

154 FERC ¶ 61,238
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Ohio Valley Electric Corporation

Docket No. ER16-323-000
ER16-323-002

ORDER GRANTING MARKET-BASED RATE AUTHORIZATION AND
REQUEST FOR WAIVERS

(Issued March 25, 2016)

1. In this order, we grant Ohio Valley Electric Corporation (OVEC) authority to make wholesale sales of electric energy, capacity, and ancillary services at market-based rates, effective March 28, 2016, as requested.¹ We also grant OVEC's request for certain waivers commonly granted to market-based rate sellers and clarify the filing requirements concerning Electric Quarterly Reports (EQRs) for sales in which OVEC is acting as the agent for certain of its owners² or their

¹In its initial application, OVEC requested an effective date of January 12, 2016. However, in its January 27, 2016 amended filing, OVEC proposed a new effective date of March 28, 2016.

²OVEC states that it is owned by the following electric utility holding companies, electric utilities and electric cooperatives: Allegheny Energy, Inc. 3.50 percent, American Electric Power Company, Inc. 39.17 percent, Buckeye Power Generating, LLC (Buckeye) 18.00 percent, The Dayton Power & Light Company (Dayton Power) 4.90 percent, Duke Energy, Ohio, Inc. (Duke Ohio) 9.00 percent, Kentucky Utilities Company 2.50 percent (Kentucky Utilities), Louisville Gas & Electric Company (Louisville Gas & Electric) 5.63 percent, Ohio Edison Company 0.85 percent, Ohio Power Company (Ohio Power) 4.30 percent, Peninsula Generation Cooperative (Peninsula) 6.65 percent, Southern Indiana Gas & Electric Company (Southern Indiana) 1.50 percent, and The Toledo Edison Company 4.00 percent. OVEC Nov. 13, 2015 Filing at 4.

affiliates (Sponsoring Companies³) that participate in the PJM Interconnection, L.L.C. (PJM) market.⁴

2. Additionally, we find that OVEC meets the criteria for a Category 1 seller in the Northwest, Southeast, and Southwest regions and is a Category 2 seller in the Northeast, Central and Southwest Power Pool, Inc. (SPP) regions, and is so designated. OVEC must file updated market power analyses for the Northeast, Central and SPP regions in compliance with the regional reporting schedule adopted in Order No. 697.⁵

I. Background

3. On November 13, 2015, as amended on January 27, 2016, pursuant to section 205 of the Federal Power Act (FPA),⁶ OVEC filed an application for market-based rate

³ The Sponsoring Companies, with entitlement percentages listed parenthetically, are Allegheny Energy Supply Company LLC (Allegheny) (3.01), Appalachian Power Company (Appalachian) (15.69), Buckeye (18.00), Dayton Power (4.90), Duke Ohio (9.00), FirstEnergy Solutions Corp. (FirstEnergy Solutions) (4.85), Indiana Michigan Power Company (Indiana Michigan Power) (7.85), Kentucky Utilities (2.50), Louisville Gas & Electric (5.63), Monongahela Power Company (Monogahela) (.49), Ohio Power (19.93), Peninsula (6.65), and Southern Indiana (1.50). OVEC Nov. 13, 2015 Filing at 4-5.

⁴ According to OVEC, the Sponsoring Companies to whom this arrangement will apply are Allegheny, Appalachian Power, Buckeye, Dayton Power, Duke Ohio, FirstEnergy Solutions, Indiana Michigan Power, Monongahela, Ohio Power, and Peninsula. OVEC Nov. 13, 2015 Filing at 1-2, and n.1.

⁵ See *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at PP 848-850, *clarified*, 121 FERC ¶ 61,260 (2007) (Clarification Order), *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. Mont. Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied*, 133 S. Ct. 26 (2012).

⁶ 16 U.S.C. § 824d (2012).

authority with an accompanying tariff providing for the sale of electric energy, capacity, and ancillary services at market-based rates.⁷

4. OVEC states that it owns the Kyger Creek Plant in Cheshire, Ohio, and Indiana-Kentucky Electric Corporation's Clifty Creek Plant in Madison, Indiana, which have nameplate generating capacities of 1,086 MW and 1,304 MW, respectively. Both generation facilities are located in the OVEC balancing authority area, which is a quasi generation-only balancing authority area. As such, OVEC states that it does not consider its balancing authority area as a relevant geographic market for purposes of conducting its market power analysis. Noting that the generation capacity and power sales of its affiliates are predominantly located in the PJM balancing authority area, OVEC states that it will study the PJM market as its relevant geographic market.⁸ OVEC states that it is also providing support for the lack of applicable market power in the nearby MISO market and joint Louisville Gas & Electric Company/Kentucky Utilities Company (LG&E/KU) balancing authority areas.

