

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.

Xcel Energy Services, Inc.	Docket Nos. ER06-1485-002 ER06-1485-001 ER07-266-000
Oklahoma Gas & Electric Company	ER06-1488-001 ER06-1488-002
Empire District Electric Company	ER06-1463-001 ER06-1463-002
American Electric Power Service Corporation	ER07-385-000
Westar Energy, Inc.	ER06-1471-001
	(Not Consolidated)

ORDER ON REHEARING AND COMPLIANCE FILING

(Issued January 31, 2007)

1. In this order, the Commission addresses (1) requests for rehearing and/or clarification of the Commission's October 30, 2006 Order¹ and an October 26 Letter Order,² (2) compliance filings and (3) section 205 filings made pursuant to the *October 30 Order* or pursuant to reserve sharing within Southwest Power Pool's (SPP)

¹ *Xcel Energy Services, Inc.*, 117 FERC ¶ 61,127 (2006) (*October 30 Order*).

² *Empire District Electric Company*, Docket No. ER06-1463-000 (October 26, 2006) (unpublished letter order) (*October 26 Letter Order*).

energy imbalance service market (imbalance market). As discussed below, we will grant the rehearing requests by Redbud Energy, LP (Redbud), reject or deny the rehearing requested by Golden Spread Cooperative (Golden Spread), and Oklahoma Municipal Power Authority (OMPA) and approve in part and reject in part the compliance filings from Empire District Electric Company (Empire), American Electric Power Service Corporation (AEP), Xcel Energy Services, Inc. (Xcel), Oklahoma Gas & Electric Company (OG&E), and Westar Energy, Inc. (Westar) to become effective as of February 1, 2007, or on such later date as SPP's imbalance market becomes effective.

I. Background

2. SPP is a regional transmission organization (RTO).³ In 2004 the Commission accepted SPP's commitment to develop an imbalance market, including implementation of a real-time, offer-based energy market that will be used to calculate the price of imbalance energy.⁴ The Commission also required SPP to provide market monitoring and market power mitigation plans.⁵

3. On June 15, 2005, SPP submitted proposed tariff revisions intended to implement an imbalance market and establish a market monitoring and market power mitigation plan (June 15 Filing). The Commission rejected the June 15 Filing as inadequate and provided guidance concerning: (1) reliable and stable market operations; (2) market-based rates in the new market; and (3) mitigation and monitoring issues.⁶

4. On January 4, 2006, SPP resubmitted proposed revisions to its Open Access Transmission Tariff (OATT or tariff) to implement SPP's imbalance market and establish market monitoring and market power mitigation plans (January 4 Filing). With these revisions, SPP intended to implement a real-time energy imbalance market, based on a least cost bid-based security constrained economic dispatch and locational marginal pricing. On March 20, 2006, the Commission found that the January 4 Filing was missing important elements and assurances regarding reliable and stable operation and

³ See *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,009 (2004), *order on reh'g*, 110 FERC ¶ 61,137 (2005).

⁴ *Southwest Power Pool, Inc.*, 106 FERC ¶ 61,110 at P 134, *order on reh'g*, 109 FERC ¶ 61,010 (2004).

⁵ *Id.* P 173.

⁶ *Southwest Power Pool, Inc.*, 112 FERC ¶ 61,303, *reh'g denied*, 113 FERC ¶ 61,115 (2005).

therefore directed submission of the missing elements and additional readiness and market startup safeguards.⁷ The Commission accepted and suspended SPP's filing and permitted it to become effective October 1, 2006, subject to further orders and directed SPP to submit a compliance filing.

5. On May 19, 2006, SPP submitted a compliance filing that contained proposed tariff revisions pursuant to the *SPP Market Order* (May 19 Filing). The May 19 Filing also included newly proposed market provisions, filed under section 205 of the Federal Power Act (FPA),⁸ a standard market participant agreement and a proposal for allocating the costs of energy from operating reserves. On July 20, 2006, the Commission accepted SPP's newly proposed market provisions and compliance filing in part, as modified, and rejected in part, to become effective on October 1, 2006.⁹

6. In the *SPP Compliance Order*, the Commission directed that SPP, among other things, modify its OATT to provide that rates for emergency energy will reflect a pass-through of costs charged to SPP pursuant to a new reserve sharing emergency energy ancillary service schedule (Schedule 4A) in public utilities' OATTs or non-utilities' reciprocal tariffs.¹⁰ The Commission added that the rate for emergency energy should

⁷ *Southwest Power Pool, Inc.*, 114 FERC ¶ 61,289, at P 1-3 (*SPP Market Order*), *order on reh'g*, 116 FERC ¶ 61,289 (2006).

