

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 20, 2007

In Reply Refer to:
Docket Nos. ER06-1182-000
and ER06-1182-001

Kirkland and Ellis, LLP
Attn: Neil L. Levy
Counsel for Calumet Energy Team, LLC
665 Fifteenth Street, N.W.
Suite 1200
Washington, D.C. 20005

Dear Mr. Levy:

1. On December 22, 2006, you filed on behalf of Calumet Energy Team, LLC, Exelon Corporation, and Commonwealth Edison Company, a Settlement Agreement in the above-captioned docket which reflects the parties' agreement to a reduction in Calumet's originally-proposed revenue requirement for Reactive Supply Service under its revised FERC Rate Schedule No. 2.¹ On January 9, 2007, the Commission's Trial Staff submitted comments in support of the Settlement Agreement. No other comments were received. On January 16, 2007, the Settlement Judge certified the uncontested Settlement Agreement to the Commission.²

2. The rate schedule sheets submitted as part of the settlement are in compliance with Order 614. *See Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221, FERC Statutes & Regulations, Regulations Preambles July 1996-December 2000, ¶ 31,096 (2000). The Settlement Agreement's proposed rate schedule is hereby accepted for filing and made effective as specified in the settlement.

¹ On June 29, 2006, you filed a proposed rate schedule for Reactive Support and Voltage Control from Generation Sources Service (Reactive Supply Service) within the PJM Interconnection, L.L.C. (PJM) control area. The Commission suspended it for a nominal period, to become effective August 1, 2006, subject to refund, and established hearing and settlement judge procedures by order issued August 25, 2006. *Calumet Energy Team, LLC*, 116 FERC ¶ 61,181 (2006).

² *Calumet Energy Team, LLC*, 118 FERC ¶ 63,008 (2007).

3. The Settlement is fair and reasonable and in the public interest and is hereby approved. Calumet is directed to refund the difference between the amounts received in accordance with the rate schedule filed June 29, 2006, and the amounts due had the Settlement Agreement's revised rate schedule been in effect. Calumet shall also pay interest on all refunds in accordance with section 35.19a of the Commission's regulations, 18 C.F.R. § 35.19a (2006).

4. 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. § 824 (e) (2000).

5. This letter terminates Docket No. ER06-1182-000 and ER06-1182-001.

By direction of the Commission.

Philis J. Posey,
Acting Secretary.

cc: All Parties