168 FERC ¶ 61,029 UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman; Cheryl A. LaFleur and Richard Glick.

Virginia Electric and Power Company Dominion Energy Generation Marketing, Inc. Dominion Energy Nuclear Connecticut, Inc. Dominion Bridgeport Fuel Cell, LLC NedPower Mount Storm, LLC Fowler Ridge Wind Farm LLC South Carolina Electric & Gas Company

Docket Nos. ER11-2774-003

Virginia Electric and Power Company Dominion Energy Generation Marketing, Inc. Dominion Energy Nuclear Connecticut, Inc. Dominion Bridgeport Fuel Cell, LLC Dominion Energy South Carolina, Inc. ER11-2774-004

ER12-303-003

ORDER ACCEPTING NOTICES OF CHANGE IN STATUS

(Issued July 18, 2019)

1. In this order, we accept three separate notices of change in status filed by Dominion Energy Services, Inc. (Dominion Energy Services) concerning previously granted limited waivers of the separation of functions requirement in the affiliate restrictions.¹ As discussed below, we will extend the limited waivers to include South Carolina Electric & Gas Company (SCE&G).²

² We note that subsequent to the submission of the change in status filings in Docket Nos. ER11-2774-003 and ER12-303-003, SCE&G changed its name to Dominion Energy South Carolina, Inc. (continued ...)

¹ 18 C.F.R. § 35.39(c)(2)(i) (2018) ("To the maximum extent practical, the employees of a market-regulated power sales affiliate must operate separately from the employees of any affiliated franchised public utility with captive customers.").

I. <u>Background</u>

2. On September 29, 2011, the Commission granted Virginia Electric and Power Company (Dominion Energy Virginia),³ a franchised public utility with captive customers, and its market-regulated power sales affiliates a limited waiver of the separation of functions requirement in the affiliate restrictions to permit the sharing of employees engaged in fuel procurement functions.⁴ On July 11, 2013, the Commission granted Dominion Energy Virginia and its market-regulated power sales affiliates a limited waiver of the separation of functions requirement to permit the sharing of nuclear outage planning employees.⁵

3. On February 8, 2019, as amended on May 15, 2019, Dominion Energy Services filed separate notices of change in status in Docket Nos. ER11-2774-003 and ER12-303-003. Dominion Energy Services states that it submits the notice of change in status in Docket No. ER11-2774-003 to inform the Commission that, as a result of the January 1, 2019 completion of a transaction which resulted in the Dominion Companies⁶ and SCE&G becoming affiliates, the Dominion Companies and SCE&G intend to extend the waiver permitting the sharing of fuel procurement employees to include SCE&G in order to permit the employees currently procuring nuclear fuel for the Dominion Companies to procure nuclear fuel for SCE&G's nuclear generation facility.⁷ Also, in the filing in Docket No. ER11-2774-003 (the Fuel Procurement Filing), Dominion Energy Services states that it provides notice to the Commission that, because none of its marketing affiliates currently own oil- or coal-fired generation, Dominion Energy Services will no

³ Dominion Energy Virginia was formerly Dominion Virginia Power.

⁴ Virginia Electric and Power Co., 136 FERC ¶ 61,215 (2011) (Fuel Procurement Waiver Order).

⁵ Virginia Electric and Power Co., 144 FERC ¶ 61,021 (2013) (Nuclear Outage Planning Waiver Order).

⁶ The Dominion Companies are Dominion Energy Virginia, Dominion Energy Generation Marketing, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Bridgeport Fuel Cell, LLC, NedPower Mount Storm, LLC, and Fowler Ridge Wind Farm LLC.

⁷ Dominion Energy Services explains that on July 12, 2018, the Commission issued an order approving a transaction whereby SCE&G would become a wholly owned subsidiary of Dominion Energy, Inc., the holding company parent of the Dominion Companies. February 8, 2019 Fuel Procurement Filing at 4 & n.8 (citing *Dominion Energy, Inc.*, 164 FERC ¶ 62,025 (2018) (order authorizing disposition and merger)).

longer share oil and coal procurement under the existing fuel procurement waiver. With respect to the filing in Docket No. ER12-303-003 (the Nuclear Outage Planning Filing), Dominion Energy Services states that the Dominion Companies and SCE&G intend to extend the waiver for nuclear outage planning to include the nuclear facility owned by SCE&G.

