

151 FERC ¶ 61,121
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 13, 2015

In Reply Refer To:
Municipal Electric Utilities
Association of New York v.
Niagara Mohawk Power
Corporation and New York
Independent System Operator,
Inc.

Docket Nos. EL13-16-000
EL13-16-001

New York Association of Public
Power v. Niagara Mohawk
Power Corporation

Docket Nos. EL14-29-000
EL14-29-001
EL12-101-000
EL12-101-001

Niagara Mohawk Power Corp.
Attn: Patrick J. Tarmey, Esq.
40 Sylvan Road
Waltham, MA 02451

Dear Mr. Tarmey:

1. Niagara Mohawk Power Corporation Niagara Mohawk (Niagara Mohawk) filed an Offer of Settlement and Settlement Agreement (Settlement) in the above-captioned proceedings on February 24, 2015. The Settlement resolves all issues set for hearing in the Commission's September 8, 2014 Order on Complaint and Establishing Hearing and Settlement Judge Procedures in Docket No. EL12-101-000;¹ the Commission's September 8, 2014 Order on Complaint, Establishing Hearing and Settlement Judge Procedures, and Consolidating Proceedings in Docket Nos. EL13-16-000 and

¹ *New York Ass'n of Pub. Power v. Niagara Mohawk Power Corp.*, 148 FERC ¶ 61,177 (2014).

EL12-101-000;² and the Commission's September 8, 2014 Order on Complaint, Establishing Hearing and Settlement Judge Procedures, and Consolidating Proceedings in Docket Nos. EL14-29-000, EL13-16-000, and EL12-101-000³ (September 8 Orders). On March 16, 2015, Trial Staff filed comments supporting the Settlement. No other comments were filed. On March 27, 2015, the designated settlement judge certified the Settlement to the Commission as uncontested.

2. The Settlement addresses the return on common equity (ROE) under Niagara Mohawk's Transmission Service Charge formula rate within Attachment H of the New York Independent System Operator, Inc.'s Open Access Transmission Tariff. The Settlement sets the ROE at 10.3 percent, and provides that this ROE will be in place from November 2, 2012, to the date the Commission accepts the Settlement by order, and prospectively from the date the Commission issues that order. The Settlement also provides various refunds, and a separate \$200,000 payment to certain Niagara Mohawk customers. The Settlement provides that Niagara Mohawk will file with the Commission a refund report within 30 days of the date on which Niagara Mohawk has provided refunds to all customers.

3. The Settlement provides that:

[t]he standard of review for any modification to this Settlement, whether set forth in a written amendment executed by the Settling Parties or pursuant to the Commission's exercise of its authority under Section 206 of the Federal Power Act, whether acting *sua sponte* or on a complaint filed by a non-Settling Party, shall be the "just and reasonable" standard.⁴

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

5. Niagara Mohawk has not yet complied with *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008), which requires the filing of revised tariff sheets in eTariff to implement the terms of the Settlement. Within thirty (30) days of the

² *Municipal Elec. Utils. Ass'n of New York v. Niagara Mohawk Power Corp.*, 148 FERC ¶ 61,175 (2014).

³ *New York Ass'n of Pub. Power v. Niagara Mohawk Power Corp.*, 148 FERC ¶ 61,176 (2014).

⁴ Niagara Mohawk February 24, 2015 Settlement Agreement at Att. 2, article 3.1.

date of this order, Niagara Mohawk must make a compliance filing in eTariff reflecting the Commission's action in this order.

6. This letter terminates Docket Nos. EL14-29-000, EL14-29-001, EL13-16-000, EL13-16-001, EL12-101-000, and EL12-101-001.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.