⁸ 16 U.S.C. § 824d (2000).

⁹ *Southwest Power Pool, Inc.*, 116 FERC ¶ 61,053 (2006) (*SPP Compliance Order*).

¹⁰ *Id.* at P 40 . The Commission noted that, prior to SPP passing through the costs of this service, any public utility participating in the SPP imbalance market must have on file a Commission-approved schedule for emergency energy. The Commission further noted that Schedule 4 (Imbalance Service) of the utilities' tariffs will no longer apply once SPP's own imbalance market is implemented. The Commission encouraged utilities participating in SPP's imbalance market to withdraw their current Schedule 4 for imbalance service. *Id.* at P 40 and n.57

reflect the actual costs of emergency energy, and should not include capacity costs.¹¹ Pursuant to the *SPP Compliance Order*, Xcel (Docket No. ER06-1485-000),¹² Westar (Docket No. ER06-1471-000), OG&E (Docket No. ER06-1488-000), Empire (Docket No. ER06-1463-000), and AEP (Docket No. ER07-385-000) each submitted proposed revisions to its OATT to include a Schedule 4A for emergency energy.

7. On October 26, 2006, the Commission issued an order that addressed requests for clarification and/or rehearing and compliance to the *SPP Compliance Order*.¹³ In the *October 26 Order*, the Commission denied in part and granted in part the requests for rehearing and accepted SPP's compliance filing, subject to further compliance.¹⁴

8. In the *October 26 Order*, the Commission, among other things, stated its position that the just and reasonable rate for energy provided during a reserve sharing activation event should reflect the actual costs of emergency energy and should not include capacity costs. The Commission, however, agreed with intervenors that if the emergency energy rate were limited to incremental costs, the emergency energy rate could be lower than the market clearing price and that denying an entity the ability to recover its opportunity costs would be inappropriate. Therefore, the Commission allowed emergency energy charges to be based on the higher of the incremental costs plus an adder consistent with Commission precedent or the Locational Imbalance Price (LIP) for the unit responding to

¹¹ *Id.* at P 40 and n.58 (“ . . . it may also be just and reasonable to derive a single emergency energy rate for service in the balancing authority area from the various interchange agreements to which a balancing authority is a party”).

¹² Xcel filed on behalf of its operating company, Southwestern Public Service Company (SPS).

¹³ *Southwest Power Pool, Inc.*, 117 FERC ¶ 61,110 (2006) (*October 26 Order*).

¹⁴ *Id.* Concurrently, Empire's filing in Docket No. ER06-1463-000 was accepted under delegated authority in an unpublished letter order dated October 26, 2006, subject to Order No. 614 compliance. *Designation of Electric Rate Schedules Sheets*, Order No. 614, 65 Fed. Reg. 18,221, FERC Stats. And Regs. ¶ 31,096 (2000).

the reserve sharing event.¹⁵ In an order issued on January [26], 2007, the Commission largely affirmed the *October 26 Order*.¹⁶

9. Following the *October 26 Order*, the Commission rejected Xcel's, Westar's, and OG&E's revisions to their OATTs to include Schedule 4A.¹⁷ Xcel's and OG&E's Schedule 4A's provided that rates for service shall be the greatest of: (i) the hourly LIP at the Settlement Location used to provide such service, per megawatt-hour; (ii) 110 percent of the incremental cost of the resource(s) used to provide such service; or (iii) \$100 per megawatt-hour. Westar's Schedule 4A filed in Docket No. ER06-1471-000 provided that charges for service shall be the higher of 110 percent of the incremental costs or the minimum charge of the entity in the SPP Reserve Sharing Group receiving the energy if that entity utilizes a minimum charge for the Reserve Sharing Energy they supply to Westar. In keeping with its *October 26 Order*, the Commission determined that reserve sharing charges must reflect the higher of the incremental costs plus an adder consistent with Commission precedent or the LIP for the unit responding to the reserve sharing event.¹⁸ Therefore, the Commission rejected the parties' filings and directed Xcel, Westar, and OG&E to make compliance filings amending their Schedule 4As consistent with the Commission's determinations on rehearing of the *SPP Compliance Order*.

