UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southern Company Services, Inc. Docket Nos. ER06-1234-000 and ER06-1234-001

ORDER CONDITIONALLY ACCEPTING UNEXECUTED LARGE GENERATOR INTERCONNECTION AGREEMENT, SUBJECT TO MODIFICATION

(Issued September 8, 2006)

1. On July 7, 2006 as amended on July 12, 2006,[1] Southern Company Services (Southern), as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively, "Southern Companies"), filed, under to section 205 of the Federal Power Act (FPA)[2] an unexecuted Large Generator Interconnection Agreement (LGIA) between Southern and Longleaf Energy Associates, LLC (Longleaf). In this order, we grant waiver of the Commission's 60-day notice requirement and accept the unexecuted LGIA effective July 7, 2006, as requested, subject to Southern filing a revised LGIA removing limits on transmission credits and correcting citation to a regulation in article 11.4.1 (Repayment of Amounts Advanced for Network Upgrades), as discussed below.

I. Background

2. Longleaf submitted to Southern a request for the interconnection to Southern's transmission system of a 1200 megawatt coal-fired generation facility being developed by Longleaf in Early County, Georgia. As required under Southern's *pro forma* Large

[1] On July 12, 2006 Southern filed an erratum to correct the designation of the Interconnection Agreement from service agreement number 475 to service agreement number 476 under the Southern Operating Companies' Open Access Transmission Tariff, FERC Electric Tariff, Fourth Revised Volume No. 5.

[2] 16 U.S.C. § 824d (2000).

Generator Interconnection Procedures (LGIP), Southern conducted interconnection studies and forwarded the *pro forma* LGIA to Longleaf. The parties were unable to reach agreement, so Longleaf requested Southern file the unexecuted LGIA with the Commission.

3. Southern states that it has provided in its filing a list of issues that, to the best of its knowledge, are the issues on which the parties do not agree. According to Southern, the revisions Longleaf requests are non-conforming changes to the LGIA, which Southern did not make, and which Southern believes constitute a collateral attack on the Commission's Interconnection Rule.[3]

4. Southern requests that the Commission waive its 60-day notice period and accept the unexecuted LGIA for filing effective as of July 7, 2006.

II. Notice and Responsive Pleadings

5. Notice of the filing was published in the *Federal Register*, 71 Fed. Reg. 42,375, with comments, protests, and motions to intervene due on or before August 2, 2006. On July 23, 2006, Longleaf filed a timely motion to intervene and protest. On August 21, 2006, Southern filed an answer to Longleaf's protest.

III. Discussion

A. Procedural Matters

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2006), Longleaf's timely, unopposed motion to intervene and protest serves to make it a party to this proceeding.

7. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2006), prohibits answers to protests unless otherwise ordered by the

[3] *See Standardization of Generator Interconnection Agreement and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (Mar. 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004), *order on reh'g*, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, 70 Fed. Reg. 37,661 (June 30, 2005), FERC Stats. & Regs. ¶ 31,190 (2005), *appeal docketed sub nom. National Association of Regulatory Utility Commissioners, et al. v. FERC*, Nos. 04-1148, *et al.* (D.C. Cir. filed Apr. 29, 2004 and later) (Interconnection Rule).

decisional authority. The Commission will accept Southern's answer because it provides information that assists in our decision-making process.

B. Analysis

1. Substantive Variations from Southern's *pro forma* LGIA

a. Arguments

8. Article 9.6.3 (Payment for Reactive Power) does not require payment to the interconnection customer for reactive power within the range specified in article 9.6.1 unless Southern is paying its own or affiliated generators for reactive power when operating within that range. Longleaf argues that it has a right, under section 205 of the FPA, to apply for compensation for reactive power. Southern states that the Commission has rejected requests to change this policy as set forth in Order No. 2003.[4]

9. Under article 9.7.1.2 (Outage Schedules), when Southern asks Longleaf to reschedule maintenance at its generation facility, Southern must compensate Longleaf for its direct costs of rescheduling, provided that Longleaf has not modified its maintenance schedule over the preceding twelve months. Longleaf requests a reduction in the amount of time Longleaf must abstain from rescheduling maintenance in order to be compensated for rescheduling, from twelve months to three months. Southern states that the twelve month period was not casually adopted by the Commission, but was specifically selected "as it balanced 'the principle of minimizing barriers to entry of new generation without increasing the risk of reliability problems.'"[5]

