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# FEDERAL ENERGY REGULATORY COMMISSION

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WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

October 4, 2004  
Docket Nos. ER04-1096-000, RT04-1-001, et al. and RT-04-1-004, et al.

## COMMISSION CONFIRMS SOUTHWEST POWER POOL RTO STATUS

The Southwest Power Pool's (SPP) efforts to form a regional transmission organization (RTO) took an important step forward as the Federal Energy Regulatory Commission (FERC) issued three orders that, among other issues, confirms SPP RTO status and allows the organization to move forward in a timely manner.

Chairman Pat Wood, III said: "This is another important step in extending the benefits of RTOs to the nations' customers. Development of an RTO in the eight-state SPP area will benefit more than 4 million additional electricity customers bringing more competitive wholesale electric markets and increased reliability. Today's actions also lay the groundwork for cooperation with its neighboring Midwest ISO."

In February 2004, the Commission conditionally approved SPP's proposed RTO. In today's order, the Commission granted the Arkansas-based SPP RTO status, subject to submission of certain revisions (RT04-1-004 and ER04-48-004). The Commission found that SPP, for the most part, addressed the specific concerns outlined in a February order. Among other adjustments, SPP revised its Corporate Governance Committee, identified the transmission facilities under its operational control and took appropriate steps to resolve issues with Grandfathered Agreements.

In a second order, the Commission accepted SPP's Joint Operating Agreement (JOA) between itself and the Midwest Independent Transmission System Operator on an interim basis (ER04-1096-000). The Commission directed SPP to file, by December 1, 2004, a revised JOA that is executed by SPP and the Midwest ISO, or execute and file the draft JOA introduced by the Midwest ISO in this case.

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In a separate order, the Commission addressed rehearing requests on its February order (RT04-1-001). For the most part, the Commission denied the requests, finding that, among other things, the Commission properly required FERC's approval prior to withdrawal of SPP members and properly required SPP to file a seams agreement with the Midwest ISO. In addition, the Commission found that it properly required SPP to make all wholesale grandfathered and retail bundled load subject to the non-rate terms and conditions of its Open Access Transmission Tariff (OATT). The Commission also noted that in the February order, the Commission fully supported the creation of a Regional State Committee (RSC). The RSC is designed to give a voice to state regulators, the Commission said. The RSC will benefit SPP and market participants by having a partnership between FERC and the state commissions, through which regional issues can be addressed.

SPP, a regional reliability council since 1968, has 48 members, including a broad range of participants from investor-owned utilities, a federal power marketing agency, independent power producers and power marketers. SPP serves customers in all, or parts of, Arkansas, Kansas Louisiana, Mississippi, Missouri, New Mexico, Oklahoma and Texas.

R-04-46

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