Department of Energy
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

August 3, 2005

VIA FEDERAL EXPRESS

Honorable Magalie R. Salas
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Room 1A, East
Washington, DC 20426

Re: Western Area Power Administration
Docket No. NJ05-1-001

Dear Secretary Salas:

Enclosed please find the original and five copies of proposed revisions to Attachment J, paragraph 1.0 of the Western Area Power Administration's Open Access Transmission Tariff.

Also enclosed is an additional copy that I would appreciate being time-stamped and returned in the enclosed self-addressed envelope.

Sincerely,

Ronald J. Klinefelter
Attorney
Office of General Counsel

Enclosures

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Re: Western Area Power Administration
Docket No. NJ05-1-001

Dear Secretary Salas:

Pursuant to the Federal Energy Regulatory Commission's (Commission) Order Nos. 2003, 2003-A and 2003-B,[1] and Sections 35.28(e) and (f) of the Commission's Regulations,[2] and the Commission's Order dated July 6, 2005[3], the United States Department of Energy, Western Area Power Administration (Western) hereby submits revisions to its amended non-jurisdictional open access transmission tariff (OATT). Specifically, Western has reinserted a termination clause into Attachment J, paragraph 1.0 (Change of Rates) in Western's amended OATT consistent with the Commission's July 6, 2005 Order.

I. BACKGROUND

On January 25, 2005, Western filed an amendment to its original OATT and to incorporate the Large Generator Interconnection Procedures (LGIP), and a Large Generator

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[1] Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (Order No. 2003), order on reh'g, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160 (2004) (Order No. 2003-A), order on reh'g, Order No. 2003-B, 109 FERC ¶61,287 (2004)(Order 2003-B).
[2] 18 C.F.R. § 35.28(e) and (f) (2004).
[3] Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

Interconnection Agreement (LGIA). Western made modifications to its original OATT filed in January of 1998, and later approved by the Commission.[4] The changes to the LGIP and LGIA primarily incorporate the pro forma LGIP and LGIA promulgated under Order Nos. 2003, 2003-A, and 2003-B. Western's LGIP and LGIA were modified to accommodate: (1) Western's status as a non-jurisdictional entity before the Commission; (2) Western's status as a Federal Power Marketing Agency; (3) Western's operation in multiple Regional Reliability Organizations; and (4) ministerial clarifications. Western has also made the changes outlined in Appendix B to Order No. 2003-B, unless otherwise noted.

As provided by Sections 35.28(e) and (f) of the Commission's Regulations[5], Western requested that the Commission issue a declaratory order determining that Western's amended OATT maintains its status as a "safe-harbor" tariff, ensuring that it may not be denied transmission access by any FERC-jurisdictional public entity. The Commission's July 6, 2005 Order conditionally granted Western's petition for a declaratory order which maintains its status as a reciprocity or "safe-harbor" tariff.

II. AMENDED OATT REVISION

This filing reinserts termination language into Attachment J, paragraph 1.0 of Western's Amended OATT. Consistent with the July 6, 2005 Order, Western has added language that states that any change in the charges under an existing formula rate does not constitute a "Change of Rates" under Attachment J, paragraph 1.0. Therefore, the termination language will only apply if Western proposes a new or revised formula rate and will not apply when Western merely updates the charge for service pursuant to a current formula rate. Western has also clarified that a Transmission Customer's termination rights pursuant to this paragraph will only apply if an adjustment to the new

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[4] United States Department of Energy - Western Area Power Administration, 99 FERC ¶ 61,062 (2002).
[5] 18 C.F.R. § 35.28(e) and (f) (2004).

formula or new rate results in an increase in costs to the Transmission Customer.

III. EFFECTIVE DATE

Western respectfully requests that the Commission deem the proposed revisions to its amended OATT, including the LGIP and LGIA effective February 25, 2005, as originally accepted by the Commission in its July 26, 2005 Order.

IV. SERVICE

Western shall make copies of this filing available for public inspection on its OASIS. Western has also served this filing on all parties to this proceeding.

V. CONTENTS OF FILING

Along with this transmittal letter, the documents submitted with this filing include:

Attachment A - Redlined version of the new tariff sheet.

