

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Powerroots, LLC

Docket Nos. ER02-2142-000  
EL06-74-000

ORDER REVOKING MARKET-BASED RATE AUTHORITY AND TERMINATING  
SECTION 206 PROCEEDING

(Issued October 3, 2006)

1. In this order, the Commission revokes the market-based rate authority of Powerroots, LLC (Powerroots) because it failed to comply with the Commission's June 19, 2006 Order<sup>1</sup> and the conditions under which the Commission granted it market-based rate authority. The market-based rate tariff of Powerroots is terminated effective on the date of issuance of this order.

2. As a condition of receiving market-based rate authority, the Commission requires market-based rate sellers to submit an updated market power analysis every three years<sup>2</sup> to allow the Commission to evaluate the reasonableness of their charges and to provide for ongoing monitoring of their ability to exercise market power. In the absence of an updated market power analysis, the Commission cannot exercise its statutory duty to ensure that market-based rates are just and reasonable and that market-based rate sellers continue to lack the potential to exercise market power so that market forces are in fact determining the price.

3. In the June 19 Order, the Commission directed Powerroots to file its updated market power analysis within 60 days from the issuance of that order or to provide satisfactory support for why it should not be required to do so. The Commission also established a refund effective date under section 206 of the Federal Power Act (FPA) for the protection of customers.<sup>3</sup>

---

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

<sup>2</sup> *See, e.g., W. Res., Inc.*, 94 FERC ¶ 61,050 at 61,247 (2001); *Entergy Serv., Inc.*, 58 FERC ¶ 61,234, at 61,760 (1992); *PSI Energy, Inc.*, 51 FERC ¶ 61,367, at 62,209 (1990).

<sup>3</sup> 16 U.S.C. § 824e (2000).

4. Powerroots made no filing in response to the Commission's June 19 Order and the time period for compliance has elapsed. In the June 19 Order, we stated that we would revoke Powerroots' market-based rate authority and terminate its market-based rate tariff if it failed to file the required updated market power analysis. Accordingly, we hereby revoke the market-based rate authority of Powerroots and terminate its market-based rate tariff, effective on the date of issuance of this order.

5. Furthermore, any waivers and authorizations previously granted in connection with the market-based rate authority of Powerroots are no longer applicable, effective 60 days from the date of issuance of this order.

6. Upon informal inquiry of the Electric Quarterly Reports filed by Powerroots, we have found no indication of any sales made under Powerroots' market-based rate tariff for the period since the refund effective date, and no evidence has been presented otherwise.<sup>4</sup> Therefore, the Commission will terminate the section 206 proceeding instituted in Docket No. EL06-74-000 with regard to Powerroots.

The Commission orders:

(A) The market-based rate authority of Powerroots is hereby revoked. The market-based rate tariff of Powerroots is terminated effective on the date of issuance of this order and any waivers and authorizations previously granted in connection with the market-based rate authority of Powerroots are no longer applicable, effective 60 days from the date of issuance of this order.

(B) The section 206 proceeding instituted in Docket No. EL06-74-000 is hereby terminated.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

---

<sup>4</sup> We have found no indication of any sales ever having been made under Powerroots' market-based rate tariff.