

125 FERC ¶ 61,283
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeem G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Southern Company Services, Inc.	Docket Nos. PA08-6-000
Alabama Power Company	EL05-102-000
Georgia Power Company	EL05-104-000
Gulf Power Company	ER03-713-000
Mississippi Power Company	
Southern Power Company	

ORDER DIRECTING ISSUANCE OF AUDIT REPORT

(Issued December 12, 2008)

1. On October 5, 2006, the Commission issued an Order on Settlement (Settlement Order) reviewing an Offer of Settlement filed by parties to a proceeding we instituted to determine whether the role of Southern Power in the Southern Operating Companies' generation pool continued to be appropriate and consistent with the Commission's regulations and precedent regarding affiliate abuse.¹ The Settlement Order found that the Offer of Settlement did not adequately protect against affiliate abuse.² We therefore required significant changes to the Settlement. Those modifications required the Southern Operating Companies to take steps to provide additional protection against affiliate abuse.³

¹ *Southern Company Services, Inc.*, 117 FERC ¶ 61,021 (2006).

² *Id.* P 2.

³ *Id.* P 3.

2. The Settlement Order also directed the Commission's Office of Enforcement to conduct an audit of Southern Power and its regulated Operating Company affiliates to determine whether the Southern Operating Companies are fully complying with all of the conditions set forth in the Settlement Order.⁴ The Settlement Order further instructed the Office of Enforcement to address whether the conditions imposed by the Order are sufficient to address any remaining opportunities for affiliate abuse under the Intercompany Interchange Contract (IIC) as it relates to Southern Power.⁵

3. The Office of Enforcement has completed the audit required by the Settlement Order and prepared its final audit report. The final audit report finds that Southern Company properly implemented the modifications and generally complied with the conditions imposed by the Commission in the Settlement Order. The final audit report also requires Southern Company to implement additional corrective actions to reduce the potential for Southern Power employees to access non-public market information, and to follow the company's and the Commission's policies for posting non-public market information on its Open Access Same-Time Information System (OASIS). Southern Company has agreed to take the steps recommended by the final audit report in these areas.

4. The Settlement Order further provided that after the audit report was completed, the Commission would notice it for public comment to determine whether any affiliate abuse concerns remain. The order indicated that if there were still such concerns, the Commission would either set such concerns for hearing or require further changes immediately. Accordingly, we direct the Commission's Secretary to issue a notice that the Office of Enforcement's audit report is completed and invite interested persons to comment on what, if any, further action is appropriate on the matters addressed by the audit report, including the IIC and remaining opportunities for affiliate abuse. Comments should be filed within 30 days of the issuance of the notice.

⁴*Id.*

⁵ *Id.*

The Commission orders:

The Secretary of the Commission shall issue a notice that the Office of Enforcement's audit report in Docket No. PA08-6-000 is completed and invite public comment on the audit report, in accordance with this order. This notice shall include a copy of the audit report.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.