

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 6, 2006

In Reply Refer To:
MEP Investments, LLC
Docket No. ER06-179-000
MEP Pleasant Hill Operating, LLC
Docket No. ER06-180-000
Pleasant Hill Marketing, LLC
Docket No. ER06-181-000
MEP Investments, LLC; MEP
Pleasant Hill Operating, LLC;
Pleasant Hill Marketing, LLC
Docket No. EL05-83-000

Aquila Merchant Services, Inc.
Attn: David Douglass
FERC Regulatory Affairs Manager
750 NW Missouri Road
Lee's Summit, MO 64086

Dear Mr. Douglass:

1. On November 8, 2005, Aquila Merchant Services, Inc. (Aquila Merchant), on behalf of three of its subsidiaries (MEP Investments, LLC (MEP Investments), MEP Pleasant Hill Operating, LLC (MEP Operating), and Pleasant Hill Marketing, LLC (Pleasant Hill)), filed notices of cancellation of MEP Investments', MEP Operating's, and Pleasant Hill's market-based rate tariffs and MEP Operating's Service Agreement Nos. 1 and 2.¹ The Commission accepts the notices of cancellation filed by MEP

¹ MEP Investments, LLC, Rate Schedule FERC No. 1, First Revised Sheet No. 1 (cancels Rate Schedule FERC No. 1; MEP Pleasant Hill Operating, LLC, FERC Electric Tariff, Original Volume No. 1, First Revised Sheet No. 1 (cancels FERC Electric Tariff, Original Volume No. 1, cancels Service Agreement Nos. 1 and 2); Pleasant Hill Marketing, LLC, Rate Schedule FERC No. 1, First Revised Sheet No. 1 (cancels Rate Schedule FERC No. 1).

Investments, MEP Operating, and Pleasant Hill, effective November 30, 2005, as requested.²

2. This order also terminates the proceeding instituted pursuant to section 206 of the Federal Power Act (FPA)³ in Docket No. EL05-83-000⁴ with regard to MEP Investments, MEP Operating, and Pleasant Hill. Since MEP Investments, MEP Operating, and Pleasant Hill are canceling their market-based rate tariffs, there is no further need to include them in the section 206 proceeding.

Procedural Matters

3. Notice of Aquila Merchant's three November 8 filings was published in the *Federal Register*, 70 Fed. Reg. 71,123 (2005), with interventions or protests due on or before November 29, 2005. None was filed.

Discussion

4. Aquila Merchant states that MEP Investments was created as a holding company for non-regulated, merchant power plants and was a party to two power sales agreements relating to the Aries power plant in Cass County, Missouri. Aquila Merchant states that it sold its interest in the Aries power plant in March 2004 and, as a result, MEP Investments has not made wholesale sales of electric power in interstate commerce under the above-mentioned power sales agreement or its market-based rate tariff since that time and will not in the future.

5. Aquila Merchant states that MEP Operating was formed for the exclusive purpose of acquiring a leasehold interest in the Aries power plant and marketing at wholesale the output of that facility through Service Agreement Nos. 1 and 2. Aquila Merchant states that the proposed effective date of MEP Operating's market-based rate tariff was the conversion date on which MEP Operating acquired its interest in the Aries facility. However, Aquila Merchant states that MEP Operating never acquired interest in the facility and as a result the tariff never took effect. MEP

² Waiver of section 35.15 of the Commission's regulations, 18 C.F.R. § 35.15 (2005), is granted to allow the effective date noted above.

³ 16 U.S.C. § 824e (2000).

⁴ *Aquila, Inc.*, 111 FERC ¶ 61,030 (2005) (instituting a section 206 proceeding for the listed entities to determine whether Aquila, Inc. and its affiliates, including MEP Investments, MEP Operating, and Pleasant Hill, may continue to charge market-based rates in the Missouri Public Service and West Plains Energy Kansas control areas).

Operating also proposes to cancel Service Agreement Nos. 1 and 2 because no sales were ever made under either agreement and both agreements were terminated in March 2004.

6. Aquila Merchant states that Pleasant Hill was created to be a power marketer for the Aries power plant. Aquila Merchant states that it sold its interest in the Aries Power Plant in March 2004 and, as a result, Pleasant Hill has not made wholesale sales of electric power in interstate commerce under the power sales agreement or its market-based rate tariff since that time and will not in the future.

7. The Commission will grant the notices of cancellation of MEP Investments, MEP Operating and Pleasant Hill, effective November 30, 2005, as requested. The Commission notes that because the requests by MEP Investments, MEP Operating, and Pleasant Hill to cancel their market-based rate authority are granted herein, any waivers and authorizations previously granted in connection with their market-based rate authority are no longer applicable. Further, the Commission terminates the section 206 proceeding instituted in Docket No. EL05-83-000 with regard to MEP Investments, MEP Operating, and Pleasant Hill.

By direction of the Commission.

Magalie R. Salas,
Secretary.