

133 FERC ¶ 61,170
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 23, 2010

In Reply Refer To:
Midwest Independent Transmission
System Operator, Inc., *et al.*
Docket Nos. ER05-6-119, EL04-135-121,
EL02-111-140, and EL03-212-135

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American Electric Power
Attn: Monique Rowtham-Kennedy, Esq.
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Dear Mr. Grabow and Ms. Rowtham-Kennedy:

1. On September 23, 2010, you filed an Amendment No. 1 to a previously approved Settlement Agreement¹ (Settlement Amendment) for FirstEnergy Service Company (First Energy) on behalf of itself and American Transmission Systems, Inc., Cleveland

¹ FirstEnergy Entities and AEP Entities entered into a Stipulation and Agreement (Settlement Agreement) dated March 20, 2008, which resolved all issues between each of the FirstEnergy Entities and AEP Entities in the SECA proceedings, except as provided in sections 3.7 and 3.8 pertaining to the SECA obligation owed to the AEP Entities by Green Mountain Energy Company (Green Mountain) and Quest Energy, L.L.C./WPS Energy Services, Inc. (Quest-WPS) for the Northern Ohio Aggregation Coalition load (NOAC). The Commission approved the Settlement Agreement in *Midwest Indep. Trans. Sys. Operator, Inc.*, 125 FERC ¶ 61,207, at P 20 (2008).

Illuminating Electric Company, Ohio Edison Company, Pennsylvania Power Company, Toledo Edison Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, and FirstEnergy Solutions Corp. (collectively, FirstEnergy Entities) and American Electric Power Service Corporation (AEP) on behalf of itself and Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company (collectively, AEP Entities) that resolves all remaining issues in controversy between them related to the Seams Elimination Cost/Charge Adjustment/Assignment (SECA) charges that had been set for hearing in the above-captioned dockets. No comments were filed.

2. Under section 2.1 of the Settlement Amendment, FirstEnergy agrees to pay \$2,329,546 (Final Amount) and the AEP Entities agree to accept the Final Amount as full satisfaction of any Green Mountain SECA obligation, Quest-WPS/NOAC SECA obligation or interest on the Green Mountain SECA or Quest-WPS/NOAC SECA obligations claimed by the AEP Entities. The Parties further agree to comprehensively settle and resolve any and all remaining issues between them in these SECA proceedings, including, but not limited to, the Green Mountain SECA obligation, Quest-WPS/NOAC SECA obligation, any claim of interest owed on the Green Mountain SECA or Quest-WPS/NOAC SECA obligations, and any claims regarding any revenue shortfall that might arise as the AEP Entities raised in its June 21, 2010 Rehearing Request (Rehearing Request) in these proceedings.

3. Under section 2.3 of the Settlement Amendment, within thirty days of the effective date of the Settlement Amendment, the AEP Entities shall file a notice of withdrawal of their Rehearing Request and the AEP Entities' Answer, filed on July 15, 2010, as it pertains to the FirstEnergy Entities. Also, FirstEnergy shall file a notice of withdrawal of its Answer, filed on July 8, 2010, as it pertains to the AEP Entities. Section 2.4 states that, upon Commission approval of this Settlement Amendment, the Parties shall withdraw from active participation in these SECA proceedings with respect to one another. However, the Parties shall be free to litigate any and all issues as may pertain to any other Party or Parties to these SECA proceedings.

4. Section 5.4 of the Settlement Amendment states that the standard of review for any modifications to this Settlement Amendment requested by a Party that are not agreed to by all Parties shall be the public interest standard as set forth in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 128 S. Ct. 2733 (2008). The standard of review for any modifications to this Settlement Amendment requested by a non-Party to the Settlement Amendment and the Commission will be the most stringent standard permissible under applicable law.

5. The Settlement Amendment appears to be fair and reasonable and in the public interest and is hereby approved. The Commission's approval of this Settlement Amendment does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

6. This letter order terminates Docket Nos. ER05-6-119, EL04-135-121, EL02-111-140, and EL03-212-135.

By direction of the Commission. Commissioner Moeller is not participating.

Nathaniel J. Davis, Sr.,
Deputy Secretary.