

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 7, 2005

In Reply Refer To:
Orion Power MidWest, L.P.,
Docket Nos. ER04-717-000 and
ER04-717-001

Orion Power MidWest, L.P.
c/o Baker Botts L.L.P.
Attn: Wendy B. Warren, Esq.
1299 Pennsylvania Ave. NW
Washington, DC 20004-7700

Dear Ms. Warren:

1. On September 15, 2004, you filed, on behalf of Orion Power MidWest, L.P. (OPMW), a proposed offer of settlement in the above-referenced proceeding.¹ The proposed offer of settlement would resolve all issues pending in this proceeding, which concerns a proposed reactive supply and voltage control from generation sources service from OPMW's generation facilities within the American Transmission System, Inc. control area.
2. While Consumers Energy Company originally opposed the settlement, on February 1, 2005, Consumers Energy Company withdrew its intervention in this proceeding. Trial Staff also opposed the settlement.
3. Upon review, and notwithstanding the concerns identified by Trial Staff, the Commission finds that the subject settlement on balance is a reasonable resolution of the various matters at issue in this proceeding. Accordingly, the settlement is hereby approved. 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).

¹ On July 28, 2004, OPMW filed, in Docket No. ER04-717-001, a revised rate schedule reflecting an effective date of August 1, 2004, for its reactive supply service, pursuant to the Commission's May 28, 2004 order in this proceeding. *Orion Power MidWest, L.P.*, 107 FERC ¶ 61,216 (2004). No protests were filed respecting this filing.

4. This order terminates Docket Nos. ER04-717-000 and ER04-717-001.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.