

124 FERC ¶ 61,022
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.

Southern Company Services, Inc.

Docket Nos. ER91-150-014
ER91-326-006
ER91-570-011

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued July 7, 2008)

1. In this order, the Commission approves the uncontested settlement submitted by Southern Company Services, Inc. (Southern), resolving all outstanding issues in this case.
2. On April 4, 2008, the Commission issued an order directing Southern to submit compliance filings that revised the reactive power rate to reflect an allocated portion of turbine assembly costs; revised the calculation of heating losses to reflect the actual output of the units; and provided additional data to support the amount of unrecovered heating losses.¹ That order was issued in response to a United States Court of Appeals for the District of Columbia Circuit order² remanding several prior Commission orders³ back to the Commission for further consideration regarding the Commission's treatment of turbine assembly and heating loss costs in calculating reactive power rates.
3. Southern submitted a proposed settlement on May 23, 2008. The parties established a schedule for initial comments to be filed by June 12, 2008, and reply comments to be filed by June 23, 2008. No comments were filed.

¹ *Southern Company Services, Inc.*, 123 FERC ¶ 61,011 (2008).

² *Alabama Power Co. v. FERC*, 220 F.3d 595 (D.C. Cir. 2000).

³ *Southern Company Services, Inc.*, 61 FERC ¶ 63,009 (1992), *aff'd in part and rev'd in part*, 80 FERC ¶ 61,318 (1997), *reh'g denied*, 82 FERC ¶ 61,168 (1998).

4. The settlement provides that the City of Tallahassee will make a one-time payment of \$900,000 to Southern to resolve all outstanding issues related to these dockets.

5. The Commission finds that the settlement is fair and reasonable and in the public interest, and accordingly approves the settlement. The Commission's approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. Further, the Commission terminates Docket Nos. ER91-150-014, ER91-326-006, ER91-570-011.

The Commission orders:

The Commission hereby approves the settlement.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.