

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 22, 2003

In Reply Refer To:  
Southern Illinois Power Cooperative  
Docket No. NJ03-2-000

The Prime Group, LLC  
Attn: Martin J. Blake  
PO Box 7469  
Louisville, Kentucky 40257-0469

Dear Mr. Blake:

1. On February 26, 2003, on behalf of Southern Illinois Power Cooperative (SIPC), you filed in the above-referenced docket a petition for declaratory order requesting a finding that SIPC's amended Ancillary Service Schedules to its Non-Jurisdictional Open Access Transmission Tariff (NJ OATT) are acceptable for a reciprocity open access transmission tariff pursuant to the provisions of Order No. 888,<sup>1</sup> and requesting waiver of the Commission's filing fee. As discussed below, the Commission finds that SIPC's revised Ancillary Service Schedules to its NJ OATT satisfy the Commission's standard for a reciprocity tariff. The Commission also grants waiver of the filing fee.

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<sup>1</sup>See Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, FERC Stats. & Regs., Regulations Preambles January 1991-June 1996 ¶ 31,036 (1996), order on reh'g, Order No. 888-A, FERC Stats. & Regs., Regulations Preambles July 1996-December 2000 ¶ 31,048, order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), aff'd in relevant part sub nom. Transmission Access Policy Study Group, et al. v. FERC, 225 F.3d 667 (D.C. Cir. 2000), aff'd sub nom. New York v. FERC, 535 U.S. 1 (2002).

## **I. Background**

2. SIPC is a member-owned generation and transmission cooperative utility that provides electric energy to its member distribution cooperatives in southern Illinois.<sup>2</sup> SIPC is funded, in part, by the Rural Utilities Service of the Department of Agriculture (RUS), formerly known as the Rural Electrification Administration.

3. On October 8, 1996, SIPC tendered for filing with the Commission a petition for declaratory order concerning its open access transmission tariff.

4. On September 24, 1997, the Commission granted SIPC's petition, subject to certain modifications, finding that its proposed tariff was consistent with the requirements of Order No. 888 for an acceptable reciprocity open access transmission tariff.<sup>3</sup>

## **II. Instant Filing**

5. SIPC states that the purpose of its request for declaratory order is to ensure that SIPC's revised ancillary service schedules to its NJ OATT continue to satisfy the Commission's reciprocity requirements set forth in Order No. 888. SIPC proposes to amend the rate for five of its ancillary service schedules: (1) Schedule 2- Reactive Supply and Voltage Control from Generation Sources Service; (2) Schedule 3- Regulation and Frequency Response Service; (3) Schedule 4- Energy Imbalance Service; (4) Schedule 5- Operating Reserve-Spinning Reserve Service; and (5) Schedule 6- Operating Reserve-Supplemental Reserve Service.

6. SIPC states that its proposed charges for ancillary services in Schedules 2, 3, 5 and 6 are based on its revenue requirement and that these ancillary service rates are comparable to the components of its bundled rates that SPIC charges itself and its member cooperatives for similar services.

7. SIPC's Schedule 4 revisions are similar to the Schedule 4 provisions the Commission accepted in Illinois Power Company, 93 FERC ¶ 61,036 (2000). SPIC states that the proposed revisions to Schedule 4 will allow it to recover costs associated with

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<sup>2</sup>SIPC's six member distribution cooperatives are: (1) Southern Illinois Electric Cooperative; (2) Egyptian Electric Cooperative of Steeleville, Illinois; (3) Southeastern Illinois Electric Cooperative of Eldorado, Illinois; (4) Tri-County Electric Cooperative of Mt. Vernon, Illinois; (5) Clinton County Electric Cooperative of Breese, Illinois; and (6) Monroe County Electric Cooperative of Waterloo, Illinois.

<sup>3</sup>Southern Illinois Power Cooperative, 80 FERC ¶ 61,341 (1997).

providing energy imbalance service, while deterring customers from using imbalance service as a source of energy in times when the market price fluctuates dramatically.

### **III. Notice and Interventions**

8. Notice of the filing was published in the Federal Register, 68 Fed. Reg. 11543 (2003), with interventions and protests due on or before March 28, 2003. None was filed.

### **IV. Discussion**

#### **Filing Fee**

9. We will grant SIPC's request for waiver of the filing fee. As we stated in Order No. 888-A, "[the Commission's] regulations specifically exempt states, municipalities, and anyone who is engaged in the official business of the Federal Government from filing fees. Because of the nature of the safe harbor and waiver provisions, we will also waive the filing fee for declaratory orders for all other non-public utilities in those circumstances."<sup>4</sup>

#### **SIPC's Reciprocity Tariff**

10. In Order No. 888, the Commission established a safe harbor procedure for the filing of reciprocity open access transmission tariffs by non-public utilities.<sup>5</sup> Under this procedure, non-public utilities may voluntarily submit to the Commission a transmission tariff and request for declaratory order that the tariff meets the Commission's comparability (non-discrimination) standards. If the Commission finds that such a tariff contains terms and conditions that substantially conform to or are superior to those in the pro forma open access transmission tariff contained in Order No. 888, the Commission will deem it to be an acceptable reciprocity open access transmission tariff and will require

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<sup>4</sup>Order No. 888-A at 30,288-89 (footnote omitted).

<sup>5</sup>See also New York Power Authority, 82 FERC ¶ 61,078 (1998), reh'g denied, 83 FERC ¶ 61,137 (1998); Orlando Utilities Commission, 81 FERC ¶ 61,397 (1997), reh'g denied, 84 FERC ¶ 61,069 (1998); Colorado Springs Utilities, 81 FERC ¶ 61,191 (1997); Hoosier Energy Rural Electric Cooperative, 81 FERC ¶ 61,153 (1997); Omaha Public Power District, 81 FERC ¶ 61,054 (1997); Southern Illinois Power Cooperative, 80 FERC ¶ 61,341 (1997); United States Department of Energy-Bonneville Power Administration, 80 FERC ¶ 61,119, order on reh'g, 81 FERC ¶ 61,165 (1997).

public utilities to provide open access transmission service upon request to that particular non-public utility.<sup>6</sup>

11. We have previously explained that the review standard for reciprocity open access transmission tariff rates is that the non-public utility must provide sufficient information for us to conclude that its rates are comparable to the rates that it charges itself.<sup>7</sup> SIPC's proposed rates would be applicable to all of its customers, including its six member distribution cooperatives.

12. We find that SIPC has provided sufficient information for us to conclude that SIPC's proposed rates for ancillary services are comparable to rates it charges itself. Accordingly, we find that the proposed rates meet the standard for a reciprocity open access transmission tariff.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

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<sup>6</sup>In Order No. 888-A, the Commission clarified that under the reciprocity condition, a non-public utility must also comply with the OASIS and standards of conduct requirements or obtain waiver of them. See Order No. 888-A at 30,286.

<sup>7</sup>See, e.g., Long Island Power Authority, 84 FERC ¶ 61,280 at 62,333 (1998); Salt River Project Agricultural Improvement and Power District, 83 FERC ¶ 61,280 at 62,162 (1998).