
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

NEWS MEDIA CONTACT:

Barbara A. Connors
(202) 502-8680

FOR IMMEDIATE RELEASE

February 10, 2004

Docket Nos. RT04-1-000 and
ER04-48-000

COMMISSION APPROVES SOUTHWEST POWER POOL RTO WITH CONDITIONS; MOVE WILL HELP STRENGTHEN REGIONAL RELIABILITY

The Federal Energy Regulatory Commission today approved with conditions the Southwest Power Pool's (SPP) proposed regional transmission organization (RTO) – a plan that will facilitate the exchange of electric power and enhance reliability over an eight-state region.

“I am pleased that, at last, we have the opportunity to recognize the important role that the Southwest Power Pool plays in providing needed leadership for the power markets in the nation’s heart,” said FERC Chairman Pat Wood, III, describing the order as “significant.” SPP’s RTO “bears the promise for significant improvements in infrastructure development and in broad-based, fair transmission service for the region’s customers,” Chairman Wood said.

In approving elements of the proposed RTO, the Commission noted that SPP has worked to comply with the fundamental principles of Order No. 2000, the landmark December 1999 rule that encouraged regional grid coordination and planning while outlining the specific characteristics and functions of RTOs. FERC’s approval is conditioned on SPP taking the additional steps required to complete the details of its plan.

SPP, a regional reliability council since 1968, is of sufficient size to maintain reliability and support efficient, non-discriminatory power markets, the Commission said.

Arkansas-based SPP has 50 members, including a broad range of participants, from investor-owned utilities, a federal power marketing agency, independent power producers and power marketers. SPP serves more than 4 million customers in all, or parts of, Arkansas, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, and Texas.

“SPP’s RTO proposal is the result of a broad collaborative process that would bring 11 transmission systems (of which five are non-jurisdictional), six municipal systems, and eight generation and transmission cooperatives under independent, regional control,” the Commission observed in today’s order.

To better conform to the provisions of Order No. 2000, the Commission directed SPP to:

- Implement its independent board and modify its governance structure;
- Expand the coverage of SPP’s tariff to assure that SPP is the sole transmission provider;
- Obtain clear and sufficient authority to exercise day-to-day operational control over appropriate transmission facilities;
- Have an independent market monitor in place;
- Obtain clear and precise authority to independently and solely determine which project to include in the regional transmission plan; and
- Have a seams agreement with the Midwest Independent System Operator on file.

As an independent entity, SPP can help ensure that transmission planning addresses regional reliability needs and comparability of interconnection service – important elements of efficient market development and operations, the Commission said.