

other Party would be compelled to negotiate under the Final Rule's terms and conditions. Therefore, either Party should be permitted to set aside unexecuted but tendered interconnection agreements prior to the effective date of the Final Rule.

183. MidAmerican states that the proposed provision of Section 5.1.2, which established a transition period from the old queue processes to the new Final Rule provisions that should not exceed 60 days, is practical only for projects that are in their early stages. It proposes adding the phrase "provided that any existing interconnection agreement or Interconnection Study Agreement shall remain in full force and effect" for projects that have an executed interconnection agreement. MidAmerican also states that the Commission should clarify that this transition period is only for those outstanding requests for which Interconnection Studies Agreements and interconnection agreements have yet to be executed prior to the Final Rule going into effect. Similarly, Central Maine seeks clarification of the meaning of pending or outstanding requests.

184. BPA states that this provision should be clarified with regard to the circumstances under which an Interconnection Customer with an existing Interconnection Request may request an extension of applicable deadlines.

Commission Conclusion

185. The purpose of Proposed LGIP Section 5.1 was to ensure that a Generating Facility that has an established Queue Position prior to the Final Rule taking effect will continue to hold its position. This is also the case mentioned by the Midwest ISO for merging new members into the RTO's queue when the Transmission Provider joins an RTO. However, on compliance, discretion will be granted to RTOs or ISOs to propose queuing rules customized to their needs, in accordance with the "independent entity standard" (described in part II.C.5).

186. Under proposed LGIP Section 5.1.1, the Interconnection Studies for which the Parties have an executed Interconnection Study Agreement would be completed under the Interconnection Study Agreement's terms, but any remaining studies would be completed under the Final Rule LGIP study procedures. The Commission concludes that this situation may cause confusion and unnecessary complications in the event that the Transmission Provider's existing study procedures conflict with those in the

Final Rule LGIP. To provide further clarification, and to prevent situations in which an Interconnection Customer may be forced to comply with conflicting or redundant study requirements, the Commission modifies this section to give the Interconnection Customer a choice. Under the Final Rule LGIP Section 5.1.1.2, if an Interconnection Customer has signed an Interconnection Study Agreement as of the effective date of the Final Rule, the Interconnection Customer will have the option to either continue with the rest of its Interconnection Studies under the Transmission Provider's existing study process or complete those remaining studies for which it does not have a signed Interconnection Study Agreement under the Final Rule LGIP.

187. In response to Central Maine, we clarify that existing interconnection agreements that are filed with and accepted by the Commission prior to the effective date of this Final Rule will remain in effect. Regarding Semptra's request to allow the Parties to set aside interconnection agreements tendered but not executed before the issuance of the Final Rule, the Commission concludes that this decision is best left to the discretion of the Parties. If the Parties decide to continue their negotiations, they have until the Final Rule's effective date to submit their agreement to the Commission to qualify for grandfathering. Accordingly, Final Rule LGIP Section 5.1.1.3 states that an executed or unexecuted interconnection agreement submitted for approval by the Commission before the effective date of the Final Rule will be grandfathered and will not be rejected simply for failing to conform to the Final Rule LGIA.

188. With respect to Central Maine's and MidAmerican's requests for clarification of the term "outstanding requests" in Section 5.1.2, we clarify that the term refers to any request for interconnection that has been submitted to a Transmission Provider but has not yet been submitted to the Commission for approval prior to the effective date of this Final Rule.

189. There is no need to adopt MidAmerican's proposed language regarding the adequacy of a 60 day transition period in Section 5.1.2 since the Final Rule allows an Interconnection Customer to extend deadlines, and the 60 day period applies only to Interconnection Requests with outstanding studies for which an Interconnection Study Agreement has not been executed. We expect the Parties to work together during the transition period to ensure that no Interconnection Request is unreasonably delayed.

190. Finally, we deny BPA's request to explain the circumstances under which an Interconnection Customer may request an extension because these circumstances are likely to differ in each case. However, we expect that a Transmission Provider will grant an extension if it can be reasonably accommodated in a nondiscriminatory manner in the transition to the Final Rule LGIP.

191. *Section 5.2—New Transmission Provider*—Proposed LGIP Section 5.2 provided that if the Transmission Provider transfers control of its Transmission System to a successor Transmission Provider while an Interconnection Request is pending, the original Transmission Provider would also transfer to the successor any deposit or payment that exceeds the cost that it has incurred. The original Transmission Provider would be required to coordinate with the successor to complete any appropriate Interconnection Study. If an Interconnection Agreement has not been executed or if an unexecuted Interconnection Agreement has been filed with the Commission, the Interconnection Customer would have the option to complete negotiations with either the initial Transmission Provider or the successor.

Comments

192. Dairyland Power observes that the initial Transmission Provider should provide interest to the successor when the balance of deposits or payments is transferred. Also, if the study costs of the new Transmission Provider exceed the amount of the deposit, it is reasonable that the Interconnection Customer make up the difference.

193. Without explanation, NYTO states that the Interconnection Customer should not have the option of negotiating with a successor Transmission Provider.

Commission Conclusion

194. With respect to Dairyland Power's comment, the Commission clarifies that any additional costs incurred by the successor in excess of the deposit amounts must be treated in accordance with the Final Rule and paid upon completion of the Interconnection Studies. The Commission does not adopt NYTO's position and instead permits the Interconnection Customer to negotiate with the successor Transmission Provider.

195. *Section 6—Interconnection Feasibility Study; Section 7—Interconnection System Impact Study; Section 8—Interconnection Facilities Study; Section 10—Optional*