Attachment B - Clean version of the new tariff sheet.

Due to the Commission's issuance of the Notice Announcing New Combined Notice of Filings (May 13, 2005), Western has not included a Notice of Filing suitable for publication in the Federal Register or a diskette containing the same.

VI. COMMUNICATION

Western requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Ronald J. Klinefelter
Attorney
Western Area Power Administration

Office of General Counsel
12155 W. Alameda Parkway
P.O. Box 281213
Lakewood, CO 80228-8213
(720) 962-7010
klinefel@wapa.gov

Robert Kennedy
Restructuring Manager
Western Area Power Administration
Rocky Mountain Region
5555 East Crossroads Blvd.
Loveland, CO 80538-8986
(970) 461-7259
Rkennedy@wapa.gov

VII. CONCLUSION

For all the forgoing reasons, Western respectfully requests that the Commission accept the instant filing, as set forth herein.

Dated this 3rd day of August, 2005.

Respectfully submitted,

Ronald J. Klinefelter
Office of General Counsel
Western Area Power Administration

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Lakewood, Colorado, this 3rd day of August, 2005.

By: _____

Rose Rodriguez
Office of General Counsel
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213
(720) 962-7010 (voice)
(720) 962-7009 (fax)

ATTACHMENT A

ATTACHMENT J

Provisions Specific to the Transmission Provider

1.0 Change of Rates

Rates applicable under the Service Agreements shall be subject to change by Transmission Provider in accordance with appropriate rate adjustment procedures. If at any time the Transmission Provider promulgates a rate changing a rate then in effect under a Service Agreement, it will promptly notify the Transmission Customer thereof. Rates shall become effective as to the Service Agreements as of the effective date of such rate. If the adjustment in the formula or rate results in an increase in the charges for Transmission Customers, the Transmission Customer, may terminate the service billed by the Transmission Provider under the rate formula adjustment or rate adjustment by providing written notice to the Transmission Provider within ninety (90) days after the effective date of the rate formula adjustment or rate adjustment. Said termination shall be effective on the last day of the billing period requested by the Transmission Customer not later than two (2) years after the effective date of the new rate. Service provided by the Transmission Provider shall be paid for at the new rate regardless of whether the Transmission Customer exercises the option to terminate service. This provision does not apply in those instances where rates change because the Transmission Provider updates charges pursuant to an existing formula rate.

2.0 Appropriations and Authorizations

2.1 Contingent Upon Appropriations

Where activities provided for in the Service Agreement extend beyond the current fiscal year, continued expenditures by the Transmission Provider are contingent upon Congress making necessary appropriations required for the continued performance of the Transmission Provider's obligations under the Service Agreement. In the event that such appropriation by Congress is not made, the Transmission Customer hereby releases the Transmission Provider from its obligations under the Service Agreement and from all liability due to the failure of Congress to make such appropriation.

2.2 Contingent Upon Authorization Language

In order to receive and expend funds advanced from the Transmission Customer necessary for the continued performance of the obligations of the Transmission Provider under this Service Agreement, additional authorization may be required. In case such authorization is not received, the Transmission Customer hereby releases the Transmission Provider from its contractual obligations and from all liability due to the lack of such authorization.

3.0 Covenant Against Contingent Fees

The Transmission Customer warrants that no person or selling agency has been employed or retained to solicit or secure the Service Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Transmission Customer for the purpose of securing business. For breach or violation of this warranty, the Transmission Provider shall have the right to annul the Service Agreement without liability or in its discretion to deduct from the Service Agreement price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

4.0 Contract Work Hours and Safety Standards

The Service Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-333, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

5.0 Equal Opportunity Employment Practices

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement.

6.0 Use of Convict Labor

The Transmission Customer agrees not to employ any person undergoing sentence of imprisonment in performing the Service Agreement except as provided by Executive Order 11755, 39 Fed. Reg. 779 (1973), as amended by Executive Order 12608, 52 Fed. Reg. 34617 (1987), and Executive Order 12943, 59 Fed. Reg. 64553 (1994), and as further amended or supplemented.

