

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Northeast Utilities Service Company

Docket Nos. ER05-918-000  
ER05-918-001  
ER06-288-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued February 1, 2006)

1. On December 5, 2005, in Docket Nos. ER05-918-000 and ER05-988-001, Northeast Utilities Service Company (Northeast Utilities), on behalf of the NU Companies,<sup>1</sup> filed a settlement between the NU Companies and the Connecticut Municipal Electric Energy Cooperative (Connecticut Municipal) that disposes of all of the outstanding issues between them in these proceedings.
2. On December 5, 2005, in Docket No. ER06-288-000, Northeast Utilities also made a corresponding tariff filing under section 205 of the Federal Power Act<sup>2</sup> implementing the terms of the settlement, with comments due December 27, 2005. No protests or comments were filed. Northeast Utilities requests that, consistent with the terms of the settlement, the revised tariff sheet be accepted effective December 6, 2005. The Commission accepts the proposed tariff sheet, effective December 6, 2005, subject to revision as discussed below.
3. The settlement resolves the parties' dispute as to the transmission charge provision under a comprehensive, long-term transmission service agreement between the NU Companies and Connecticut Municipal.<sup>3</sup> On December 27, 2005, Commission Trial Staff

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<sup>1</sup> The NU Companies are: The Connecticut Light and Power Company, Western Massachusetts Electric Company, Holyoke Water Power Company, and Holyoke Power and Electric Company.

<sup>2</sup> 16 U.S.C. § 824d (2000).

<sup>3</sup> *Northeast Utilities Service Co.*, 111 FERC ¶ 61,495 (2005).

filed initial comments in support of the settlement. No other comments were filed. On January 5, 2006, the Settlement Judge certified the settlement to the Commission as uncontested.

4. The settlement is in the public interest and is hereby approved. The rate schedule sheets submitted as part of the settlement are in compliance with Order No. 614 and are accepted as proposed. *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).

5. 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 (2000).

6. Consistent with the parties' intention, the 12.8 percent return on equity (ROE) used in the settlement is but a placeholder, and the final ROE will be the ROE established in the final order in Docket No. ER94-157-000, *Bangor Hydro Electric Co., et al.* Therefore, to conform the ROE of the Comprehensive Transmission Service Agreement to the ROE component of the formula rate under the NU Companies, Local Service Schedule, Schedule 21-NU of the ISO-New England, Inc. (ISO-NE) Open Access Transmission Tariff (OATT), which will be decided in Docket No. ER04-157-000, we direct the NU Companies to: (a) make a compliance filing following issuance of a final order in Docket No. ER04-157-000, consistent with the ROE established in that proceeding; and (b) refund any monies over-collected.

7. The Commission will require that the tariff revision filed in Docket No. ER06-288-000 to implement the settlement only apply to the facilities governed by the settlement. We therefore direct the NU Companies to modify, within 30 days of the date of this order, the tariff language in section 1.63 of Schedule 21-NU of the ISO-NE OATT to make clear that the exclusion from the NU Companies' calculation of their Monthly Transmission System Peak only extends to the facilities specified in the settlement with Connecticut Municipal. To the extent that there are future requests to directly assign network transmission facilities, a separate filing under section 205 of the Federal Power Act is required, consistent with Commission policy.<sup>4</sup>

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<sup>4</sup> *Appalachian Power Co.*, 63 FERC ¶ 61,151 (1993); *Mansfield Municipal Electric Department, et al.*, 97 FERC ¶ 61,134 (2001); *Niagara Mohawk Power Corp.*, Opinion No. 296, 42 FERC ¶ 61,143 at 61,531, 61,536 nn. 28-29 (1988).

8. This order terminates Docket Nos. ER05-918-000 and ER05-918-001.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.