

163 FERC ¶ 61,034
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 19, 2018

In Reply Refer To
PJM Interconnection, L.L.C.
Docket No. ER17-1016-001

PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403

Attention: Pauline Foley, Esq.
Associate General Counsel

Dear Ms. Foley:

1. On December 20, 2017, PJM Interconnection, L.L.C. (PJM), the Illinois Commerce Commission, and Exelon Corporation, on behalf of Commonwealth Edison Company (ComEd) and Baltimore Gas and Electric Company (BGE), (collectively referred to as the “Settling Parties”) filed, in the above-referenced proceeding, an Explanatory Statement and Settlement Agreement (Settlement). On January 9, 2018, Commission Trial Staff filed comments in support of the Settlement (Comments in Support). On January 18, 2018, the Settling Parties filed reply comments (Reply Comments). On January 31, 2018, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.¹

2. Section 2.7 of the Settlement states that

[u]nless the Settling Parties otherwise agree in writing, any modification to this [Settlement] proposed by one of the Settling Parties after the Commission has accepted or approved the [Settlement], in accordance with Section 3.1, shall, as between them, be subjected to the just and reasonable standard of review. The standard of review for changes to this [Settlement] proposed by a non-party of [sic] the Commission acting *sua sponte* shall be the most stringent standard permissible under applicable law.

¹ *PJM Interconnection, L.L.C.*, 162 FERC ¶ 63,013 (2018).

3. In their Comments in Support, Commission Trial Staff request that Settling Parties clarify which standard of review they intend to apply to modifications to the Settlement proposed by either a third party or the Commission acting *sua sponte*.² Commission Trial Staff note that, while section 2.7 of the Settlement states that the “most stringent standard permissible under applicable law” will apply, the Explanatory Statement states that “[s]ection 2.7 of the Settlement Agreement provides that the Commission’s review of any proposed modification to the Settlement Agreement shall be the just and reasonable standard.”³ In their Reply Comments, Settling Parties clarify that “the standard of review is the just and reasonable standard, and not the public interest standards.”⁴

4. The Settlement resolves all issues in dispute in this proceeding involving BG&E’s abandonment cost recovery. With the clarification of the issue related to the standard of review discussed above, the Settlement appears to be fair and reasonable and in the public interest.⁵ As such, the Settlement is conditionally approved subject to Settling Parties filing, within 30 days of the date of this order, a revised settlement agreement reflecting the revision to the standard of review provision that applies to third parties and the Commission acting *sua sponte*. Within 30 days of the date of this order, PJM is directed to submit a compliance filing through eTariff⁶ to ensure that its electronic tariff data base reflects the Commission’s action in this proceeding.

5. Subject to a further compliance filing, this letter order terminates Docket No. ER17-1016-001.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

² Comments in Support at 6-7.

³ *Id.* (citing Explanatory Statement at 5- 6).

⁴ Reply Comments at 1.

⁵ Likewise, with the exception of the issue discussed above, the Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

⁶ *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).