

146 FERC ¶ 61,109  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

February 20, 2014

In Reply Refer To:  
Southwest Power Pool, Inc.  
Docket Nos. ER12-1179-008  
ER12-1179-009  
ER12-1179-011  
ER13-1173-001

Wright & Talisman, PC  
1200 G Street, NW  
Suite 600  
Washington, DC 20005

Attention: Barry S. Spector, Esq.

Dear Mr. Spector:

1. On December 18, 2013, you filed, in the above-referenced proceedings, a settlement agreement and offer of settlement (Settlement) on behalf of Southwest Power Pool, Inc. (SPP), Nebraska Public Power District (NPPD), Basin Electric Power Cooperative, and Tri-State Generation and Transmission Association, Inc. (collectively, Settling Parties). On January 7, 2014, Commission Trial Staff (Trial Staff) submitted comments in support of the Settlement. No other comments were filed. On January 23, 2014, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.<sup>1</sup>

2. The Settlement resolves issues associated with whether Grandfathered Agreement No. 494 (GFA No. 494) should be included in Schedule 1 of the settlement the Commission conditionally approved on September 30, 2013 in this proceeding (General GFA Settlement), which concerns the treatment of GFAs in the SPP Integrated Marketplace.<sup>2</sup> Article 3.2 of the Settlement states that GFA No. 494 shall be considered a Carved-Out GFA as defined in Section 2.1 of the General GFA Settlement.

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<sup>1</sup> *Southwest Power Pool, Inc.*, 146 FERC ¶ 63,005 (2014).

<sup>2</sup> *Southwest Power Pool, Inc.*, 144 FERC ¶ 61,254 (2013).

3. Article 10.10 of the Settlement provides that:

The standard of review to be applied by the Commission in considering any change to this Settlement Agreement pursuant to Section 10.3 hereof shall be the “just and reasonable” standard. Otherwise, the standard of review to be applied by the Commission in considering any change to this Settlement Agreement shall be the “public interest” standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.* and *FPC*, [350 U.S. 332 (1956)] *v. Sierra Pacific Power Co.*, [350 U.S. 348 (1956)] if such change is proposed by any of the Settling Parties, and the “just and reasonable” standard if such change is proposed by third parties or the Commission acting *sua sponte*.<sup>3</sup>

4. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

5. This letter terminates Docket Nos. ER12-1179-008, ER12-1179-009, ER12-1179-011, and ER13-1173-001.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>3</sup> Settlement, Article 10.10 (footnotes omitted).