

152 FERC ¶ 61,230
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 25, 2015

In Reply Refer To:
Kentucky Utilities Company
Docket Nos. ER14-2505-000
ER14-2505-001
ER14-2505-002
EL14-102-000
EL14-102-001
EL15-20-000

Troutman Sanders
401 9th Street, NW
Suite 1000
Washington, DC 20004-2134

Attention: Anne K. Dailey, Esq.
Attorney for Kentucky Utilities Company

Dear Ms. Dailey:

1. On May 28, 2015, you filed, in the above-referenced proceedings, a unilateral Offer of Settlement (Settlement) between Kentucky Utilities Company (Kentucky Utilities) and Frankfort Electric and Water Plant Board and the Cities of Barbourville, Bardwell, Berea, Corbin, Falmouth, Madisonville, Paris, and Providence, Kentucky (collectively, the Departing Municipals).¹ On June 17, 2015, Commission Trial Staff filed comments in support of the Settlement. No other comments were filed. On July 2, 2015, the Settlement Judge certified the Settlement to the Commission as uncontested.²

¹ Because of the Departing Municipals' internal procedural constraints, Kentucky Utilities filed the Settlement on a unilateral basis. Explanatory Statement at 1, 4. Although the Settlement is unexecuted, Kentucky Utilities has been authorized to state that the Departing Municipals support the Settlement. *Id.*

² *Ky. Utils. Co.*, 152 FERC ¶ 63,001 (2015).

2. The Settlement addresses the removal of Construction Work In Progress costs from the rates under the contracts with each of the Departing Municipals.

3. Pursuant to the Settlement:

[t]he standard of review for any proposed changes sought by any Party to the terms of this Settlement shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Services 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. Pub. Util. Dist. No. 1*, 554 U.S. 527 (2008), and the standard of review for any changes proposed by a non-party or the Commission acting *sua sponte* shall be the ordinary just and reasonable standard of review, not the public interest standard of review, *see Devon Power LLC*, 134 FERC ¶ 61,208 at P 10 (2011).³

4. The Settlement resolves all issues in dispute in these proceedings. 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.

5. This letter order terminates Docket Nos. ER14-2505-000, ER14-2505-001, ER14-2505-002, EL14-102-000, EL14-102-001, and EL15-20-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ Settlement, § 5.5.