10. Longleaf also seeks to revise article 17.1.1 (Default: General) to extend the time to cure a default from 90 days to such additional time as may be reasonably required to cure the default as long as the breaching party is working continuously and diligently toward a cure. Southern responds that the Commission rejected an identical proposed change to the cure period in its Order No. 2003 rulemaking process.[6]

11. Longleaf requests that language be inserted into the appendices clarifying its responsibilities regarding insurance coverage (under article 18.3.1). Longleaf wants to clarify that if it does not have any employees operating in the state in which the point of interconnection of its facility is located, then it should not be required to maintain

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[4] Southern Answer at 5 (citing *Entergy Services, Inc.*, 113 FERC ¶ 61,040 at P 22 (2005)).

[5] Southern Answer at 14 (quoting Order No. 2003 at P 554).

[6] *Id.* at 15 (citing Order No. 2003 at P 628).

employers' liability insurance. Longleaf states that if, for example, it contracts out certain operations, it may not have employees in the state and, therefore, there would be no need for it to have such insurance. Longleaf asserts that, if it has no employees in that state, there will be no risk to Southern from Longleaf's actions.

12. Southern responds that the Commission rejected a similar request by an interconnection customer (which would have allowed the interconnection customer to have a lesser amount of insurance than the *pro forma* LGIA required) stating that while such a provision may have some benefit, to ensure that all similarly situated interconnection customers are treated comparably, such benefit must be provided to all interconnection customers by being included in the transmission provider's *pro forma* LGIA.[7]

b. Commission Determination

13. In Order No. 2003, the Commission required transmission providers (such as Southern) to file *pro forma* interconnection documents and to offer their customers interconnection service consistent with those documents.[8] The use of *pro forma* documents ensures that interconnection customers, such as Longleaf, receive non-discriminatory service and that all interconnection customers are treated on a consistent and fair basis. Using *pro forma* documents also streamlines the interconnection process by eliminating the need for an interconnection customer to negotiate each individual agreement. This reduces transaction costs, ensures that all interconnection customers are treated fairly, and reduces the need to file interconnection agreements with the Commission to be evaluated on a case-by-case basis.[9]

14. At the same time, the Commission recognized in Order No. 2003 and subsequent orders that there would be a small number of extraordinary interconnections where reliability concerns, novel legal issues or other unique factors would call for the filing of a non-conforming agreement.[10] The Commission made clear that the filing party must clearly identify the portions of the interconnection agreement that differ from its *pro forma* agreement and explain why the unique circumstances of the interconnection

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[7] Southern Answer at 17 (citing *MidAmerican Energy Co.*, 116 FERC ¶ 61,018 at P 12 (2006)).

[8] Order No. 2003 at P 11-12.

[9] *See id.* P 10 ("[I]t has become apparent that the case-by-case approach is an inadequate and inefficient means to address interconnection issues.").

[10] *MidAmerican Energy Co.*, 116 FERC at P 8; *Midwest Indep. Transmission Sys. Operator, Inc*., 112 FERC ¶ 61,024 at P 9 (2005).

require a non-conforming interconnection agreement.[11] The Commission analyzes such non-conforming filings, which we do not expect to be common, to ensure that reliability concerns, novel legal issues or other unique factors necessitate the non-conforming provisions.[12] A party seeking a case-specific deviation from an approved *pro forma* interconnection agreement bears an even higher burden to explain what makes the interconnection unique and why its changes are operationally necessary (not merely "consistent with or superior to") changes.[13]

15. Here, Southern has filed an unexecuted LGIA that, except for certain appendices, conforms with its *pro forma* LGIA, and Longleaf has challenged certain of those conforming provisions. We find that no reliability concerns, novel legal issues or other unique factors justify deviating from Southern's *pro forma* LGIA, as Longleaf has proposed. Accordingly, we will not require Southern to make the non-conforming changes discussed above, as requested by Longleaf.