10. On November 29, 2006, Golden Spread and OMPA each submitted rehearing requests in the dockets associated with Xcel and OG&E, respectively. Also on November 29, 2006, OG&E, Westar, and Xcel submitted their compliance filings pursuant to the *October 30 Order* that included a revised Schedule 4As. With its Schedule 4A, Xcel included section 205 (Docket No. ER07-266-000) tariff revisions that were in addition to the Commission's directives provided in the *October 30 Order*. On

¹⁵ *October 26 Order*, 117 FERC ¶ 61,110 at P 27, 28.

¹⁶ See *Southwest Power Pool, Inc.*, 118 FERC ¶ 61,059 (2007) (*January 26 Order*). SPP delayed its imbalance market implementation several times. At its December 12, 2006 meeting, SPP's Board approved certification of SPP's readiness for a February 1, 2007 market start up. On December 22, 2006, SPP filed a market readiness certification stating that the imbalance market will start on February 1, 2007 (Docket No. ER06-451-017). See also *Southwest Power Pool, Inc.*, 118 FERC ¶61,055 (2007).

¹⁷ *Xcel Energy Services, Inc.*, 117 FERC ¶ 61,127 at P 19 (2006) (*October 30 Order*).

¹⁸ See *October 26 Order*, 117 FERC ¶ 61,110 at P 28.

November 22, 2006, Empire submitted a compliance filing pursuant to the *October 26 Letter Order*. On December 26, 2006, AEP submitted revisions to its OATT to incorporate Schedule 4A.

II. Requests for Rehearing

A. Xcel Energy Services: ER06-1485-002

1. Golden Spread's Position

11. Golden Spread seeks rehearing of the Commission's determination that reserve sharing charges can be based on the higher of the incremental costs plus an adder consistent with Commission precedent or the LIP for the unit responding to the reserve sharing event. Specifically, Golden Spread charges that the Commission's determination of reserve sharing charges: (1) permits SPS Merchant/Control Area to recover capacity costs in the emergency energy charge, without making the demonstration that it would not double recover the cost of capacity; (2) permits SPS to charge a rate that is unduly discriminatory as applied to entities like Golden Spread that are not members of a reserve sharing group (RSG); and (3) improperly considered that SPS would otherwise be denied recovery of opportunity costs, as the capacity providing reserve energy is not bid into the imbalance market and is therefore not eligible to be paid the LIP. Golden Spread requests that the Commission reinstate the rule articulated in the *SPP Compliance Order* that limited the rate for emergency energy to incremental costs only; unless a particular utility can make the required showing that it would not double recover capacity costs.

2. Commission Determination

12. The Commission will reject Golden Spread's rehearing request. The *October 30 Order* dealt with several parties' attempts to implement prior Commission orders. The *October 30 Order* considered whether the parties' Schedule 4A filings were consistent with prior Commission orders. Specifically, in the *October 30 Order*, we rejected the parties' (including Xcel's) filings for inconsistency with the *October 26 Order* and ordered a compliance filing consistent with that prior order.¹⁹ The *October 30 Order* did not, however, change anything already resolved in the *October 26 Order*. Golden Spread's arguments here do not raise any questions concerning the action the Commission took in the *October 30 Order*. Rather, Golden Spread's arguments are collateral attacks on the *October 26 Order*. Indeed, Golden Spread's first two arguments

¹⁹ *October 30 Order*, 117 FERC ¶ 61,127 at P 19.

virtually repeat arguments it made in seeking rehearing of the *October 26 Order* in Docket No. ER06-451-011. We have already denied those requests for rehearing,²⁰ and Golden Spread cannot reassert them here. Regardless, even if Golden Spread's arguments were not a collateral attack on these prior Commission orders, we would reject them for the same reasons they were rejected in Docket No. ER06-451-011.²¹

13. Similarly, we find Golden Spread's third argument to be an impermissible collateral attack on the *October 26 Order*. In addition, we find this argument to be an untimely request for rehearing of the *October 26 Order*. Golden Spread did not raise this argument in its request for rehearing of the *October 26 Order* where the issue more appropriately should have been raised, but rather raised in its request for rehearing at issue here. Pursuant to section 313(a) of the FPA,²² an aggrieved party must file a request for rehearing within 30 days after the issuance of the Commission's order, in this case no later than November 27, 2006,²³ Golden Spread filed on November 29, 2006. Because the rehearing deadline is statutory, it cannot be extended, and Golden Spread cannot circumvent that timing deadline by seeking rehearing in a different order where the time period has not yet expired.

