

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Central Maine Power Company

Docket Nos. ER05-1169-000  
ER05-1283-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued February 22, 2006)

1. On January 12, 2006, Central Maine Power Company (CMP) filed an offer of settlement in the above-captioned proceeding among CMP, the State of Maine Public Utilities Commission, the Maine Public Advocate, Kennebunk Light and Power District, Fox Islands Electric Cooperative, Inc., and Madison Electric Works.
2. On February 1, 2006, supporting comments on the settlement were submitted by Commission Trial Staff. No other comments were filed. On February 2, 2006, the settlement was certified to the Commission as uncontested.
3. The settlement resolves issues arising from a dispute concerning whether CMP's proposed update to its formula rates is just and reasonable. Specifically, the settlement resolves three issues: whether it was appropriate to include acquisition premium-related goodwill in its common equity; whether CMP improperly refunctionalized or reclassified its satellite control center costs from distribution to transmission; and whether the proposed increase in control-center cost transmission rates results in a double collection. The settlement also resolves CMP control center allocation issues raised in Docket No. ER05-1283-000.<sup>1</sup>

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<sup>1</sup> In a September 26, 2005 order, the Commission held that the local control center issues raised in Docket No. ER05-1283-000 would be examined as part of the issues being examined in Docket No. ER05-1169-000. *See ISO New England, Inc.*, 112 FERC ¶ 61,338 (2005).

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.
5. Refunds, credits, and adjustments shall be made pursuant to the settlement.
6. This order terminates Docket Nos. ER05-1169-000 and ER05-1283-000.

By the Commission. Commissioner Kelly dissenting in part with a  
separate statement attached.

( S E A L )

Magalie R. Salas,  
Secretary.

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KELLY, Commissioner, *dissenting in part*:

For the reasons I have previously set forth in *Wisconsin Power & Light Co.*, 106 FERC ¶ 61,112 (2004), I do not believe that the Commission should depart from its precedent of not approving settlement provisions that preclude the Commission, acting *sua sponte* on behalf of a non-party, or pursuant to a complaint by a non-party, from investigating rates, terms and conditions under the “just and reasonable” standard of section 206 of the Federal Power Act at such times and under such circumstances as the Commission deems appropriate.

Therefore, I disagree with this order to the extent it accepts for filing an agreement with an Explanatory Statement that provides, in relevant part: “Future amendment of the Settlement by the parties *or by the Commission* will be under the Mobile-Sierra public interest standard” (*emphasis added*).

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Suedeem G. Kelly