

110 FERC ¶ 61,152
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Allegheny Energy Supply Company, LLC
and Monongahela Power Company

Docket No. ER04-81-000

ORDER APPROVING UNCONTESTED SETTLEMENT AGREEMENT

(Issued February 14, 2005)

1. On May 7, 2004, Allegheny Energy Supply Company, LLC (Allegheny) and the Monongahela Power Company (Monongahela) (collectively, Applicants) filed the Settlement Agreement in the above-referenced docket by and between Allegheny, Monongahela, and the active intervenors in this proceeding. On May 27, 2004, Trial Staff submitted comments stating that it did not oppose the settlement. On June 4, 2004, reply comments were received from Allegheny, American Municipal Power, Inc. - Ohio, Harrison Rural Electrification Association, the Cities of Philippi and New Martinsville, West Virginia. On June 17, 2004 the presiding Settlement Judge certified the uncontested settlement to the Commission.

2. The settlement resolves what rates the Applicants may charge for providing reactive support and voltage control (reactive power) from the generating facilities they own within the PJM Interconnection control area. The subject settlement is in the public interest and is hereby approved. The tariff sheets contained in the settlement in the referenced case are in compliance with Order No. 614 and are made effective as noted in the settlement *Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221, (FERC Statutes and Regulations, Regulations Preambles July 1996 – December 2000 ¶ 31,096 (2000)). The Commission's approval of this 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. 16 U.S.C. § 824e (2000).

3. Within thirty (30) days from the date of this letter, the refunds provided for in the settlement will be carried out. Within fifteen (15) days after making such refunds, the Company shall file with this Commission a compliance report showing monthly billing determinants, revenue receipt dates, revenues under the prior, present, and settlement

rates, and the revenue refund, together with a summary of such information for the total refund period. The Company shall furnish copies of the report to the affected wholesale customers and to each state Commission within whose jurisdiction the wholesale customers distribute and sell electric energy at retail.

4. This letter terminates Docket No. ER04-81-000.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.