

125 FERC ¶ 61,292
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 16, 2008

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER09-90-000

Southwest Power Pool, Inc.
1200 G Street, NW - Suite 600
Washington, DC 20005

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

Reference: Revised Tariff Sheets

Dear Mr. Segers:

1. On October 17, 2008, Southwest Power Pool, Inc. (SPP) submitted revised sheets to its Open Access Transmission Tariff (Tariff) pursuant to section 205 of the Federal Power Act (FPA)¹ to implement a rate change for Public Service Company of Oklahoma (Public Service Oklahoma) and Southwestern Electric Power Company (Southwestern Power), which are transmission owners and together comprise a pricing zone under the SPP Tariff. SPP states that the changes reflect the transmission formula rate annual update by American Electric Power Service Corporation (AEP) on behalf of Public Service Oklahoma and Southwestern Power (collectively, AEP) pursuant to the transmission formula rate proposal at issue in Docket ER07-1069-000 (AEP Rate Proceeding).² SPP requests waiver of the Commission's prior notice requirements to

¹ 16 U.S.C. § 824d (2000).

² On August 31, 2007, the Commission conditionally accepted AEP's proposed formula rate, suspended it for five months to become effective February 1, 2008, subject to refund, and established hearing and settlement judge procedures. *American Electric Power Service Corporation*, 120 FERC ¶ 61,205 (2007).

allow an effective date for the proposed revisions of July 1, 2008, consistent with the annual update provisions in AEP's formula rate proposal.

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 that transmission owners have dedicated to SPP's Tariff. SPP further states that it uses zonal rates based on the zones where the points of delivery or load are located, while rates for through-and-out transactions are based on the zone from which the power exits SPP's transmission system. The transmission owner, here AEP, controls the filing of rates for its zone, with SPP's role being the administrator of changes to its tariff to reflect any such rate changes. SPP's filing here constitutes a proposed tariff revision to reflect AEP's rate changes. In addition, SPP states that AEP's update to its formula rate resulted in adjustments to the Base Plan Zonal and Region-Wide Annual Transmission Revenue Requirements and point-to point Transmission Service rates in Attachment H and Addendum 1 and 2 to Schedule 11 of SPP's Tariff.

3. Notice of SPP's filing was published in the *Federal Register*, 73 Fed. Reg. 63,958 (2008), with interventions and protests due on or before November 7, 2008. A timely motion to intervene was filed by the East Texas Cooperatives.³ Oklahoma Municipal Power Authority⁴ (Oklahoma Municipal Authority) filed a timely motion to intervene and a limited protest.

4. Oklahoma Municipal Authority argues that SPP's filing fails to fully preserve customers' rights to refunds and other measures adopted in the underlying formula rate proceeding.⁵ Oklahoma Municipal Authority recognizes that SPP is merely adopting the formula rate that AEP filed in Docket No. ER07-1069-000 for transmission service in the AEP pricing zone. Oklahoma Municipal Authority states that it has the same concerns

³ East Texas Cooperatives are made up of East Texas Electric Cooperative, Inc., Northeast Texas Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc.

⁴ Oklahoma Municipal Authority is a governmental agency of the State of Oklahoma and a body politic and corporate created pursuant to the Oklahoma Municipal Power Authority Act of 1981. Oklahoma Municipal Authority is authorized by statute to jointly plan, finance, own and operate electric power supply facilities. It also acts as a wholesale power supplier to thirty-five municipalities in the State of Oklahoma and is a supplier of contract capacity and supplemental energy to four cities in Kansas. Oklahoma Municipal Authority takes service as a network transmission customer and pays transmission rates in the AEP pricing zone of SPP.

⁵ Oklahoma Municipal Authority motion to intervene and limited protest at 4.

about the formula rate and the charges it produces that it identified in its protest filed in the AEP Rate Proceeding. Therefore, Oklahoma Municipal Authority requests that the Commission make any acceptance of SPP's filing in Docket No. ER09-90-000 subject to refund and subject to the outcome of the proceedings in Docket No. ER07-1069-000. Oklahoma Municipal Authority contends that this action will ensure that the ongoing settlement negotiations in the AEP 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.

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. SPP's filing tracks the formula rate proposal that AEP filed in Docket No. ER07-1069-000. Because SPP's filing implements AEP's formula rate proposal that is pending before the Commission subject to refund in Docket No. ER07-1069-000, the Commission conditionally accepts and nominally suspends SPP's filing to be effective July 1, 2008, subject to refund and subject to the outcome of Docket No. ER07-1069-000. We also note that SPP included in the revised Tariff pages 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. Accordingly, we direct SPP to submit a compliance filing within 30 days of the date of this order that includes AEP's formula rate template and removes the data populating that formula.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.