

157 FERC ¶ 61,107
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

November 17, 2016

In Reply Refer To:
PJM Interconnection, L.L.C.
Northeast Transmission
Development, LLC
Docket Nos. ER16-453-000 and
ER16-453-001

James C. Beh
Counsel to Northeast Transmission Development, LLC
JONES DAY
51 Louisiana Avenue, NW
Washington, DC 20001-2113

Dear Mr. Beh:

1. On September 7, 2016, Northeast Transmission Development, LLC together with the Delaware Public Service Commission, American Municipal Power, Inc., the Delaware Municipal Electric Corporation, Inc., and Old Dominion Electric Cooperative (collectively, the Settling Parties), filed an Offer of Settlement (Settlement Agreement) in the above-captioned proceeding. On September 27, 2016, Commission Trial Staff filed comments that do not oppose the Settlement Agreement. No other comments were filed. On October 14, 2016, the Settlement Judge certified the Settlement Agreement to the Commission as an uncontested settlement.¹
2. The Settlement Agreement establishes a base return on equity and clarifies other matters concerning for NTD's formula rate.
3. Section 4.6 of the Settlement Agreement states:

Absent the mutual agreement of the Settling Parties to a proposed change to this Settlement Agreement, the standard of review for unilateral changes to this Settlement Agreement proposed by a Settling Party shall be the "public interest"

¹ *PJM Interconnection, L.L.C.*, 157 FERC ¶ 63,007 (2016).

standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956); *Fed. Power Comm'n v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956); *Morgan Stanley Capital Grp. Inc. v. Pub. Util. Dist. No. 1 of Snohomish Cnty.*, 554 U.S. 527 (2008); and *NRG Power Mktg., LLC v. Maine Pub. Utils. Comm'n*, 558 U.S. 165 (2010), and the standard of review for any changes proposed by a non-Party, or the Commission acting *sua sponte*, shall be the ordinary just and reasonable standard of review, not the public interest standard of review, *Devon Power LLC*, 134 FERC ¶ 61,208 at P 10 (2011), *reh'g denied*, 137 FERC ¶ 61,073 (2011), *review dismissed in part and denied in part sub nom. New England Power Generators Ass'n v. FERC*, 707 F.3d 364 (D.C. Cir. 2012). However, for avoidance of doubt, after Commission acceptance of this Settlement Agreement, any filing made pursuant to Section 205 or 206 that is not barred or otherwise restricted by the terms of this Settlement Agreement shall constitute a new filing subject to the ordinary just and reasonable standard of review, not the public interest standard of review.

4. The Settlement Agreement resolves all issues in dispute in the proceedings that the Commission set for hearing. The Settlement Agreement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of this Settlement Agreement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

5. PJM Interconnection, L.L.C. is directed to file revised tariff records in eTariff format,² within 30 days of the date of this order, to reflect the Commission's action in this order.

6. This letter order terminates Docket Nos. ER16-453-000 and ER16-453-001.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

² *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).