4. SCE&G is a franchised public utility with captive customers. Dominion Energy Services states that SCE&G owns or controls approximately 5,642 MW of generation located in the SCE&G balancing authority area, including the 1029.6 MW V.C. Summer Unit 1 nuclear station.⁸

5. Dominion Energy Services states that the market-regulated power sales affiliates of Dominion Energy Virginia subject to, and whose market-based rate tariffs contain, the waivers are Dominion Energy Generation Marketing, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Bridgeport Fuel Cell, LLC, NedPower Mount Storm, LLC, and Fowler Ridge Wind Farm LLC. Dominion Energy Services states that, following Commission acceptance of the Fuel Procurement Filing, it will file to amend the market-based rate tariffs of the market-regulated power sales affiliates that do not utilize jointly procured fuel under the waiver (i.e., NedPower Mount Storm, LLC and Fowler Ridge Wind Farm LLC).⁹ Likewise, Dominion Energy Services states that following Commission acceptance of the Nuclear Outage Planning Filing, it will file to amend the market-based rate tariffs of the market-regulated power sales affiliates that do not utilize jointly procured fuel under the Nuclear Outage Planning Filing, it will file to amend the market-based rate tariffs of the market-regulated power sales affiliates that do not utilize joint nuclear outage planning (i.e., Dominion Bridgeport Fuel Cell, LLC, NedPower Mount Storm, LLC, NedPower Mount Storm, LLC, and Fowler Ridge Wind Farm LLC).¹⁰

6. Dominion Energy Services represents that the waivers will be implemented as described in the earlier filings submitted in these dockets and accepted by the Commission. Dominion Energy Services states that the Dominion Companies and SCE&G will not implement the waiver extensions until receipt of a Commission order accepting the notices of change in status for filing and the subsequent compliance filing

⁸ Dominion Energy Services states that SCE&G's wholesale power marketing activities are and will continue to be conducted by employees of SCE&G from a restricted key card access facility located in Columbia, South Carolina, physically separated from the marketing activities of the Dominion Companies.

⁹ May 15, 2019 Fuel Procurement Filing at 2.

¹⁰ May 15, 2019 Nuclear Outage Planning Filing at 2.

of amended tariffs for the Dominion Companies and SCE&G to include necessary waiver language.¹¹

7. On June 7, 2019, Dominion Energy Services filed a notice of change in status in Docket No. ER11-2774-004 notifying the Commission of its relinquishment of the fuel procurement waiver regarding the shared procurement personnel of natural gas with respect to Dominion Bridgeport Fuel Cell, LLC. Dominion Energy Services states that on November 5, 2018, Dominion Bridgeport Fuel Cell, LLC filed a request for authorization for a proposed transaction in which FuelCell Energy Finance, LLC would acquire the Bridgeport facility. Dominion Energy Services states that the Commission authorized the disposition of this jurisdictional asset on December 20, 2018 and that the transaction was consummated on May 9, 2019.¹² Dominion Energy Services states that as a result, it no longer has any operations with respect to fossil fuel purchases for the Dominion Companies, thus waiver is no longer needed.

Fuel Procurement (Docket No. ER11-2774)

8. Dominion Energy Services states that Virginia Power Energy Marketing was authorized under the Fuel Procurement Waiver Order to continue to purchase natural gas, coal, oil and nuclear fuel on behalf of the Dominion Companies. Dominion Energy Services states that it explained in the original waiver request that the Virginia Power Fuel Corporation, an affiliate of Dominion Energy Virginia, procures and supplies nuclear fuel for the two nuclear power stations owned by Dominion Energy Virginia (the Surry and North Anna power stations) and that Dominion Energy Services purchases nuclear fuel for the nuclear power station owned by Dominion Energy Nuclear Connecticut, Inc. (the Millstone power station). Dominion Energy Services states that the agreement with Virginia Power Fuel Corporation expired in 2014 and now the Nuclear Fuel Procurement group within Dominion Energy Services purchases nuclear fuel for the North Anna, Surry, and Millstone power stations.

9. Dominion Energy Services represents that all of the bases relied upon by the Commission in the Fuel Procurement Waiver Order for granting the fuel procurement waiver remain in place and continue to protect captive customers of Dominion Energy

¹² Dominion Bridgeport Fuel Cell, LLC, 165 FERC ¶ 62,196 (2018).