B. Oklahoma Gas & Electric Company: ER06-1488-001

1. OMPA's Position

14. OMPA's rehearing request raises largely the same arguments it and the Missouri Joint Municipal Electric Utility Commission raised in seeking rehearing of the *October 26 Order*.²⁴ In addition, specific to the *October 30 Order*, OMPA argues that the Commission erred by not accepting the portion of OG&E's October 19, 2006 answer, in which OG&E committed to revise its Schedule 4A to more clearly exclude an adder

²⁰ *January 26 Order*, 118 FERC ¶ 61,059 at P 23.

²¹ *Id.*

²² 16 U.S.C. § 825l(a) (2000).

²³ Pursuant to Rule 2007(a)(2), 18 C.F.R. § 385.2007(a)(2) (2006), when the deadline for seeking rehearing falls on a weekend, the deadline is extended to the close of the next business day.

²⁴ *January 26 Order*, 118 FERC ¶ 61,059 at P 21.

for reserve sharing energy provided by RSG members from the definition of “incremental cost” and to provide a pass-through, without markup, of charges for reserve sharing energy provided by others.

2. Commission Determination

15. We deny OMPA’s request for rehearing. Similar to the arguments raised by Golden Spread, discussed above, we find most of OMPA’s arguments here to be an impermissible collateral attack on the *October 26 Order* and we similarly reject them. Regardless, even if that were not the case, we would reject such arguments for the same reasons we rejected them in the *January 26 Order*.²⁵

16. With respect to OMPA’s argument that the Commission erred in refusing to accept the portion of OG&E’s October 19, 2006 answer which included OG&E’s willingness to revise its schedule to exclude an adder on reserve sharing energy provided by other RSG members, we deny OMPA’s request for two reasons. First, as we held in the *October 30 Order*, under the Commission’s regulations answers to a protest are prohibited unless otherwise ordered by the decisional authority.²⁶ The Commission applied the regulation as written and rejected an improper answer. There was nothing inappropriate in doing so. In this regard, OMPA has not demonstrated that the Commission should have waived its regulation and allowed the answer. Second, independently, OMPA’s concern that an adder not be included for RSG energy supplied by another entity has been already addressed elsewhere. Specifically, in the *January 26 Order*, we clarified that “[OMPA] will only be assessed charges from the host balancing authority under its Schedule 4A and for emergency energy supplied by others, the applicable Schedule 4A of that entity.”²⁷ Thus, there would be no opportunity for OG&E to include an adder for reserve energy supplied by another entity. And consistent with the *October 26 Order* and as discussed below, we will require OG&E to remove from its Schedule 4A provisions providing for a pass through of RSG contract related costs. Thus, since OG&E will not be charging for RSG contract costs (let alone including an adder on such costs), the issue of whether OG&E should waive the adder for RSG contract related costs is now moot.

²⁵ *Id.* P 26.

²⁶ *October 30 Order*, 117 FERC ¶ 61,127 at P 17; *see* 18 C.F.R. § 385.213(a)(2) (2006).

²⁷ *January 26 Order*, 118 FERC ¶ 61,059 at P 26.

C. Empire District Electric Company: ER06-1463-001**1. Redbud's Position**

17. Redbud seeks clarification, or in the alternative, requests rehearing, of the *October 26 Letter Order*. Redbud maintains that the *October 26 Letter Order* permitted the use of a 10 percent adder applied to incremental costs,²⁸ one component of which is purchased power costs, which is inconsistent with Commission precedent.²⁹ Redbud requests that the Commission clarify that Empire's approved Schedule 4A with 10 percent adder for incremental costs is inconsistent with Commission regulations that bar an uncapped percentage adder in this circumstance.

2. Commission Determination

18. We will grant Redbud's request. In addition, we note that intervenors raise similar concerns³⁰ regarding the inclusion of purchased power as a component of incremental cost in Xcel's, OG&E's, AEP's, and Westar's compliance filings in this order. Therefore, our response to Redbud's request will apply equally to the Schedule 4As of all parties before us in this order, and they must make comparable filings.

19. In the *SPP Compliance Order*, the Commission stated that the just and reasonable rate for emergency energy should reflect the actual costs of emergency energy. However, upon further review, in the *October 26 Order*, the Commission found that if the rate for emergency energy were limited to incremental costs, the rate could be lower than the market clearing price and that denying a market participant the ability to recover its

²⁸ Empire defines incremental cost as any cost that would not have been incurred if the reserve sharing energy had not been supplied, including: the costs of fuel; operation and maintenance costs; energy provided for electric losses; *purchase power*; start-up and shut-down costs. Empire District Electric Co. November 22, 2006 Filing, Docket No. ER06-1463-002.