2. Variations Longleaf Requests "to Avoid Confusion"

a. Arguments

16. Longleaf requests four changes to the LGIA that it characterizes as "minor" and "non-material" but that it asserts are necessary to avoid confusion. Longleaf states that construction of the proposed facility is contingent on securing project financing and that potential lenders are likely to express reservations about language in the LGIA that is irrelevant, outdated or otherwise inaccurate.

17. First, Longleaf notes that article 5.17.2 (Taxes: Representations and Covenants) requires the interconnection customer to make certain representations and covenants in accordance with IRS Notices 2001-82 and 88-129. Longleaf states that after Order No. 2003 was issued, the Internal Revenue Service issued IRS Rev. Procedure 2005-35, superceding IRS Notice 2001-82. Longleaf argues that IRS Rev. Procedure 2005-35 makes the representations of article 5.17.2 irrelevant and confusing. Southern responds that the representations of article 5.17.2, in accordance with IRS Notices 2001-82 and 88-

[11] Order No. 2003-B at P 140 ("[E]ach Transmission Provider submitting a non-conforming agreement for Commission approval must explain its justification for each non-conforming provision….").

[12] *See, e.g.*, *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,098 at P 9 (2005); *see also Midwest Indep. Transmission Sys. Operator, Inc*., 112 FERC ¶ 61,067 (2005); *El Paso Elect. Co.*, 110 FERC ¶ 61,163 at P 4 (2005).

[13] *See, e.g.*, *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,098 at P 9.

129, are necessary to secure safe harbor treatment for transfers of interties by qualifying and non-qualifying generators to a utility. Southern asserts that IRS Rev. Procedure 2005-35 is not related and does not supercede IRS Notices 2001-82 and 88-129.

18. Second, Longleaf states that the citation to 18 C.F.R. § 35.19a(2)(ii) in article 11.4.1 (Repayment of Amounts Advanced for Network Upgrades) is incorrect and refers to interest on excessive rates or charges between October 10, 1974 and September 30, 1979. Longleaf asserts that the error will cause confusion. Southern states that this reference is a typographical error and that anyone looking at the article will immediately see the correct citation at 18 C.F.R. §35.19a(2)(iii) for rates or charges on or after October 1, 1979. Thus, Southern asserts there will be no confusion.

19. Third, Longleaf argues that confusion will result from the reference in article 14.1 (Regulatory Requirements) to the Public Utility Holding Company Act (PUHCA) of 1935[14] rather than the more recent PUHCA of 2005.[15] Southern responds that it was clear that Congress, in the Energy Policy Act of 2005,[16] repealed PUHCA 1935 and superceded it with PUHCA 2005.

20. Finally, Longleaf notes that article 19.1 (Assignment) states that "[a]ny attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof." Longleaf requests to change the words "void and ineffective "to "voidable," and to delete the last sentence of the quoted language. Longleaf is concerned that the current language may devalue the assignment right. Southern argues that Longleaf has presented no reliability concerns, novel legal issues or other unique factors that would justify a change to this provision.

21. Longleaf also seeks two changes to the appendices that it states are necessary to avoid confusion. First, Longleaf states that Appendix G, which applies to interconnections of wind plants, is irrelevant. Southern states that it did not remove Appendix G because the Commission specifically requires this provision. Southern also asserts that excluding sections required in its *pro forma* LGIA from individual LGIAs, because they are inapplicable to a particular interconnection, would result in non-standard LGIAs, thus undermining the Interconnection Rule.

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[14] 15 U.S.C. §§ 79a *et seq*. (2000) (PUHCA 1935).

[15] Pub. L. No. 109-58, §§ 1261-77, 119 Stat. 594, 972-78 (2005) (to be codified at 42 U.S.C. §§ 16451-63) (PUHCA 2005).

[16] Energy Policy Act of 2005, Pub. L. No. 109-58, §§ 1261-77, 119 Stat. 594, 972-78 (2005).

