

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeen G. Kelly.

Southwestern Electric Power Company

Docket Nos. ER05-1207-000  
ER05-1207-001

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued February 14, 2006)

1. On December 14, 2005, in the above-captioned dockets, Southwestern Electric Power Company (SWEPCO), filed a settlement between SWEPCO and the Arkansas Electric Cooperative Corporation (AECC) that disposes of all of the outstanding issues in these proceedings.
2. By order dated October 6, 2005, the Commission set this matter for hearing but ordered that the hearing be held in abeyance to permit the parties to hold settlement discussions. Those discussions produced the subject settlement, which was certified to the Commission on January 24, 2006.<sup>1</sup>
3. The settlement resolves the parties' dispute involving formula rates for transmission service provided by SWEPCO to AECC. The formulas are contained in the Restated and Amended Flint Creek Power Plant Coordination Interchange and Transmission Service Agreement (the Flint Creek Agreement). Under the terms of the Flint Creek Agreement, SWEPCO delivers power and energy from AECC's various resources, including Flint Creek, to AECC member cooperatives at transmission rates determined under formulas incorporated in the Flint Creek Agreement. Effective January 1, 2008, the Flint Creek Agreement will terminate and, thereafter, AECC will take open access transmission service from the Southwest Power Pool, Inc. Under the terms of the settlement, SWEPCO will charge AECC \$1.08/KW-month for service at 115 kV and above, and \$1.35/KW-month for service at 69 kV for the period July 1, 2005, through December 31, 2007. Refunds and fee reimbursements shall be made pursuant to the settlement.
4. The settlement is 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. The Commission retains the right to investigate the

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<sup>1</sup> Southwest Electric Power Co., 114 FERC ¶ 63,013.

rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. § 824e (2000).

5. This order terminates Docket Nos. ER05-1207-000 and ER05-1207-001.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.