²⁹ 18 C.F.R. § 35.22 (2006).

³⁰ Redbud and OG&E both argue in their protests of the parties' compliance filings that the entities' tariff sheets should be revised for consistency with 18 C.F.R. § 35.22 (2006). Specifically, they contend that the Schedule 4As should be revised so that an uncapped percentage adder will not be applied when purchased power costs are a component of incremental costs.

opportunity costs would be inappropriate. Therefore, the Commission allowed reserve sharing charges to be based on the higher of the incremental costs plus an adder *consistent with the Commission precedent* or the LIP for the unit responding to the reserve sharing unit.

20. Empire's emergency energy charge is the greater of the hourly LIP at the Settlement Location used to provide such service, per megawatt-hour, or 110 percent of the incremental cost of the resource(s) used to provide such service. Empire's definition of incremental cost includes a purchased power component. Entities are prohibited by Commission regulation from including an uncapped adder where a rate component includes purchased power unless the adder is not more than one mill per kWh.³¹ Therefore, we will require Empire (and others, as discussed above) to revise their Schedule 4A, consistent with section 35.22 of the Commission's regulations and submit a compliance filing, doing so within 30 days of this order.

III. Compliance and Section 205 Filings

A. Notice of Filings, Responsive Pleadings, and Procedural Matters

21. Notice of the Empire filing in Docket No. ER06-1463-002 was published in the *Federal Register*, 71 Fed. Reg. 71,153 (2006), with interventions and protests due on or before December 13, 2006. No motions to intervene or protest were filed.

22. Notice of the AEP filing in Docket No. ER07-385-000 was published in the *Federal Register*, 72 Fed. Reg. 1,507 (2007), with interventions and protests due on or before January 10, 2007. Timely motions to intervene and protests were filed by Redbud and OMPA. A timely motion to intervene was filed by SPP.

23. Notice of Xcel's compliance filing in ER06-1485-001 and ER07-266-000³² was published in the *Federal Register*, 71 Fed. Reg. 74,508 (2006), with interventions and protests due on or before December 20, 2006. Timely motions to intervene and protests were filed by Redbud and Golden Spread. On January 4, 2007, Xcel filed an answer to the protests of Redbud and Golden Spread. On January 11, 2007, Redbud filed an answer to Xcel's January 4, 2007 answer.

³¹ See 18 C.F.R. § 35.22 (c) and (e) (2006). See also *January 26 Order*, 118 FERC ¶ 61,059 at P 24.

³² Xcel's compliance filing included newly proposed revisions, filed under section 205 in Docket No. ER07-266-000.

24. Notice of OG&E's compliance filing in Docket No. ER06-1488-002 was published in the *Federal Register*, 71 Fed. Reg. 74,508 (2006), with interventions and protests due on or before December 20, 2006. Timely motions to intervene and protests were filed by Redbud and OMPA. On January 4, 2007, OG&E filed an answer to the protests of Redbud and OMPA. On January 11, 2007, Redbud filed an answer to OG&E's January 4, 2007 answer.

25. Notice of Westar's compliance filing in Docket No. ER06-1471-001 was published in the *Federal Register*, 71 Fed. Reg. 74,508 (2006), with interventions and protests due on or before December 20, 2006. Redbud filed a timely motion to intervene and protest. On January 4, 2007, Westar filed an answer to Redbud's protest. On January 11, 2007, Redbud filed an answer to Westar's January 4, 2007 answer.

26. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2006), the timely, unopposed motions to intervene serve to make SPP, Redbud, Golden Spread, and OMPA parties to the proceedings in which they moved to intervene.

27. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2006), prohibits an answer to a protest or an answer to an answer unless otherwise ordered by the decisional authority. We are not persuaded to accept Xcel's, OG&E's, Westar's, or Redbud's answers in the proceedings in which they filed or Redbud's answers to any party's answer in the proceedings in which it filed, and will, therefore, reject them.

28. AEP, Xcel, OG&E, and Westar seek, and we grant, waiver of the Commission's prior notice requirement for the compliance filings in their respective dockets and request that the Commission grant an effective date of February 1, 2007. The Commission has already accepted Empire's proposed tariff sheets effective July 1, 2006 and November 1, 2006, conditioned upon Empire filing tariff sheets consistent with the required pagination and designation within 30 days of the *October 26 Letter Order*. The instant filing contains those tariff sheets, and, upon compliance with this order, will be effective July 1, 2006 and November 1, 2006.

