

145 FERC ¶ 61,181
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 27, 2013

In Reply Refer To:
Ameren Illinois Company
Docket Nos. ER13-312-000
ER13-312-001
ER13-801-000

Wright & Talisman, P.C.
Attention: Wendy Warren, Esq.
1200 G Street, NW
Washington, DC 20005

Dear Ms. Warren:

1. On July 23, 2013, as amended on August 23, 2013, you filed, in the above-referenced proceedings, an Offer of Settlement (Settlement Agreement) among Ameren Illinois Company d/b/a Ameren Illinois (Ameren Illinois); Southwestern Electric Cooperative, Inc. (Southwestern); Hoosier Energy Rural Electric Cooperative, Inc.; the Illinois Municipal Electric Agency; Prairie Power, Inc.; Southern Illinois Power Cooperative; and Wabash Valley Power Association, Inc. (collectively, the Settling Parties).¹ On August 12, 2013, Commission Trial Staff filed comments in support of the Settlement Agreement. Commission Trial Staff recommended that Ameren Illinois modify Article 5 to state that the standard of review for third party-proposed modifications should be the just and reasonable standard of review.² In response, on August 23, 2013, the Settling Parties filed an amendment to the Settlement Agreement modifying the Explanatory Statement and Article 5 to provide that the standard of review for third parties proposing changes to the Settlement Agreement will be the just and

¹ The Settlement Agreement addresses issues that were set for hearing in the Commission's December 31, 2012 order. *See Ameren Illinois Co.*, 141 FERC ¶ 61,264 (2012) (December 31 Order).

² Commission Trial Staff August 12, 2013 Comments at 5-6.

reasonable standard. No other parties filed comments. On August 26, 2013, the Settlement Judge certified the uncontested Settlement Agreement to the Commission.³

2. The Settlement Agreement addresses Ameren Illinois' composite depreciation rates reflecting its December 31, 2011 plant balances and Ameren Illinois' depreciation rates by account as set forth in Appendix A, which will be used to establish the Annual Transmission Revenue Requirement under Attachment O-AIC of the Midcontinent Independent System Operator, Inc. (MISO) Open Access Transmission, Energy and Operating Reserve Markets Tariff, effective January 2, 2013. The Settlement Agreement requires Southwestern to file with the Commission a motion to suspend action on its request for rehearing of the December 31 Order,⁴ and that, in the event the Commission approves the Settlement Agreement as to all of its terms and conditions without modification or condition, or with modification(s) or condition(s) agreed to by the Settling Parties, Southwestern's request for rehearing should be deemed withdrawn.⁵

3. The Settlement Agreement provides that:

[i]t is the intent of the Settling Parties that, to the maximum extent permitted by law, the provisions of this Settlement Agreement shall not be subject to change under sections 205 and 206 absent the written agreement of the Settling Parties, and that the standard of review for changes unilaterally proposed by a Settling Party shall be the public interest standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956); *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956); *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008); and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165 (2010). The standard of review for third parties proposing changes to the Settlement Agreement will be the just and

³ *Ameren Illinois Company*, 144 FERC ¶ 63,020 (2013).

⁴ See Southwestern January 30, 2013 Rehearing Request, Docket No. ER13-312-001, at 1. On July 24, 2013, in Docket No. ER13-312-001, Southwestern filed a motion requesting that the Commission hold its pleading in abeyance.

⁵ See Settlement Agreement August 23, 2013 Filing, Att. A, at art. 3.8, 4.1.

reasonable standard. The standard of review for the Commission acting *sua sponte* to alter the Settlement Agreement will be the just and reasonable standard.⁶

4. The Settlement Agreement resolves all issues in dispute in these proceedings. The Settlement Agreement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of this Settlement Agreement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

5. The Settlement Agreement is conditionally approved subject to the Settling Parties submitting, within 30 days of the date of this order, a compliance filing in eTariff format to ensure that its electronic tariff data base reflects the Commission's actions in these proceedings.⁷

6. This letter order terminates Docket Nos. ER13-312-000, ER13-312-001, and ER13-801-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁶ Settlement Agreement August 23, 2013 Filing, Att. A, at art. 5.1.

⁷ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276, at P 96 (2008). The Settling Parties state, in the transmittal letter to the Settlement Agreement that, within 30 days of a Commission order approving the Settlement Agreement, Ameren Illinois will coordinate with MISO to file the revised Attachment O-AIC in eTariff format.