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Midwest Load-Serving Public Power Agencies Beat Back Effort to Establish Restrictive Interconnection Agreements

August 9, 2013 | *Robert A. Jablon*

Achieve Mutual Settlement with Xcel and Other Parties

MMTG Cities—Midwest Municipal Transmission Group, Central Minnesota Municipal Power Agency, Willmar Municipal Utilities, and the East Grand Forks Water and Light Department—and other parties have entered into a settlement agreement with Xcel Energy Services, Inc., and Northern States Power Co. Northern States Power had proposed tariff amendments setting standard, uniform terms for all future or amended interconnection agreements connecting its transmission system with load-serving distribution systems. Interconnection agreements are essential to municipals and other smaller, competing electric systems. MMTG Cities and others raised concerns that NSP's proposal potentially covered interconnections among transmission systems on a discriminatory basis and could abrogate existing agreements. They objected that the proposal was one-sided, giving NSP an undue ability to control the operation of municipal systems and to impose excessive costs. They objected to the unilateral nature of the proposal.

The settlement, which now awaits FERC approval, would resolve all issues among the parties and specifies which interconnection agreements are and are not covered by the proposed tariff provisions. It provides opportunities for municipal ownership of facilities; standards for cost allocations, facilities and operations; protects emergency needs for new or changed interconnections, for example in the event of flooding; provides for mutuality and consultation between parties in future changes and provides for FERC review in the event of future disagreements. Robert Jablon and Melissa Birchard represented MMTG Cities in the Cities' successful effort.

Related Practices and Services

- Electric
- Litigation and Appeals
- Negotiating Agreements

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