B. Discussion**1. Proposed Schedule 4A Application to RSG and non-RSG Members****a. Description of Filings**

29. Xcel contends that, while the *October 26 Order* clarified that rates for reserve sharing energy in utilities' approved tariffs need only apply to non-reserve sharing group members, Xcel has revised Schedule 4A so that it will apply to both RSG and non-RSG members. Xcel justifies this revision for purposes of ease of administration and transparency of charges for both RSG and non-RSG members. Xcel notes that application of Schedule 4A charges to RSG members is not inconsistent with the provisions of any existing agreement between Xcel and individual RSG members. Further, Xcel states that Schedule 4A sets forth the procedures Xcel will follow when seeking reimbursement through SPP for costs incurred by Xcel when a resource registered to a non-RSG member located within the SPP footprint causes activation of the Reserve Sharing System. Specifically, the tariff language provides that Xcel will submit an invoice to SPP that reflects the charges for reserve sharing energy provided by Xcel pursuant to the provisions of Xcel tariff and the charges assessed to Xcel by other RSG members responding to the activation, without mark-up.

30. OG&E's Schedule 4A similarly provides for a straight pass-through of charges incurred by OG&E when emergency energy is supplied to OG&E under the terms of an existing reserve sharing agreement by another member of SPP's Reserve Sharing Group.

31. Redbud argues that Xcel, OG&E, AEP and Westar's proposed Schedule 4As should eliminate the pass through of capacity costs to non-RSG members. Golden Spread and OMPA also make similar arguments regarding pass-through of these capacity costs.

b. Commission Determination

32. In the *SPP Compliance Order*, the Commission accepted SPP's proposal to act as a conduit for assessing and collecting emergency energy charges and directed SPP to modify its OATT to provide that rates for emergency service are to be a pass-through of costs charged by balancing authorities.³³ However, the Commission rejected SPP's proposal to use existing contracts between balancing authorities to establish applicable

³³ *SPP Compliance Order*, 116 FERC ¶ 61,053 at P 39.

emergency energy rates. Our position has not changed and we therefore reject Xcel, OG&E, AEP and Westar's Schedule 4A provisions that include a pass through of charges incurred under RSG contracts to non-RSG members.

33. Instead, as clarified in the *January 26 Order*,³⁴ any emergency energy supplied by other balancing authorities will be pursuant to those balancing authorities' Schedule 4A rates. Accordingly, Xcel, OG&E, AEP and Westar must remove provisions providing for a pass through of RSG contract related costs in its compliance filing. We will, however, accept Xcel's provision to apply its Schedule 4A rates to both RSG and non-RSG members as just and reasonable since it is not inconsistent with its existing RSG contracts and provides price transparency.

2. Other Arguments

a. Description of Filings

34. As originally submitted, Xcel's Schedule 4A specified the price for reserve energy would be the higher of the following: (i) LIP at the Settlement Location used to provide service, per megawatt-hour, (ii) 110 percent of the incremental cost of the resource (s) used to provide such revenue, or (iii) \$100 per megawatt-hour. The current Schedule 4A version filed with the Commission has eliminated the \$100 charge per megawatt-hour.

35. Golden Spread requests that Commission require Xcel to invoice any party under Schedule 4A in sufficient detail so the customer can verify the charges, specifically those from other RSG members and to ensure there is no inclusion of capacity costs.

b. Commission Determination

36. We accept Xcel's revised pricing section 2.0 which deletes the \$100 per megawatt hour charge as in compliance with the Commission's directive. We likewise accept Xcel's proposed February 1, 2007 effective date as consistent with the start up of the SPP imbalance market. Because Golden Spread will not be charged any costs passed through Xcel from other RSG members, we believe Golden Spread's concern is satisfied. Likewise, none of the emergency energy schedules should include capacity costs. We also expect parties that supply emergency energy to provide sufficiently detailed information to avoid this kind of billing dispute with its customers.

³⁴*January 26 Order*, 118 FERC ¶ 61,059 at P 24.

The Commission orders:

(A) The requests for rehearing are granted in part and rejected in part as discussed in the body of this order.

(B) Xcel, OG&E, Empire, AEP, and Westar's revised tariff sheets are hereby accepted in part and rejected in part, to be effective (1) February 1, 2007, (2) as earlier accepted by the Commission, or (3) such later date as SPP's imbalance market becomes effective as discussed in the body of this order.

(C) Xcel, OG&E, Empire, AEP, and Westar are hereby directed to make compliance filings within 30 days as discussed in the body of the order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.