

109 FERC 61,068  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Georgia Power Company

Docket No. ER04-939-001

ORDER GRANTING REHEARING

(Issued October 18, 2004)

1. In this order, the Commission grants rehearing of an order issued on August 17, 2004.<sup>1</sup> This order benefits customers by facilitating a consensual resolution of issues surrounding control area operations on the Georgia Power Company (Georgia Power) and Georgia System Operation Corporation (GSOC) systems.

**Background**

2. On June 18, 2004, as corrected on June 30, 2004, Georgia Power filed a proposed amendment (June 18 Filing) to Article 18 of the Revised and Restated Coordination Services Agreement (RCSA) between and among Georgia Power, Oglethorpe Power Corporation (Oglethorpe) and GSOC. Under the RCSA, Georgia Power provides control area services to Oglethorpe and GSOC. The purpose of Georgia Power's proposed revision of Article 18 was to maintain the RCSA in effect through at least 2005 subject to earlier termination in the event Oglethorpe and Georgia Power reach mutual agreement on a successor arrangement to the RCSA for Oglethorpe's transitioning to a separate control area.

3. On July 8, 2004, GSOC filed a motion to intervene and protest in response to Georgia Power's June 18 Filing, urging the Commission to reject the filing. GSOC explained that the RCSA was no longer necessary, as GSOC had formed its own control area and obtained all required North American Electric Reliability Council (NERC) and

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<sup>1</sup> Georgia Power Company, 108 FERC ¶ 61,194 (2004) (August 17 Order).

Southeastern Electric Reliability Council (SERC) certifications. Thus, after GSOC's control area began operation, GSOC would be able to self-supply all the control area services provided by Georgia Power under the RCSA.

4. The August 17 Order rejected Georgia Power's June 18 Filing. It found that the RCSA would no longer be required. The Commission found that GSOC had properly exercised its right to terminate the RCSA by submitting a notice of termination in accordance with Article 18.2(a) of the RCSA.<sup>2</sup> It also noted that the proposed revised Article 18.2(a) effectively granted Georgia Power a unilateral veto over attempts by GSOC (and Oglethorpe) to terminate the RCSA, which GSOC was entitled to do under the RCSA. Finally, no evidence was presented demonstrating that termination of the RCSA would adversely impact reliability or that GSOC would not be able to operate as a control area or to maintain its NERC/SERC certification, given that it has operated as a "pseudo control area" for the past six years.

5. The parties had acknowledged in their respective filings that there were continuing negotiations to resolve certain control area to control area operational and data exchange matters. We thus encouraged both sides to proceed expeditiously with their negotiations to work out before October 1, 2004, any remaining control area to control area technical issues that may hinder reliability.

6. On September 16, 2004, Georgia Power filed a request for rehearing or clarification of the August 17 Order. Georgia Power stated that, with the consent of GSOC and Oglethorpe, it was requesting the Commission grant rehearing or clarification to the extent required to clarify that Georgia Power shall continue to provide service under the RCSA until such time as either of the following occurs: (1) a successor rate schedule or interchange agreement between and among Georgia Power, GSOC and Oglethorpe is approved and made effective by the Commission; or (2) GSOC implements its separate control area by transmitting on a continuous real-time basis to Georgia Power's service company affiliate, Southern Company Services, Inc., the Control Area Signal data sufficient to separate the loads, generation, and losses associated with the

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<sup>2</sup> As currently written, Article 18.2(a) of the RCSA specifies that, following December 31, 1998, the RCSA would continue in effect under successive one-year renewals unless terminated by one of the parties upon six months' prior written notice to the other parties. On January 22, 2004, GSOC submitted a notice of termination to Georgia Power pursuant to Article 18.2(a).

GSOC planned to begin operating its control area on October 1, 2004. The termination of the RCSA would be effective as of September 30, 2004.

GSOC control area from those of the Southern control area so that each control area may calculate its Area Control Error apart from the loads, generation, and losses of the other on a real-time basis.

7. Georgia Power states, again with GSOC's and Oglethorpe's consent, that there is no other rate schedule in place pursuant to which Georgia Power provides control area services to entities that self-supply generation-based ancillary services on a stand-alone basis. Georgia Power states further that the requested clarification would allow the customers under the RCSA the option of terminating the RCSA by implementing a separate control area but also permits them to continue to take service under the RCSA pending such implementation. If GSOC decides to implement a control area, GSOC would have to provide at least 20 days notice to Georgia Power of its intent to terminate the RCSA and implement its control area. The RCSA would terminate once the control area is implemented, and the customer begins to transmit the Control Area Signal to Georgia Power. Georgia Power states that this requested clarification would provide for a seamless transition from the RCSA to a successor arrangement under which GSOC and Oglethorpe could secure or self-supply control area services. Georgia Power also states that the requested rehearing or clarification is without prejudice to the rights of GSOC or Oglethorpe to exercise their rights pursuant to section 206 of the Federal Power Act.

### **Discussion**

8. We will grant Georgia Power's request for rehearing. We are satisfied that the continuation of the RCSA for some period, essentially at GSOC's discretion, will facilitate the consensual resolution of any remaining control area to control area technical issues. We believe that the resolution of these issues should ensure that implementation of any new GSOC control area will occur smoothly, thereby avoiding any adverse impacts on reliability, disruptions of service to the parties' respective customers or interference with Southern's operation of its own control area. Moreover, given that all of the other parties to the RCSA – namely, GSOC and Oglethorpe – concur with Georgia Power's request for rehearing, we see no reason not to grant it.

The Commission orders:

Georgia Power's request for rehearing is hereby granted.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.