

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

American Electric Power Service Corporation

Docket No. ER05-751-000

ORDER GRANTING MOTION AND APPROVING CORRECTION OF
SETTLEMENT AGREEMENT

(Issued April 26, 2006)

1. On December 20, 2005, the Commission approved an uncontested settlement between American Electric Power Service Corporation (AEP) and certain parties, including: American Municipal Power-Ohio, Inc.; AEP Intervenor Group; Blue Ridge Power Agency; Buckeye Power, Inc.; the Cities of Dowagiac and Sturgis, Michigan; Indiana Municipal Power Agency; Old Dominion Electric Cooperative; Ormet Primary Aluminum Corporation; and Wabash Valley Power Association, Inc. (collectively, the Settling Parties).¹ The settlement resolved all issues set for hearing concerning AEP's transmission revenue requirement and related rates.

2. On March 31, 2006, AEP, on behalf of certain operating companies² and the Settling Parties, filed a joint motion to correct the settlement. AEP and the Settling Parties state that, consistent with the parties' intentions, paragraph 3.6(a) of the settlement provides that the recovery period for AEP's regional transmission organization (RTO) start-up costs will be 15 years. AEP and the Settling Parties note that, while the settlement currently states that the amortization of these RTO start-up costs will continue through December 2014, to be consistent with the 15-year recovery period this date should be December 2019. Similarly, AEP and the Settling Parties note that, while the settlement currently states that the charges associated with RTO start-up cost recovery will extend through May 2015, to be consistent with the 15-year recovery period this date

¹ *American Electric Power Service Corporation*, 113 FERC ¶ 61,294 (2005).

² Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

should be May 2020. AEP and the Settling Parties assert that “the act of changing the dates described above will not affect the substance of the approved terms of the Settlement but rather will be simply ministerial in nature.”³

3. AEP and the Settling Parties request permission to correct these errors in the settlement as well as in the associated tariffs. AEP and the Settling Parties also request the modifications be effective immediately. No answers were filed.

4. The Commission grants the motion to correct the settlement to properly reflect the intent of the parties. The Commission’s approval of corrections to the settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. AEP will need to file, as a compliance filing, corrected tariff language to reflect the corrections approved herein.

The Commission orders:

(A) The motion is hereby granted and settlement is hereby corrected as proposed.

(B) AEP is hereby directed to file, as a compliance filing, corrected tariff language to reflect the corrections approved herein.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

³ Motion at 2.