

Requirements Associated with Holding FERC Market Based Rates

- Requirements
 - Quarterly reports must be filed, otherwise no rate on file, market based rate authority will be revoked;
 - A change of status must be filed whenever there is a significant change in the market power (increased generation) upon which the approval of market based rates was based;
 - Long term purchases of power, say from another wholesaler, need not be reported in EQR, but could result in change in status filing.
 - Triennial market power updates unless Category 1 seller – (less than 500 MW) but remember change in status;
 - FERC market manipulation rules, market based rates can be revoked.

Requirements Associated with Holding FERC Market Based Rates (cont'd)

- Section 203 of the Federal Power Act, requiring public utilities (market-based rate holders) to obtain FERC approval to “sell, lease, or otherwise dispose of the whole of its facilities [market based rates] subject to the jurisdiction of the Commission [FERC], or any part thereof of a value in excess of \$10,000,000;” or “merge or consolidate, directly or indirectly, such facilities with another person;
- Filings prior to two or more public utilities (legal entities with market-based rates) having interlocking officers and directors; Form 561, annual report of interlocking directorates;
- Annual charges to cover FERC’s administrative charges;
- Designation of corporate officials to receive service from FERC;
- 20 largest retail purchasers, no filing required if no retail purchasers.