and a summary of the terms and conditions associated with all transmission products offered to transmission customers; (3) information on ancillary services offered under the *pro forma* tariff; (4) transmission service schedules; and (5) other communications related to transmission services.

5. APCI states that Long Sault has never received a request for transmission over the MAL lines under the Long Sault OATT. APCI speculates that the lack of requests is likely due to the configuration of the MAL lines, which are used to provide power for Alcoa’s Massena Operations directly from NYPA generation, and to provide transmission service to the Town of Massena. Under the current configuration, APCI argues, Long Sault’s MAL lines could not serve any users other than Alcoa and the Town of Massena.

² *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 (1996), *order on reh’g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 (1997), *order on reh’g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh’g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff’d in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff’d sub nom. New York v. FERC*, 535 U.S. 1 (2002).

Notice, Interventions and Protests

6. Notice of APGI's filing was published in the *Federal Register*,³ with interventions and protests due on or before June 26, 2006. No interventions or protests were filed.

Discussion

7. In a series of prior orders, the Commission has enunciated the standards for waiver of some or all of the requirements of Order No. 889.⁴ The Commission has determined that waiver of Order No. 889 would be appropriate for a public utility: (1) if the applicant owns, operates, or controls only limited and discrete transmission facilities (rather than an integrated transmission grid); or (2) if the applicant is a small public utility⁵ that owns, operates, or controls an integrated transmission grid, unless it is a member of a tight power pool, or other circumstances are present which indicate that a waiver would not be justified.⁶ Moreover, the Commission has held that a waiver of Order No. 889's OASIS requirement will remain until the Commission takes action in response to a complaint to the Commission that an entity evaluating its transmission needs could not get information necessary to complete its evaluation.

8. The Commission will grant the requested waiver. Based on the statements in APGI's filing, APGI has demonstrated that the three MAL lines are limited and discrete transmission facilities. The waiver is subject to the conditions discussed above and is made in reliance on the representations set forth in APGI's filing.

³ *Federal Register*, 71 Fed. Reg. 34,334 (2006).

⁴ *Black Creek Hydro, Inc.*, 77 FERC ¶ 61,232 at 61,941 (1996) (*Black Creek*); accord *Central Illinois Generation, Inc.*, 101 FERC ¶ 61,082 at 61,274 (2002); *Kansas Electric Power Cooperative, Inc.*, 100 FERC ¶ 61,099 at 61,398 (2002); *Umatilla Electric Cooperative Association*, 97 FERC ¶ 61,235 at 62,073 (2001).

⁵ To qualify as a small public utility, the applicant must meet the Small Business Administration definition of a small electric utility (i.e., disposes of no more than four million MWh annually).

⁶ *Black Creek*, 77 FERC at 61,941.

The Commission orders:

The Commission hereby grants APGI's request for waiver of the requirements in sections 37.5, 37.6 and 37.7 of the Commission's regulations, 18 C.F.R. §§ 37.5-.7 (2006), including but not limited to waiver of sections 37.6(b), (c), (d), (e), (f), and (g).

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.