
**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

North American Electric Reliability)
Corporation) Docket No. RR18-__-000

**JOINT PETITION OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION, MIDWEST
RELIABILITY ORGANIZATION, AND RELIABILITYFIRST CORPORATION
FOR APPROVAL OF REGISTRATION TRANSFER REQUEST OF WISCONSIN
PUBLIC SERVICE CORPORATION AND UPPER MICHIGAN ENERGY RESOURCES**

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Attachment 2 Revised Exhibit A to the Regional Delegation Agreements between the North American Electric Reliability Corporation and ReliabilityFirst Corporation

Section 1208.2 of the NERC ROP, on April 24, 2018, MRO notified WPSC and UMEREC that MRO would not oppose the request and would support NERC's determination. RF found that the requested transfer is appropriate and subsequently submitted a written request to NERC on May 1, 2018. On May 2, 2018, NERC posted information concerning the proposed transfer on its website for 21 days and received one comment in support of the registration transfer request from Cayuhoga Falls Electric Department.

On August 16, 2018, the NERC Board of Trustees approved the proposed transfer and related Regional Delegation Agreement ("RDA") amendments. NERC hereby requests that the Federal Energy Regulatory Commission ("FERC" or the "Commission") approve the following, in accordance with Section 215(e)(4) of the Federal Power Act,¹ Section 39.8² of the Commission's regulations and Section 1208.3 of the NERC ROP:

- (1) the proposed transfers of WPSC / UMEREC from the MRO footprint to the RF footprint;
- (2) an effective date of January 1, 2019 for the registration transfer to RF; and
- (3) revised Exhibit A to the RDAs between NERC and MRO (**Attachment 1**) and between NERC and RF (**Attachment 2**) to reflect the proposed illustrative geographic footprints of MRO and RF resulting from the transfer of WPSC / UMEREC from MRO to RF.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:³

¹ 16 U.S.C. § 824o (2018).

² 18 C.F.R. § 39.8 (2018).

³ Persons to be included on the Commission's service list are identified by an asterisk. NERC respectfully requests a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203 (2018), to allow the inclusion of more than two persons on the service list in this proceeding.

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III. RATIONALE AND PROCESS FOR TRANSFER OF WPSC AND UMER FROM MRO TO RF

Through its guidance on transfers of registered entities within the ERO Enterprise, the Commission has noted that a Regional Entity's boundary change "should be carefully considered and should serve to improve the effectiveness or efficiency of the Regional Entities' and NERC's administration of reliability, and should not merely benefit an individual registered entity."⁴ The Commission noted that NERC may consider whether a transfer will improve the registered entity's contribution to BPS reliability.⁵ The Commission also noted that the financial impacts of a transfer are not the determinative factor in a transfer decision.⁶ NERC is responsible for promoting consistent treatment of registered entities between the Regional Entities.⁷ This emphasis on consistency is intended to prevent registered entities from shopping for a favorable Regional Entity

⁴ *Order Conditionally Approving Revised Pro Forma Delegation Agreement, Revised Delegation Agreements with Regional Entities, Amendments to Rules of Procedure and Certain Regional Entity Bylaws*, 133 FERC ¶ 61,061 (2010) at P 72 ("October 2010 Order"). See also *Order Denying Rehearing*, 134 FERC ¶ 61,179 (2011) at P 15 ("March 2011 Order").

⁵ March 2011 Order at P 10.

⁶ March 2011 Order at P 8.

⁷ October 2010 Order at P 73.

because the authority delegated to the Regional Entities will be applied in the same way among the Regional Entities.⁸

The process and criteria to apply for requests to transfer registration from one Regional Entity to a different Regional Entity is governed by Section 1208 of the NERC ROP and is consistent with the Commission's guidance. The Section 1208 requirements are publicly posted on NERC's website as part of the NERC ROP and they call for the evaluation of the following factors:

- (1) the location of the registered entity's BPS facilities in relation to the geographic and electrical boundaries of the transferee Regional Entity;
- (2) the impact of the proposed transfer on other BPS owners, operators, and users, including affected Reliability Coordinators ("RCs"), Balancing Authorities ("BAs"), and Transmission Operators ("TOPs"), as appropriate;
- (3) the impact of the proposed transfer on the current and future staffing, resources, budgets and assessments to other Load Serving Entities of the transferee Regional Entity;
- (4) the sufficiency of the proposed transferee Regional Entity's staffing and resources to perform compliance monitoring and enforcement activities with respect to the registered entity being transferred;
- (5) the registered entity's compliance history with its current Regional Entity; and the manner in which pending compliance monitoring and enforcement matters concerning the registered entity would be transitioned from its current Regional Entity to the transferee Regional Entity; and,
- (6) any other reasons NERC and the transferee Regional Entity consider relevant.

a. WPSC/UMERC's Facilities Have More Geographic and Electrical Boundaries with RF than with MRO.

The analysis began by examining the geography of WPSC / UMERC facilities. WPSC serves approximately 444,000 electric customers, and is located in eastern Wisconsin along Lake

⁸ October 2010 Order at P 73.

Michigan. WPSC shares its northern and southern boundaries and a portion of its western boundary with RF and the remaining portion of its western boundary with MRO. WPSC's eastern boundary is with Lake Michigan, with the remainder of RF's footprint to the north, south, and east of Lake Michigan. WPSC's neighbor to the north, south and west is Wisconsin Electric Power Company ("Wisconsin Electric"), (depicted on the map as WEC and MIUP), which is located in RF. In June 2015, Wisconsin Electric's parent company, WEC Energy Group, acquired WPSC. Following this acquisition, WPSC relocated its Balancing Authority Control Center and Backup Control Center to the RF region, where they are now co-located with Wisconsin Electric's Control Centers.

In 2017, WEC Energy Group established UMER, a new company consisting of Wisconsin Electric's distribution assets in the Upper Peninsula of Michigan (located in RF) and WPSC's distribution assets in the Upper Peninsula of Michigan (located in MRO). Consequently, UMER is now a cross-regional company with the majority of its customers (75%) and distribution lines (80%) in RF. UMER has a total peak load of 110.9 MW. Transferring the registration of WPSC and UMER-MRO territory to a single Regional Entity would make one contiguous region out of these several geographic islands.

Registered entity alignment within a contiguous and interconnected regional boundary is a critical component of reliability because of the resulting planning and operational synergies. Placing transmission paths within a common Regional Entity boundary would enhance regional planning coordination and promote efficient and reliable system operations between registered entities. WPSC / UMER have more significant electrical connections with RF than MRO. UMER has 75% of its customers and 80% of its distribution lines in RF. Similarly, WPSC has more Bulk Electric System ("BES") tie lines with RF than MRO as well as a greater number of high-voltage BES tie lines to RF than MRO. WPSC has 23 tie lines with RF, while it has 14 with

MRO. Out of WPSC's 23 tie lines with RF, five are 345 kV, seventeen are 138 kV, and one is 115 kV. Out of WPSC's 14 tie lines with MRO, three are 345 kV, one is 161 kV, four are 138 kV, and the remaining six are 115 kV. Finally, more than 60% of the high voltage electrical interconnections with the WPSC BA are within the RF region. UMER-C-MRO has only one 138 kV interconnection with UMER-C-RF and one 138 kV interconnection to WPSC. UMER-C-MRO has no other interconnections above 100 kV. Therefore, NERC supports maintaining the UMER-C-MRO ties with the larger percentages of other high voltage electrical interconnections of the WPS BA in RF.

As a result of the significance of these geographic, operational, and electric connections with RF, NERC believes it is in the best interest of the effective and efficient administration of BPS reliability to grant WPSC/UMER-C's transfer request.

b. The Registration Transfer of WPSC/UMER-C's Facilities Will Have a Negligible Impact on other BPS owners, operators, and users.

NERC has emphasized maintaining relationships within a common Regional Entity footprint to promote the efficient and effective administration of reliability. In all instances, NERC has considered the Reliability Coordinator, Balancing Authority, Transmission Operator, and Planning Authority / Planning Coordinator alignment, as well as the physical location of the underlying facilities of the Transmission Owners, Generator Owners, Generator Operators, Transmission Planners and Distribution Providers.