5. OVEC also states that it sells 100 percent of its electric power and energy to Sponsoring Companies pursuant to the terms of a Commission-approved cost-based Inter-Company Power Agreement (ICPA).⁹ OVEC states that it is seeking market-based rate authority to act as an agent for certain of its Sponsoring Companies that participate in the PJM market in order to bid into the PJM market the entitlement of such Sponsoring Companies' available energy produced by OVEC and sold to those Sponsoring Companies under the Commission-approved ICPA.¹⁰

⁷ OVEC requests authorization to sell ancillary services in the markets administered by PJM and Midcontinent Independent System Operator, Inc (MISO).

⁸ OVEC states that this is consistent with the Commission's comments regarding treatment of independent power producers with generation capacity located in a generation-only balancing authority area. OVEC Nov. 13, 2015 Filing at 10-11 (citing *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 816, FERC Stats. & Regs. ¶ 31,374, at P 14 (2015) (Order No. 816)).

⁹ See *Ohio Valley Elec. Corp.*, Docket Nos. ER11-3181-000, ER11-3440-000 and ER11-3441-000 (May 23, 2011) (delegated letter order).

¹⁰ OVEC represents that each of the Sponsoring Companies for whom it is acting as agent either has market-based rate authorization or is exempt from Commission regulation as to such sales.

6. OVEC represents that, through its Sponsoring Companies, it is affiliated with generation capacity and transmission facilities in the Northeast, Central and SPP regions.

II. Notice of Filings and Responsive Pleadings

7. Notice of OVEC's November 13, 2015, and January 27, 2016, filings was published in the *Federal Register* with interventions and comments due on or before February 17, 2016.¹¹

8. Timely interventions were filed by Buckeye Power, Inc., FirstEnergy Service Company, Duke Energy Corporation, and the American Electric Power Service Corporation. The Ohio Consumers Counsel (Ohio Consumers) submitted a timely intervention and protest. The Electric Power Supply Association (EPSA) submitted a motion to intervene out-of-time.

9. On December 18, 2015, OVEC and EPSA filed separate answers to Ohio Consumers' protest. On December 23, 2015, OVEC filed an answer to EPSA's answer. On December 29, 2015, Ohio Consumers filed an answer OVEC's December 18 answer.

10. Notice of OVEC's request for blanket authorization under Part 34 of the Commission's regulations was separately published in the *Federal Register*, 80 Fed. Reg. 75,082 (2015), with interventions or protests due on or before December 8, 2015. None was filed.

III. Protest

11. Ohio Consumers argue that OVEC's market-based rate application raises concerns about affiliate abuse and the potential for price distortion in PJM markets. Ohio Consumers state that OVEC's market-based rate application should be evaluated in light of pending proceedings before the Public Utilities Commission of Ohio (Ohio Commission) in which two OVEC utility affiliates have requested retail rate riders that, if approved by the Ohio Commission, could cause Ohio retail customers to subsidize the generation resources covered by those riders. Ohio Consumers state that those generation resources include the energy, capacity and ancillary services that OVEC plans to offer into the PJM market via the market-based rate authorization it seeks in the instant proceeding. Ohio Consumers further explain that the retail rate riders would charge Ohio's captive retail customers a portion of the net cost or credit associated with the sale of OVEC's power into the PJM market, and the clearing prices from the sale of subsidized generation into the PJM market will result in unjust and unreasonable rates.

¹¹ 80 Fed. Reg. 72,426 (2015); 81 Fed. Reg. 5732 (2016).

Consequently, Ohio Consumers request that the Commission set OVEC's request for market-based rate authority for evidentiary hearing and hold that hearing in abeyance until the Ohio Commission rules on the state retail rate rider proceedings.

IV. Discussion

12. As discussed below, we will deny Ohio Consumers' protest as outside the scope of this proceeding and grant OVEC's request for authorization to make wholesale sales of electric energy, capacity, and ancillary services at market-based rates and we will accept its market-based rate tariff, effective March 28, 2016, as requested. We will also grant OVEC's request for certain waivers and clarify certain EQR filing obligations.

A. Procedural Matters

13. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. 385.214 (2015), Ohio Consumers' timely motion to intervene serves to make them parties to this proceeding. The timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. We grant EPSA'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.

14. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We are not persuaded to accept the answers filed by OVEC, Ohio Consumers, and EPSA and will, therefore, reject them.