¹¹ We note that while Dominion Energy Services structured its filings as notices of change in status, in light of Dominion Energy Services' statements that the Dominion Companies and SCE&G intend to extend the existing waivers to include SCE&G, we are treating these filings as notices of change in status and requests for limited waiver of the affiliate restrictions. As discussed below, as a condition of receiving and retaining market-based rate authority, sellers must comply with the affiliate restrictions unless explicitly permitted by Commission rule or order granting waiver of the affiliate restrictions. *See infra* P 18 & n.26.

Virginia. Dominion Energy Services represents that SCE&G's captive customers will similarly be protected from cross-subsidization as a result of the specific terms and conditions of the affiliate fuel procurement arrangements, the approvals of those arrangements by the Virginia State Corporation Commission, the North Carolina Utilities Commission, and the Public Service Commission of South Carolina (South Carolina Commission), and the existing Commission regulations governing the sales of non-power goods and services from an affiliate to a utility with captive customers. Dominion Energy Services states that SCE&G's retail electric rates include a cost of fuel component approved by the South Carolina Commission, which may be adjusted periodically to reflect changes in the price of fuel purchased by SCE&G. Dominion Energy Services also states that the South Carolina Commission evaluates the prudency of SCE&G's fuel purchasing practices, plant operations, and fuel inventory management.

Dominion Energy Services represents that all of the commitments contained in 10. the original waiver request and relied upon by the Commission in the Fuel Procurement Waiver Order to protect Dominion Energy Virginia's captive customers will be extended to and equally applied to the shared fuel procurement on behalf of the SCE&G nuclear generation facility.¹³ Dominion Energy Services states that those commitments and procedures, as summarized in the Fuel Procurement Waiver Order, include maintaining auditable procurement records of transactions. In addition, Dominion Energy Services states that the Nuclear Fuel Procurement group within Dominion Energy Services monitors nuclear fuel costs on a regular basis and makes adjustments when necessary to maintain appropriate cost allocation and ensure that Dominion Virginia Power is not disadvantaged and that, when necessary, Dominion Virginia Power receives preference over market-regulated affiliate needs.¹⁴ Dominion Energy Services commits that these are functions that the Nuclear Fuel Procurement group will perform for SCE&G once the existing SCE&G materials inventory is depleted and existing SCE&G contracts terminate or expire.¹⁵ Finally, Dominion Energy Services states that the sharing of fuel

¹³ February 8, 2019 Fuel Procurement Filing at 6.

¹⁴ Id. at 7 (citing Fuel Procurement Waiver Order, 136 FERC ¶ 61,215 at P 29).

¹⁵ *Id.* at 6 n.14. Dominion Energy Services notes that existing SCE&G contracts and existing material in inventory for SCE&G have a different cost basis than what currently exists for Dominion Energy Virginia and Millstone. Dominion Energy Services states that current SCE&G contracts and inventory will need to be managed separately by the shared Nuclear Fuel Procurement group until such time that the existing SCE&G uranium material is depleted and uranium material or services to be delivered under existing SCE&G contracts terminate or expire.

procurement personnel does not permit the sharing of market information or violations of the no conduit rule required by the Commission's affiliate restrictions.¹⁶

Nuclear Outage Planning (Docket No. ER12-303)

11. The limited waiver granted in the Nuclear Outage Planning Waiver Order applied to employees in the Dominion Nuclear Fleet Outage Group (Outage Group), the group responsible for the schedule of planned fueling outages. Dominion Energy Services states that as a result of the shut-down and decommissioning of the power station owned by Dominion Energy Kewaunee, Inc., the Outage Group was left responsible only for three nuclear power stations (North Anna, Surry, and Millstone).¹⁷ Dominion Energy Services states that in light of the affiliation with SCE&G, the Dominion Companies and SCE&G intend to extend the waiver for nuclear outage scheduling by the Outage Group to include the nuclear facility owned by SCE&G.

12. Dominion Energy Services states that it previously informed the Commission that the Outage Group was reassigned to Dominion's Nuclear Fleet Integration Group (Fleet Integration Group). Dominion Energy Services states that the Fleet Integration Group is now the Performance Improvement and Training group consisting of 36 employees that provide operational oversight for all fleet activities to standardize operations across the nuclear fleet and incorporate best practices to improve operational performance.¹⁸ Dominion Energy Services represents that there are two employees engaged in shared nuclear outage planning.¹⁹

13. Dominion Energy Services states that all of the bases relied upon by the Commission for granting the waiver for nuclear outage scheduling remain in place and continue to protect captive customers of Dominion Energy Virginia. Dominion Energy Services states that these procedures and structures will similarly protect the captive customers of SCE&G. Dominion Energy Services states that SCE&G's nuclear facility

¹⁶ May 15, 2019 Fuel Procurement Filing at 2.

