

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 20, 2020

In Reply Refer To:
Duke Energy Carolinas, LLC
Docket No. ER19-260-001

Duke Energy Corporation
1301 Pennsylvania Avenue, NW
Suite 200
Washington, DC 20011

Attn: Molly Suda, Esq.
Associate General Counsel

Dear Ms. Suda:

1. On September 5, 2019, Duke Energy Carolinas, LLC (Duke Energy Carolinas) filed, on behalf of its affiliate Duke Energy Florida, LLC (Duke Energy Florida), an Executed Settlement Agreement (Settlement) addressing proposed revisions to Schedule 2 (Revised Schedule 2) of its Joint Open Access Transmission Tariff (Joint OATT),¹ which sets forth Duke Energy Florida's cost-based revenue requirement for the provision of Reactive Supply and Voltage Control from Generation or Other Sources Service (Reactive Service).² On September 25, 2019, Commission Trial Staff filed comments

¹ Duke Energy Carolinas; Duke Energy Florida; and Duke Energy Progress, LLC are parties to the Joint OATT. Duke Energy Carolinas is the designated filer.

² Duke Energy Carolinas, LLC, Tariffs, Rate Schedules and Service Agreements, Tariff Volume No. 4, OATT (9.0.0), Schedule 2, Reactive Supply and Voltage Control (5.0.0), Pt. B (DEF Zone).

stating that the Settlement resolves the issues set for hearing in this proceeding, and is in the public interest. On October 9, 2019, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.³

2. Article V, section 5.1 of the Settlement provides that:

It is the intent of the Settling Parties that, to the maximum extent permitted by law, the provisions of this Settlement Agreement shall not be subject to change absent the written agreement of the Parties, and that the standard of review for changes unilaterally proposed by a Party shall be the public interest standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165, 174-75 (2010). The statutory “just and reasonable” standard of review applies to future changes to the Settlement Agreement sought by the Commission acting sua sponte or at the request of a non-settling third party.

3. The Settlement resolves all issues set for hearing in Docket No. ER19-260-000.⁴ The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. Commission approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

³ *Duke Energy Carolinas, LLC*, 169 FERC ¶ 63,003 (2019).

⁴ *See Duke Energy Carolinas, LLC*, 165 FERC ¶ 61,277 (2018) (accepting and suspending the Revised Schedule 2 for filing to become effective June 1, 2019, subject to refund, and established hearing and settlement judge procedures).

4. Duke Energy Carolinas is directed to make a compliance filing with revised tariff records in eTariff format,⁵ within 30 days of this order, to reflect the Commission's action in this order.⁶

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ See *Elec. Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *order on reh'g*, Order No. 714-A, 147 FERC ¶ 61,115 (2014).

⁶ Duke Energy Carolinas included *pro forma* tariff records as an attachment to its offer of settlement. We note that, when submitting a *pro forma* filing, as an eTariff filing, parties should include a tariff record in eTariff format using Record Change Type *Pro Forma*. The tariff record should reflect the effective date of the tariff and rate changes specified in the settlement, if known. If the effective date of the tariff record is not known, the filing should use as the tariff record proposed effective date 12/31/9998. See *PA Solar Park, LLC*, 167 FERC ¶ 61,063, at P 4 n.4 (2019).