B. Protest

15. We find that Ohio Consumers' protest is outside the scope of this proceeding. The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power. The protests do not allege any vertical or horizontal market power by OVEC but are instead focused on market effects that Ohio Consumers allege could result from the retail rate riders proposed in the state proceedings. The potential consequences of the ongoing state proceedings, which Ohio Consumers allege could result in affiliate abuse or price distortion, are not relevant to the merits of OVEC's request for market-based rate authority and will not be addressed herein.

C. Market-Based Rate Authority

16. The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power.¹²

1. Horizontal Market Power

17. The Commission has adopted two indicative screens for assessing horizontal market power: the pivotal supplier screen and the wholesale market share screen.¹³ The Commission has stated that passage of both screens establishes a rebuttable presumption that the applicant does not possess horizontal market power, while failure of either screen creates a rebuttable presumption that the applicant has horizontal market power.¹⁴

18. As explained above, the OVEC balancing authority area is a quasi generation-only balancing authority area. Instead of studying the OVEC balancing authority area, OVEC studied the PJM and MISO markets, and the LG&E/KU balancing authority areas. This is consistent with the Commission's guidance in Order No. 816.¹⁵

19. OVEC submitted the pivotal supplier and wholesale market share screens for the MISO market,¹⁶ consistent with the requirements of Order No. 697.¹⁷ We have reviewed

¹² Order No. 697, FERC Stats. & Regs. ¶ 31,252 at PP 62, 399, 408, 440; *see also* Order No. 816, FERC Stats. & Regs. ¶ 31,374 at PP 61-71.

¹³ *Id.* P 62.

¹⁴ *Id.* PP 33, 62-63.

¹⁵ Order No. 816, FERC Stats. & Regs. ¶ 31,374 at P 70. We note that although OVEC's application pre-dated the effective date of Order No. 816 (January 28, 2016), the Commission's guidance in Order No. 816 is pertinent here. Further, we note that Order No. 816 is effective as of the March 28, 2016 effective date of OVEC's market-based rate tariff.

¹⁶ We note that OVEC incorrectly captions the MISO indicative screens as being for the December 2011 – November 2012 data year. However, the data used in preparing the screens and included in OVEC's workpapers is for the December 2012 – November 2013 data year.

¹⁷ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at PP 231-232.

OVEC's pivotal supplier screen and wholesale market share screen for the MISO market and we find that OVEC passes both screens in the MISO market. OVEC relies on Appalachian Power Company's accepted market power analysis¹⁸ to demonstrate that OVEC passes both the pivotal supplier and the wholesale market share screens for the PJM market. OVEC relies on Kentucky Utilities Company's accepted market power analysis¹⁹ to demonstrate that OVEC passes both the pivotal supplier and the wholesale market share screens for the Louisville Gas and Electric Company and Kentucky Utilities Company balancing authority area.²⁰

20. Based on OVEC's representations, we find that OVEC satisfies the Commission's requirements for market-based rates regarding horizontal market power.

2. Vertical Market Power

21. In cases where a public utility, or any of its affiliates, owns, operates, or controls transmission facilities, the Commission requires that there be a Commission-approved Open Access Transmission Tariff (OATT) on file or that such entity has received waiver of the OATT requirement under 18 C.F.R. § 35.28(d)(1) or satisfies the requirements for blanket waiver under 18 C.F.R. § 35.28(d)(2).²¹ Where the seller or its affiliates qualify for the blanket OATT waiver, the seller should affirm in its market-based rate application that it qualifies for the blanket OATT waiver.

¹⁸ See *Appalachian Power Company*, Docket No. ER11-47-003, *et al.* (August 13, 2014) (delegated letter order).

¹⁹ See *Kentucky Utilities Company*, Docket No. ER10-2231-004, *et al.* (November 17, 2015) (delegated letter order).

²⁰ OVEC further states that the market data used is reasonably reflective of the current market conditions. OVEC Nov. 13, 2015 Filing, Julie M. Carey Aff. at 4.

²¹ See *Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, Order No. 807, FERC Stats. & Regs. ¶ 31,367, at P 57, *order on reh'g*, Order No. 807-A, 153 FERC ¶ 61,047 (2015). In Order No. 807, the Commission amended its regulations to waive the OATT requirements of 18 C.F.R. § 35.28, the Open Access Same-Time Information System requirements of Part 37, and the Standards of Conduct requirements of Part 358, under certain conditions, for entities that own interconnection facilities. See also *Oildale Energy LLC*, 153 FERC ¶ 61,013, at PP 12-14 (2015).