The interactions between reliability functions is important to understanding the reliable operation of the BES. WPSC is registered as a local Balancing Authority (pursuant to a coordinated functional registration with MISO), Distribution Provider, Generation Owner, Generation Operator and Resource Planner. UMER-C is registered as a Distribution Provider.

Moving WPSC / UMEREC's registration from MRO to RF will not affect MISO serving as their Balancing Authority and Reliability Coordinator as MISO is registered in both MRO and RF. Furthermore, no changes are being proposed for the WPSC local Balancing Authority boundaries. American Transmission Company and Dairyland Power Cooperative will remain as the Transmission Operators for those WPSC assets for which they currently service that function. As a result, there will be no change or impact on other BPS owners, operators and users.

c. RF's Staffing, Resources, Budgets and Assessments Resources to Perform CMEP Activities for WPSC/UMERC Are Not Affected as RF Serves as Lead Regional Entity for WPSC/UMERC's CMEP Activities.

Following the acquisition of WPSC and the creation of UMEREC, WEC Energy Group established a single, uniform compliance program for Wisconsin Electric and WPSC/UMERC. RF and MRO agreed that RF would serve as its Lead Regional Entity for all Compliance Monitoring and Enforcement Program ("CMEP") activity pursuant to the Coordinated Oversight Program. This arrangement is memorialized under agreements between MRO and RF. As a result of the existing CMEP arrangement, RF will not need additional resources to perform CMEP activities for WPSC/UMERC if the Commission approves the transfer of their registration from MRO to RF. Furthermore, no transfer of CMEP materials is required. The registration transfer of WPSC/UMERC to RF will allow RF to maintain regulatory oversight for WPSC/UMERC. As such, RF has an existing understanding of WPSC/UMERC and their operations, risk profiles, compliance history and challenges. RF regularly interacts with WPSC/UMERC during audits and spot checks, collaboratively works with WPSC/UMERC during any enforcement actions that may arise. Finally, RF already provides WPSC/UMERC with training and outreach activities such as workshops and assist visits.

III. AMENDMENTS TO THE MRO AND RF REGIONAL DELEGATION AGREEMENTS WITH NERC

Upon FERC approval of this Petition, the parties propose to amend the Regional Delegation Agreements between NERC and MRO, and NERC and RF, respectively, to reflect the new regional boundaries resulting from the reassignment of entities discussed above. The term of the revised Regional Delegation Agreements will not change. Revised maps in Exhibit A to each Regional Delegation Agreement are attached as **Attachment 1** and **Attachment 2**. The revised maps were approved by the MRO and RF Boards on August 30, 2018.

IV. CONCLUSION

For the reasons set forth above, the Petitioners respectfully request that the Commission approve the (1) the proposed transfers of WPSC/UMERC registered entities from MRO to RF, and (2) the proposed amendments to Exhibit A to the NERC-MRO and NERC-RF RDAs to reflect the corresponding regional boundary changes.

