

121 FERC ¶ 61,200
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 26, 2007

In Reply Refer to:
Docket No. ER07-673-000

John S. Decker
Vinson & Elkins L.L.P.
Willard Office Building
1455 Pennsylvania Avenue, Suite 600
Washington, DC 20004

Dear Mr. Decker:

1. On August 29, 2007, you filed, on behalf of Reliant Energy Wholesale Generation, LLC (REWG), an offer of settlement in the above-captioned docket.¹ Notice of the offer of settlement was issued on August 29, 2007, with comments due on or before September 28, 2007.
2. On September 18, 2007, Commission Trial Staff filed comments in support of the offer of settlement. No other comments were filed, and no party has requested any change to the settlement or elected to contest the settlement. On October 12, 2007, the settlement was certified to the Commission as uncontested.²

¹ On March 29, 2007, REWG filed a proposed rate schedule pursuant to section 205 of the Federal Power Act (FPA) (16 U.S.C. § 824(d) (2000)) for Reactive Supply Service specifying its revenue requirement for providing Reactive Supply Service from the Shelby County Facility. In its May 25, 2007 Order Accepting and Suspending Proposed Rate Schedule and Establishing Hearing and Settlement Judge Procedures, the Commission accepted REWG's rate schedule for filing and suspended it for a nominal period, to become effective June 1, 2007, subject to refund. The Commission established hearing procedures, but held the hearing in abeyance pending settlement judge procedures. *Reliant Energy Wholesale Generation, LLC*, 119 FERC ¶ 61,186 (2007) (May 25 Order).

² See *Reliant Energy Wholesale Generation, LLC*, 121 FERC ¶ 63,003 (2007).

3. Among other things, the offer of settlement contains revisions to REWG's FERC Electric Tariff, Original Volume No. 7 (Revised REWG Tariff), that reflect the Settling Parties' agreement to: (1) reduce REWG's charges for Reactive Supply Service from the Shelby County Facility; (2) remove the "Lost Opportunity Costs" provision, notwithstanding REWG's right to file under the FPA section 205 to recover lost opportunity costs in the future or the right of the parties to contest such a filing; and (3) make the Revised REWG Tariff subject to change as may be required by Commission-approved changes to Schedule 2 of the tariff.

4. The Revised REWG Tariff shall be effective as of June 1, 2007, and shall supersede the REWG tariff accepted for filing in the May 25 Order. Refunds shall be made pursuant to the settlement.

5. The settlement is 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. The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the FPA, 16 U.S.C. § 824(e) (2000).

6. This Order terminates Docket No. ER07-673-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties