

154 FERC ¶ 61,225
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 21, 2016

In Reply Refer To:
Kentucky Utilities Company
Docket Nos. ER13-2428-004
EL14-5-004

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

Attention: Anne K. Dailey, Esq.

Dear Ms. Dailey:

1. On July 29, 2014, you filed, in the above-referenced proceedings, an Offer of Partial Settlement (Settlement) between Kentucky Utilities Company (KU) and the Cities of Bardstown and Nicholasville (Settling Municipals). On August 18, 2014, in Docket No. ER13-2428-000, Commission Trial Staff filed comments in support of the Settlement. On August 29, 2014, as amended on September 23, 2014, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.¹
2. The Settlement establishes the rates, terms, and conditions of the wholesale requirements service that KU provides to the Settling Municipals.
3. Pursuant to section 5.5 of 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

¹ *Ky. Utils. Co.*, 148 FERC ¶ 63,013 (2014); *see also* Errata, Docket Nos. EL14-5-000, EL14-5-004, ER13-2428-000, ER13-2428-004 (Sept. 23, 2014).

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); provided, however, that, except as provided in the agreements attached hereto as Exhibit D, nothing in this Settlement shall affect the rights of any Party, the Commission, or any other entity to seek further future changes to the rates, terms or conditions of [Kentucky Utilities'] service to the Settling Municipals under Sections 205 or 206 of the [Federal Power Act].

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. KU is directed to file revised tariff records in eTariff format,² within 30 days of the date of this order, to reflect the Commission's action in this order.
6. This letter order terminates Docket Nos. ER13-2428-004 and EL14-5-004.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

² *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).