

149 FERC ¶ 61,118
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 12, 2014

In Reply Refer To:
Southwestern Electric Power Company
Docket Nos. ER14-1183-000
ER14-1184-000
ER14-1185-000
ER14-1186-000
ER14-1187-000
ER14-1248-000
ER14-1249-000
ER14-1250-000
ER14-1307-000
ER14-1402-000
(Consolidated)

American Electric Power Service Corporation
Attention: Amanda Riggs Conner, Esq.
801 Pennsylvania Ave, NW
Suite 320
Washington, DC 20004

Dear Ms. Conner:

1. On August 14, 2014, you filed on behalf of (1) Southwestern Electric Power Company (SWEPCO); (2) Tex-La Electric Cooperative of Texas, Inc.; (3) East Texas Electric Cooperative; (4) Northeast Texas Electric Cooperative; (5) Hope Water and Light Commission; (6) City of Bentonville, Arkansas; (7) City of Prescott, Arkansas; (8) City of Minden, Louisiana; and (9) Rayburn Country Electric Cooperative, Inc. (collectively, the Settling Parties) an executed Settlement Agreement (Settlement) in the above-captioned proceedings. The Settlement resolves all issues that the Commission set for hearing and settlement judge procedures.¹

¹ *Southwestern. Elec. Power Co.*, 146 FERC ¶ 61,230 (2014).

2. On September 3, 2014, Commission Trial Staff filed comments supporting the Settlement. On October 1, 2014, the Settlement Judge certified the Settlement to the Commission as uncontested.²

3. The Settlement resolves all the issues set for hearing in the above-captioned proceedings. The Settlement requires that the 10 power supply agreements (PSAs) filed by SWEPCO in the above-referenced dockets be revised to clarify, among other things (1) SWEPCO's customers' assignment of load to SWEPCO for the purposes of submitting bids and offers in the Southwest Power Pool, Inc. (SPP) Integrated Marketplace and managing auction revenue rights and transmission congestion rights; (2) accounting treatment of the SPP Integrated Marketplace settlement charges and credits; and (3) additional details regarding the load-related settlement charge's determination, and informational documentation related to that determination. Exhibit A through Exhibit J, attached to the Settlement, show the agreed-upon revisions for each of the PSAs. The Settlement provides that, within 20 days of the Settlement Effective Date, SWEPCO shall file revised PSAs in eTariff format with the Commission that include the terms identified in Exhibits A through Exhibit J. The Settlement provides that the revised PSAs will become effective as of March 1, 2014.

4. The Settlement appears to be fair and reasonable and in the public interest and is hereby approved. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principal or issue in this proceeding.

5. As provided in Article VI of the Settlement:

The public interest standard of review set forth in *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) (the "Mobile-Sierra doctrine") shall apply to challenges or proposed changes by the Parties to the Settlement Agreement. The "ordinary" just and reasonable standard of review, as discussed in *Morgan Stanley*, 554 U.S. at 535, shall govern any modifications proposed by non-settling parties or the Commission acting *sua sponte*.

6. Insofar as the Settlement and revised PSAs that implement the attached Exhibit A through Exhibit J were not filed in the eTariff format required by Order No. 714,³ within 20 days of the effectiveness of the Settlement, and pursuant to its terms, SWEPCO must

² *Southwestern. Elec. Power Co.*, 149 FERC ¶ 63,001 (2014).

³ *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).

make the appropriate filings in eTariff format in order to implement the Settlement and reflect the Commission's action in this order.

7. This letter order terminates Docket Nos. ER14-1183-000; ER14-1184-000; ER14-1185-000; ER14-1186-000; ER14-1187-000; ER14-1248-000; ER14-1249-000; ER14-1250-000; ER14-1307-000; and ER14-1402-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.