

154 FERC 61,141
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 26, 2016

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER14-67-000

Van Ness Feldman, LLP
1050 Thomas Jefferson Street, NW
Seventh Floor
Washington, DC 20007

Attn: Justin P. Moeller, Esq.
Attorney for American Electric Power Service Corporation

Dear Mr. Moeller:

1. On November 16, 2015, you filed, in the above-referenced proceeding, a settlement agreement (Settlement) between Western Farmers Electric Cooperative (Western Farmers) and American Electric Power Service Corporation (AEP) (Settling Parties). On December 3, 2015, Commission Trial Staff filed comments supporting the Settlement. No other comments were filed.¹ On January 11, 2016, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.²
2. The Settlement addresses issues related to delivery point agreements between Western Farmers and AEP.
3. With respect to the standard of review, Article IV of the Settlement provides that:

[u]nless the Settling Parties otherwise agree in writing, the standard of review for any change to this [Settlement] proposed by a Settling Party shall

¹ The Settling Parties state that intervenor East Texas Electric Cooperative, Inc., which is not a party to the Settlement, does not oppose the Settlement. Transmittal at 2. The Settling Parties further state that Southwest Power Pool, Inc. (SPP), which is also not a party to the Settlement, does not take a position on the Settlement. *Id.*

² *Sw. Power Pool, Inc.*, 154 FERC ¶ 63,006 (2016).

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*, 554 U.S. 527 (2008), and refined in *NRG Power Mktg. v. Maine Pub. Utils. Comm’n*, 558 U.S. 165 (2010). The “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*, 554 U.S. 527 (2008), applies to changes to the [Settlement] sought by the Commission acting *sua sponte* or at the request of a non-Settling Party or non-party to this proceeding.

4. The Settlement resolves all issues in dispute in this proceeding. 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 this proceeding.
5. SPP is directed to file revised tariff records in eTariff format,³ within 30 days of the effective date of the Settlement, to reflect the Commission’s action in this order.
6. This letter order terminates Docket No. ER14-67-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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