

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

PJM Interconnection, L.L.C.

Docket Nos. ER05-1410-000
and EL05-148-000

ORDER GRANTING MOTION
FOR APPOINTMENT OF SETTLEMENT JUDGE AND DENYING REQUEST TO
SUSPEND SCHEDULED PROCEEDINGS

(Issued May 17, 2006)

1. In this order, the Commission grants, pursuant to Rule 603 of the Commission's Rules of Practice and Procedure,¹ the motion that American Forest and Paper Association (AFPA) filed on May 8, 2006,² and directs the Chief Administrative Law Judge to appoint an Administrative Law Judge to assist in settlement negotiations in accordance with the guidelines discussed below. This order rejects, however, AFPA's motion to suspend technical conference and paper hearing procedures already established by the Commission in the current dockets.

2. On April 20, 2006, the Commission issued an order regarding PJM Interconnection, L.L.C.'s (PJM) proposal for a reliability pricing model (RPM). *See PJM Interconnection, L.L.C.*, 115 FERC ¶ 61,079 (2006). In this order, the Commission found that PJM's existing capacity construct is unjust and unreasonable, made rulings and

¹ 18 C.F.R. § 385.603(c)(1) (2005).

² AFPA states that Old Dominion Electric Cooperative, North Carolina Electric Membership Organization, Borough of Chambersburg, Pennsylvania, the Delaware Public Service Commission, Pennsylvania Office of Consumer Advocate, Indiana Office of Utility Consumer Counsel, Blue Ridge Power Agency, Northern Indiana Municipal Agency and Virginia Municipal Electric Agency supported its filing. AFPA also states that the following parties did not oppose the motion: the District of Columbia Office of People's Counsel, the North Carolina Utilities Commission, the North Carolina Attorney General's Office and Illinois Citizens Utility Board.

provided guidance as to various issues raised with respect to establishing the just and reasonable replacement for the existing construct, and established further procedures, including a paper hearing and staff technical conference, for resolving the remaining issues.

3. On May 8, 2006, AFPA filed the instant motion requesting the Commission to establish settlement procedures. In the motion, AFPA also requested that the Commission appoint Judge Lawrence Brenner as Settlement Judge, suspend the paper hearing and technical conference procedures pending resolution of the settlement procedures, and clarify that such settlement discussions are not limited to the items included in the paper hearing and technical conference ordered by the Commission.

4. The Commission issued a notice of AFPA's motion on May 9, 2006, with interventions, comments, and protests due on or before May 12, 2006. A number of parties filed in response to AFPA's motion.³ Our review of the comments indicates that a majority of the parties support settlement discussions, but do not support suspending the procedural schedule. Parties were split on the question of limiting items for discussion to those included in the paper hearing or technical conference.

5. In the April 20, 2006 Order, the Commission encouraged "the parties to continue to seek a negotiated resolution, and offered the Commission's settlement judge procedures or dispute resolution service (DRS) to facilitate these discussions."⁴ In the interest of timely consideration of RPM and pursuant to Rule 385.603(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603(d) (2005), the Commission will direct the Chief Administrative Law Judge to appoint an Administrative Law Judge to oversee this matter at the earliest date possible. The Chief Administrative Law Judge should consider whether the parties' request for Judge Brenner can be accommodated. The Commission clarifies that settlement discussions are not limited to

³ Coalition for Reliable PJM Answer to the American Forest And Paper Association Motion (Conectiv Energy Supply, Inc., Constellation Energy Group, Inc., The Dayton Power and Light Company, Edison Mission Energy, Exelon Corporation, and PSEG Services Corporation); Williams Power Company, Inc., Consolidated Edison Energy, Inc., Reliant Energy, Inc., PPL Parties, Strategic Energy, L.L.C., Mirant Parties, FPL Energy Generators, Dominion Resources Services, Inc., PJM Interconnection, L.L.C., NRG Companies, and the Portland Cement Association.

⁴ 115 FERC ¶ 61,079 at P 1.

the items included in the paper hearing and technical conference. Consistent with timely consideration of RPM, the Commission will not grant AFPA's request to suspend the scheduled technical conference and paper hearing procedures.

6. Within 30 days of the date of this order, the Administrative Law Judge shall file a report with the Commission and the Chief Administrative Law Judge on the status of the discussions. Every 45 days thereafter, the Administrative Law Judge shall file a subsequent report.

The Commission orders:

(A) The Chief Administrative Law Judge is directed to appoint an Administrative Law Judge in accordance with this order.

(B) The Administrative Law Judge is directed to report to the Commission as described in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.