

127 FERC ¶ 61,253  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

June 18, 2009

In Reply Refer to:  
Columbia Energy LLC  
Docket Nos. ER08-1194-000,  
ER08-1194-001, ER08-1194-002

Attn: Neil L. Levy, Esq.  
Attorney for Columbia Energy LLC  
King & Spalding LLP  
1700 Pennsylvania Ave., N.W.  
Washington, DC 20006

Dear Mr. Levy:

1. On March 27, 2009, you filed a settlement agreement (Agreement) in the above-referenced proceedings, on behalf of Columbia Energy LLC (Columbia), South Carolina Electric & Gas Company (SCE&G), and South Carolina Office of Regulatory Staff (Settling Parties or Parties). The Agreement reflects the Settling Parties' agreement to a reduction in Columbia's proposed revenue requirement for Reactive Supply Service. The Agreement resolves all issues set for hearing in the Commission's August 28, 2008 order Accepting and Suspending Proposed Rate Schedule and Establishing Hearing and Settlement Judge Procedures.<sup>1</sup>
2. On April 15, 2009, Commission Trial Staff filed initial comments in support of the Agreement. No other comments were filed. On May 7, 2009, the Settlement Judge certified the Agreement to the Commission as an uncontested settlement.<sup>2</sup>
3. The rate schedule submitted as part of the Agreement is properly designated, accepted for filing, and made effective on July 1, 2008, as set forth in

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<sup>1</sup> *Columbia Energy, LLC*, 124 FERC ¶ 61,189 (2008).

<sup>2</sup> *Columbia Energy, LLC*, 127 FERC ¶ 63,008 (2009).

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

4. Paragraph 24 of the Agreement provides that:

During the Initial Term,<sup>[3]</sup> the Settling Parties may not initiate a change to the Agreement. After the Initial Term, all prospective changes to this Agreement requested by the Parties will be governed by the just and reasonable standard. This Agreement does not prevent the Commission from acting on its own motion. The just and reasonable standard applies to all changes to this Agreement requested by the Commission acting on its own motion.

The Agreement is fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of this Agreement does not constitute approval of, or precedent regarding, any principle or issue involved 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 set forth in section 206 of the Federal Power Act, 16 U.S.C. § 824(e) (2006).

5. On September 29, 2008, Columbia and SCE&G each filed a request for rehearing in Docket No. ER08-1194-001. Consistent with the terms of the Agreement, Columbia and SCE&G will withdraw their petitions for rehearing within ten (10) days of the issuance of a Commission order approving the Agreement.

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<sup>3</sup> The "Initial Term" is the period during which the negotiated annual revenue requirement of \$488,000 reflected in the Third Substitute Columbia Rate Schedule will be in effect, i.e., eight (8) years from July 1, 2008 (the effective date of the Third Substitute Columbia Rate Schedule). Agreement at P 16.

6. This letter order terminates Docket Nos. ER08-1194-000, ER08-1194-001, and ER08-1194-002.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

cc: All Parties