

156 FERC ¶ 61,178
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

September 15, 2016

In Reply Refer To:
Beaver Dam Energy LLC
Docket No. EL16-51-000

Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, NW
Washington, DC 20036-5306

Attn: William R. Holloway
Counsel for Beaver Dam Energy LLC

Dear Mr. Holloway:

1. On June 29, 2016, you filed on behalf of Beaver Dam Energy LLC (Beaver Dam) a proposed Settlement in the above-referenced proceeding. On July 11, 2016, Commission Trial Staff filed comments in support of the Settlement. On July 12, 2016, the Independent Market Monitor for PJM (IMM) filed comments raising concerns with the reactive capability (power factor or pf) supporting the rates and Beaver Dam filed reply comments on July 13, 2016, opposing the IMM's position on the Settlement. Subsequently, the participants to the proceeding reached a resolution of the issues raised by the IMM under which Beaver Dam commits that (1) it will send a copy of the informational filing referenced in Section 2.4 of the Settlement with the test data directly to the IMM when the filing is made with the Commission; and (2) the reactive capability set forth on Exhibit BD-2, GE Schedule 2, page 1 of the February 25, 2016 application is the appropriate power factor for comparison of the test data submitted in the informational filing under Section 2.4 of the Settlement.¹ On July 19, 2016, the Settlement Judge certified the Settlement to the Commission as uncontested.

¹ Beaver Dam Supplemental Reply Comments at 1. The participants agreed that the settlement did not need to be amended to include this agreement.

2. The Settlement addresses the revenue requirement for the provision of Reactive Supply and Voltage Control from Generation Sources Service for Beaver Dam's generating facility (Facility) in the PJM Interconnection, L.L.C. region. The Settlement provides that the revenue requirement for the Facility shall be reduced from \$447,971 per year and \$37,331 per month to \$302,561 per year and \$25,213 per month.

3. The Settlement provides that

[n]othing 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 modifications) or reject this Offer, or the legal standard applicable to the exercise of such authority. Once approved, any modification to the settlement would be governed by the "just and reasonable" standard.²

4. The Settlement resolves all issues in dispute in this proceeding. The Settlement appears to be fair, reasonable, and in the public interest, and is hereby approved. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

5. Beaver Dam is directed to make a compliance filing with revised tariff records in eTariff format,³ within 30 days of the date of this order, to reflect the Commission's action in this order.

6. This letter order terminates Docket No. EL16-51-000.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

² Settlement § 3.5.

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