

150 FERC ¶ 61,077
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 6, 2015

In Reply Refer To:
East Texas Electric Cooperative, Inc.
Sam Rayburn G&T Electric Cooperative,
Inc.
Docket No. ER14-1458-000

F. Alvin Taylor, Esq.
Holland & Knight LLP
800 17th Street, NW
Suite 1100
Washington, DC 20006

Dear Mr. Taylor:

1. On September 3, 2014, you filed an Offer of Settlement (Settlement) in the above-referenced proceeding as attorney for East Texas Electric Cooperative, Inc. (East Texas) and Sam Rayburn G&T Electric Cooperative, Inc. (Sam Rayburn) (collectively, the “Cooperatives”). On September 23, 2014, Commission Trial Staff filed comments in support of the Settlement. No other comments were filed. On October 10, 2014, the presiding administrative law judge certified the Settlement to the Commission as an uncontested settlement.¹

2. The Settlement addresses all issues set for hearing involving the Cooperatives’ proposed revenue requirements for providing Reactive Supply and Voltage Control from Generation Sources Service (reactive power) based on the Cooperatives’ ownership interests in the Roy S. Nelson Unit No. 6 and East Texas’s ownership interest in the Independence Steam Electric Station Unit 2.²

¹ *E. Tex. Elec. Coop., Inc., Sam Rayburn G&T Elec. Coop., Inc.*, 149 FERC ¶ 63,008 (2014).

² *E. Tex. Elec. Coop., Inc., Sam Rayburn G&T Elec. Coop., Inc.*, 147 FERC ¶ 61,174 (2014).

3. Article III provides that the Cooperatives agree to reduce their requested revenue requirements by 7.5 percent, effective June 1, 2014.

4. Refunds with interest shall be made within 90 days, consistent with the Commission's regulations, as set forth in the Settlement. Within (15) days after making such refunds, the Cooperatives shall file with the Commission a refund report showing any amounts collected in excess of the Settlement rates, the monthly revenue refund, and the monthly interest computed, together with a summary of such information for the total refund period.

5. Article VI of the Settlement provides that:

The standard of review the Commission shall apply when acting on proposed modifications to the Settlement . . . shall be the "just and reasonable" standard of review rather than the "public interest" standard of review. Changes proposed by any Party, any non-Party or by the Commission acting *sua sponte* shall also be subject to the "just and reasonable" standard of review.

6. 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 principle or issue in these proceedings.

7. Insofar as the Settlement and revised tariff and rate schedules were not filed in the eTariff format required by Order No. 714, the Cooperatives must make a compliance filing within 30 days to reflect the Commission's action in this letter order. *See Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).

8. This letter order terminates Docket No. ER14-1458-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.