22. OVEC states that it and its affiliates own transmission facilities in the Northeast and Central regions and states that these facilities are operated pursuant to a Commission-approved OATT.²²

23. The Commission also considers a seller's ability to erect other barriers to entry as part of the vertical market power analysis.²³ The Commission requires a seller to provide a description of its ownership or control of, or affiliation with an entity that owns or controls, intrastate natural gas transportation, intrastate natural gas storage or distribution facilities; sites for new generation capacity development and physical coal supply sources and ownership of or control over who may access transportation of coal supplies (collectively, inputs to electric power production).²⁴ The Commission also requires sellers to make an affirmative statement that they have not erected barriers to entry into the relevant market and will not erect barriers to entry into the relevant market.²⁵ The Commission adopted a rebuttable presumption that the ownership or control of, or affiliation with any entity that owns or controls, inputs to electric power production does not allow a seller to raise entry barriers but will allow intervenors to demonstrate otherwise.²⁶

24. Regarding other barriers to entry, OVEC represents that neither it nor any of its affiliates owns or controls intrastate natural gas transportation, storage or distribution, sources of coal supplies, equipment for transporting coal supplies, or sites for generation capacity development.

²² OVEC Nov. 13 Filing at 14 (citing OVEC OATT, available at <http://www.oasis.oati.com/ovec> and AEP OATT, available at <http://www.aep.com/about/codeofconduct/OASIS/TariffFilings>; see also *Ohio Valley Electric Corporation*, 126 FERC ¶ 61,106 (2009).

²³ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 440.

²⁴ Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 at P 176.

²⁵ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 447. We note that since the effective date of Order No. 816, sellers are no longer required to describe sites for new generation capacity and development as part of their vertical market power analysis. See *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 816, FERC Stats. & Regs. ¶ 31,374, at P 212 (2015).

²⁶ *Id.* P 446.

25. Finally, consistent with Order No. 697, OVEC affirms that it and its affiliates have not erected barriers to entry in the relevant market and will not erect barriers to entry in the relevant market.

26. Based on OVEC's representations, we find that OVEC satisfies the Commission's requirements for market-based rates regarding vertical market power.

D. Waiver Requests

1. EQR Waiver Request

27. OVEC requests waiver of the requirement to file EQRs to the extent it is acting solely as an agent making sales in the PJM market on behalf of the applicable Sponsoring Companies. OVEC explains that, if it is granted waiver from reporting those sales in its EQR, the applicable OVEC Sponsoring Companies would report those sales in their respective EQRs, thereby avoiding a double-counting of OVEC sales. OVEC states: "To the extent OVEC engages in sales other than those made in the PJM market as agent for a Sponsoring Company pursuant to tie arrangements as described above, OVEC agrees to notify FERC."²⁷

28. Consistent with the facts presented here, the obligation to report the relevant sales information in the EQR and comply with the EQR filing requirements will remain with the Sponsoring Companies and those sales will continue to be reported by the Sponsoring Companies in their respective EQRs. Thus, we clarify that, to the extent OVEC is making sales as agent for Sponsoring Companies that Sponsoring Companies are reporting in their own EQRs, OVEC need not report such sales in its EQR. OVEC must also continue to report sales in its EQR made pursuant to the terms of the Commission-approved ICPA.²⁸ To the extent that OVEC makes other reportable sales, those sales

²⁷ OVEC Nov. 13, 2015 Filing at 16-17.

²⁸ We further clarify that, as a market-based rate entity, OVEC has an obligation to file EQRs, even for quarters in which it has no sales to report. Each public utility with a tariff on file with the Commission must report, at minimum, complete identification information in the EQR each quarter. *See, e.g., Order Issuing Instruction Manual for Public Utilities to Use to File their Electric Quarterly Reports*, 99 FERC ¶ 61,238 (2002), at Attachment, Paragraph II (stating that each public utility subject to Part 35 of the Commission's regulations must comply with the requirement to file EQRs). *See also Revised Public Utility Filing Requirements*, Notice, Docket No. RM01-8-000, at P 3 (October 21, 2002) ("[e]very utility with a tariff on file with the Commission pursuant to Part 35 of the Commission's regulations must file the [EQR], even if there are no

must be included in OVEC's EQR; OVEC cannot simply "notify" the Commission that it has made such sales.

2. Other Waiver Requests

29. In addition to the EQR waiver request, OVEC requests the following other waivers and authorizations: (1) waiver of the filing requirements of subparts B and C of Part 35 of the Commission's regulations, except sections 35.12(a), 35.13(b), 35.15, and 35.16; (2) waiver of the accounting and other requirements of Parts 41, 101, and 141 of the Commission's regulations, except sections 141.14 and 141.15; and (3) blanket authorization under section 204 of the FPA²⁹ and Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability.

