

BOOK REVIEWS

A GUIDE TO FERC ELECTRIC UTILITY RATEMAKING by Michael E. Small, Atlantic Information Services, Inc. 1989.

*Reviewed by M. Reamy Ancarrow**

Mr. Small, a partner the Washington, D.C. law firm of Wright & Talisman, PC, has written an extremely detailed and useful road map through the FERC's exercise of its ratemaking jurisdiction over electric utilities under the Federal Power Act.¹ The book, consisting of almost ninety pages of text and an additional seventy-five pages of appendices and indices, provides a quick and imminently readable access to the FERC's jurisprudence on virtually all areas of electric utility ratemaking. Analysis consists of brief descriptions of the positions the FERC has taken on specific ratemaking issues, with citations to pertinent authorities.

The organization contained in the Guide follows a very logical format for readers making their way through a quite technical and often confusing subject. The subject matter categories are broken down into a level of detail that renders the Guide particularly useful and aids in locating specific subjects quickly.

The book first provides an overview in Chapter One of the major provisions of the organic statute, and next moves to an introduction to general rate filing procedures in Chapter Two. Chapter Three, which is by far the lengthiest, analyzes in detail the issues presented in a classic FERC ratemaking setting. The last three chapters are devoted to specific variations on the general ratemaking context: the Fuel Adjustment Clause, matters involving price squeeze, and developments at the forefront of the electric ratemaking field: market-based initiatives; cogeneration, small power producers; and independent power producers. The two appendices that follow contain a handy reference of statutory provisions and regulations, followed by two indices, one organized by subject matter and the second organized by case law.

"A Guide To FERC Electric Utility Ratemaking" can serve at least two separate and extremely useful functions that would make it a valuable contribution to any FERC practitioner's library. First, it is a concise and relatively comprehensive introductory tool for one who is becoming acquainted for the first time with the field of electric utility regulation at the federal level. Second, it promises to be quite useful for the more seasoned practitioner to locate quickly and easily lead causes from the FERC dealing with specific points that

* Partner, LeBoeuf, Lamb, Leiby & MacRae, Washington, D.C.

1. It should be noted that the title of the book is to be construed rather strictly: it addresses recent FERC trends in electric utility *ratemaking* and does not purport to encompass all aspects of FERC regulation of electric utilities. For example, FERC regulation of hydroelectric generators (related to licensing jurisdiction under Part I of the Federal Power Act) is not directly addressed.

may have arisen in the reader's cases. In addition, a benefit of this particular guide book is that it is not overly legalistic, and thus it is readily accessible to the laymen as well, particularly one who may have had some schooling in the area previously.

In view of its great usefulness both as an introductory guide and as a source book for leading cases on particular subjects, it would be useful if Mr. Small in the future were able to produce some form of update for the Guide, particularly at a time when the FERC's regulation of electric utility ratemaking has been changing at an increasing rate. Updates would enhance the enduring usefulness of the Guide. It also should be noted that a quick review of the Guide and accompanying case law index illustrates that the cases to which the author refers in the text (both FERC and appellate) do not generally go back beyond the mid-1970's. However, in view of the evolution of case law at FERC on rate case issues, it would seem that the more recent cases contained in the Guide are the most useful to the average utility practitioner. The relatively recent vintage of cases contained in the Guide, however, does point out the desirability of having an update on the materials as additional case law develops at the FERC.

As discussed above, Chapter Six addresses the frontiers of FERC regulation, such as developments on market-based rates, cogeneration, small power producers, and independent power producers. If any shortcoming could be found in this Guide, it might be that it does not devote as many pages as may be warranted to the extremely important trend at the FERC toward deregulation and market-oriented approaches to electric utility ratemaking. More and more practitioners will undoubtedly find themselves needing to refer to the cases and principles discussed in the last six and one-half pages of the book, and may find the more traditional ratemaking issues to which the lion's share of the book is devoted less relevant to their practice in particular instances. It would also have been useful to have seen more discussion of recent trends at the FERC involving the question of electric power transmission access, and how that issue has come to be interwoven with ratemaking policy.

This having been said, the Guide is nevertheless an extremely useful tool for those practitioners engaged in FERC electric utility rate regulation, and delivers a wealth of useful information in a very precise and orderly fashion.