

July Meeting Summaries

E-1, News Release

E-2, E-19 and E-26, News Release

E-3, News Release

FERC addresses compliance filing on NERC's proposed 2009 business plan and budget

E-11, *North American Electric Reliability Corp.*, Docket Nos. RR08-6-002 and RR07-14-003. The Commission addressed the North American Electric Reliability Corp.'s (NERC) compliance filing in response to an order accepting NERC's proposed 2009 business plan and budget. Among other things, the Commission accepted NERC's proposal to terminate funding of the Reliability Readiness Program, but rejected the Northeast Power Coordinating Council's (NPCC) proposal to revise the current "net energy for load" cost allocation methodology. That would have allowed NPCC to allocate compliance costs in the U.S. portion of the NPCC region based, in part, on an audit-based methodology.

FERC accepts Xcel Energy's transmission planning process compliance filing, and grants rehearings

E-12, *Xcel Energy Services - Public Service Company of Colorado*, Docket Nos. OA08-35-001, *et al.* The Commission accepted Xcel Energy Services' (Xcel) compliance filing concerning the Order No. 890 transmission planning process for its affiliate, Public Service Company of Colorado (PSCo), subject to further modifications. The Commission also granted rehearing with respect to PSCo's transmission planning cost allocation methodology. Finally, the Commission granted Xcel's request for rehearing of a Commission order issued on December 12, 2008, in which the Commission rejected additional revisions to Xcel's OATT, including a modification to PSCo's transmission planning horizon and other reorganizational changes.

FERC accepts NorthWestern's OATT compliance filing and transmission planning process compliance filing

E-13, *NorthWestern Corp.*, Docket No. OA07-110-000 *et al.* The Commission accepted, subject to modification and a further compliance filing, NorthWestern Corp.'s

methodology to assess available transfer capability and a proposed transmission planning process to comply with the requirements of Order No. 890 for its South Dakota services.

FERC accepts Black Hill's transmission planning process compliance filing

E-14, *Black Hills Power*, Docket No. OA09-11-000. The Commission accepted, subject to further modifications concerning the comparability principle, Black Hills Power's submission of a separate transmission planning filing to comply with the Commission's Order No. 890 transmission planning principles.

FERC accepts transmission planning process compliance filings for WestConnect transmission providers

E-15, *El Paso Electric Co., et al.*, Docket Nos. OA08-30-001, *et al.* The Commission accepted, subject to additional compliance filings, revisions to the Order No. 890 transmission planning process for Arizona Public Service Co., El Paso Electric Co., Public Service Company of New Mexico, Tucson Electric Power Co. and UNS Electric, and Nevada Power Co. and Sierra Pacific Power Co. They must make further modifications to the provisions concerning comparability.

FERC accepts the transmission planning process compliance filings for the Northern Tier Transmission Group transmission providers

E-16, *Idaho Power Co., et al.*, Docket No. OA08-23-001, *et al.* The Commission accepted, subject to modification and further compliance filings, proposed revisions to the respective Order No. 890 transmission planning process submitted by Idaho Power Co., Deseret Generation & Transmission Co-operative, NorthWestern Corp., PacifiCorp, and Portland General Electric Co. Further modifications are required to the provisions concerning comparability, regional participation, economic planning studies, and cost allocation. The Commission also accepted the proposed revisions made by these entities and Black Hills Power to the Northern Tier Transmission Group Planning Agreement.

FERC accepts transmission planning process compliance filings

E-17, *United States Department of Energy–Bonneville Power Administration, Avista Corp., Puget Sound Energy*, Docket Nos. NJ08-5-001, *et al.* The Commission accepted, subject to further compliance filings, Avista Corp. and Puget Sound Energy's compliance filings to satisfy the Commission's Order No. 890 requirements. However, the Commission directed Avista Corp. and Puget Sound Energy to make additional changes to their Attachment Ks to facilitate stakeholder access to confidential information that is

not Critical Energy Infrastructure Information, subject to appropriate protections, to ensure the treatment of resources on a comparable basis in the transmission planning process and to provide further clarification on cost allocation. The Commission also granted the Bonneville Power Administration's petition for declaratory order subject to further compliance filings on many of the same points.

