

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Midwest Independent Transmission System Operator, Inc.	Docket No. ER05-6-067
Midwest Independent Transmission System Operator, Inc. PJM Interconnection, LLC, <i>et al.</i>	Docket No. EL04-135-069
Midwest Independent Transmission System Operator, Inc. PJM Interconnection, LLC, <i>et al.</i>	Docket No. EL02-111-087
Ameren Services Company, <i>et al.</i>	Docket No. EL03-212-083

ORDER APPROVING UNCONTESTED PARTIAL SETTLEMENT

(Issued July 5, 2006)

1. On May 10, 2006, LG&E Energy Marketing Inc. (LEM) and DTE Energy Trading, Inc. (DTET) (collectively, Settling Parties), filed a Settlement Agreement (settlement) that resolves all of LEM's potential and existing "ripple" shift-to-shipper claims against DTET that may arise or have been asserted in the captioned proceedings, which concern load-serving entities' (LSEs') Seams Elimination Cost Adjustment (SECA) monetary obligations arising from the transitional rate mechanism at issue in these proceedings.

1. The Commission found the regional through-and-out rates between PJM Interconnection, L.L.C. (PJM) and the Midwest Independent System Operator (MISO) unjust and unreasonable, and, accordingly, directed the elimination of those rates.<sup>1</sup> On

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<sup>1</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 104 FERC ¶ 61,105 (2003) (Order on Initial Decision), *order on reh'g*, 105 FERC ¶ 61,212 (2003) (November 17 Order), *reh'g*, 105 FERC ¶ 61,212 (2003).

November 18, 2004, the Commission ordered MISO, PJM, and their transmission owners to submit revised tariff sheets eliminating through-and-out rates and to implement the SECA methodology.<sup>2</sup>

2. In addition, the Commission allowed LSEs under existing contracts to demonstrate that the supplier is the shipper and to propose to transfer a portion of the SECA obligation to the supplier.<sup>3</sup> This is referred to as the “shift-to-shipper” issue. In turn, a number of suppliers have tried to shift the SECA obligation to one or more of their upstream suppliers, using a mechanism referred to as a “ripple” claim.

3. The presiding judge certified the settlement to the Commission as uncontested on June 9, 2006.<sup>4</sup> No comments were filed.

4. The subject settlement is fair and reasonable and in the public interest and is hereby approved. The Commission’s approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission retains the right to investigate the rates, terms, and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. § 824(e) (2000).

5. This letter terminates Docket Nos. ER05-6-067, EL04-135-069, EL02-111-087, and EL03-212-083.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>2</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 109 FERC ¶ 61,168 (2004) (November 18 Order), *reh’g pending*.

<sup>3</sup> November 17 Order at P 45.

<sup>4</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 115 FERC ¶ 63,063 (2006).