

156 FERC ¶ 61,138
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 29, 2016

In Reply Refer To:
NRG Wholesale Generation LP
Seward Generation, LLC
Docket No. EL16-28-000

Seward Generation, LLC
Reed Smith LLP
1301 K Street, NW
Washington, DC 20005

Attn: Michael A. Yuffee

Dear Mr. Yuffee:

1. On June 8, 2016, in the above-referenced proceeding, Seward Generation, LLC (Seward) filed a unilateral Offer of Settlement (Settlement).¹ The Settlement provides for a reduction of Seward's proposed revenue requirement for reactive power service, which would resolve all outstanding issues in this proceeding. On June 27, 2016, Commission Trial Staff filed comments in support of the Settlement. No other comments were filed. On July 22, 2016, the Settlement Judge certified the Settlement to the Commission as uncontested.²

2. Section 2.3 of the Settlement states:

For any newly constructed generation units or newly acquired units added to Seward's generation facilities (including generators owned by any affiliate of Seward) which have not previously supplied reactive power services to PJM, Seward shall have the right to file under Section 205 of the FPA to

¹ Seward originally filed on June 7, but the filing contained an error, which Seward corrected by refiled the entire Settlement package.

² *NRG Wholesale Generation LP*, 156 FERC ¶ 63,011 (2016).

establish an “initial” rate for each new generation unit effective as of the date of commercial operation of such unit.

3. Section 3.5 of the Settlement states:

Nothing in this Offer of Settlement is intended to affect the Commission’s authority, pursuant to Section 205 of the Federal Power Act (or otherwise) to review, accept (with or without conditions or modification) or reject this Offer, or the legal standard applicable to the exercise of such authority. As such, any modification of the settlement would be governed by the “just and reasonable” standard.

4. Approval of the settlement is conditioned upon the parties removing the word “initial” from Section 2.3. Any determination by the Commission in response to an applicant requesting treatment as an initial rate in a subsequent section 205 filing would be made based on the applicable facts and law. It is not appropriate for a settlement to seek to prejudge the right to file initial rates.

5. Otherwise, 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.

6. Seward filed a *pro forma* rate schedule, to be implemented upon approval of the Settlement. Pursuant to the requirements of Order No. 714,³ we direct Seward to file an actual tariff record in eTariff replacing its *pro forma* rate schedule, to be effective February 2, 2016, as per the terms of the Settlement. This letter order terminates Docket No. EL16-28-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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