FERC accepts updated market power analysis from Kentucky companies

E-18, *LG&E Energy Marketing, Louisville Gas & Electric Co., Kentucky Utilities Co., and Western Kentucky Energy Corp.*, Docket Nos. ER94-1188-045, *et al.* The Commission accepted an updated market power analysis submitted on behalf of LG&E Energy Marketing, Louisville Gas & Electric Co., Kentucky Utilities Co. and Western Kentucky Energy Corp. The Commission determined that the applicants satisfied the Commission's standards for market-based rate authority. This does not apply to the Louisville Gas & Electric/Kentucky Utilities and Big Rivers Electric Corp. balancing authority areas, where the entities do not have and do not seek market-based rate authority.

FERC accepts Carolina Power and Florida Power's updated market power Analysis

E-20, *Carolina Power & Light Co. and Florida Power Corp*, Docket Nos. ER99-2311-010 and ER97-2846-013. The Commission accepted Carolina Power & Light and Florida Power Corp.'s updated market power analysis. The Commission determined that the applicants satisfied the Commission's standards for market-based rate authority. This does not apply to the Carolina Power & Light balancing authority area and peninsular Florida, where the entities do not have and do not seek market-based rate authority.

FERC adopts a simultaneous transmission import limit study for the Southeast region

E-21, *Carolina Power & Light Co.*, Docket Nos. ER99-2311-010, *et al.* The Commission adjusted the simultaneous transmission import limit (SIL) studies provided by the Southeast transmission owners as part of their updated market power analyses and adopted the Commission-adjusted SIL study results for analyzing updated market power analyses for the Southeast region.

FERC accepts the Entergy affiliates' updated market power analysis

E-22, *Entergy Services, Inc., et al.*, Docket Nos. ER91-569-038, *et al.* The Commission accepted the Entergy Affiliates' updated market power analysis. The Commission

determined that the Entergy Affiliates satisfied the Commission's standards for market-based rate authority. This does not apply to the Entergy balancing authority area, where the Entergy Affiliates do not have and are not seeking market-based rate authority.

FERC accepts Tampa Electric's updated market power analysis

E-23, *Tampa Electric Co.*, Docket No. ER99-2342-012. The Commission accepted an updated market power analysis submitted by Tampa Electric Co. The Commission concluded that Tampa Electric Co. satisfied the Commission's standards for market-based rate authority. This does not apply to the Tampa Electric Co. balancing authority area, where it does not have and is not seeking market-based rate authority.

FERC accepts Duke Energy Carolina's updated market power analysis

E-24, *Duke Energy Carolinas*, Docket No. ER07-188-005. The Commission accepted Duke Energy Carolinas' updated market power analysis. The Commission determined that Duke Energy Carolinas satisfied the Commission's standards for market-based rate authority. This does not apply to the Duke Energy Carolinas balancing authority area, where it does not have and is not seeking market-based rate authority.

FERC accepts Southern's updated market power analysis

E-25, *Southern Company Services*, Docket No. ER96-780-014, *et al.* The Commission accepted Southern Companies' updated market power analysis and concluded that the Southern Companies satisfied the Commission's standards for market-based rate authority in their first-tier balancing authority areas. The Commission previously issued an order disposing of vertical market power issues and finding that Southern Companies' auction proposal, as revised and approved in Docket No. ER09-88-000, will adequately mitigate any horizontal market power Southern Companies may have in the Southern Companies balancing authority area.

FERC accepts South Carolina Electric and Gas' updated market power analysis

E-27, *South Carolina Electric & Gas Co.*, Docket No. ER96-1085-013. The Commission accepted an updated market power analysis filed by South Carolina Electric & Gas Co. The Commission concluded that South Carolina Electric & Gas Co. satisfied the Commission's standards for market-based rate authority. This does not apply to the South Carolina Electric & Gas Co. balancing authority area, where it does not have and is not seeking market-based rate authority.

FERC approves on a final basis Bonneville's proposed wholesale power rates

E-28, *United States Department of Energy – Bonneville Power Administration*, Docket Nos. EF06-2011-000, *et al.* The Commission approved Bonneville Power Administration's (Bonneville) proposed wholesale power rates. The Commission concluded that Bonneville had satisfied the standards of the Pacific Northwest Electric Power Planning and Conservation Act.

FERC grants Pepco's complaint concerning PJM's treatment of infrequently-run units

E-29, *Pepco Energy Services v. PJM Interconnection*, Docket No. EL08-58-000. The Commission granted Pepco Energy Services' (PES) complaint challenging provisions of PJM Interconnection's Tariff that govern peak-hour-period availability penalties for infrequently-run units. The Commission determined that the market rules governing the peak-hour-period availability penalties for infrequently-run generators are unjust and unreasonable, and established just and reasonable market rules to be applied as of the refund effective date, i.e., the date of the complaint (April 22, 2008). The Commission denied PES's request to make this rate applicable to conduct occurring prior to the refund effective date.

FERC denies rehearing of order permitting Dominion to recover deferred RTO start-up costs

E-30, *Virginia Electric and Power Co.*, Docket No. ER08-1540-001. The Commission reaffirmed an order authorizing Virginia Electric and Power Co. (Dominion) to recover its deferred regional transmission organization (RTO) start-up costs, related RTO administrative fees and carrying charges for a period that both pre-dates and post-dates Dominion's entry into the PJM RTO, finding that the RTO start-up costs were appropriately treated as a regulatory asset that could be deferred and recovered later. In response to the requests for rehearing, the Commission also explained that it is not required, in authorizing cost recovery, to consider whether or to what extent Dominion may previously have been barred from recovering its costs from retail customers under Virginia's retail rate freeze, and that Dominion's delay in seeking to recover its costs does not operate as a bar to recovery now.

FERC denies rehearing concerning who must pay for reliability must-run units

E-32, *Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California, and City of Vernon, California v. California Independent System Operator*, Docket No. EL03-54-

005. The Commission denied a request for rehearing filed by the California Cities of an order issued in this proceeding which, on voluntary remand from the United States Court of Appeals for the District of Columbia Circuit, granted a request for rehearing by Southern California Edison Co. that originally had been denied. For a six week period, from February 7, 2000, to March 22, 2000, certain reliability must-run units designated to serve local load were not available, and California Independent System Operator dispatched other generating resources to replace these units. This proceeding involved who must pay the resulting costs, and, based upon a review of the California Independent System Operator's Tariff, the Commission concluded that the costs should not be billed to the Tariff-defined "Responsible Entity," i.e., Southern California Edison Co., but should instead be billed to "Scheduling Coordinators."

FERC denies Boralex's complaint concerning priority for installed capacity imports

E-33, *Boralex Ashland v. ISO New England*, Docket No. EL09-51-000. The Commission denied a complaint filed by Boralex Ashland (Boralex) against ISO New England (ISO-NE) seeking a transmission priority for installed capacity imports. Boralex stated that its grandfathered transmission service agreement at issue in this proceeding entitles it to priority with respect to both energy and capacity imports over the New Brunswick, Canada, interface into the ISO-NE market. The Commission agreed with ISO-NE that the grandfathered agreement conferred real-time energy, but not installed capacity, import rights and denied the complaint.

FERC denies rehearing of order on Midwest ISO's amended contingency reserve sharing group agreement

E-34, *Midwest Independent Transmission System Operator*, Docket Nos. ER08-1055-002 and ER08-1055-003. The Commission denied rehearing of an order, which conditionally accepted the Midwest Independent Transmission System Operator's (Midwest ISO) amended and restated Midwest Contingency Reserve Sharing Group Agreement in order to replace the existing 2006 Midwest Contingency Reserve Sharing Group Agreement. The Commission affirmed the determination that Midwest ISO had not shown that the minimum contingency reserve level proposed in the proposed Amended Contingency Reserve Sharing Group Agreement was deliverable. The Commission also conditionally accepted Midwest ISO's compliance filing and directed a further compliance filing in which Midwest ISO should incorporate its contingency reserve allocations.

