110 FERC ¶ 61,255 UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

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

Rolling Hills Generating, L.L.C.

Docket Nos. ER04-1098-000 ER04-1098-001

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued March 7, 2005)

1. On December 21, 2004, Rolling Hills Generating, L.L.C. (Rolling Hills) filed a proposed Settlement Agreement (Settlement Agreement) between itself and American Electric Power Service Corporation in the above-referenced proceeding.¹ The Settlement Agreement establishes the rates, terms and conditions by which Rolling Hills will provide Reactive Support and Voltage Control from Generation Sources Service under its Reactive Power Rate Schedule in the PJM region and resolves all issues in the above-referenced proceeding.

2. On January 10, 2005, Commission Trial Staff filed comments in support of the Settlement Agreement. No other comments and no reply comments were filed. On January 24, 2005, the Settlement Judge certified the Settlement Agreement to the Commission as uncontested.

3. The Settlement Agreement is in the public interest and is hereby approved. The rate schedule revisions submitted with the Settlement Agreement are in compliance with Order No. 614 (FERC Statutes and Regulations ¶ 31,096 (2001)). The Commission's approval of the Settlement Agreement 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).

¹ See Rolling Hills Generating, L.L.C., 109 FERC ¶ 61,069 (2004).

4. Within sixty (60) days from the date of this order, any amounts collected in excess of the settlement rates shall be refunded together with interest computed under section 35.19a of the Commission's regulations.² Within thirty (30) days after making such refunds, Rolling Hills shall file with the Commission a compliance refund report showing monthly billing determinants, revenue receipt dates, revenues under the present and settlement rates, the monthly revenue refund, and the monthly interest computed, together with a summary of such information for the total refund period. Rolling Hills shall furnish copies of the report to the affected customers and to each state commission within whose jurisdiction the affected wholesale customers distribute and sell electric energy at retail.

5. This order terminates Docket Nos. ER04-1098-000 and ER04-1098-001. A new sub-docket will be assigned in Docket No. ER04-1098 upon receipt of the required compliance refund report.

By the Commission.

(SEAL)

Magalie R. Salas, Secretary.

² 18 C.F.R. § 35.19a (2004).