

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 17, 2006

In Reply Refer To:
Docket Nos. ER05-6-040,
EL04-135-042, EL02-111-060,
and EL03-212-056

Duncan, Weinberg, Genzer & Pembroke, P.C.
Attn: Robert Weinberg, Esq.
Attorney for Allegheny Electric Cooperative, Inc.
1615 M Street, N.W.
Washington, D.C. 20036

The Williams Companies, Inc.
Attn: David M. Adams, Esq.
Attorney for Williams Power Company, Inc.
One Williams Center
Suite 4700
Tulsa, OK 74172

Dear Messrs, Weinberg and Adams:

1. On January 27, 2006, you filed a Settlement Agreement (Settlement) on behalf of Allegheny Electric Cooperative, Inc. (Allegheny) and Williams Power Company, Inc. (Williams) in the above-referenced dockets. The Settlement resolves Allegheny's shift-to-shipper claim against Williams in these dockets, which would transfer seams elimination cost adjustment charges (SECA) to Williams. Specifically, the Settlement requires Williams to pay Allegheny fifty (50) percent of Allegheny's SECA obligations arising under a power agreement between the two parties, up to a maximum of \$300,000. No comments were filed on the Settlement. On March 23, 2006, the Presiding Administrative Law Judge certified the Settlement to the Commission as an uncontested partial settlement.
2. The Settlement is in the public interest and is hereby approved. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The *Mobile-Sierra* public interest standard of review will apply to this settlement.

3. This letter terminates Docket Nos. ER05-6-040, EL04-135-042, EL02-111-060, and EL03-212-056.

By direction of the Commission. Commissioner Kelly dissenting in part with a separate statement attached.

Magalie R. Salas,
Secretary.

cc: All Parties

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Allegheny Electric Cooperative, Inc.
The Williams Companies, Inc.

ER05-6-040,
EL04-135-042,
EL02-111-060, and
EL03-212-056

(Issued April 17, 2006)

KELLY, Commissioner, *dissenting in part*:

For the reasons I have previously set forth in *Wisconsin Power & Light Co.*, 106 FERC ¶ 61,112 (2004), I do not believe that the Commission should depart from its precedent of not approving settlement provisions that preclude the Commission, acting *sua sponte* on behalf of a non-party, or pursuant to a complaint by a non-party, from investigating rates, terms and conditions under the “just and reasonable” standard of section 206 of the Federal Power Act at such times and under such circumstances as the Commission deems appropriate.

Therefore, I disagree with this order to the extent it accepts for filing a settlement that provides, in relevant part: “The standard of review for any modifications to this Agreement that are not agreed to by both of the Parties, including any modifications resulting from the Commission acting *sua sponte*, shall be the ‘public interest’ standard under the Mobile-Sierra Doctrine.”

Sudeen G. Kelly

