

146 FERC ¶ 61,147
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

PJM Interconnection, L.L.C.,
Potomac Electric Power Company, and
Delmarva Power and Light Company

Docket Nos. ER13-607-000
ER13-607-001
ER13-607-002

ORDER APPROVING SETTLEMENT

(Issued February 28, 2014)

1. On December 18, 2013, pursuant to Rule 602 of the Commission's Rules of Practice and Procedure,¹ Potomac Electric Power Company (Pepco) and Delmarva Power and Light Company (Delmarva) (collectively, PHI Companies) filed an Offer of Settlement and Settlement Agreement (Settlement) on behalf of the Settling Parties,² resolving all issues set for hearing in the instant docket.³
2. The Settlement addresses the recovery of abandonment costs associated with the abandonment of the Mid-Atlantic Power Pathway (MAPP) Project by establishing a black-box amount of \$80.5 million to be recovered over a three-year period through PHI Companies formula rates in Attachments H-3D and H-9A of the PJM Open Access Transmission Tariff. The Settlement declares that the standard of review for changes proposed by a party shall be the *Mobile-Sierra* "public interest" standard.⁴ The standard

¹ 18 C.F.R. § 385.602 (2013).

² The Settling Parties refers to the PHI Companies, jointly with the Delaware Division of the Public Advocate, the Delaware Public Service Commission, and the Virginia Office of the Attorney General's Division of Consumer Counsel.

³ See *PJM Interconnection, L.L.C., et al.*, 142 FERC ¶ 61,156 (2013).

⁴ *United Gas Pipe Line v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008) (*Morgan Stanley*).

of review for changes proposed by a non-settling party or the Commission, acting *sua sponte*, shall be the ordinary just and reasonable standard.⁵

3. In the proceedings before the Settlement Judge, Commission Trial Staff submitted initial comments in support of the Settlement; no other parties filed timely comments.⁶ On February 18, 2014, the Presiding Administrative Law Judge certified the Settlement to the Commission as uncontested.⁷

4. We find that the Settlement appears to be fair, reasonable, and in the public interest. It is therefore approved pursuant to Rule 602(g),⁸ to become effective on the date that this order issues, as per the terms of Article III, section 1 of the Settlement. Approval of the Agreement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

5. The tariff sheets implementing the Settlement were not filed in the eTariff format required by Order No. 714.⁹ Therefore PHI Companies shall make a compliance filing within 30 days of the date of this order in eTariff format to reflect the Commission's action in this order. Upon the filing of this compliance filing, the compliance filing submitted in Docket No. ER13-607-001 is rejected as moot.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁵ See *Morgan Stanley*, 554 U.S. 527, 535.

⁶ The Chief Administrative Law Judge denied a motion to file comments out of time filed by the Illinois Commerce Commission, finding that the late-filed comments raised no opposition to the terms of the Settlement. *PJM Interconnection, L.L.C.*, 146 FERC ¶ 63,011 (2014).

⁷ *PJM Interconnection, L.L.C.*, 146 FERC ¶ 63,013 (2014).

⁸ 18 C.F.R. § 385.602(g) (2013).

⁹ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008) (cross-referenced at 124 FERC ¶ 61,270).