

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Virginia Electric and Power Company

Docket Nos. ER04-898-000
ER04-898-001

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued June 2, 2005)

1. On March 10, 2005, Dominion Resources Services, Inc. filed on behalf of Virginia Electric and Power Company (Dominion Virginia Power) a settlement agreement, which resolves all issues in the captioned proceedings between and among Dominion Virginia Power, Old Dominion Electric Cooperative (ODEC), and Coral Power, L.L.C. (Coral Power). On March 28, 2005, the Commission's Trial Staff filed comments in support of the settlement. No other comments were filed. On April 21, 2005, the settlement judge certified the settlement agreement to the Commission as uncontested.
2. The settlement involves issues related to Dominion Virginia Power's revised rate methodology used in its Open Access Transmission Tariff (OATT), for Reactive Supply and Voltage Control From Generation Sources Service (Reactive Power). The settlement agreement establishes the rates, terms, and conditions pursuant to which Dominion Virginia Power will provide Reactive Power under its OATT.
3. The settlement agreement is in the public interest and is hereby approved. The tariff sheets filed with the settlement comply with Order 614. *See Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221, (FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000, ¶ 31,096 (2000)).
4. The Commission's approval of this settlement agreement 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 standard of Section 206 of the Federal Power Act, 16 U.S.C. § 824e (2000).

5. This order terminates Docket Nos. ER04-898-000 and ER04-898-001.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.