¹⁷ February 8, 2019 Nuclear Outage Planning Filing at 3-4.

¹⁸ Dominion Energy Services states that the fleet governance procedures define 13 functional areas for performance improvement and learning development, including Operations, Maintenance, Nuclear Support Services, Outage Planning, Equipment Reliability, Design Engineering and Projects, Chemistry, Radiation Protection, Safety and Licensing, Training, Emergency Preparedness, Protection Services, and Supply Chain Management.

¹⁹ May 15, 2019 Nuclear Outage Planning Filing at 2 & n.1.

is a Network Resource serving SCE&G's Network Load in South Carolina, and is located in a different market from the nuclear assets of Dominion Energy Virginia, which are located in PJM Interconnection, L.L.C., and Dominion Nuclear Connecticut, which are located in ISO New England Inc. Dominion Energy Services states that this geographic and market separation ensures no harm to captive wholesale and retail customers of Dominion Energy Virginia and SCE&G. Dominion Energy Services states that the Outage Group does not engage in marketing functions, and there is little risk that joint outage scheduling could result in harm to captive customers, because nuclear units physically do not have the ability to ramp up or down quickly. Dominion Energy Services states that the sharing of nuclear outage planning personnel does not permit the sharing of market information or violations of the no conduit rule required by the affiliate restrictions.²⁰

II. <u>Notice of Filings</u>

14. Notice of Dominion Energy Services' February 8, 2019 filings was published in the *Federal Register*,²¹ with interventions and protests due on or before March 1, 2019. None was filed.

15. Notice of Dominion Energy Services' May 15, 2019 filings was published in the *Federal Register*,²² with interventions and protests due on or before June 5, 2019. None was filed.

16. Notice of Dominion Energy Services' June 7, 2019 filing was published in the *Federal Register*,²³ with interventions and protests due on or before June 28, 2019. None was filed.

III. Discussion

17. As discussed below, we accept the notices of change in status and requests for waiver of the affiliate restrictions. We will allow for the limited waiver of the separation

²⁰ Id. at 3.

²¹ 84 Fed. Reg. 4801 (2019). We note that an Errata Notice was issued explaining that the Notice inadvertently referenced Docket No. ER12-203-003 instead of ER12-303-003. *See* Errata Notice, Docket No. ER12-303-003 (Mar. 14 2019) (correcting docket number).

²² 84 Fed. Reg. 23,560 (2019).

²³ 84 Fed. Reg. 27,775 (2019).

of functions provisions in 18 C.F.R. § 35.39(c)(2)(i) to be extended to include SCE&G to permit the employees currently procuring nuclear fuel for the Dominion Companies to procure nuclear fuel for SCE&G's nuclear facility. Likewise, we will allow for the limited waiver of the separation of functions provisions in 18 C.F.R. § 35.39(c)(2)(i) for nuclear outage scheduling to be extended to include the nuclear facility owned by SCE&G. The limited waiver of 18 C.F.R. § 35.39(c)(2)(i) does not affect the Dominion Companies' and SCE&G's obligations to comply with the no-conduit provisions of section 35.39(g).²⁴

18. In Order No. 697, the Commission codified certain affiliate restrictions in its regulations to protect captive customers from the potential for a franchised public utility to interact with a market-regulated power sales affiliate in ways that transfer benefits to the affiliate and its stockholders to the detriment of the captive customers.²⁵ Captive customers are defined as "any wholesale or retail electric energy customers served by a franchised public utility under cost-based regulation."²⁶ The affiliate restrictions govern, among other things, the separation of functions, the sharing of market information, and power brokering. The Commission requires that, as a condition of receiving and retaining market-based rate authority, sellers comply with these affiliate restrictions unless explicitly permitted by Commission rule or order granting waiver of the affiliate restrictions constitutes a violation of a seller's market-based rate tariff.²⁸

²⁴ 18 C.F.R. § 35.39(g).

