

136 FERC ¶ 61,051  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 35

[Docket No. RM10-23-000; Order No. 1000]

Transmission Planning and Cost Allocation by Transmission  
Owning and Operating Public Utilities

(Issued July 21, 2011)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule

SUMMARY: The Federal Energy Regulatory Commission is amending the transmission planning and cost allocation requirements established in Order No. 890 to ensure that Commission-jurisdictional services are provided at just and reasonable rates and on a basis that is just and reasonable and not unduly discriminatory or preferential. With respect to transmission planning, this Final Rule: (1) requires that each public utility transmission provider participate in a regional transmission planning process that produces a regional transmission plan; (2) requires that each public utility transmission provider amend its OATT to describe procedures that provide for the consideration of transmission needs driven by public policy requirements in the local and regional transmission planning processes; (3) removes from Commission-approved tariffs and agreements a federal right of first refusal for certain new transmission facilities; and (4) improves coordination between neighboring transmission planning regions for new

requested by some commenters. The package of transmission planning and cost allocation reforms adopted in this Final Rule is designed to increase the likelihood that transmission facilities in regional transmission plans will move from the planning stage to construction. In addition, public utility transmission providers already are required to make available information regarding the status of transmission upgrades identified in transmission plans, including posting appropriate status information on its website, consistent with the Commission's CEII requirements and regulations.<sup>154</sup> To the extent an entity has undertaken a commitment to build a transmission facility in a regional transmission plan, that information should be included in such postings.<sup>155</sup> We determine

that this obligation, together with the reforms we adopt in this Final Rule, are adequate without placing further obligations on public utility transmission providers.

160. The Commission also acknowledges the importance of identifying the appropriate size and scope of the regions over which regional transmission planning will be performed. We clarify that for purposes of this Final Rule, a transmission planning

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<sup>154</sup> See Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 472.

<sup>155</sup> Nothing in this Final Rule limits public utility transmission providers from developing mechanisms to impose an obligation to build transmission facilities in a regional transmission plan, consistent with the requirements below regarding the treatment of nonincumbent transmission developers. Similarly, nothing in this Final Rule preempts or otherwise limits any such obligation that may exist under state or local laws or regulations.

region is one in which public utility transmission providers, in consultation with stakeholders and affected states, have agreed to participate in for purposes of regional transmission planning and development of a single regional transmission plan. As the Commission explained in Order No. 890, the scope of a transmission planning region should be governed by the integrated nature of the regional power grid and the particular reliability and resource issues affecting individual regions.<sup>156</sup> We note that every public utility transmission provider has already included itself in a region for purposes of complying with Order No. 890's regional participation transmission planning principle. We will not prescribe in this Final Rule the geographic scope of any transmission planning region. We believe that these existing regional processes should provide some guidance to public utility transmission providers in formulating transmission planning regions for purposes of complying with this Final Rule. However, to the extent necessary, we clarify that an individual public utility transmission provider cannot, by itself, satisfy the regional transmission planning requirements of either Order No. 890 or this Final Rule.

161. The Commission also clarifies that the obligation to participate in a regional transmission planning process that produces a regional transmission plan that meets the

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<sup>156</sup> See, e.g., Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 527.