

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Sudeen G. Kelly.

United American Energy Company

Docket Nos. ER05-1269-000
EL05-111-000

ORDER ACCEPTING NOTICE OF CANCELLATION AND TERMINATING
SECTION 206 PROCEEDING

(Issued September 28, 2005)

1. In this order, the Commission accepts the notice of cancellation filed by United American Energy Company (United American). This notice of cancellation has been filed in response to the Commission's order issued on May 31, 2005,¹ in which the Commission directed United American to file an updated market power analysis or to provide satisfactory support for why it should not be required to do so. This order also terminates the section 206 proceeding instituted in Docket No. EL05-111-000 with regard to United American.

Background

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 years² to allow the Commission to evaluate the reasonableness of their charges and to allow 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 be unable to exercise market power.

¹ *3E Technologies, Inc.* 111 FERC ¶ 61,295 (2005) (May 31 Order).

² *See, e.g., Western Resources, Inc.*, 94 FERC ¶ 61,050 at 61,247 (2001); *Entergy Services, Inc.*, 58 FERC ¶ 61,234 at 61,760 (1992); *PSI Energy, Inc.*, 51 FERC ¶ 61,367 at 62,209 (1990).

3. In the May 31 Order, the Commission also gave certain market-based rate sellers the option to file a notice of cancellation, instead of filing updated market power analyses or providing support as to why they should not be required to do so. United American has done so, so it does not need to submit an updated market power analysis.³

Notice of Cancellation

4. On August 1, 2005, United American filed a notice of cancellation requesting that the Commission cancel its market-based rate tariff effective August 1, 2005.

Procedural Matters

5. Notice of United American's filing was published in the *Federal Register*, 70 Fed. Reg. 48,118 (2005), with interventions or protests due on or before August 22, 2005. None was filed.

Discussion

6. We accept the notice of cancellation filed by United American. However, United American has failed to demonstrate good cause to justify waiver of the 60-day prior notice requirement to allow for the requested effective date. Accordingly, United American's market-based rate tariff will be cancelled effective September 30, 2005, after 60 days notice from the date of filing.

7. In addition, we find that this filing satisfies the Commission's directive in the May 31 Order, and we will therefore terminate the section 206 proceeding instituted in Docket No. EL05-111-000 with regard to United American.

The Commission orders:

The Commission accepts the notice of cancellation filed by United American and terminates the section 206 proceeding instituted in Docket No. EL05-111-000 with regard to it, as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

³ May 31 Order, 111 FERC ¶ 61,295 at P 6.