22. In addition, Longleaf proposes that Southern clarify in the appendices that Longleaf has requested Energy Resource Interconnection Service (ERIS) and that the provisions of Network Resource Interconnection (NRIS) are inapplicable to Longleaf. Southern states that the first sentence of Appendix A indicates that Longleaf has selected ERIS. Further, according to Southern, the LGIP provides that an interconnection customer may proceed under ERIS or NRIS, but not both. Southern argues that a sentence stating that Longleaf did not select NRIS would be redundant.

b. Commission Determination

23. With the exception of Longleaf's requested change to article 11.4.1, we will reject the proposed non-substantive deviations from Southern's *pro forma* LGIA. Longleaf has not demonstrated that reliability concerns, novel legal issues or other unique factors justify deviating from Southern's *pro forma* LGIA. We will also reject as unnecessary the deletion of non-applicable terms from the LGIA. As we have stated, if a provision of a contract is not applicable, it is not applicable. Unless confusion is likely, modifications to a *pro forma* agreement that "clarify" matters not in doubt are not necessary.[17]

24. With respect to Longleaf's requested change to article 11.4.1, involving interest payments, we note that the Commission, in Order No. 2003-B, required transmission providers to revise article 11.4.1 of their *pro forma* LGIAs to refer to the correct regulation (18 C.F.R. § 35.19a(2)(iii)) within 60 days of the issuance of Order No. 2003-B and to submit revised tariff sheets.[18] In an order issued in Docket No. ER05-613-000,[19] the Commission accepted Southern's Order No. 2003-B-compliant *pro forma* LGIA, including the correct version of article 11.4.1. It appears, however, that in the instant filing Southern has submitted an unrevised version of article 11.4.1 (*i.e.*, with the incorrect citation to 18 C.F.R. § 35.19a(2)(ii)). Accordingly, we will require Southern to revise article 11.4.1 in the LGIA to incorporate the correct citation in the instant agreement.

3. Substantive Changes to the Appendices

25. Longleaf also requests a number of substantive changes to the appendices to the LGIA. Longleaf asserts that, because these provisions are not in Southern's *pro forma* LGIA, they do not enjoy the same deference afforded to other provisions of the LGIA. Longleaf states that section 11.2 of the *pro forma* LGIP generally leaves matters relating to the appendices to negotiations between the transmission provider and the

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[17] *MidAmerican*, 116 FERC ¶ 61,018, at P 11 (2006).

[18] Order No. 2003-B at P 4.

[19] *Southern Co. Servs. Inc.*, 111 FERC ¶ 61,083 (2005).

interconnection customer. In addition, Longleaf states that in proposing the rates, terms and conditions contained in the appendices, the public utility has the burden of proof under section 205 of the FPA to show that the increased rate or charge is just and reasonable.

26. As a preliminary matter, we agree that a particular appendix that parties have negotiated in accordance with section 11.2 of the *pro forma* LGIP is not presumed to be just and reasonable. Unlike the provisions of an interconnection agreement that conform to the *pro forma* LGIA, such appendices must be shown to be just and reasonable under section 205 of the FPA.

a. Cost-Related Issues

i. Arguments

27. Longleaf states that Southern should not be allowed to recover $1.22 million in line outage costs under Appendix A.[20] It claims that Southern already recovers these costs through system average losses included in Southern's bulk transmission service rates. Longleaf protests Southern's methodology for calculating the outage costs and asserts that Southern may not be operating its system in the most efficient manner. Further, if Southern is allowed to recover outage costs, then Longleaf should receive transmission credits in the full amount (as discussed below), since line outage costs are incurred "at or beyond" the point of interconnection.[21]

28. Southern responds that outage costs do not help create a long-lived asset eligible for credits, but instead are one-time prudently incurred expenses.[22] Southern also states that specific line outage costs incurred to interconnect a generator are not included in system average losses, so outage costs are not already recovered under the OATT.[23] Southern further states that the Commission has already allowed it to recover outage costs and that the language, categories and support reflected in Appendix A are similar to that which the Commission has previously accepted in *Southern Company Services, Inc*.[24]

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[20] Line outage costs are costs that may be incurred when a transmission line must be taken off-line in order to complete an interconnection.

[21] Longleaf Protest at 16.

[22] Southern Answer at 20.

[23] *Id.*

[24] *Southern Co. Servs.*, 111 FERC ¶ 61,423, at P 28 (2005).

