

138 FERC ¶ 61,134
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
and Cheryl A. LaFleur.

Duke Energy Carolinas, LLC	Docket Nos. ER10-2566-001
Entergy Services, Inc.	ER91-569-049
EWO Marketing, Inc.	ER10-1642-002
Entergy Power, LLC	ER10-1541-001
Louisville Gas and Electric Company	ER10-1511-002
Kentucky Utilities Company	ER10-1512-001
LG&E Energy Marketing, Inc.	ER10-1714-002
PPL EnergyPlus, LLC	ER10-2011-003
South Carolina Electric & Gas Company	ER10-2498-001
Alabama Power Company	ER10-2881-002
Southern Power Company	ER10-2882-002
Mississippi Power Company	ER10-2883-002
Georgia Power Company	ER10-2884-002
Gulf Power Company	ER10-2885-002
Oleander Power Project, LP	ER10-2641-002
Southern Company - Florida LLC	ER10-2663-002
Southern Turner Cimarron I, LLC	ER10-2886-002
Tampa Electric Company	ER10-1476-001
Carolina Power & Light Company	ER10-1760-002
Florida Power Corporation	ER10-1758-002

ORDER ON SIMULTANEOUS TRANSMISSION IMPORT
LIMIT VALUES FOR THE SOUTHEAST REGION

(Issued February 24, 2012)

1. In June and July of 2011,¹ Duke Energy Carolinas, LLC; Entergy Services, Inc., on behalf of Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy Texas, Inc., and Entergy New Orleans, Inc., Entergy Power, LLC, and EWO Marketing, Inc.; Louisville Gas and Electric Company, Kentucky Utilities Company, LG&E Energy Marketing, Inc., and PPL EnergyPlus, LLC; South Carolina Electric & Gas Company; Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, Southern Power Company, and their affiliates, Oleander Power Project, LP, Southern Company - Florida LLC, and Southern Turner Cimarron I, LLC; Tampa Electric Company; and Progress Energy, Inc. (Progress Energy), on behalf of Carolina Power & Light Company (d/b/a Progress Energy Carolinas Inc.)² and Florida Power Corporation (d/b/a Progress Energy Florida, Inc.) (collectively, the Southeast Transmission Owners) submitted updated market power analyses for the Southeast region in accordance with the regional reporting schedule adopted in Order No. 697.³ The Southeast Transmission Owners included Simultaneous Transmission Import Limit (SIL) values for the December 2008 - November 2009 study period for balancing authority areas in the Southeast region.

2. In this order, the Commission accepts the SIL values identified in Appendix A (Commission-accepted SIL values). These Commission-accepted SIL values will be used by the Commission to analyze updated market power analyses submitted for the Southeast region. SIL studies are used as a basis for calculating import capability to serve load in the relevant geographic market when performing market power analyses. SIL values quantify a study area's simultaneous import capability from its aggregated first-tier area. The values accepted herein are based on SIL studies submitted by the

¹ We note that some of the Southeast Transmission Owners submitted amendments to their filings in November 2011, December 2011, and January 2012.

² We note that Carolina Power & Light Company operates two balancing authority areas: the Progress Energy Carolinas-East (CPL E) and Progress Energy Carolinas-West (CPL W) balancing authority areas.

³ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011).

Southeast Transmission Owners with their updated market power analyses. The Southeast Transmission Owners' updated market power analyses themselves, including any responsive pleadings, are being addressed in separate orders in the relevant dockets.

3. We note that other transmission owners in the Southeast region also submitted updated market power analyses. The updated market power analyses for those transmission owners have been addressed in separate orders in the relevant dockets.⁴

I. Background

4. In Order No. 697, the Commission adopted a regional filing schedule for filing updated market power analyses.⁵ The Commission explained that the transmission-owning utilities have the information necessary to perform SIL studies and therefore determined that such utilities would be required to file their updated market power analyses in advance of other entities in each region.⁶

5. In addition to providing SIL studies for their respective balancing authority areas, the Southeast Transmission Owners provided SIL studies for their respective first-tier balancing authority areas, including balancing authority areas that are not operated by public utilities as defined under Part II of the Federal Power Act.⁷ Specifically, SIL studies were submitted for the following balancing authority areas that, collectively, are first-tier to the Southeast Transmission Owners: Associated Electric Cooperative, Inc., Cleco Corporation,⁸ Central and Southwest Corporation, City of Tallahassee, East Kentucky Power Cooperative, Inc., Empire District Electric Company, Florida Municipal Power Pool, Jacksonville Electric Authority, Midwest Independent Transmission System

⁴ See, e.g., *Florida Power & Light Co.*, Docket No. ER10-1852-001 (Dec. 21, 2011) (delegated letter order); *Lockhart Power Co.*, Docket No. ER10-2651-001 (Oct. 31, 2011) (delegated letter order); *Alcoa Power Generating Inc.*, Docket No. ER10-3069-001 (Oct. 26, 2011) (delegated letter order).

⁵ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 882.

⁶ *Id.* P 889.

⁷ 16 U.S.C. § 824 (2006).

⁸ This order does not address SIL values for the Cleco Corporation balancing authority area. We note that on January 31, 2012, in Docket No. ER10-1827-001, Cleco Power LLC filed updated SIL values for the Cleco Corporation balancing authority area. The Commission will address updated values for this balancing authority area in a future order.

