

125 FERC ¶ 61,333
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 19, 2008

In Reply Refer To:
Southwest Power Pool, Inc.
Docket Nos. ER09-89-000
ER09-89-001

Wright and Talisman, PC
1200 G Street, NW
Washington, DC 20005

Attention: Matthew K. Segers
Attorney for Southwest Power Pool, Inc.

Reference: Submission of Changes to Pricing Zone Rates

Dear Mr. Segers:

1. On October 17, 2008 (October 17 Filing), as supplemented on October 22, 2008 (October 22 Filing), Southwest Power Pool, Inc. (SPP) submitted revisions to its Open Access Transmission Tariff (Tariff) to implement a rate change for Oklahoma Gas and Electric Company (OG&E). OG&E is a transmission owner and pricing zone under the SPP Tariff. SPP states that the changes reflect the proposed rates that were filed by OG&E on November 30, 2007, in Docket No. ER08-281-000 (OG&E Rate Proceeding) and conditionally accepted by the Commission on January 31, 2008.¹ SPP requests waiver of the Commission's prior notice requirement to allow a July 1, 2008 effective date consistent with the effective date in the OG&E Rate Proceeding. In this order, we conditionally accept SPP's proposed Tariff revisions effective July 1, 2008, subject to refund, a compliance filing, and the outcome of the hearing and settlement procedures established in the OG&E Rate Proceeding.

¹ See *Oklahoma Gas and Electric Co.*, 122 FERC ¶ 61,071 (2008) (January 31 Order).

2. SPP states that as a regional transmission organization, it administers the provision of open access transmission service on a regional basis across the facilities of the SPP transmission owners, which includes OG&E. SPP explains that while the transmission owner controls the filing of rate changes for its zone, SPP, in administering its Tariff, makes the filings necessary to incorporate any such rate changes into the SPP Tariff.
3. In the OG&E Rate Proceeding, OG&E filed revised Tariff sheets to increase the electric transmission rates in its pricing zone and convert those rates into formula rates. In the January 31 Order, the Commission conditionally accepted OG&E's revised Tariff sheets, suspending their effectiveness for five months, to be effective July 1, 2008, subject to refund.²
4. SPP states that the Commission's acceptance of OG&E's formula rate requires an adjustment to SPP's stated annual transmission revenue requirement for network integration transmission service, as well as the point-to-point transmission service rates for OG&E. SPP further states that the October 17 Filing revises Attachments H and T of its Tariff accordingly. SPP also states that the filing incorporates OG&E's formula rate for transmission service in its entirety,³ and provides for revisions throughout the Tariff to account for such changes appropriately. Additionally, SPP explains that OG&E's formula rate application requires adjustments to SPP's Base Plan zonal and region-wide annual transmission revenue requirements and point-to-point rates in Attachment H and Addendums 1 and 2 to Schedule 11 of SPP's Tariff, respectively. SPP notes that these adjustments include new Base Plan zonal point-to-point rates for various zones that are being allocated Base Plan upgrade charges for the first time.
5. On October 22, 2008, SPP filed a supplement to the October 17 Filing. SPP explains that this supplement is necessary to correct the inadvertent omission of the Tariff changes necessary to reflect the adjustment to the stated point-to-point transmission service rates for the OG&E pricing zone in Attachment T of SPP's Tariff.

² January 31 Order at P 29. The January 31 Order also established hearing and settlement judge procedures in the proceeding and directed OG&E to make a compliance filing. On March 3, 2008, OG&E submitted a compliance filing required by the January 31 Order, which was accepted by the Commission on April 24, 2008. *See Oklahoma Gas and Electric Company*, Letter Order, Docket No. ER08-281-001 (Apr. 24, 2008).

³ *See Westar Energy, Inc.*, 122 FERC ¶ 61,268, at P 105 (2008) (providing that SPP may no longer simply reference the rates in a transmission-owning member's Tariff, but must include the transmission owner's entire formula rate into the SPP Tariff).

6. SPP requests waiver of the Commission's 60-day prior notice requirement set forth at 18 C.F.R. § 35.3 (2008) to permit a July 1, 2008 effective date for both October 17 Filing and the October 22 Filing. SPP states that waiver is appropriate because it would allow the rates for service to OG&E's zone within SPP to become effective on the same day as they were made effective by the Commission in the OG&E Rate Proceeding.

7. Notice of OG&E's October 17 Filing was published in the *Federal Register*, 73 Fed. Reg. 63,956 (2008), with protests and interventions due on or before November 7, 2008. Notice of OG&E's October 22 Filing was published in the *Federal Register*, 73 Fed. Reg. 64,611 (2008), with protests and interventions due on or before November 12, 2008. Oklahoma Municipal Power Authority (Oklahoma Municipal) filed a motion to intervene and limited protest. OG&E filed a motion to intervene out-of-time.

8. Oklahoma Municipal notes that in the January 31 Order, the Commission set the OG&E Rate Proceeding for hearing, and settlement discussions are currently underway. Oklahoma Municipal states that it has the same concerns about the formula rate, and the charges it produces, that Oklahoma Municipal identified in its protest filed in the OG&E Rate Proceeding.⁴ Oklahoma Municipal requests that because SPP's filing seeks to implement the rates at issue in the OG&E Rate Proceeding, the Commission make any acceptance of SPP's filing subject to refund and subject to the outcome of that proceeding. Oklahoma Municipal contends that this action will ensure that the ongoing settlement negotiations in the OG&E Rate Proceeding are not disrupted and that customers will receive full refunds that may be due as a result of the outcome of those negotiations.

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R § 385.214 (2008), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R § 385.214(d) (2008), the Commission will grant OG&E's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

10. As noted by Oklahoma Municipal, SPP's filing in this proceeding seeks to implement the rates at issue in the OG&E Rate Proceeding, in which settlement discussions are currently underway. Because SPP's filing implements OG&E's formula rate proposal, currently pending before the Commission subject to refund in Docket

⁴ Oklahoma Municipal, December 21, 2008 Protest, Docket No. ER08-281-000.

No. ER08-281-000, we conditionally accept and nominally suspend the filing, to be effective on July 1, 2008, subject to refund and the outcome of the OG&E Rate Proceeding in Docket No. ER08-281-000.

11. We also note that in its proposed Tariff pages, SPP included revisions to the unpopulated formula rate template to reflect the data inputs for the annual update at issue. When the Commission approves a formula rate, it approves the formula itself, which becomes the filed rate, not the specific data inputs used to update rates pursuant to the formula.⁵ Accordingly, we direct SPP to submit a compliance filing within 30 days of the date of this order that includes OG&E's formula rate template and removes the data populating that formula.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ *Virginia Elec. and Power Co.*, 123 FERC ¶ 61,098, at P 31 (2008).