

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Detroit Edison Company,
DTE East China, LLC, and
DTE River Rouge No. 1, LLC

Docket Nos. ER04-948-001
ER04-948-002

ORDER ACCEPTING COMPLIANCE FILINGS

(Issued January 25, 2005)

1. In this order, we accept compliance filings submitted by Detroit Edison Company (Detroit Edison), DTE East China, LLC (East China) and DTE River Rouge No. 1, LLC (Rouge 1) (collectively, Applicants). This action will benefit customers by clarifying the terms by which Detroit Edison could purchase power from East China and Rouge 1 during the 2004 summer season.

Background

2. On June 22, 2004, Applicants requested Commission authorization for Detroit Edison to purchase power from its affiliates, East China and Rouge 1, from June 23, 2004 through September 17, 2004 at negotiated rates subject to a cost-based cap. Due to purportedly unforeseen changes in capacity planning, Applicants sought the Commission's approval for these affiliate sales to address Detroit Edison's anticipated 451 MW planning shortfall during the summer of 2004.

3. On July 16, 2004, the Commission granted East China and Rouge 1 authorization to sell power to Detroit Edison from June 23, 2004 through September 17, 2004 "only when on a day-ahead and real-time basis Detroit Edison's projected native load exceeds its forecast supply and there is no power available to Detroit Edison from other sources."¹

¹ *Detroit Edison Co.*, 108 FERC ¶ 61,070 at P 15 (2004) (July 16 Order).

The Commission conditionally accepted Applicants' submittal for filing, suspended it for a nominal period, and made it effective June 23, 2004, as requested, subject to refund and subject to a further Commission order. The Commission also required Applicants to file revised tariff sheets reflecting the conditions imposed in the July 16 Order and to submit a report on the authorized purchases and sales.

4. On August 16, 2004, Applicants submitted proposed tariff language to comply with the Commission's conditional acceptance of Applicants' filing (August 16 Compliance Filing). On October 4, 2004, Applicants submitted a report on the purchases and sales at issue (Report on Purchases and Sales).

Notices of Filings and Responsive Pleadings

5. Notices of the August 16 Compliance Filing and the Report on Purchases and Sales were published in the *Federal Register*, 69 Fed. Reg. 53,057 and 69 Fed. Reg. 61,368 (2004), with comments, interventions and protests due on or before September 7, 2004 and October 26, 2004, respectively. None were filed.

Discussion

A. August 16 Compliance Filing

6. In the July 16 Order, the Commission granted East China and Rouge 1 authorization to sell power to Detroit Edison from June 23, 2004 through September 17, 2004 only when on a day-ahead and real-time basis Detroit Edison's projected native load exceeds its forecast supply and there is no power available to Detroit Edison from other sources. In their August 16 Compliance Filing, Applicants set forth tariff language to comply with the Commission's July 16 Order. We find that Applicants' tariff language complies with the July 16 Order and, accordingly, accept Applicants' August 16 Compliance Filing.

B. Report on Purchases and Sales

7. In the July 16 Order, the Commission found that, based on its preliminary analysis, Applicants' submittal with respect to any transactions that may ultimately occur had not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory or preferential or otherwise unlawful. Therefore, the Commission required Applicants to submit, within 30 days of September 17, 2004, a report detailing: (1) the hours in which East China and/or Rouge 1 sold, and Detroit Edison purchased, power; (2) the quantities sold and purchased; and (3) the rates charged for those quantities. Applicants were also directed to explain why each purchase and sale met the conditions adopted in the July 16 Order.

8. In the Report on Purchases and Sales, Applicants notify the Commission that, during the authorized period, East China and Rouge 1 did not sell any power to Detroit Edison and Detroit Edison did not purchase any power from those affiliates. Therefore, they state that there is not any information to report. Accordingly, we accept the Report on Purchases and Sales as in compliance with the July 16 Order, and, based upon the information provided, we conclude that no refunds are due.

The Commission orders:

(A) The August 16 Compliance Filing is hereby accepted, as designated, as discussed in the body of this order.

(B) The Report on Purchases and Sales is hereby accepted, as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.