Operator, Inc. (MISO),⁹ Oklahoma Gas & Electric Company, PowerSouth Energy Cooperative, Florida Power Corporation,¹⁰ Florida Power & Light Company,¹¹ South Carolina Public Service Authority (Santee Cooper), Seminole Electric Cooperative, South Mississippi Electric Power Association, Southwestern Power Administration, and the Tennessee Valley Authority.¹²

II. Discussion

6. We begin by commending the Southeast Transmission Owners for coordinating on the preparation of their SIL studies. Such coordination leads to more accurate and consistent SIL study results.

7. The SIL values we accept herein are based on calculations by the Southeast Transmission Owners. These calculations resulted in a few cases where one Southeast Transmission Owner submitted slightly different SIL values for the home balancing authority area of another Southeast Transmission owner. In those cases, we have selected the values submitted by the home utility as the Commission-accepted SIL values.

8. The Commission will use the Commission-accepted SIL values identified in Appendix A when reviewing the pending updated market power analyses submitted by transmission owners in the Southeast region as well as any updated market power analyses filed by non-transmission owning sellers in the Southeast region for this study period. Future filers submitting screens for the balancing authority areas and study period identified in Appendix A are encouraged to use these Commission-accepted SIL values. In the alternative, a filer may propose different SIL values provided that the

⁹ This order does not address SIL values for the MISO market. The Commission will address updated values for the MISO market in a future order.

¹⁰ We note that Progress Energy did not submit SIL values for the Florida Power Corporation balancing authority area. The Commission-accepted SIL values for the Florida Power Corporation balancing authority area were submitted by Tampa Electric Company.

¹¹ The Commission-accepted SIL values for the Florida Power & Light Company balancing authority area were submitted by Tampa Electric Company. Florida Power & Light Company did not submit SIL values for this balancing authority area.

¹² The Cleco Corporation, Central and Southwest Corporation, Empire District Electric Company, Oklahoma Gas & Electric Company, and Southwestern Power Administration balancing authority areas are located in the Southwest Power Pool region. MISO is located in the Central region.

filer's accompanying SIL studies comply with Commission directives and that the filer fully supports the values used and explains why the Commission should consider a different SIL value for a particular study area other than the Commission-accepted SIL values provided in Appendix A. In the event that the results¹³ for one or more of a particular seller's screens differ if the seller-supplied SIL value is used instead of the Commission-accepted SIL value, the order on that particular filing will examine the seller-supplied SIL study and address whether the seller-supplied SIL value is acceptable. However, when the overall results of the screens would be unchanged, i.e., the seller would pass using either set of SIL values or fail using either set of SIL values, the order would be based on the Commission-accepted SIL values found in Appendix A and would not address the seller-supplied SIL values.

The Commission orders:

The specific Commission-accepted SIL values identified in Appendix A to this order are hereby accepted for purposes of analyzing updated market power analyses for the Southeast region, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹³ Results refer to the results of the market share and/or pivotal supplier screens. For example, if a seller fails the market share screen for a particular season in a particular market using either SIL value, we would consider the result unchanged. Similarly, if the seller passes the screen using either value, the result is also unchanged.

Appendix A

Accepted SIL Values (MW) for the Southeast Region Study Period of December 2008 to November 2009

Abbrev.	Balancing Authority Area	Winter 2008	Spring 2009	Summer 2009	Fall 2009
1 AECI	Associated Electric Coop., Inc.	3,520	2,873	2,673	0
2 CPLE	Progress Energy Carolinas - East	3,681	3,450	3,252	967
3 CPLW	Progress Energy Carolinas - West	330	709	620	662
4 CSWS	Central and Southwest Corp.	716	563	598	0
5 DUK	Duke Energy Carolinas	1,825	1,625	1,925	2,325
6 EDE	Empire District Electric Co.	419	134	199	144
7 EES	Entergy Services Inc.	996	2,378	457	25
8 EKPC	East Kentucky Power Coop., Inc.	1,815	1,696	1,160	1,639
9 FMPP	Florida Municipal Power Pool	0	77	0	0
10 FPC	Florida Power Corporation	52	1,259	904	1,749
11 FPL	Florida Power & Light Co.	429	1,876	1,601	1,563
12 JEA	Jacksonville Electric Authority	123	689	630	623
13 LGEE	Louisville Gas & Electric Co.	2,077	1,781	1,676	2,291
14 OKGE	Oklahoma Gas & Electric Co.	538	336	211	0
15 PSEC	PowerSouth Energy Coop.	0	0	685	0
16 SCEG	South Carolina Electric & Gas Co.	1,587	1,989	673	2,411
17 SC	Santee Cooper	1,204	1,093	544	1,213
18 SEC	Seminole Electric Coop.	306	237	264	149
19 SMEE	South Mississippi Electric Power Association	0	0	0	0
20 SOCO	Southern Company Services, Inc.	7,495	7,884	4,961	7,824
21 SPA	Southwestern Power Administration	0	0	0	0
22 TAL	City of Tallahassee	114	171	170	261
23 TEC	Tampa Electric Company	0	1,307	362	465
24 TVA	Tennessee Valley Authority	7,203	5,664	3,208	7,677