

129 FERC ¶ 61,065  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

October 26, 2009

In Reply Refer To:  
Pioneer Transmission, LLC  
Docket Nos. ER09-75-000 and ER09-75-001

Steptoe & Johnson LLP  
1330 Connecticut Avenue, NW  
Washington, DC 20036-1795

Attention: Gary A. Morgans, Esq.  
Attorney for Pioneer Transmission, LLC

Dear Mr. Morgans:

1. On August 13, 2009, you filed, on behalf of Pioneer Transmission, LLC (Pioneer) and all parties to these proceedings, a proposed Offer of Settlement (Settlement) between Pioneer and those parties. The Settlement resolves the issues set for hearing by the Commission's March 27, 2009 order<sup>1</sup> on Pioneer's transmission rate incentives and formula rate proposal, for transmission services to be rendered by the Pioneer Project.<sup>2</sup>
2. Comments in support of the Settlement were filed by the Commission's Trial Staff on September 2, 2009. No reply comments were filed. On September 23, 2009, the Settlement Judge certified the Settlement to the Commission as uncontested.<sup>3</sup>

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<sup>1</sup> *Pioneer Transmission, LLC*, 126 FERC ¶ 61,281, at P 109 (2009) (March 27, 2009 Order). To the extent pending requests for rehearing of the March 27, 2009 Order seek rehearing of issues that the order did not set for hearing and settlement procedures, the Settlement does not resolve such rehearing requests.

<sup>2</sup> The Pioneer Project will consist of a 765 kV transmission line between northern and southwestern Indiana, which are in the areas of two different Regional Transmission Organizations, the Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., respectively.

<sup>3</sup> *Pioneer Transmission, LLC*, 128 FERC ¶ 63,018 (2009).

3. Section 4.4 of the Settlement states that the standard of review the Commission shall apply when acting on proposed modifications to the Settlement or to the submitted tariff sheets shall be the just and reasonable standard of review rather than the public interest standard of review. It also provides that changes proposed either by a non-party or by the Commission acting *sua sponte* shall be subject to the just and reasonable standard of review.

4. The Settlement is fair and reasonable, and in the public interest, and is hereby approved. The rate schedule designations in the tariff sheets contained in the Settlement must be revised, however, to comply with Order No. 614.<sup>4</sup> Pioneer is directed to file revised rate schedule sheets that conform with the requirements of Order No. 614 within 30 days of this order.

5. 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). The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

cc: All Parties

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<sup>4</sup> *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000).