

151 FERC ¶ 61,255
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 25, 2015

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER15-279-000

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223

Attention: Matthew Harward
Attorney for Southwest Power Pool, Inc.

Dear Mr. Harward:

1. On March 10, 2015, you filed an Unopposed Stipulation and Offer of Settlement (Settlement Agreement) in the above-referenced docket on behalf of Southwest Power Pool, Inc. (SPP) and The Central Nebraska Public Power & Irrigation District (Central Nebraska). The Settlement Agreement resolves all issues that the Commission set for hearing and settlement judge procedures.¹
2. On March 30, 2015, Commission Trial Staff filed comments not opposing the Settlement Agreement, and Central Nebraska and the Nebraska Public Power District filed comments in support of the Settlement Agreement. On May 19, 2015, the Settlement Judge certified the uncontested Settlement Agreement to the Commission.²
3. The Settlement Agreement resolves all the issues set for hearing in the above-captioned proceeding. The Settlement Agreement sets forth a black-box Annual Transmission Revenue Requirement (ATRR) of \$450,000 for Central Nebraska, as

¹ *Southwest Power Pool, Inc.*, 149 FERC ¶ 61,291 (2014) (December 31, 2014 Order).

² *Southwest Power Pool, Inc.*, 151 FERC ¶ 63,012 (2015).

compared with the filed amount of approximately \$537,000. The Settlement Agreement states that Central Nebraska will provide refunds, as necessary, to reflect the lower ATRR provided in the Settlement Agreement versus the as-filed ATRR and Point-to-Point Transmission Service rates accepted by the Commission's December 31, 2014 Order. Any such refunds shall be provided with interest at the applicable Commission interest rates. The Settlement Agreement also provides for a three-year moratorium on unilateral filings under sections 205 and 206 of the Federal Power Act to change the ATRR and rates established by the Settlement Agreement; it further provides that, at the request of Central Nebraska and consistent with the SPP Membership Agreement, SPP shall make a section 205 filing to restate Central Nebraska's ATRR to be effective January 1, 2018, which shall be based on a test period consisting of the most recent twelve consecutive months, or the most recent calendar year, for which actual data are available.

4. Article IV establishes the standard of review for any changes to the Settlement Agreement as follows:

The standard of review for any change to this Settlement Agreement proposed by a participant to this proceeding shall be the "public interest" application of the just and reasonable standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish County, Washington*, 128 S. Ct. 2733, 171 L. Ed. 2d 607 (2008) and refined in *NRG Power Mktg. v. Maine Pub. Utils. Comm'n*, 130 S. Ct. 693, 700 (2010). The ordinary just and reasonable standard of review (rather than the "public interest" standard), as clarified in *Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish County, Washington*, 128 S. Ct. 2733, 171 L. Ed. 2d 607 (2008), applies to changes to the Settlement Agreement sought by the Commission acting *sua sponte* or at the request of a non-Settling Party to this proceeding.

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

6. Insofar as the Settlement Agreement and the related ATTR tariff revisions were not filed in the eTariff format required by Order No. 714,³ SPP is hereby directed to

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

make the required filings within 30 days in eTariff format, in order to implement the Settlement Agreement and reflect the Commission's action in this order.

7. This letter order terminates Docket No. ER15-279-000.

By direction of the Commission.

Kimberly D. Bose,
Secretary.