

154 FERC ¶ 61,135
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 24, 2016

In Reply Refer To:
PSEG Energy Resources & Trade, LLC
Docket Nos. ER15-1882-000
ER15-1882-001

PSEG Services Corporation
80 Park Plaza – T5
Newark, NJ 07102

Attention: Hesser G. McBride, Jr., Esq.
Attorney for PSEG Energy Resources & Trade, LLC

Dear Mr. McBride:

1. On December 23, 2015, you filed, on behalf of PSEG Energy Resources & Trade, LLC (PSEG ER&T), an Offer of Settlement (Settlement) in the above-referenced proceedings. The Settlement resolves all issues that the Commission set for hearing and settlement judge procedures.¹
2. On January 13, 2016, Commission Trial Staff filed comments in support of the Settlement. On January 20, 2016, the Settlement Judge certified the uncontested Settlement to the Commission.²
3. The Settlement resolves all issues that the Commission set for hearing in the above-captioned proceedings surrounding PSEG ER&T's proposed revised Rate Schedule FERC No. 3 (Reactive Power Schedule), which sets forth the cost-based revenue requirement for the provision of Reactive Supply and Voltage Control from Generation Sources Service by facilities owned by PSEG Fossil LLC and PSEG Nuclear LLC. The Settlement provides a revised Reactive Power Schedule and requires

¹ *PSEG Energy Resources & Trade, LLC*, 152 FERC ¶ 61,113 (2015).

² *PSEG Energy Resources & Trade, LLC*, 154 FERC ¶ 63,008 (2016).

PSEG ER&T to file a request to modify or re-approve its Reactive Power Schedule effective no later than January 7, 2022. The Settlement states that the revised Reactive Power Schedule specifically identifies the annual revenue requirement for each generation facility included in PSEG ER&T's filing. The Settlement also states that, to the extent PSEG ER&T has received compensation for the provision of Reactive Supply and Voltage Control from Generation Sources Service pursuant to the original Reactive Power Schedule in excess of the Settlement amount, PSEG ER&T will provide refunds to PJM Interconnection, L.L.C. with interest.

4. The Commission finds that the Settlement appears to be fair and reasonable and in the public interest, and it is hereby approved, effective January 7, 2016, per the terms of section 2.5 of the Settlement. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

5. Pursuant to the requirements of Order No. 714, PSEG ER&T is directed to make a compliance filing in eTariff format to reflect the Commission's action in this order.³ Such a compliance filing also is necessary for any settlement filing containing *pro forma* tariff sheets, but is not necessary if the settlement was filed in eTariff format with actual tariff records (as opposed to *pro forma* records).

6. This letter order terminates Docket Nos. ER15-1882-000 and ER15-1882-001.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276, at P 96 (2008).