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November 16, 2000

VIA UPS NEXT DAY AIR

Mr. David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

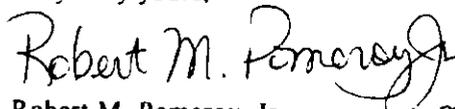
Re: Docket RT01-15-000

Dear Mr. Boergers:

Please find enclosed for filing in the above-referenced docket an original and fifteen (15) copies of the Motion to Intervene of Wyoming Industrial Energy Consumers.

Thank you for your assistance in seeing that this pleading becomes a part of the Commission's official record in this proceeding. In addition, would you be so kind as to file stamp and return the extra copy of the motion included herewith in the enclosed self-addressed, stamped envelope.

Very truly yours,



Robert M. Pomeroy, Jr.
of Holland & Hart LLP

FILED SECRETARY
OFFICE OF THE SECRETARY
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FEDERAL ENERGY
REGULATORY
COMMISSION

RMP/jg
Enclosures

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ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

OFFICE OF THE SECRETARY
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FEDERAL ENERGY
REGULATORY
COMMISSION

Avista Corporation,)
Bonneville Power Administration,)
Idaho Power Company,)
The Montana Power Company,) Docket No. RT01-35-000
Nevada Power Company,)
PacifiCorp,)
Portland General Electric Company,)
Puget Sound Energy, Inc.,)
Sierra Pacific Power Company)

)
Avista Corporation)
The Montana Power Company)
Nevada Power Company)
Portland General Electric Company) Docket No. RT01-15-000
Puget Sound Energy, Inc.)
Sierra Pacific Power Company)

**MOTION TO INTERVENE AND COMMENTS OF THE
WYOMING INDUSTRIAL ENERGY CONSUMERS**

Pursuant to Rules 211 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 and 214 (2000), the Wyoming Industrial Energy Consumers ("WIEC") hereby move to intervene and file comments in the two above-captioned proceedings, both of which concern formation of a Regional Transmission Organization ("RTO"), designated "RTO West," covering a portion of the Western United States, including a portion of Wyoming. Docket No. RT01-35-000 involves an application to create RTO West, and Docket No. RT01-15-000 seeks Commission approval of aspects of TransConnect LLC ("TransConnect"), an independent transmission company that will operate and participate as a transmission owner in RTO West. By this filing, WIEC moves to intervene as a party and submits comments in both dockets.

MOTION TO INTERVENE

WIEC is an unincorporated association representing large energy consumers with respect to their operations in Wyoming, and includes manufacturers and members of various industries such as oil and gas, coal and trona production or refining. The operations of WIEC members are currently served by transmission facilities located within the proposed RTO West and TransConnect territory.

WIEC also includes members that generate electricity to meet some of the current power needs of their respective Wyoming facilities, and such generating facilities are or can be interconnected to transmission facilities within the proposed area of operation of RTO West and TransConnect. Both now and after retail access and competition becomes available in Wyoming, WIEC members seek to assure a reliable and competitively priced electricity supply for their operations and nondiscriminatory transmission access for themselves and their suppliers.

As an association¹ representing large electricity consumers in Wyoming, a portion of which falls within the geographic scope of RTO West, WIEC will be directly affected by the outcome of these two dockets. Given WIEC's unique geographic location, composition and perspective within RTO West, no other party can adequately represent WIEC's interests, and its participation is in the public interest. Therefore, WIEC requests the right to participate in these two dockets as a party pursuant to Rule 214.

¹ The comments contained in this filing represent the position of WIEC as an organization, but not necessarily the view of any particular member with respect to any issue.

COMMUNICATIONS

All pleadings, correspondence and other communications regarding these two proceedings should be directed to the following person, who should be placed on the official service list for these two dockets:

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SUMMARY OF COMMENTS

WIEC supports formation of RTO West, and finds many aspects of the Stage 1 filing to be a significant improvement over both the transmission status quo in the Western Interconnection and other RTO filings. The RTO West filing provides a solid foundation on which to start to build for the future, which may include retail transmission access in states like Wyoming, and certainly requires transmission system reform that will encourage construction of new generation and transmission facilities in the Western Interconnection area.