30. The Commission will grant these requested waivers and authorizations³⁰ consistent with those granted to other entities with market-based rate authorizations.³¹

contracts under any of a utility's tariffs or rate schedules, or no sales were made during the quarter. Respondents without sales should leave the transaction template blank.").

²⁹ 16 U.S.C. § 824c (2012).

³⁰ We grant blanket approval under Part 34 for future issuance of securities and assumptions of liability where the entity seeking market-based rate authority, such as a power marketer or power producer, is not a franchised public utility or does not otherwise provide requirements service at cost-based rates. *See* Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 999. We interpret OVEC's request for waiver as affirmation that it meets these requirements and our grant of the requested waiver is predicated on this understanding.

³¹ We note that the Commission has examined and approved the continued applicability of the waiver of its accounting and reporting requirements in Parts 41, 101, and 141 of the Commission's regulations, as well as the continued applicability of the blanket authorization for the issuance of securities and the assumption of liabilities in Part 34 of the Commission's regulations. *See* Order No. 697, FERC Stats. & Regs. ¶ 31,252 at PP 984-985 (regarding waiver of Parts 41, 101, and 141) and PP 999-1000 (regarding blanket approval under Part 34). However, waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects. Hydropower licensees are required to comply with the requirements of the Uniform System of Accounts pursuant to 18 C.F.R. Part 101 to the extent necessary to carry out their responsibilities under Part I of the FPA. We further note that a licensee's status as a market-based rate seller under Part II of the FPA does not exempt it from its accounting responsibilities as a licensee under Part I of the FPA.

(continued ...)

Notwithstanding the waiver of the accounting and reporting requirements, the Commission expects OVEC to keep its accounting records in accordance with generally accepted accounting principles.

E. Reporting Requirements

31. OVEC must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.³²

32. In Order No. 697, the Commission created two categories of sellers.³³ Category 1 sellers are not required to file regularly scheduled updated market power analyses. Category 1 sellers are wholesale power marketers and wholesale power producers that own or control 500 MW or less of generation in aggregate per region; that do not own, operate, or control transmission facilities other than limited equipment necessary to connect individual generation facilities to the transmission grid (or have been granted waiver of the requirements of Order No. 888); that are not affiliated with anyone that owns, operates, or controls transmission facilities in the same region as the seller's generation assets; that are not affiliated with a franchised public utility in the same region as the seller's generation assets; and that do not raise other vertical market power issues.³⁴ Sellers that do not fall into Category 1 are designated as Category 2 sellers and are required to file updated market power analyses.³⁵

33. OVEC requests Category 1 seller status in the Northwest, Southeast, and Southwest regions. OVEC represents that it does not own or control more than 500 MW

See Seneca Gen., LLC, 145 FERC ¶ 61,096, at P 23 n.20 (2013) (citing *Trafalgar Power Inc.*, 87 FERC ¶ 61,207, at 61,798 (1999) (noting that “all licensees are required to comply with the requirements of the Uniform System of Accounts to the extent necessary to carry out their responsibilities under [s]ections 4(b), 10(d) and 14 of the FPA”)).

³² *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005); 18 C.F.R. § 35.42 (2014).

³³ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 848.

³⁴ 18 C.F.R. § 35.36(a) (2015).

³⁵ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 850.

of generation capacity in the Northwest, Southeast, and Southwest regions. OVEC represents that neither it nor its affiliates raise other vertical market power concerns.

34. Based on OVEC's representations, we designate OVEC as a Category 1 seller in the Northwest, Southeast, and Southwest regions. OVEC is a Category 2 seller in the Northeast, Central and SPP regions. The Commission reserves the right to require an updated market power analysis at any time for any region.³⁶

The Commission orders:

(A) OVEC's market-based rate tariff is hereby accepted for filing, effective March 28, 2016, as requested, as discussed in the body of this order.

(B) Waiver of the provisions of Subparts B and C of Part 35 of the Commission's regulations, with the exception of sections 35.12(a), 35.13(b), 35.15, and 35.16, is hereby granted.

(C) Waiver of Part 101 of the Commission's regulations is hereby granted, with the exception that waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects. Waiver of Parts 41 and 141 of the Commission's regulations is hereby granted, with the exception of sections 141.14 and 141.15.

(D) Blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability is hereby granted. OVEC is hereby authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of OVEC, compatible with the public interest, and reasonably necessary or appropriate for such purposes.

³⁶ *Id.* P 853.

(E) The Commission reserves the right to modify this order to require a further showing that neither the public nor private interests will be adversely affected by continued Commission approval of OVEC's issuance of securities or assumptions of liability.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.