

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, and Joseph T. Kelliher.

Transalta Centralia Generation, L.L.C.

Docket No. ER04-810-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued April 19, 2005)

1. On February 16, 2005, a proposed offer of settlement and settlement agreement (settlement) was filed, on behalf of TransAlta Centralia Generation L.L.C. (TransAlta), Bonneville Power Administration, Calpine Corporation and its subsidiaries, Goldendale Energy Center, L.L.C. and Hermiston Power Partnership, and Chehalis Power Generating, L.P., collectively, the settling parties, in the above-referenced proceeding. On March 8, 2005, FERC Trial Staff and Chehalis filed comments in support of the settlement. On March 9, 2005, the presiding administrative law judge certified the settlement to the Commission as uncontested.
2. The settlement resolves issues related to the compensation TransAlta will receive from Bonneville for providing reactive power service to Bonneville. Specifically, the settlement resolves all issues relating to Bonneville's compensation to TransAlta for the provision of reactive power service from its Centralia generating plant for the period of December 3, 2004, through October 1, 2007. In addition, the settlement establishes an agreed-upon methodology and timing for the filing of reactive power service charges by TransAlta for its Big Hanaford generating plant; by Calpine for its two generating plants, Goldendale and Hermiston; and by Chehalis for its generating plant. The settlement leaves open for future inquiry by Bonneville the support used by TransAlta, Goldendale, Hermiston and Chehalis when applying the methodology for determining reactive compensation sanctioned by the settlement.
3. The settlement is in the public interest and is hereby approved. The rate schedule revisions submitted with the settlement are in compliance with Order No. 614, 65 Fed. Reg. 18,221, FERC Stats. and Regs. ¶ 31,096 (2000). The Commission's approval of the settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

4. Refunds shall be made pursuant to settlement.
5. This order terminates Docket No. ER04-810-000.

By the Commission. Commissioner Kelly not participating.

(S E A L)

Linda Mitry,
Deputy Secretary.