§ 2.24 Project decommissioning at relicensing.

The Commission issued a statement of policy on project decommissioning at relicensing in Docket No. RM93–23–000 on December 14, 1994.

[59 FR 66718, Dec. 28, 1994]

§ 2.25 Ratemaking treatment of the cost of emissions allowances in coordination transactions.


(b) Costing Emissions Allowances in Coordination Sales. If a public utility’s coordination rate on file with the Commission provides for recovery of variable costs on an incremental basis, the Commission will allow recovery of the incremental costs of emissions allowances associated with a coordination sale. If a coordination rate does not reflect incremental costs, the public utility should propose alternative allowance costing methods or demonstrate that the coordination rate does not produce unreasonable results. The Commission finds that the cost to replace an allowance is an appropriate basis to establish the incremental cost.

(c) Use of Indices. The Commission will allow public utilities to determine emissions allowance costs on the basis of an index or combination of indices of the current price of emissions allowances, provided that the public utility affords purchasing utilities the option of providing emissions allowances. Public utilities should explain and justify any use of different incremental cost indices for pricing coordination sales and making dispatch decisions.

(d) Calculation of Amount of Emissions Allowances Associated With Coordination Transactions. Public utilities should explain the methods used to compute the amount of emissions allowances included in coordination transactions.

(e) Timing. (1) Public utilities should provide information to purchasing utilities regarding the timing of opportunities for purchasers to stipulate whether they will purchase or return emissions allowances. A public utility may require a purchasing utility to declare,
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§ 2.55

no later than the beginning of the co-

ordination transaction:

(i) Whether it will purchase or return

emissions allowances; and

(ii) If it will return emissions allow-

ances, the date on which those allow-

ances will be returned.

(2) Public utilities may include in

agreements with purchasing utilities

non-discriminatory provisions for in-

demnification if the purchasing utility

fails to provide emissions allowances

by the date on which it declares that

the allowances will be returned.

(f) Other Costing Methods Not Pre-

cluded. The ratemaking treatment of

emissions allowance costs endorsed in

this Policy Statement does not pre-

clude other approaches proposed by in-

dividual utilities on a case-by-case

basis.

[59 FR 65938, Dec. 22, 1994, as amended by

Order 579, 60 FR 22261, May 5, 1995]

§ 2.26 Policies concerning review of
applications under section 203.

(a) The Commission has adopted a
Policy Statement on its policies for re-
viewing transactions subject to section
203. That Policy Statement can be
found at 77 FERC ¶ 61,263 (1996). The
Policy Statement is a complete de-
scription of the relevant guidelines.
Paragraphs (b)–(e) of this section are
only a brief summary of the Policy
Statement.

(b) Factors Commission will generally

consider. In determining whether a pro-
posed transaction subject to section 203
is consistent with the public interest,
the Commission will generally consider
the following factors; it may also con-
sider other factors:

(1) The effect on competition;
(2) The effect on rates; and
(3) The effect on regulation.

(c) Effect on competition. Applicants

should provide data adequate to allow
analysis under the Department of Jus-
tice/Federal Trade Commission Merger
Guidelines, as described in the Policy
Statement and Appendix A to the Pol-
icy Statement.

(d) Effect on rates. Applicants should

propose mechanisms to protect cus-
tomers from costs due to the merger. If
the proposal raises substantial issues of
relevant fact, the Commission may set
this issue for hearing.

(e) Effect on regulation. (1) Where the
affected state commissions have au-

thority to act on the transaction, the
Commission will not set for hearing
whether the transaction would impair
effective regulation by the state com-
missions. The application should state
whether the state commissions have
this authority.

(2) Where the affected state com-
missions do not have authority to act on
the transaction, the Commission may
set for hearing the issue of whether the
transaction would impair effective
state regulation.

(f) Under section 203(a)(4) of the Fed-
eral Power Act (16 U.S.C. 824b), in re-
viewing a proposed transaction subject
to section 203, the Commission will
also consider whether the proposed
transaction will result in cross-sub-
sidization of a non-utility associate
company or pledge or encumbrance of
utility assets for the benefit of an associ-
ate company, unless that cross-sub-
сидization, pledge, or encumbrance will
be consistent with the public interest.

[Order 592, 61 FR 68606, Dec. 30, 1996, as
amended by Order 669–A, 71 FR 28443, May 16,
2006]

STATEMENTS OF GENERAL POLICY AND
INTERPRETATIONS UNDER THE NAT-
URAL GAS ACT

§ 2.51 [Reserved]

§ 2.52 Suspension of rate schedules.

The interpretation stated in §2.4 ap-
plies as well to the suspension of rate
schedules under section 4 of the Nat-
ural Gas Act.

791a–828c (1976 & Supp. IV 1980); Dept. of En-
ergy Organization Act, 42 U.S.C. 7101–7362
(Supp. IV 1980); E.O. 12009, 3 CFR part 142
(1978); 5 U.S.C. 553 (1976)]

[Order 303, 48 FR 24361, June 1, 1983]

§ 2.55 Definition of terms used in sec-
tion 7(c).

For the purposes of section 7(c) of the
Natural Gas Act, as amended, the word
facilities as used therein shall be inter-
preted to exclude:

(a) Auxiliary installations. (1) Installa-
tions (excluding gas compressors)