

125 FERC ¶ 61,298
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

New England Power Company

Docket No. ER07-694-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued December 18, 2008)

1. New England Power Company (NEP) filed an uncontested Settlement Agreement in the above-captioned proceeding on June 20, 2008 (Settlement). The Settlement resolves the issues set for hearing in the Commission's May 25, 2007 order accepting and suspending filing and establishing hearing and settlement judge procedures.¹ The May 25, 2007 Order addressed NEP's proposed amendment to its Tariff No.1 Integrated Facilities Agreement (IFA Amendment). The IFA Amendment modified the formula rate under which Narragansett Electric Company (Narragansett), a corporate affiliate of NEP, is compensated for its ownership of integrated transmission facilities in the state of Rhode Island.

2. NEP submitted the IFA Amendment on March 30, 2007. Concurrently, Narragansett submitted cancellation notices for three rate schedules superseded by the IFA Amendment (Cancellation Notices). The IFA Amendment consolidates costs currently recovered under the above-referenced rate schedules under a single set of terms and conditions. The IFA Amendment also updates the revenue requirement formula used in the Tariff No. 1 Integrated Facilities Agreement to provide for reconciliation of actual

¹ *New England Power Co.*, 119 FERC ¶ 61,189 (2007) (May 25, 2007 Order).

costs on a monthly basis, thereby promoting alignment with transmission rate formulas generally applicable to New England regional transmission rates. NEP and Narragansett requested that the Commission make the IFA Amendment and Cancellation Notices simultaneously effective as of June 1, 2007. The Attorney General of the Commonwealth of Massachusetts (Massachusetts AG), the Attorney General of Rhode Island, and the Rhode Island Division of Public Utilities and Carriers intervened in the proceeding, with the Massachusetts AG protesting NEP's proposed revenue requirement modification.

3. Having determined that the IFA Amendment raised material issues of fact that could not be resolved on the then-existing record, and was possibly unjust, unreasonable, unduly discriminatory, or preferential or otherwise unlawful, the Commission, in the May 25, 2007 Order, accepted the IFA Amendment for filing, suspended it for a nominal period to become effective June 1, 2007, subject to refund, and instituted hearing and settlement judge procedures. The Commission also accepted the Cancellation Notices, effective June 1, 2007. The Commission held hearing procedures in abeyance pending the outcome of settlement judge procedures.

4. The parties filed a Settlement Agreement that resolves all issues set for hearing in the Commission's May 25, 2007 Order Accepting and Suspending Filing and Establishing Hearing and Settlement Judge Procedures.

5. Commission Trial Staff filed initial comments in support of the Offer of Settlement on July 8, 2008. The settlement judge certified the Settlement to the Commission as uncontested on August 11, 2008.

6. The subject settlement is fair, reasonable, and is in the public interest and is hereby approved. The standard of review for any modifications proposed by the settling parties, the Commission or third parties is the just and reasonable standard.² 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. § 824e (2006).

² Settlement at 13.

7. The settlement agreement, having been approved, resolves all issues in the captioned proceeding. The tariff sheets submitted as part of the Settlement are properly designated, accepted for filing, and made effective as specified in the Settlement. This order terminates Docket No. ER07-694-000.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.