RAILBELT TRANSMISSION ORGANIZATION

Policy 25-01 **Date: May 16, 2025**

BACKBONE TRANSMISSION SYSTEM

The purpose of this Policy is to describe the standard to be applied by the Railbelt Transmission Organization (RTO) when determining what Transmission Facilities will be included in the Backbone Transmission System used for transmission service under the RTO's Open Access Transmission Tariff (OATT). This policy recognizes the need for a Railbelt Backbone Transmission System OATT "to remove impediments to competition in the wholesale bullk power marketplace in the state."[1]

The Backbone Transmission System is defined as "the transmission assets in the Railbelt that facilitate the transmission of electrical power under the standards established by the Federal Energy Regulatory Commission[FERC]."[2] This integrated subset of Transmission Facilities will support wholesale bulk power transactions across the Railbelt.[3] "Any degree of integration" into the Backbone Transmission System supports "rolled-in" cost recovery for that Transmission Facility through the Backbone Transmission System OATT.[4] The Federal Energy Regulatory Commission's (FERC) five-factor *Mansfield* test is used to determine whether "any degree of integration" exists.[5] While a positive showing of integration on all five factors is not necessary for inclusion, a negative showing of integration on all five factors requires exclusion from the Backbone Transmission System.[6]

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[1] AS 44.83.710(b).

[2] AS 44.83.720(1).

[3] AS 44.83.710(b). "The transmission organization shall file with the commission a nondiscriminatory open access transmission tariff consistent with [FERC] standards to remove impediments to competition in the wholesale bulk power marketplace in the state.

[4] *Ne. Tex. Elec. Coop., Inc.* 108 FERC 61,084, at P48 (2004) ("On the question of how to determine whether a facility is a network facility, the Commission has stated that a showing of any degree of integration is sufficient."); *see also Tri-State Generation & Transmission Ass'n, Inc.,* 184 FERC 61,099 (2023) ("[T]he any-degree-of-integration test and the Mansfield factors are the Commission's standard tools. . . .").

[5] *Mansfield Mun. Elec. Dep't v. New Eng. Power Co.,* Opinion No. 454, 97 FERC 61,134 (2001); *Duke Energy Carolinas, LLC,* 168 FERC 61,190, at P4 (2019).

[6] *Ne. Tex. Elec. Coop., Inc.* 108 FERC 61,084, at P48 (2004) ("It is still our policy, as it has been for many years, to prohibit the direct assignment of network facilities. Due to the integrated nature of the transmission network, network facilities benefit all network users. It does not matter whether the facilities were installed to meet a particular customer's request for service… The five-factor Mansfield Test was used to determine whether the radial lines at issue exhibited any degree of integration. Thus, the lines' negative showing with respect to all five factors established there were 'exceptional circumstances' that merited direct assignment of their costs. In this proceeding, Trial

The five *Mansfield* factors to be considered when determining whether a facility is integrated with, and thereby part of, the Backbone Transmission System are:

1. Whether the facilities are radial, or whether they loop back into the transmission system;
2. Whether energy flows only in one direction, from the transmission system to the customer over the facilities, or in both directions, from the transmission system to the customer, and from the customer to the transmission system;
3. Whether the transmission provider is able to provide transmission service to itself or other transmission customers . . . over the facilities in question;
4. Whether the facilities provide benefits to the transmission grid in terms of capability or reliability, and whether the facilities can be relied on for coordinated operation of the grid; and,
5. Whether an outage on the facilities would affect the transmission system.[7]

The RTO's determination of whether a Transmission Facility exhibits by a preponderance of the evidence "any degree of integration" with the Backbone Transmission System shall be based on the specific factual circumstances evaluated at the time. This Policy is intended to provide flexibility for a transmission owner to argue the appropriate application of the Mansfield test in the Alaska Railbelt. A Transmission Facility will be evaluated when it is added and may be re-evaluated for inclusion or exclusion in or from the Backbone Transmission System if significantly upgraded or modified.

For purposes of this Policy, the phrase "Transmission Facility" means (1) any electric transmission equipment that is operating at a voltage level of 69kV or greater that is not primarily used in local distribution as determined to be transmission by the application of the seven factor test from FERC Order No. 888; and (2) any controls equipment and facilities functionally allocated to transmission that are necessary to control and protect an electric transmission line that operates at a voltage level of at least 69 kV.

Pursuant to FERC Order No. 888, the following seven factors indicate that a facility is a local distribution facility, rather than a transmission facility:

1. local distribution facilities are normally in close proximity to retail customers;
2. local distribution facilities are primarily radial in character;
3. power flows into local distribution systems; it rarely, if ever, flows out;
4. when power enters a local distribution system, it is not reconsigned or transported on to some other market;

Staff and SWEPCO would have us require that facilities meet all five parts of the Staff Test to merit rolled-in treatment. This contradicts the Commission's policy that costs should be rolled in when any degree of integration has been shown.").

[7] *Mansfield Mun. Elec. Dep't v. New Eng. Power Co.,* Opinion No. 454, 97 FERC 61,134 (2001). Although not required, de-ration is the general "effect" the RTO would expect to see for a positive showing of integration on the fifth Mansfield factor.

5. power entering a local distribution system is consumed in a comparatively restricted geographical area;
6. meters are based at the transmission/local interface to measure flows into the local distribution system; and
7. local distribution systems will be of reduced voltage.[8]

[8] *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, 61 Fed. Reg. 21,540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036, at 31,771 (1996) (cross-reference at 75 FERC ¶ 61,080), order on reh'g, Order No. 888-A, 62 Fed. Reg. 12,274 (Mar. 14, 1997), FERC Stats. & Regs. ¶ 31,048 (1997) (cross-reference at 76 FERC ¶ 61,220), order on reh'g, Order No. 888B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).