



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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FERC Approves Experimental Transmission Pricing Plan for Western Grid

The Federal Energy Regulatory Commission (FERC) today approved plans by a group of Western transmission providers for a two-year experimental regional transmission pricing initiative intended to encourage more efficient use of the grid and reduce customer costs by expanding access to coordinated transmission service from multiple transmission providers at a single rate.

"This proposal reflects the kind of creativity that comes from transmission providers looking for a way to more efficiently use the transmission grid to serve the needs of customers," FERC Chairman Joseph T. Kelliher said. "It also illustrates the effectiveness the flexibility of our transmission policies so that we can accommodate the individual needs of different regions of the country."

The proposal came from eight members of the WestConnect transmission group, six of which are FERC-jurisdictional: Arizona Public Service Company, El Paso Electric Company, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico and Tucson Electric Power Company. Under the proposal, participating transmission owners would 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.

In compensation for services they provide under the proposal, each participating transmission company would 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).

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