Nevertheless, there are several significant improvements that must be made to the design and scope of RTO West before it can accomplish the objectives and realize the potential for true open, standardized and non-discriminatory transmission access that FERC seeks to achieve with properly designed RTOs. Areas in which WIEC seeks improvement over the initial RTO West Stage 1 filing include:

- Securing authority for RTO West over all FERC-jurisdictional services and facilities within the RTO West region.
- Development of a more comprehensive and integrated approach to seams and interregional coordination issues (in view of the California market's impact on and interrelationship with all of the Western Interconnection, including the Desert Star RTO and RTO West regions).
- Development of a better system for allocating Firm Transmission Rights ("FTRs") and associated revenues that (1) preserves for end-use consumers (and their future electricity suppliers) existing transmission rights presently benefiting and paid for by end-use consumers as part of the bundled service they must purchase from incumbent monopolies, and (2) allocates FTRs in a way that creates a meaningful liquid transmission rights auction and market.
- Deferral of any ruling on RTO West and TransConnect at this preliminary juncture except ordering formation of the RTO West and TransConnect independent Boards and requiring those Boards to then develop, revise and submit all subsequent RTO West and TransConnect filings and documents, including final versions of all draft agreements submitted with the Stage 1 filing and the tariff and rate filings now expected to be filed in Stage 2.

COMMENTS

OVERVIEW OF RTO WEST AND TRANSCONNECT FILINGS

While it may fairly be considered faint praise, WIEC generally regards RTO West not only as a significant improvement over the current status quo, but also as the best of the various RTO filings in many respects. To cite just a few examples, the proposed governance structure appears reasonably independent, RTO West has successfully included the indispensable public power entity in its region (Bonneville Power Administration), RTO West will have a large single control area, and FTRs will substitute for existing contract rights. RTO West is to be commended for having identified and addressed many of the critical issues necessary for a successful RTO.

Despite the strong start that its Stage 1 filing represents, however, RTO West remains only a work in progress. Many of the documents filed to date are mere drafts submitted only for informational purposes or only by a minority of the filing utilities. Accordingly, there is insufficient certainty and documentation at this stage to determine whether all of the requirements of Order 2000 will or even can be met by RTO West in its Stage 2 filing planned for Spring of 2001.

The TransConnect filing also is incomplete. It is unclear how RTO West and TransConnect will interact and whether TransConnect will perform functions that more properly fall within the desired ambit of RTO West. Given the uncertainties and embryonic state of both RTO West and TransConnect, the request for an order that TransConnect satisfies minimum independence requirements and that its functions are acceptable must be denied or deferred until the details are more clearly spelled out.

LIMITED SCOPE OF RTO WEST AUTHORITY

To succeed, RTO West should have full authority over all FERC-jurisdictional services and facilities within its territory. This is particularly critical in the area of generation interconnection, where the transmission owners must provide non-discriminatory and standardized interconnection policies for all generation resources regardless of ownership. Also, RTO West should have authority over interconnection and transmission that allows self-generating consumers and others to serve multiple sites from a single generation resource or otherwise to move power from one site to another.

An additional jurisdictional gap may exist with respect to particular transmission facilities since the facilities within RTO West's control are not enumerated in the filing. The Stage 1 filing raises doubts, for example, about inclusion of all distribution facilities that meets the definition of grid transmission facilities and of all properly includable facilities of Puget Sound (which seeks to exclude or reclassify certain facilities). These doubts and uncertainties require the Commission to carefully scrutinize and clarify, presumably in or after the Stage 2 filing, the precise facilities to be placed under RTO West's control to ensure that as fully-functional and wide-ranging a system as possible is made subject to RTO West's tariffs and policies.

In short, transmission owner-participants must not be allowed to withhold or reclassify their facilities as distribution so as to preclude generation interconnection via RTO West. If RTO West is not afforded sufficient authority to schedule service over all FERC-jurisdictional facilities regardless of classification by its owner, critical generation resources may not be assured of needed interconnection service.

