

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Duke Energy Vermillion, LLC

Docket No. ER05-123-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued April 18, 2005)

1. On February 25, 2005, Duke Energy Vermillion, LLC (Duke Vermillion) filed a settlement with the Commission which effectively resolves all of the issues in the above-referenced docket. The settlement reflects an approximately 25 percent decrease in Duke Vermillion's originally-proposed annual revenue requirement for reactive power services.
2. On March 17, 2005, Commission Trial Staff filed a comment in support of the settlement. On March 21, 2005, the Settlement Judge certified the settlement to the Commission as uncontested.
3. The settlement is in the public interest and is hereby approved. The tariff sheets submitted as part of the settlement are in compliance with Order No. 614 and are hereby accepted.¹ The Commission's approval of the 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 Federal Power Act.²

¹ *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs., Regulations Preambles July 1996 - December 2000 ¶ 31,096 (2000).

² 16 U.S.C. § 824e (2000).

4. This order terminates Docket No. ER05-123-000. A new subdocket will be assigned in Docket No. ER05-123 upon receipt of the compliance refund report.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.