²⁵ Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities, Order No. 697, 119 FERC ¶ 61,295, clarified, 121 FERC ¶ 61,260 (2007), order on reh'g, Order No. 697-A, 123 FERC ¶ 61,055, clarified, 124 FERC ¶ 61,055, order on reh'g, Order No. 697-B, 125 FERC ¶ 61,326 (2008), order on reh'g, Order No. 697-C, 127 FERC ¶ 61,284 (2009), order on reh'g, Order No. 697-D, 130 FERC ¶ 61,206 (2010), aff'd sub nom. Mont. Consumer Counsel v. FERC, 659 F.3d 910 (9th Cir. 2011), cert. denied, 133 S. Ct. 26 (2012).

²⁶ Order No. 697-A, 123 FERC ¶ 61,055 at P 202; 18 C.F.R. § 35.36(a)(6).

²⁷ Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities, 131 FERC ¶ 61,021 at P 2 (April 15 Clarification Order), order granting in part request for extension of time to comply, 132 FERC ¶ 61,014 (2010), order denying reh'g, 134 FERC ¶ 61,046 (2011).

²⁸ Order No. 697, 119 FERC ¶ 61,295 at PP 549-550.

19. Under the separation of functions requirement in the affiliate restrictions (section 35.39(c)(2)(i)), employees of market-regulated power sales affiliates must operate separately, to the maximum extent practical, from employees of affiliated franchised public utilities with captive customers.²⁹ Under the information sharing provisions in the affiliate restrictions (section 35.39(d)(1)), a franchised public utility with captive customers may not share market information with a market-regulated power sales affiliate if the sharing could be used to the detriment of captive customers, unless simultaneously disclosed to the public. Section 35.39(d)(2) generally provides that permissibly shared support employees, field and maintenance employees and senior officers and board of directors may have access to information covered by the prohibition of section 35.39(d)(1), subject to the no-conduit provision in section 35.39(g), which provides that a franchised public utility with captive customers and a market-regulated power sales affiliate are prohibited from using anyone as a conduit to circumvent the affiliate restrictions.

20. With respect to the separation of functions requirement, the Commission provided guidance regarding which employees may not be shared under the affiliate restrictions unless otherwise permitted by Commission rule or order.³⁰ Specifically, the Commission clarified that, consistent with Order No. 697-A, a franchised public utility with captive customers and its market-regulated power sales affiliate may not share employees that make economic dispatch decisions or that determine the timing of scheduled outages.³¹

21. We will allow for the limited waiver of the separation of functions provisions in 18 C.F.R. § 35.39(c)(2)(i) previously granted in the Fuel Procurement Waiver Order to be extended to include SCE&G to permit the personnel currently procuring nuclear fuel for the Dominion Companies to procure nuclear fuel for SCE&G's nuclear facility. This waiver is based on the representations that all of the commitments contained in the original waiver request and relied upon by the Commission in the Fuel Procurement Waiver Order to protect captive customers of Dominion Energy Virginia will be extended to and equally applied to the shared fuel procurement on behalf of the SCE&G nuclear generation facility.³² We interpret this representation to be a commitment that captive

²⁹ 18 C.F.R. § 35.39(c)(2)(i).

³⁰ April 15 Clarification Order, 131 FERC ¶ 61,021 at P 43. In Order No. 697-A, the Commission stated that "shared employees may not be involved in decisions regarding the marketing or sale of electricity from the facilities, may not make economic dispatch decisions, and may not determine the timing of scheduled outages for facilities." Order No. 697-A, 123 FERC ¶ 61,055 at P 253.

³¹ April 15 Clarification Order, 131 FERC ¶ 61,021 at P 40.

³² February 8, 2019 Fuel Procurement Filing at 6.

customers will not be harmed. As noted above, the Nuclear Fuel Procurement group monitors nuclear fuel costs on a regular basis and makes adjustments when necessary to maintain appropriate cost allocation and ensure that Dominion Virginia Power is not disadvantaged and that Dominion Virginia Power, when necessary, receives preference over market-regulated affiliate needs. Dominion Energy Services states that the sharing of fuel procurement personnel does not permit the sharing of market information or violations of the no-conduit rule. Oil and coal procurement will no longer be shared under the existing fuel procurement waiver.

