
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket Nos. ER02-2001-005, *et al.*,
and ER96-1551-013, *et al.*

COMMISSION REVOKES COMPANIES' MARKET-BASED RATES, TERMINATES 206 PROCEEDING FOR N.M. UTILITY'S CONTROL AREA

The Federal Energy Regulatory Commission today agreed to revoke the market-based rate authority of four companies for failure to comply with regulations requiring electronic quarterly reports, or EQRs. The Commission also accepted requests for cancellation of market-based rate authority from two other companies that failed to comply with EQR requirements.

“Authorization to charge market based rates is a privilege, not a right,” said Commission Chairman Joseph T. Kelliher. “The Commission can revoke this authorization when a regulated company no longer complies with the conditions of authorization. I support revocation of market-based rate authorization when the Commission has been clear in its requirements, and when parties have had notice of what is required of them, such as filing a triennial market analysis and Electronic Quarterly Reports. In this order, after providing sufficient notice, we revoke the authorization of four companies that violated unambiguous requirements of their authorization.”

In Order No. 2001, the Commission revised its public utilities filing requirements and established a requirement for public utilities, including power marketers, to file EQRs summarizing the contractual terms and condition in their agreements for all jurisdictional services and providing transactions information for short and long-term power sales during the most recent calendar quarter.

On February 17, 2006, the Commission issued an order announcing its intent to withdraw the market-based rate authority of six companies that had failed to file their required Electric Quarterly reports (EQRs) and directed the companies to file their delinquent quarterly reports within 15 days or risk losing their market-based rate authority. The Commission found that none of the companies had made sales under their market-based rate authority during the refund period and terminated their section 206 proceedings.

Two of the companies, Sprague Energy Corp. and TME Energy Services, responded by requesting cancellation of their market-based rate tariffs. In this order, the Commission finds that there is no evidence that any of the six companies had made sales under its market-based rate authority during the refund period, cancels the tariffs of Sprague and TME, and revokes the market-based rate tariffs of Capital Power Inc., Energy Investments Management Inc., New Light Energy LLC and Premier Energy Marketing LLC.

In a separate order, the Commission terminated the section 206 proceeding for Public Service Company of New Mexico (PNM) with respect to the PNM control area, but found that additional information on market conditions is needed for the El Paso control area

The Commission found that Albuquerque-based PNM lacks market power in its home control area during times when there are no binding transmission constraints, but the utility has not demonstrated that it lacks market power in the neighboring El Paso control area. The Commission finds that additional evidence is needed with respect to market conditions during transmission outages or other binding transmission constraints with respect to Path 47 and Path 48. The Commission gave PNM 60 days to submit a revised analysis regarding market power in the El Paso control area during such times. The Commission also suggested that PNM may propose cost-based mitigation measures for the El Paso control area that are similar to those adopted for its home control area, whereby PNM agrees to sell only at cost-based rates during binding transmission constraints, or adopt the default cost-based rates in this regard.

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