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Docket Nos. ER05-1056-007

FERC Directs Workshop on Filing of Reactive Power Service Rate Schedules

The Federal Energy Regulatory Commission (FERC) acted today to protect consumers from excessive rates when it ordered the filing of rate schedules for reactive power services when no rates are charged, and directed FERC staff to conduct a workshop to explore the mechanics of generators filing those rate schedules.

Today's action clarifies FERC policy regarding the filing of rates for reactive power services when no rates are, in fact, charged, and ensures that the Commission can use its Federal Power Act section 205(e) authority to order refunds if and when changed rates are later filed. The workshop, the details of which will be announced at a later date, will take place in a generic proceeding.

The Commission took today's action in the context of reaffirming its finding that Chehalis Power Generating L.P.'s proposed May 2005 rate schedule to supply reactive power to the Bonneville Power Administration was not an initial rate as asserted by the generator, but a changed rate because Chehalis was already providing the service, albeit without charge. FERC accepted the rate schedule in a July 2005 order, made it effective subject to refund and established hearing and settlement procedures.

The order reaffirms that Chehalis should have earlier filed a rate schedule governing its provision of reactive power service, thus making the May 2005 filing a changed rate. However, because the clarified policy applies prospectively, Chehalis may seek to recoup amounts previously refunded to BPA.

FERC added it does not intend to impose enforcement sanctions for a jurisdictional entity's failure, prior to today's order, to have a rate schedule on file for reactive power service provided without compensation.

R-14-01

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