22. We will allow for the limited waiver of the separation of functions provisions in 18 C.F.R. § 35.39(c)(2)(i) previously granted in the Nuclear Outage Planning Waiver Order for nuclear outage scheduling to be extended to include the nuclear facility owned by SCE&G, based on the representation that all of the bases relied upon by the Commission for granting the waiver in the Nuclear Outage Planning Waiver Order remain in place and continue to protect captive customers of Dominion Energy Virginia and that these procedures and structures will similarly protect the captive customers of SCE&G.³³ We interpret this representation to be a commitment that captive customers will not be harmed.

23. As noted above, SCE&G's nuclear facility serves load in South Carolina and is located in a different market from the nuclear assets of Dominion Energy Virginia and Dominion Nuclear Connecticut. Dominion Energy Services contends that this geographic and market separation ensures no harm to captive wholesale and retail customers of Dominion Energy Virginia and SCE&G. Dominion Energy Services states that the Outage Group does not engage in marketing functions, and there is little risk that joint outage scheduling could result in harm to captive customers, because nuclear units physically do not have the ability to ramp up or down quickly. Dominion Energy Services states that the sharing of nuclear outage personnel does not permit the sharing of market information or violations of the no conduit rule of the affiliate restrictions.

24. Accordingly, we will allow for the limited waiver of the separation of functions provisions in 18 C.F.R. § 35.39(c)(2)(i) previously granted in the Fuel Procurement Waiver Order and the Nuclear Outage Planning Waiver Order to be extended to include SCE&G, as discussed above. As noted above, this limited waiver does not affect the obligation of the Dominion Companies and SCE&G to comply with the no-conduit provisions of section 35.39(g).³⁴ Additionally, as a condition of this waiver, the Dominion Companies and SCE&G will be required to maintain sufficient records to

³⁴ 18 C.F.R. § 35.39(g).

³³ February 8, 2019 Nuclear Outage Planning Filing at 6.

enable the Commission to audit whether the representations and commitments made in these filings remain true and accurate.

25. Further, the waiver of 18 C.F.R. § 35.39(c)(2)(i) is limited to the specific facts, representations, policies and procedures Dominion Energy Services presented in the Fuel Procurement and Nuclear Outage Planning Filings submitted on February 8, 2019, as amended on May 15, 2019, and applies only to the shared employees specified in these filings. To the extent there is any material change in circumstances that would reflect a departure from the facts, representations, policies and procedures that we have relied upon, the Dominion Companies and SCE&G will be required to inform the Commission within 30 days of any such change. With the exception of the limited waiver specifically discussed herein, and any other previously granted waiver, all of the other affiliate restrictions continue to apply to the Dominion Companies and SCE&G.³⁵

26. In addition, we accept the change in status filed June 7, 2019 regarding the relinquishment of the fuel procurement waiver with respect to Dominion Bridgeport Fuel Cell, LLC and the sale of the Bridgeport facility.

27. Finally, we will direct the Dominion Companies and SCE&G to submit compliance filings, within 30 days of the date of this order, revising the limitations and exemptions sections of their market-based rate tariffs. The tariffs must include the limited waiver discussed herein and include a citation to this order.³⁶

The Commission orders:

(A) The Dominion Companies' and SCE&G's notices of change in status are hereby accepted, as discussed in the body of this order.

(B) The requests to extend the limited waivers of the affiliate restrictions to include SCE&G are hereby granted, as discussed in the body of this order.

³⁵ We note that the waiver conditionally granted herein does not affect any obligations to comply with the Standards of Conduct for Transmission Providers, 18 C.F.R. pt. 358 (2018), including the independent functioning requirement and the no conduit rule, regarding any affiliate performing marketing functions as those terms are defined in sections 358.3(a) and (c) of the Commission's regulations.

³⁶ Order No. 697, 119 FERC ¶ 61,295 at Appendix C, *order on reh'g*, Order No. 697-A, 123 FERC ¶ 61,055 at P 384.

(C) The Dominion Companies and SCE&G are hereby directed to submit compliance filings, within 30 days of the date of this order, revising the limitations and exemptions sections of their market-based rate tariffs, as discussed in the body of this order.

(D) The Dominion Companies and SCE&G are hereby directed to maintain records to enable the Commission to audit their compliance, as discussed in the body of this order.

(E) The Dominion Companies and SCE&G must inform the Commission within 30 days of any material change in circumstances that would reflect a departure from the facts, representations, policies, and procedures the Commission relied upon with respect to the waivers as discussed in the body of this order.

By the Commission. Commissioner McNamee is not participating.

(SEAL)

Nathaniel J. Davis, Sr., Deputy Secretary.