

134 FERC ¶ 61,122
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinohoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Puget Sound Energy, Inc.

Docket No. EL10-71-000

ORDER ON PETITION FOR DECLARATORY ORDER

(Issued February 17, 2011)

1. On June 4, 2010, Puget Sound Energy, Inc. (Puget) filed a petition for declaratory order requesting that the Commission find that locational exchanges of electric power¹ are not transmission transactions subject to an Open Access Transmission Tariff (OATT), but rather are permissible wholesale power transactions. As discussed below, the Commission defers action regarding Puget's petition pending the outcome of the Notice of Inquiry (NOI) issued in Docket No. RM11-9-000, contemporaneously herewith.²
2. Notice of Puget's filing was published in the *Federal Register*, 75 Fed. Reg. 35,018 (2010), with interventions and protests due on or before July 6, 2010. Xcel Energy Services Inc. (XES), on behalf of itself and the Xcel Energy Operating

¹ Puget defines a locational exchange as "a pair of simultaneously arranged wholesale power transactions between the same counterparties in which party A sells electricity to party B at one location, and party B sells the same volume of electricity to party A at a different location with the same delivery period, but not necessarily at the same price." Puget Sound Energy, Inc., Petition for Declaratory Order and Request for Expedited Action, Docket No. EL10-71-000 at 1 (filed June 4, 2010).

² 134 FERC ¶ 61,123 (2011).

Companies,³ Financial Institutions Energy Group, and Portland General Electric Company filed comments in support of Puget's petition.

3. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2010), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2010), the Commission will grant Calpine Corporation; Public Utility District No. 1 of Chelan County, Washington; and Southern California Edison Company's late-filed motions to intervene given their interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

4. At this time, the Commission finds that there is insufficient information in the record to make a determination regarding Puget's petition. Moreover, the Commission notes that Puget's petition raises significant policy issues potentially affecting multiple market participants in the electric industry. Thus, the Commission is issuing an NOI in Docket No. RM11-9-000 to obtain further information related to locational exchanges and to consider the proper regulatory treatment of these arrangements. For these reasons, the Commission defers action regarding Puget's petition pending the outcome of the NOI issued in Docket No. RM11-9-000.

The Commission orders:

The Commission hereby defers action on Puget's petition for declaratory order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

³ XES is the service company for the Xcel Energy Inc. holding company system and, *inter alia*, represents the Xcel Energy Operating Companies in matters before the Commission. The Xcel Energy Operating Companies are Northern State Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; Public Service Company of Colorado; and Southwestern Public Service Company.