Respectfully submitted,

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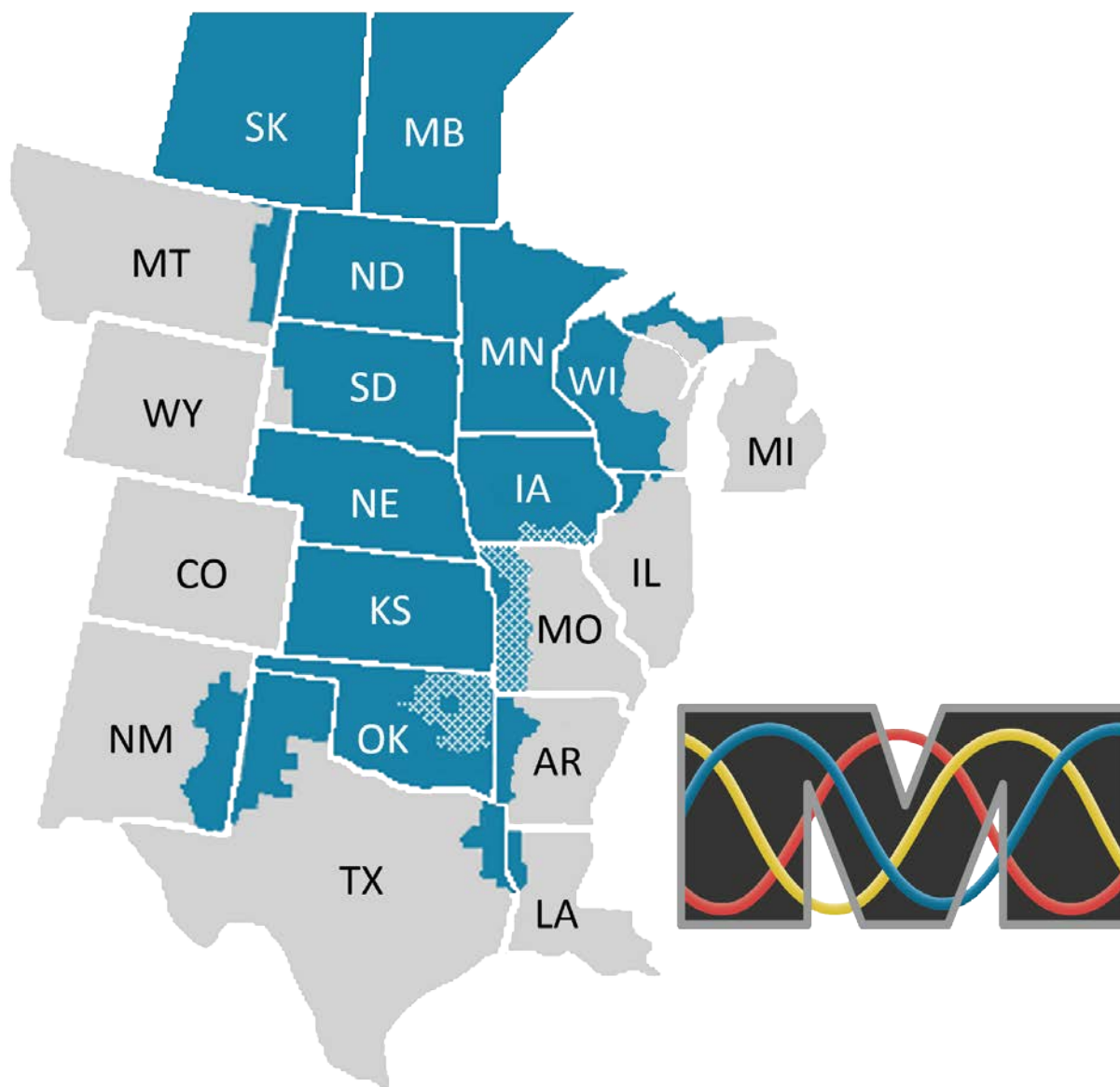
Date: September 26, 2018

Attachment 1

**Revised Exhibit A to the Regional Delegation Agreements between the North American
Electric Reliability Corporation and Midwest Reliability Organization**

Exhibit A — Regional Boundaries

MRO is one of seven Regional Entities that operates under a Delegation Agreement with the North American Electric Reliability Corporation (NERC). MRO is a not for profit entity committed to safeguarding and improving the reliability of the Bulk Power System in all or part of the states of Arkansas, Illinois, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin as indicated in the map below and provided in the NERC Compliance Registry and the Canadian provinces of Manitoba and Saskatchewan.



Attachment 2

**Revised Exhibit A to the Regional Delegation Agreements between the North American
Electric Reliability Corporation and ReliabilityFirst Corporation**

Exhibit A — Regional Boundaries

The Boundaries of ReliabilityFirst Corporation (ReliabilityFirst) are defined by the service territories of Load Serving Entities (LSEs) and include all of New Jersey, Delaware, Pennsylvania, Maryland, District of Columbia, West Virginia, Ohio, Indiana, Lower Michigan and portions of Upper Michigan, Wisconsin, Illinois, Kentucky, Tennessee and Virginia as shown on the map below. In addition, transmission systems and generation within the metered boundaries of the LSEs are within ReliabilityFirst even if outside the respective service territories shown. The area is electrically contiguous.

