

157 FERC ¶ 61,009
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 4, 2016

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER15-1777-000

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223

Attention: Matthew Harward, Esq.
Attorney for Southwest Power Pool, Inc.

Dear Mr. Harward:

1. On July 22, 2016, in the above referenced proceeding, you filed a joint offer of settlement (Settlement) on behalf of Southwest Power Pool, Inc. (SPP), Heartland Consumers Power District (Heartland), Missouri River Energy Services, NorthWestern Corporation, Basin Electric Power Cooperative, and South Central MCN, LLC.¹ On August 11, 2016, Trial Staff filed comments supporting the Settlement. No other comment was filed. On August 26, 2016, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.²
2. The Settlement contains, among other things, revisions to SPP's open access transmission tariff to include a formula rate template and implementation protocols to accommodate the recovery of an annual transmission revenue requirement for Heartland.

¹ The Settlement also explains that, although not settling parties, Western Area Power Administration, Kansas Corporation Commission, Missouri Public Service Commission, and Xcel Energy Services Inc., on behalf of its affiliates Southwestern Public Service Company, Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, do not oppose the Settlement.

² *Southwest Power Pool, Inc.*, 156 FERC ¶ 63,034 (2016).

3. Article VI of the Settlement governs the standard of review for modification of the Settlement. It provides that:

[u]nless the Settling Parties otherwise agree in writing, the standard of review for any modification to this Settlement proposed by one of the Settling Parties after the Settlement has become effective in accordance with Article IV shall be the “public interest” application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and refined in *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165, 174-75 (2010). The standard of review for any modifications to this Settlement requested by a non-settling party or initiated by the Commission acting *sua sponte* will be the ordinary just and reasonable standard of review. See *Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008).

4. The Settlement resolves all the issues set for hearing in this proceeding.³ 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 format⁴ within thirty (30) days of the date of issuance of this order, to reflect the Commission’s action in this matter.

6. This letter order terminates Docket No. ER15-1777-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ *Southwest Power Pool, Inc.*, 152 FERC ¶ 61,143 (2015).

⁴ *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).