

110 FERC ¶ 61,256  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

PJM Interconnection, L.L.C. Docket No. ER04-375-019  
Midwest Independent Transmission  
System Operator, Inc.

PJM Interconnection, L.L.C. Docket No. ER04-521-013  
Midwest Independent Transmission  
System Operator, Inc.

PJM Interconnection, L.L.C. Docket No. ER04-1072-003  
American Electric Power Service Corporation

Commonwealth Edison Company and Docket Nos. ER04-364-001  
American Electric Power Service Corporation ER04-364-008

PJM Interconnection, L.L.C. Docket No. EL04-138-003  
American Electric Power Service Corporation

ORDER APPROVING UNCONTESTED PARTIAL SETTLEMENT

(Issued March 7, 2005)

1. On December 27, 2004, American Electric Power Service Corporation, on behalf of certain operating companies of the American Electric Power System (AEP)<sup>1</sup> submitted a Stipulation and Agreement (Settlement) between AEP and certain utilities in Wisconsin: Alliant Energy Corporate Services, Inc., American Transmission Company, LLC, Dairyland Power Cooperative, Edison Sault Electric Company, Madison Gas and

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<sup>1</sup> Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Ohio Power Company, and Wheeling Power Company.

Electric Company, Wisconsin Electric Power Company, Upper Peninsula Power Company, Wisconsin Public Power, Inc., Wisconsin Power & Light Company, and Wisconsin Public Service Corporation (collectively, Wisconsin Utilities).

2. The Settlement, with its financial compensation, would resolve all issues between AEP and Wisconsin Utilities relating to AEP's obligation to hold Wisconsin Utilities harmless from the impacts of loop flows and congestion resulting from AEP's choice to join PJM Interconnection, L.L.C. rather than the Midwest Independent Transmission System Operator, Inc.<sup>2</sup> No entity made any filing concerning the Settlement. On February 7, 2005, the Presiding Judge certified the Settlement to the Commission for its approval.<sup>3</sup> The Settlement is partial because other parties remain in this litigation; however, it is complete as to AEP and the Wisconsin Utilities.

3. The Settlement is in the public interest and is hereby approved. The Commission's acceptance of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. The Commission retains the right to investigate the rates, terms, and conditions of the Settlement 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).

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<sup>2</sup> See, e.g., *Commonwealth Edison Co. and American Electric Power Service Corp.*, 106 FERC ¶ 61,150 at P 2-10 (2004), *reh'g pending* (Rejection Order). This order rejected the December 31, 2003 hold harmless proposal for compensation to utilities in Michigan and Wisconsin, submitted jointly by AEP and Commonwealth Edison Company (ComEd), which, similarly, was obliged to pay hold harmless compensation as a consequence of joining PJM. ComEd has reached settlements with all the eligible utilities in Michigan and Wisconsin, which the Commission has approved. See *PJM Interconnection, LLC and Midwest Independent Transmission System Operator, Inc.*, 109 FERC ¶ 61,228 (2004) and *PJM Interconnection, LLC and Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 61,015 (2005).

<sup>3</sup> *PJM Interconnection, LLC and Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 63,024 (2005). The Presiding Judge limited his certification to the proceedings before him, *i.e.*, those deriving from Docket Nos. ER04-375-000, ER04-521-000, ER04-1072-000, and EL04-138-000. Additionally, he cited the parties' intention that the Settlement resolve hold harmless issues between them deriving from Docket No. ER04-364-000, subject of the Rejection Order, and other dockets where the Wisconsin Utilities raised these issues. *Id.* at P 2.

4. This order terminates Docket Nos. ER04-375-019, ER04-521-013, ER04-1072-003, and EL04-138-003 in their entirety. It terminates the portions of Docket Nos. ER04-1072-000 and ER04-364-001 that relate to hold harmless compensation for eligible utilities in Wisconsin.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.