

150 FERC ¶ 61,080
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 9, 2015

In Reply Refer To:
PPL Electric Utilities Corporation
Docket Nos. ER09-1148-000
ER09-1148-001
ER09-1148-002

PPL Electric Utilities Corporation
Attention: Paul E. Russell, Esq.
2 North 9th St
Allentown, PA 18101

Dear Mr. Russell:

1. On September 17, 2014, pursuant to Rule 602 of the Commission's Rules of Practice and Procedure,¹ PPL Electric Utilities Corporation (PPL) and the Boroughs² (collectively, Settling Parties) filed an uncontested Joint Offer of Settlement (Settlement), resolving all issues set for hearing in the instant docket.³ The Commission approves the Settlement.

2. The Settlement addresses all the disputes between PPL and the Boroughs regarding PPL's Annual Updates to its Formula Rate, which is codified in the PJM Interconnection, L.L.C. (PJM) Open Access Transmission Tariff (OATT). The Formula Rate was agreed to as part of a settlement agreement filed in Docket No. ER08-1457 and accepted by the Commission. In May of each year, PPL Electric posts the Annual

¹ 18 C.F.R. § 385.602 (2014).

² "Boroughs", formerly "EPPG Boroughs", is the collective name for several Pennsylvania municipalities operating in concert. For the purposes of this Settlement, those municipalities are the Boroughs of Blakely, Catawissa, Duncannon, Ephrata, Hatfield, Lansdale, Lehighton, Mifflinburg, Perkasio, Quakertown, Schuylkill Haven, St. Clair, Watsontown, and Weatherly, all in Pennsylvania.

³ See *PPL Electric Utilities Corp.*, 140 FERC ¶ 61,231 (2013).

Update of its Formula Rate on PJM's website and files an informational update with the Commission in the above captioned docket. Pursuant to the protocols of the Formula Rate, the Boroughs have consistently filed Formal Challenges to these Annual Updates.

3. On August 15, 2011, the Commission rejected the 2010 Formal Challenge. The Boroughs filed a request for rehearing of the 2010 Formal Challenge Order. On September 20, 2012, the Commission issued an order on the Request for Rehearing of the 2010 Formal Challenge Order and on the 2011 Formal Challenge. In the 2010 Rehearing Order, the Commission granted rehearing on several of the challenges raised in the 2010 Formal Challenge and set those matters for hearing and settlement judge proceedings. The Commission also set for hearing and settlement judge proceedings several challenges raised in the 2011 Formal Challenge. On February 26, 2013, the Commission issued an order establishing hearing and settlement judge proceedings for several of the challenges raised in the 2012 Formal Challenge and consolidated those proceedings with the ongoing proceedings addressing the 2010 and 2011 Formal Challenges.

4. In the proceedings before the Settlement Judge, on September 17, 2014, the parties submitted an Offer of Settlement. Commission Trial Staff submitted initial comments; no other parties filed timely comments. On October 21, 2014, the Presiding Administrative Law Judge certified the Settlement to the Commission as uncontested.⁴

5. We find that the Settlement appears to be fair, reasonable, and in the public interest. It is therefore approved pursuant to Rule 602(g),⁵ to become effective on the date that this order is published, as per the terms of section 6.2 of the Settlement. We also direct PPL, within 30 days of the date of this order, to file in this docket revised tariff records that would implement in the PJM OATT the changes to the Formula Rate made by this Settlement. Approval of the 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.

⁴ *PPL Electric Utilities Corp.*, 149 FERC ¶ 63,010 (2014).

⁵ 18 C.F.R. § 385.602(g) (2014).