29. Longleaf also protests the requirement that it pay Southern the proposed monthly administrative charge for interconnection-related administrative costs as set forth in Appendix C. Longleaf asserts that it is virtually impossible to ensure that Southern is not double-recovering its costs through the proposed monthly administrative charge and its Operation and Maintenance (O&M) expenses. Longleaf states that Southern refers to 37 prior interconnection agreements under which it collects the monthly administrative charge; if Southern is collecting similar amounts from those 37 other interconnection customers, then Southern is collecting $2.2 million annually solely for interconnection-related administrative costs. Longleaf asserts that the total amount is unjust and unreasonable and a windfall for Southern. [25]

30. Southern states that the monthly administrative charge covers its administrative activities, including expenses related to billing, scheduling energy, and Power Coordinator Center communications. Southern states that O&M expenses are related to operating and maintaining the physical transmission system; thus, they are different from the activities covered by the monthly administrative charge. Southern argues that the Commission has reviewed and approved its administrative charge in other interconnection agreements.[26] Southern also states that as part of Southern's informational filing regarding its O&M cost methodology, the Commission agreed with Southern that there was no double recovery between the O&M charge and the monthly administrative charge.[27]

ii. Commission Determination

31. We find that the proposed line outage charge is just and reasonable. The Commission has accepted line outage charges similar to those proposed in Appendix A.[28]

32. We also find the monthly administrative charge to be just and reasonable. In Order No. 2003-A, we stated that costs eligible for credits are those associated with investments in long-lived assets; one-time costs are properly charged directly to the Interconnection Customer.[29] We find that those outage costs are a one-time cost. In addition, we have previously reviewed the monthly administrative charge and found that

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[25] Longleaf Protest at 20.

[26] Southern Transmittal Letter at 11 and Exhibit D.

[27] Southern Answer at 25-26 and Southern Transmittal Letter at 11 (citing *Southern Co. Servs.*, 112 FERC ¶ 61,145 at P 44).

[28] *Id.* at P 28.

[29] Order No. 2003-A at P 656.

it does not include O&M expenses, as Longleaf alleges.[30] The amounts being requested by Southern for the monthly administrative charge are similar to those previously approved.[31] Further, transmission providers are entitled to collect their prudently incurred costs. A transmission provider is presumed to use good faith and prudence in incurring costs, absent a showing of inefficiency or improvidence.[32] While we reject Longleaf's request that it not be required to pay for these costs, we remind Longleaf that it has the option of raising this issue again in a FPA section 206[33] complaint if it believes that double-recovery is actually occurring.[34]

b. Transmission Credits for Network Upgrades

33. Longleaf also opposes Southern's attempt to limit, in Appendix A, the amount of transmission credits Longleaf can receive for building "stand-alone" network upgrades[35] to the amount that Southern estimates it would incur if Southern constructed the upgrades. Southern states that this approach is reasonable because Longleaf has stated that it could build the upgrades for less than Southern's estimate. It says the purpose of the limitation is to provide Longleaf with an incentive to take cost-saving measures. Longleaf states that Commission policy requires Southern to provide it with transmission credits equal to the actual cost of building the upgrades.

34. While we see some merit in the concept of providing cost discipline through a limitation on credits such as Southern proposes, we will not limit the amount of transmission credits to which Longleaf will be entitled to Southern's estimates of what it would cost Southern to build the upgrades. Given the incentive to minimize credit expense by providing an artificially low estimate, Southern has failed to demonstrate how it will ensure that its estimates will be reasonable and accurate. Under our interconnection policy, when the transmission provider allows the interconnection

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[30] *See Southern Co. Servs.*, 112 FERC ¶ 61,145 at P 44-45 (2005).

[31] Southern Transmittal Letter at Exhibit D.

[32] *See Midwest Indep. Transmission Sys. Operator, Inc.*, 115 FERC ¶ 61,224, at P 28 (2006) (internal citations omitted).

[33] 16 U.S.C. 824e (2000).

[34] *See Southern Co. Servs.*, 112 FERC ¶ at P 44 (2005).

