

124 FERC ¶ 61,075
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Trans-Allegheny Interstate Line Co.

Docket No. ER07-562-004

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued July 21, 2008)

1. On March 14, 2008, Trans-Allegheny Interstate Line Company (TrAILCo)¹ filed a settlement on behalf of itself and the Public Service Commission of Maryland (settling parties). The settlement resolves all issues associated with establishing the transmission cost of service formula rate to govern construction and operation of the Interstate Line project.²
2. On April 3, 2008, Trial Staff submitted comments supporting the settlement but seeking two clarifications. On April 14, 2008, TrAILCo responded to Trial Staff's

¹ TrAILCo, a subsidiary of Allegheny Energy, Inc., was organized to finance, construct, own, operate, and maintain the Trans-Allegheny Interstate Line project, a 500-kilovolt transmission line between southwestern Pennsylvania and Northern Virginia.

² The Commission had conditionally accepted and suspended TrAILCo's proposed formula rates, subject to hearing and settlement judge procedures. *Trans-Allegheny Interstate Line Co.*, 119 FERC ¶ 61,219, *reh'g denied and compliance filing accepted*, 121 FERC ¶ 61,009 (2007).

request for clarifications.³ On April 25, 2008, the presiding judge certified the settlement to the Commission as uncontested.⁴

3. The settlement provides, at section 8.5, that “[t]he standard of review the Commission shall apply when acting on proposed modifications to the Formula Rate or Protocols . . . shall be the ‘just and reasonable’ standard of review.” 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).

4. The settlement is fair and reasonable and in the public interest, and is hereby approved. Approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in any other proceeding. This order terminates Docket No. ER07-562-004.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ TrAILCo clarified that any modifications to the settlement executed by the settling parties are subject to the just and reasonable standard of review. It further clarified that the annual informational filings to implement its formula rate are consistent with Commission precedent governing changes to construction work in progress balances, and section 205 of the Federal Power Act, 16 U.S.C. § 824d (2006).

⁴ *Trans-Allegheny Interstate Line Co.*, 123 FERC ¶ 63,009 (2008).