7.0 Entire Agreement

The Service Agreements, including the Tariff, together with the specifications under such Service Agreement and any completed scheduling forms shall constitute the entire understanding between the Transmission Provider and the Transmission Customer with respect to Transmission Service thereunder.

8.0 Power Supply Obligations

The Transmission Provider shall not be obligated to supply capacity and energy from its own sources or from its purchases from other neighboring systems during Interruptions or Curtailments in the delivery by the Transmission Provider or delivery to the Transmission Provider by the Delivering Party of capacity and energy for Transmission Service hereunder, and nothing in the Service Agreement or in the Transmission Customer's agreements with others shall have the effect of making, nor shall anything in the Service Agreement or said agreements with others be construed to require the Transmission Provider to take any action which would make the Transmission Provider, directly or indirectly, a source of power supply to the Transmission Customer, to any Delivering Party or Receiving Party, or to any ultimate recipient other than through the provision of Operating Reserve Service.

9.0 Federal Law

Performance under the Tariff and Service Agreement shall be governed by applicable Federal law.

10.0 Continuing Obligations

The applicable provisions of the Service Agreement will continue in effect after termination of the Service Agreement to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while this Service Agreement was in effect.

11.0 Net Billing

As mutually agreed in the Service Agreement, payments due the Transmission Provider by a Transmission Customer may be offset against payments due the Transmission Customer by the Transmission Provider for the use of transmission facilities, operation and maintenance of electric facilities, and other services. For services included in net billing procedures, payments due one Party in any month shall be offset against payments due the other Party in such month, and the resulting net balance shall be paid to the Party in whose favor such balance exists. The Parties shall exchange such reports and information that either Party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

12.0 Bill Crediting

As mutually agreed in the Service Agreement, payments due the Transmission Provider by a Transmission Customer shall be paid by a Transmission Customer to a third party when so directed by the Transmission Provider. Any third party designated to receive payment in

lieu of the Transmission Provider, and the amount to be paid to that party, will be so identified in writing to a Transmission Customer with the monthly power bill. The payment to the third party shall be due and payable by the payment due date specified on the Transmission Provider's bill. When remitting payment to a designated third party, a Transmission Customer shall indicate that such payment is being made on behalf of the Transmission Provider. The Transmission Provider shall credit a Transmission Customer for the amount paid as if payment had been made directly to the Transmission Provider. All other payment provisions shall remain in full force and effect.

13.0 Costs Associated with United States Bureau of Reclamation and United States Army Corps of Engineers Interconnections

The Transmission Provider and the United States Bureau of Reclamation (Bureau) and the United States Army Corps of Engineers (Corps) have a unique statutory relationship which requires the Transmission Provider to repay to the United States Treasury obligations incurred by those two entities related to the production of power. Requiring the Bureau or Corps to submit deposits to the Transmission Provider or to directly pay for costs associated with interconnection study work under the Tariff, including the Large Generator Interconnection Agreement or Large Generator Interconnection Procedures, will result in additional unnecessary administrative burdens and overhead charges. Therefore, Transmission Provider reserves the right, at the Provider's discretion, to not require the Bureau or the Corps to pay negotiation costs under the Large Generation Interconnection Procedures, or submit deposits in whole or in part for study work or for placing reservations in the queue. Transmission provider will account for these costs under the OATT as if such costs had been paid by the Bureau or Corps, including costs associated with the Standard Large Generator Interconnection Agreement (LGIA) or Standard Large Generator Interconnection Procedures (LGIP) found in Attachment L of the OATT.

14.0 Participant Funding

The Transmission Provider reserves the right to negotiate participant funding provisions if and when it deems necessary, and to incorporate the results of such negotiations into the LGIA. This will allow Transmission Provider to properly and equitably fulfill its responsibility as the transmission provider for various facilities owned by other entities, including facilities in which Transmission Provider has joint ownership.

15.0 Liability

The Transmission Provider is only liable for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended.

ATTACHMENT B

ATTACHMENT J

Provisions Specific to the Transmission Provider

1.0 Change of Rates

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