

107 FERC ¶ 61, 086
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell and Joseph T. Kelliher.

Mississippi Power Company	Docket No. ER04-117-000
Southern Company Services, Inc.	Docket Nos. ER04-118-000 and ER04-118-001
Georgia Power Company	Docket No. ER04-119-000
Alabama Power Company	Docket No. ER04-120-000
Gulf Power Company	Docket No. ER04-169-000

ORDER HOLDING PROCEEDING IN
ABEYANCE FOR THIRTY DAYS

(Issued April 27, 2004)

1. This proceeding concerns informational filings submitted by Southern Company Services, Inc., on behalf of Mississippi Power Company, Georgia Power Company, Alabama Power Company, Savannah Electric and Power Company, and Gulf Power Company (collectively, Southern Companies or Southern), pursuant to prior settlement agreements regarding Southern's formula rates for a variety of generation (both bundled and unbundled) and transmission services.¹ On March 31, 2004, the Commission's Trial Staff (Trial Staff) filed a motion requesting an order setting for hearing the input data and cost projections for formula rates.

¹ See e.g., Southern Company Services, Inc., 86 FERC ¶ 61,057, clarified, 86 FERC ¶ 61,302 (1999).

Trial Staff's Motion

2. On March 31, 2004, the Commission's Trial Staff filed a "Motion for an Order Setting Cost Projections and Accounting Used in Various Formula Rate Contracts for Investigation and Hearing Pursuant to section 205 of the Federal Power Act." Upon review of the informational filings in the referenced dockets, Trial Staff argues that the input data (including the associated accounting methods) and cost projections for the formula rates may be unjust and unreasonable. Thus, it requests a section 205 hearing to examine the input data and cost projections associated with RTO costs in the informational filings in the referenced dockets.

3. Trial Staff's motion further claims that Southern in the past may have improperly accounted for, and recovered in its formula rates, costs associated with RTO development activities.

Southern's Motion

4. On April 23, 2004, Southern filed an "Unopposed Motion to Hold Proceeding in Abeyance for Thirty (30) Days and Request for Expedited Treatment" (Motion). Southern urges the Commission to grant the Motion so that Southern may provide further information to Trial Staff and to afford Trial Staff and Southern a limited period to consider settlement of the issues raised by Trial Staff in its motion requesting a hearing. Southern states that, in the event Trial Staff and Southern are unable to reach a settlement, at the end of the 30-day abeyance period, Southern would have five days to file their response to Trial Staff's motion for hearing (i.e., by June 1, 2004) and the Commission's date to act on Trial Staff's motion would be 21 days following Southern's response (i.e., June 22, 2004).² Southern states that Trial Staff does not oppose its request.

Discussion

5. The Commission will grant Southern's motion and will hold these proceedings in abeyance for thirty days, as requested. The Commission advises the parties that any settlement agreement should address the proper regulatory treatment for RTO costs recovered through wholesale rates on the Southern system, and that the treatment of such

² In its Motion, Southern states the date by which it would file a response to Trial Staff's motion for hearing would be May 31, 2004. However, May 31 is a Federal holiday and the Commission will be closed. Thus, the date by which Southern would file its response would be the next business day, or June 1. Therefore, the time for the Commission to act on Trial Staff's motion would be 21 days following, or June 22.

costs must be consistent with Commission precedent.³ RTO development costs cannot be recovered through formula rates until there has been a Commission order explicitly providing for the recovery of such costs.

The Commission orders:

(A) The proceedings in the referenced dockets shall be held in abeyance for thirty days, as requested by Southern.

(B) If Southern and Trial Staff are unable to reach a settlement by May 25, 2004, Southern may file a response to Trial Staff's Motion for Hearing by June 1, 2004.

By the Commission. Commissioner Kelly not participating.

(S E A L)

Magalie R. Salas,
Secretary.

³ See PJM Interconnection, LLC, 105 FERC ¶ 61,166 (2003); American Electric Power Services Corporation, 104 FERC ¶ 61,013 (2003), reh'g denied, 105 FERC ¶ 61,081 (2003); Alliance Companies, et al., 99 FERC ¶ 61,105 at 61,442 (2002). Also see Delegated Orders in Docket No. AC03-78-000 (Idaho Power Co., February 3, 2004), Docket No. AC02-6-000 (Northeast Utilities Service Co., March 14, 2002).