

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeem G. Kelly, Marc Spitzer,
and Philip D. Moeller.

Yankee Atomic Electric Company

Docket No. ER06-249-000

ORDER ON UNCONTESTED SETTLEMENT

(Issued July 31, 2006)

1. On November 23, 2005, Yankee Atomic Electric Company (Yankee) proposed revisions to Rate Schedule No. 3 (Power Contract) that would increase decommissioning related collections by approximately \$85 million for the years 2006 through 2010 for decommissioning of Yankee's retired nuclear generating plant (the Plant). The Commission accepted Yankee's proposal for filing and suspended the proposed revisions to the Power Contract, subject to refund and to hearing and settlement judge procedures. *Yankee Atomic Electric Company*, 114 FERC ¶ 61,090 (2006).

2. On May 1, 2006, Yankee filed a Settlement Agreement (Settlement) to which the Connecticut Department of Public Utility Control, the Vermont Department of Public Service, the Massachusetts Attorney General, and Yankee agreed to be signatories. The Settlement represents an increase of \$32 million in the schedule of decommissioning charges for the years 2006 through 2010 and an overall decrease of nearly \$28 million in the estimated cost of decommissioning the Plant¹ in comparison to Yankee's filing based on its 2005 Estimate. Commission Trial Staff filed Initial Comments supporting the Settlement on May 22, 2006. No other comments were filed. On June 15, 2006, the settlement judge certified the Settlement to the Commission as uncontested. *Yankee Atomic Electric Company*, 115 FERC ¶ 63,066 (2006).

3. The Commission approves the instant Settlement as fair and reasonable and in the public interest. The Commission's acceptance of this Settlement does not constitute

¹ Including contingencies and escalation costs.

approval of, or precedent regarding, any principle or issue in this proceeding. The just and reasonable standard applies to any modification of the Settlement by a party or the Commission.² Thus, 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. § 824e (2000). The tariff sheets contained in the Settlement are in compliance with Order No. 614, *Designation of Electric Rate Schedule Sheets*, 65 Fed. Reg. 18,221; *FERC Statutes and Regulations, Regulations Preambles* July 1996 – December 2000 ¶ 31,096 (2000); 90 FERC ¶ 61,352 (2000). As provided in section 3.1 of the Settlement, the tariff sheets will become effective upon issuance by the Commission of an order approving the Settlement.

4. This terminates Docket No. ER06-249-000.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

² Settlement Agreement, Explanatory Statement in Support of Settlement Agreement at 10.