

# New and Future Participants: Montana-Dakota Utilities Co.

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RTOs: The October Filings

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# Montana-Dakota Utilities Co.

## Order 2000 Compliance Filing

- Without making contract changes that require other parties concurrence, there are no options that would allow us to commit to join an existing ISO/RTO
- Alternative Filing
  - Described our activities toward joining an RTO
  - Described the operational and tariff design obstacles
  - Described future plans

# Montana-Dakota Efforts to Join an RTO

- Supported the formation of a MAPP ISO/RTO
- Investigated joining the Midwest ISO
- Investigating the formation of a new RTO called Crescent Moon

# MAPP ISO/RTO Activity

- MAPP membership's efforts to form an ISO in 1998 failed to gain 2/3rd majority with weighted vote.
- MAPP membership's efforts to resurrect the ISO and restructure it into an RTO failed to gain 2/3rd majority with non-weighted vote
- Montana-Dakota supported and voted for both proposals

# MISO Activity

- Supported and voted for the Memorandum of Understanding to facilitate a MAPP/MISO merger
- Met with MISO staff and transmission owners on several occasions to discuss issues

# The MISO Issue

- Rate zones for license plate rates during transition are defined as control areas. (MAPP RTO tariff did not establish zones as control areas, but rather zones were defined by MAPP member's transmission systems)
  - Montana-Dakota is not a NERC Control Area
    - Montana-Dakota performs many 'control area functions' but contracts with the Western Area Power Administration for AGC
  - Montana-Dakota would therefore be in the Western Areas Power Administration rate zone

# MISO Options

- Join when the Western Area Power Administration joins
  - The logical choice BUT
    - Western has severe cost shift issues under the MISO tariff causing them not to commit to MISO
- Form NERC certified control area
  - Would require changes to MISO Agreement as no new control areas could be formed after date MISO Agreement was filed with the FERC
    - Not acceptable to MISO transmission owners

# MISO Options continued

- Move into a MISO member's control area
  - A viable option, but not without economic impacts
  - Requires consent of the other control area
- Develop a proposal that would allow Montana-Dakota to be a rate zone and yet not economically impact the MISO transmission owners.
  - Feasibility is unknown

# Crescent Moon RTO

- Being pursued because of lack of resolution of the MISO issue
- Principal entities providing impetus for it are public power, cooperative, and federal Power Marketing entities
  - Montana-Dakota is involved because we are in the Western control area and have not resolved the MISO zone definition issue

## Crescent Moon continued

- Could encompass the states of North Dakota, South Dakota, Nebraska, parts of Montana, Minnesota, Kansas, and Missouri, as well as the Canadian provinces of Saskatchewan and Manitoba
- Intent is to develop a tariff and organizational structure that meets the unique needs of the region's transmission owners

# Crescent Moon continued

- Montana-Dakota is taking an active role in the Crescent Moon development
- Montana-Dakota did not commit to joining it at the time of the filing because CMRTO is still in the formative stages, with no documents drawn up yet.

# Montana-Dakota's Plans

- Committed to meet the intent of Order 2000
- Will make sure our retail customers are not harmed
- Simultaneous efforts to resolve the MISO issue and develop Crescent Moon
- We have not set a timetable as to when we will commit to an RTO
  - We are mostly at the mercy of other entities and their decisions and timetables