

130 FERC ¶ 61,003  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

January 5, 2010

In Reply Refer To:  
Southwest Power Pool, Inc.  
Docket Nos. EC06-4-000; EC06-4-001;  
ER06-20-000; ER06-20-001;  
and ER06-20-009

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Attention: Jeffrey G. DiSciullo, Counsel for Southwest Power Pool, Inc.

Andrea J. Chambers, Counsel for Louisville Gas & Electric Company and  
Kentucky Utilities Company

Dear Mr. DiSciullo and Ms. Chambers:

1. On October 19, 2009, Southwest Power Pool, Inc. (SPP) filed jointly with Louisville Gas & Electric Company and Kentucky Utilities Company (LG&E/KU) a Settlement Agreement (Settlement), an Amended and Restated Independent Transmission Organization Agreement (Amended Agreement), and related documents in resolution of a fee dispute between them (October 19 Filing). The Settlement resolves the issue of compensation to SPP for additional services provided to LG&E/KU pursuant to Order No. 890<sup>1</sup> and LG&E/KU's compliance with the Mandatory Reliability Standards of the North American Electric Reliability Corporation.

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<sup>1</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

2. No comments on the October 19 Filing were filed. On November 24, 2009, the Settlement Judge certified the Settlement to the Commission as uncontested.<sup>2</sup>

3. Section 6.5.2 of the Settlement states that the standard of review for any modifications proposed by a party to the Settlement and the Amended Agreement shall be the *Mobile-Sierra* “public interest” standard.<sup>3</sup> It states further that the standard of review for any changes proposed by a non-party or the Commission acting on its own shall be the most stringent standard permissible under applicable law.

4. The Settlement is fair and reasonable, and in the public interest, and is hereby approved. The rate schedule designations in the tariff sheets contained in the Amended Agreement must be revised, however, to comply with Order No. 614.<sup>4</sup> LG&E/KU is directed to file revised rate schedule sheets that conform to the requirements of Order No. 614 within 30 days of this order. The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

5. This letter terminates Docket Nos. EC06-4-000, EC06-4-001, ER06-20-000, ER06-20-001, and ER06-20-009.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>2</sup> *Louisville Gas & Electric Company*, 129 FERC ¶ 63,017 (2009).

<sup>3</sup> *See United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332; *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348.

<sup>4</sup> *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000).