REGIONAL COORDINATION AND SEAMS ISSUES

Across the country, the proposed RTOs continue to be needlessly parochial and undersized in terms of geographic scope, and in general they are poorly integrated within and among their respective regions. Recent months have made clear the importance and impact of the California market throughout the entire Western Interconnection area, which also includes the proposed territories of both Desert Star and RTO West. Accordingly, regional integration and seams issues have taken on special and increasing importance in the West.

The regional coordination and seams issues will be especially acute in Wyoming, which would, if the Commission and the participating utilities do not alter the direction of the current proposals, be split between Desert Star and RTO West, with further confusion created by the uncertain role to be played by the Western Area Power Administration. Given that none of the filing RTOs, including RTO West, have satisfactorily addressed seams and interregional coordination issues, the Commission should issue further guidance at this stage and insist upon improved filings in Stage 2 to meaningfully address this increasingly important subject area.

At this preliminary stage, RTO West appears to have a more independent Board and a more viable overall RTO plan than does Desert Star. WIEC believes that the Commission should take steps to encourage the more independent and non-discriminatory aspects of the RTO West filing and, correspondingly, to reject the inadequate and preferential aspects of Desert Star's current plan. This approach would create more common ground between the two RTO plans and allow better solutions to emerge on seams and regional coordination issues in the Western Interconnection.

Further, the Commission should examine the extent to which greater consolidation among the proposed RTOs is feasible in the Western Interconnection.

FTR ALLOCATION AND CONSUMER TRANSMISSION ISSUES

Under the RTO West Stage 1 proposal, FTRs are allocated to existing transmission owners in quantities and in a manner that makes it unlikely that any meaningful long-term FTRs will be available for auction at any point in the reasonable near-term. The Commission must order that a better and fairer way to allocate FTRs be developed and implemented so as to provide for a liquid transmission market and a meaningful FTR auction within a reasonable time frame.

Additionally, the present RTO West allocation proposal does not appear to take into account the longstanding property rights of end-use consumers with respect to electricity transmission. Under the present system, consumers pay for and receive the benefit of (directly or indirectly, bundled or otherwise) whatever transmission service is necessary to serve their load. Any FTR allocation scheme approved by the Commission must provide that, if a retail load shifts to a new electricity supplier, the corresponding transmission rights necessary to serve that load must be transferred either to the load or the new supplier. In essence, necessary transmission rights should "run with the load," not with the incumbent supplier. Without such protection from this Commission, consumers will remain captive to the incumbent suppliers regardless of how or when retail competition is implemented at the state level.

It is critical that whatever FTR system is ultimately adopted allocate rights and revenues in a way that preserves and protects the transmission-related rights of

today's native load customers who will become tomorrow's retail access customers. Because the filing utilities of RTO West have not meaningfully explained how retail access fits within the RTO West proposal, the Commission should exercise its authority, under Order 888, to insist that non-discriminatory and pro-competitive terms and conditions for retail access situations are addressed in detail before RTO West is finally approved and implemented.

THE INDEPENDENT BOARDS SHOULD BE INSTALLED NOW

Until further filings are reviewed and details provided in Stage 2, the Commission must not grant RTO status to RTO West or approve the TransConnect filing. Instead, the Commission should grant only the limited approval necessary and sufficient to permit RTO West and TransConnect to select and put into operation their independent boards and management as soon as possible.

The Commission should then order the newly formed independent boards and management, not merely the participating transmission-owning utilities, to develop and shape the final versions of all the remaining filings and documents needed to implement the RTO and TransConnect, including the transmission operating agreement, the load and generation integration agreements and the required tariff and rate filings.

CONCLUSION

WHEREFORE, WIEC respectfully requests that the Commission grant its motion to intervene, afford WIEC party status, and issue orders in accord with WIEC's above comments in the two above-captioned dockets.

Respectfully submitted this _____ day of November, 2000.



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Attorneys for WIEC

CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of November, 2000, I placed in the United States Mail, first class, postage prepaid, a copy of the Motion to Intervene and Comments of the Wyoming Industrial Energy Consumers to those persons listed on the official service list compiled by the Secretary of the FERC in the above captioned dockets.

A handwritten signature in cursive script, appearing to read "J. Anne Gann", is written over a horizontal line.

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