[35] "Stand-alone" network upgrades are those network upgrades that the interconnection customer may construct (rather than having the transmission provider construct them) without affecting day-to-day operations of the transmission system during their construction.

customer to build network upgrades, the interconnection customer is entitled to transmission credits equivalent to the costs of the network upgrades, plus interest. [36] Theoretically, if Southern can develop and support a just and reasonable method for determining its "estimated" baseline cost for such upgrades, Southern's proposal could be consistent with this requirement, since it would essentially provide credits equivalent to the prudent cost of the upgrade. However, Southern has not adequately supported its method of estimation. Accordingly, we direct Southern to revise its appendices to remove the proposed limits on transmission credits.

c. Transmission Provider Actions

35. Longleaf expresses concern that language in Appendix C allowing Southern to take "appropriate action" if Longleaf's generation facility does not comply with reactive power requirements is overly broad. Similarly, Longleaf is concerned about Appendix C, section A, subpart 8, which states that "Georgia Power may reenergize the bus segment by remote control and Georgia Power shall not be responsible for damage to Generating Facility due to an out-of-phase condition during re-energization." Longleaf states that Southern should not be relieved of liability if it damages Longleaf's generator by re-energizing by remote control during an out-of-phase condition.

36. In response to Longleaf's concern about Southern's ability to take appropriate action when Longleaf facility does not comply with the reactive power requirements, Southern states that the transmission provider must be able to take actions needed to ensure the reliability of the system. With regard to Longleaf's concerns about Appendix C, section A, subpart 8, Southern states that it is difficult to specify what actions it would need to take in such a situation because it cannot predict what the generating facility may or may not do. Southern states however, that its ability to act is defined by the LGIA, the Interconnection Rule and appropriate industry reliability requirements, such as North American Reliability Council (NERC) reliability standards.[37]

37. We find the language in Appendix C allowing Southern to "take appropriate action" and Appendix C, section A, subpart 8 to be just and reasonable. Southern must be able to act when an individual transmission customer's generating facility threatens the reliability of its transmission system. Further, the appropriateness of Southern's actions is limited and defined by the LGIA, the Interconnection Rule and industry reliability requirements, such as NERC requirements. Accordingly, we will not require Southern to amend these provisions.

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[36] *See Southern Co. Servs.*, 108 FERC ¶ 61,229, at P 23 (2005), *reh'g denied*, 111 FERC ¶ 61,423 (2005).

[37] Southern Answer at 22-23.

d. Real Property Rights

38. Longleaf requests that Southern identify in the appendices the specific real property and rights-of-way that must be acquired for the project so that Longleaf can secure that property and rights-of-way. Longleaf states that real estate required for the interconnection is vitally important and that it will not be able to obtain financing if any necessary real estate rights are in question.

39. Southern states that article 5.6 provides that construction is to begin when certain conditions are met, including acquisition of all necessary real property rights and rights-of-way for the particular interconnection facility. It says that its *pro forma* LGIA does not require the appendices to contain this information. Southern asserts that it should not be required to include this information in the appendices. In addition, Southern states that it is not able to do so because it cannot rely solely on Longleaf's assertions regarding the needed property rights and must perform its own investigation. As a result, Southern indicates that it cannot provide the information Longleaf requests in the appendices; however, once it has had the opportunity to identify the real property rights and rights-of-way required, it will provide that information to Longleaf.

40. We will not require Southern to amend the appendices to add information identifying real property rights and rights-of-way required for the interconnection facility. Southern is unable at this time to include this information in the appendices. However, as it is important for Longleaf to know this information, we direct Southern to abide by its promise to provide Longleaf with the requested information when it becomes available.

41. For the reasons stated above, we will grant waiver of our prior notice rules[38] and conditionally accept the unexecuted LGIA for filing, subject to modification, as discussed above, effective July 7, 2006 as requested.

The Commission orders:

(A) Southern's LGIA is hereby accepted, effective July 7, 2006, as requested, as discussed in the body of the order.

[38] *See Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at 61,984, *reh'g denied*, 65 FERC ¶ 61,081 (1993) (stating that the Commission will grant waiver of notice for service agreements under umbrella tariffs filed up to 30 days following the commencement of service).

(B) Southern is directed to make a compliance filing, as discussed in the body of this order, within 30 days of the date of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.