



Control Number: 14406



Item Number: 591

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2013 JAN -7 AM 9:16

January 2, 2013

Filing Clerk  
1701 N. Congress, Room 8-100  
PO Box 13326  
Austin, TX 78711-3326

Dear Filing Clerk:

Southern Energy Solution Group, LLC respectfully requests to register as a Power Marketer in the state of Texas in project 14406. ✓

Address: 2336 S. East Ocean Boulevard #204 Stuart, FL 34996

POC: Oswald W. Hoffler, Jr.  
PO Box 1124  
Locust Grove, GA 30248  
772-919-2844  
772-872-5240 (Fax)  
[ohoffler@soenergy-grp.com](mailto:ohoffler@soenergy-grp.com)

Businesses: Southern Energy Solution Group, LLC – Oswald W. Hoffler, Jr. – 100%

Affiliate: N/A

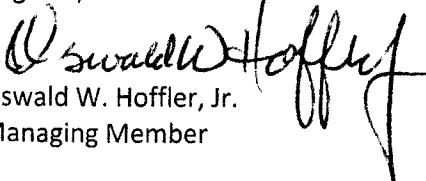
Texas Facility: N/A

Service Provided: SEG is a FERC licensed Power Marketer

FERC Registration: Docket Nos. ER12-1729-000 and ER12-1775-000 attached

This letter is a certification that Southern Energy Solution Group, LLC is a Power Marketer and we a properly licensed to conduct business in Texas as a Power Marketer.

Regards,

  
Oswald W. Hoffler, Jr.  
Managing Member

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FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:  
Southern Energy Solution Group, LLC  
Docket Nos. ER12-1729-000, and  
ER12-1775-000

June 20, 2012

Mr. Oswald W. Hoffler, Jr.  
Managing Member  
Southern Energy Solution Group, LLC  
1485 Southeast Saint Lucie Boulevard  
Stuart, Florida 34996

Reference: Market-Based Rate Authorization

Dear Mr. Hoffler:

On May 8, 2012, as amended on May 14, 2012, you filed on behalf of Southern Energy Solution Group, LLC (Southern Energy) an application for market-based rate authority with an accompanying tariff. The proposed market-based rate tariff provides for the sale of energy, capacity, and ancillary services at market-based rates.<sup>1</sup> Southern Energy requests waivers commonly granted to similar market-based rate applicants.

Your filings were noticed on May 8, 2012, and May 15, 2012, with comments, protests or interventions due on or before May 29, 2012, and June 4, 2012, respectively. None was filed.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307, the tariff submitted on May 8, 2012 is rejected as overtaken by events. The tariff filed on May 14, 2012 is accepted for filing.

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<sup>1</sup> Southern Energy requests authorization to sell ancillary services in the markets administered by PJM Interconnection, L.L.C. (PJM), New York Independent System Operator, Inc. (NYISO), ISO New England Inc. (ISO-NE), California Independent System Operator Corp. (CAISO), and Midwest Independent Transmission System Operator, Inc. (MISO). Southern Energy also requests authorization to engage in the sale of certain ancillary services as a third-party provider in other markets.

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effective May 9, 2012, as requested. Based on your representations, Southern Energy meets the criteria for a Category 1 seller in all regions and is so designated.<sup>2</sup>

You state that Southern Energy is located in Florida, and intends to act as a power marketer. You further represent that Southern Energy is wholly owned by an individual. Further, you affirmatively state that Southern Energy has not erected barriers to entry and will not erect barriers to entry into the relevant market.

You represent that Southern Energy meets the criteria for Category 1 seller status in all regions. You state that Southern Energy does not own or control any generation or transmission facilities. You further state that Southern Energy is not affiliated with a franchised public utility, and does not present any other vertical market power issues.

### **Market-Based Rate Authorization**

The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power.<sup>3</sup>

Based on your representations, Southern Energy's submittals satisfy<sup>4</sup> the Commission's requirements for market-based rate authority regarding horizontal and vertical market power.

Based on your representations, Southern Energy's submittals also satisfy the Commission's requirements for market-based rates regarding vertical market power.

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<sup>2</sup> *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 848-50, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011).

<sup>3</sup> Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 62, 399, 408, 440.

<sup>4</sup> The next time you make a market-based rate filing with the Commission, you must include a revised tariff in compliance with Appendix C – Limitations and Exemptions Regarding Market-Based Rate Authority to include appropriate citations. Niagara Mohawk Power Corporation, 121 FERC ¶ 61,275 (2007) at P 8. See also, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 at P 384.

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Southern Energy's request for waiver of Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except for sections 35.12(a), 35.13(b), 35.15 and 35.16 is granted. Southern Energy's request for waiver of Part 41, Part 101, and Part 141 of the Commission's regulations concerning accounting and reporting requirements is granted with the exception of 18 C.F.R. §§ 141.14 and 141.15.<sup>5</sup> Notwithstanding the waiver of the accounting and reporting requirements here, Southern Energy is expected to keep its accounting records in accordance with generally accepted accounting principles.

Southern Energy requests blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability. A separate notice was published in the Federal Register establishing a period during which protests could be filed. None was filed. Southern Energy is authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of Southern Energy, compatible with the public interest, and reasonably necessary or appropriate for such purposes.<sup>6</sup>

Southern Energy must file electronically with the Commission Electric Quarterly Reports.<sup>7</sup> Southern Energy further must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority in accordance with Order No. 697.<sup>8</sup>

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<sup>5</sup> *Citizens Energy Corp.*, 35 FERC ¶ 61,198 (1986); *Citizens Power and Light Corp.*, 48 FERC ¶ 61,210 (1989) (*Citizens Power*); *Enron Power Marketing, Inc.*, 65 FERC ¶ 61,305 (1993), *order on reh'g*, 66 FERC ¶ 61,244 (1994) (*Enron*).

<sup>6</sup> *Citizens Power*, 48 FERC ¶ 61,210; *Enron*, 65 FERC ¶ 61,305.

<sup>7</sup> *Revised Public Utility Filing Requirements*, Order No. 2001, FERC Stats. & Regs. ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reh'g denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *order directing filing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *order directing filing*, Order No. 2001-D, 102 FERC ¶ 61,334 (2003). Attachments B and C of Order No. 2001 describe the required data sets for contractual and transaction information. Public utilities must submit Electric Quarterly Reports to the Commission using the EQR Submission System Software, which may be downloaded from the Commission's website at <http://www.ferc.gov/docs-filing/eqr.asp>.

<sup>8</sup> *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005); 18 C.F.R. § 35.42 (2011).

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This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R § 385.713.

Questions regarding the above order should be directed to:

Federal Energy Regulatory Commission  
Attn: Valerie Fitzgerald  
Phone: (202) 502-8527  
Office of Energy Market Regulation  
888 First Street, N.E.  
Washington, D.C. 20426

Sincerely,

Steve P. Rodgers, Director  
Division of Electric Power  
Regulation - West

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