

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

September 7, 2006

In Reply Refer To:
Generation Power, Inc.
Docket Nos. ER06-1264-000, and
EL06-74-000

Generation Power, Inc.
2450 Louisiana Street
Suite 400-333
Houston, Texas 77006

Attn: James P. Cargas, Esq.
General Counsel

Dear Mr. Cargas:

1. On July 10, 2006, Generation Power, Inc. (Generation Power) submitted a notice of cancellation requesting that the Commission cancel its market-based rate tariff effective June 30, 2006. This notice of cancellation has been filed in response to the Commission's order issued on June 19, 2006,¹ in which the Commission directed Generation Power to file an updated market power analysis or to provide satisfactory support for why it should not be required to do so. In this order, the Commission accepts the notice of cancellation filed by Generation Power, effective as discussed below.

2. This order also terminates the section 206 proceeding instituted in Docket No. EL06-74-000 with regard to Generation Power.

Procedural Matters

3. Notice of Generation Power's filing was published in the *Federal Register*, 71 Fed. Reg. 43,147 (2006), with interventions or protests due on or before July 31, 2006. None was filed.

¹ *Generation Power, Inc.*, 115 FERC ¶ 61,342 (2006) (June 19 Order).

Discussion

4. In the June 19 Order, the Commission gave Generation Power the option to file a notice of cancellation, instead of filing an updated market power analysis or providing support as to why it should not be required to do so.² In lieu of providing an updated market power analysis, Generation Power filed a notice of cancellation.

5. In its notice of cancellation, Generation Power states that the market, economy, and regulatory environment have changed significantly, and the reporting requirements have become burdensome for a small business. Generation Power states that it is terminating and relinquishing its market-based rate authority. We note that Generation Power did not provide a list of the affected purchasers receiving service under its market-based rate tariff. Nevertheless, Electric Quarterly Reports show that Generation Power has made no sales under its market-based rate tariff since receiving market-based rate authorization and thus Generation Power has no affected purchasers.

6. The Commission accepts the notice of cancellation filed by Generation Power.³ Generation Power requests an effective date of June 30, 2006. However, Generation Power provides no reason for the requested effective date. Accordingly, the Commission finds that Generation Power has not demonstrated good cause to justify waiver of the prior notice requirement for an effective date of June 30, 2006. Therefore, consistent with section 205 of the Federal Power Act⁴ and the Commission's regulations,⁵ this notice of cancellation will be effective September 9, 2006, after 60 days notice from the date of filing.

7. In addition, the Commission finds that this filing satisfies the Commission's June 19 Order, and will therefore terminate the section 206 proceeding instituted in Docket No. EL06-74-000 with regard to Generation Power.

² *Id.* at 5.

³ FERC Electric Tariff, Original Volume No. 1, First Revised Sheet No. 1 (cancels FERC Electric Tariff, Original Volume No. 1).

⁴ 16 U.S.C. § 824d (2000).

⁵ *See* 18 C.F.R. § 35.15 (2006).

8. The Commission notes that because the request by Generation Power to cancel its market-based rate authority is granted herein, any waivers and authorizations previously granted in connection with its market-based rate authority are no longer applicable.

By direction of the Commission.

Magalie R. Salas,
Secretary.