158 FERC ¶ 61,073
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 27, 2017

In Reply Refer To:
South Central MCN LLC
Docket No. ER15-2594-000

Covington & Burling LLP
One City Center
850 Tenth Street NW
Washington, DC 20001-4956

Attention: William L. Massey

Dear Mr. Massey:

1. On October 12, 2016, South Central MCN LLC (South Central) filed a Joint Offer of Settlement (Settlement) on behalf of itself and the other Settling Parties.[1] The Settlement resolves all issues regarding the formula rate template and protocols that South Central filed with the Commission in this proceeding on September 1, 2015.[2] On November 1, 2016, Tri-County Electric Cooperative, Inc. and the Commission's Trial Staff filed comments supporting the Settlement. No other comments were filed. On November 29, 2016, the Settlement Judge certified the Settlement to the Commission as uncontested.[3]

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[1] The Settling Parties are South Central MCN LLC, the Kansas Corporation Commission, and the Missouri Public Service Commission.

[2] By order issued October 29, 2015, the Commission conditionally accepted South Central's formula rate template and protocols for filing, and set the base return on equity (ROE) for hearing and settlement judge procedures. *South Central MCN LLC*, 153 FERC ¶ 61,099, at P 45 (2015).

[3] *South Central MCN LLC*, 157 FERC ¶ 63,023 (2016).

2. Article III, Sections 2 and 3 of the Settlement provide that South Central will use a base ROE of 9.8 percent, and that its total ROE, including all incentives and adders, will not exceed 10.8 percent. The initial ROE in South Central's Formula Rate, upon its incorporation in the Southwest Power Pool Tariff, shall be 10.3 percent.[4]

3. Article IV of the Settlement provides that the Settlement shall be effective on the date on which a Commission Order approving the Settlement becomes final and non-appealable, or on an alternative date to which the Settling Parties agree in the event that the Commission does not approve the Settlement without material modification or condition.

4. Article VI provides that "[the] standard of review the Commission shall apply when acting on proposed modifications to this Settlement Agreement after the Settlement Agreement has become effective in accordance with Article IV shall be the just and reasonable standard of review. . . ."

5. 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. South Central is directed to file revised tariff records in eTariff format,[5] within 30 days of the date of this order, to ensure the requisite electronic tariff databases reflect the Commission's action in this order.

7. This letter order terminates Docket No. ER15-2594-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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[4] This reflects the 9.8 percent base ROE and the 0.5 percent RTO participation adder approved by the Commission in the October 29, 2015 order.

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