FERC proposes changes to reporting requirements for certain pipelines

G-1, *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Docket No. RM09-2-000. The Commission issued a proposal to require changes to the reporting

requirements for intrastate pipelines that provide interstate services under section 311 of the Natural Gas Policy Act and for Hinshaw pipelines providing interstate services pursuant to section 284.224 of the Commission's regulations. Specifically, the Commission proposed to (1) require that transactional reports of transportation transactions be filed on a quarterly basis, (2) require that the reports include certain additional information (the rate charged, the quantity of gas involved, contract duration, receipt and delivery points, and any affiliate relationship) and also cover storage transactions as well as transportation transactions, (3) establish a procedure for the reports to be filed in a uniform electronic format and posted on the Commission's website, and (4) hold that those reports must be public and may not be filed with information redacted as privileged.

FERC seeks additional comments on pipeline posting requirements

G-2, *Pipeline Posting Requirements under Section 23 of the Natural Gas Act*, Docket No. RM08-2-000. The Commission requested additional comments on receipt and delivery point posting requirements for major non-interstate pipelines at locations where physical design capacity is unavailable. The Commission requested additional comments to better inform the Commission's forthcoming order addressing requests for clarification and rehearing of Order No. 720.

FERC proposes to adopt NAESB standards for business practices

G-3, *Standards for Business Practices for Interstate Natural Gas Pipelines*, Docket No. RM96-1-030. The Commission proposed to amend its regulations prescribing standards for interstate natural gas pipeline business practices and electronic communications to incorporate by reference business practice standards adopted by the Wholesale Gas Quadrant of the North American Energy Standards Board that (1) permit the use of indices to price capacity release transactions and (2) afford greater flexibility on the receipt and delivery points for redirects or scheduled gas quantities.

FERC accepts Tennessee Gas' proposal to allow a pooling point to be a primary point

G-4, *Tennessee Gas Pipeline Co.*, Docket No. RP09-194-000. The Commission addressed Tennessee Gas Pipeline Co.'s (Tennessee) proposal to change its pooling system. Tennessee's current pooling system provides that shipper nominations from pools are on a secondary basis (with a lower transportation priority than nomination from a primary point), and Tennessee has proposed to now permit shippers to select a pool as a primary point (with a higher transportation priority). Following a technical conference and comments, the Commission determined that Tennessee's proposal is just and

reasonable, and accepted Tennessee's proposal.

FERC denies non-public treatment of un-redacted non-conforming service agreements

G-5, *Monroe Gas Storage Co.*, Docket Nos. RP09-447-001 and RP09-447-002. The Commission addressed Monroe Gas Storage Co.'s (Monroe) compliance filing concerning Monroe's non-conforming service agreements. The Commission denied Monroe's request for privileged treatment of the un-redacted, non-conforming service agreements, and directed that the agreements be made public (except for certain, limited commercially sensitive information unrelated to the material deviations that make the service agreements non-conforming). The Commission explained that pipelines should not redact any portion of non-conforming contractual provisions for which they seek Commission approval.

FERC denies complaint concerning recreation and public safety requirements at a hydro facility in Butte County, CA

H-1, *California Department of Water Resources*, Project No. 2100-165 and Docket No. EL09-55-000. The Commission denied a formal complaint filed by Butte County, California, alleging that that California Department of Water Resources (California DWR) had violated the recreation and public safety requirements of its license for the Oroville Project in Butte County, California. The Commission concluded that the County had failed to show that California DWR had in any way violated its license or the Commission's regulations.

FERC denies rehearing on a hydrokinetic project off the coast of Mendocino County, CA

H-2, *Green Wave Energy Solutions*, Project No. 13053-001. The Commission denied rehearing of the preliminary permit order issued for the Green Wave Mendocino Project off the coast of Mendocino County, California. The Commission explained that section 10(a)(1) of the Federal Power Act does not require the Commission to develop a comprehensive plan prior to issuing a preliminary permit.

FERC addresses rehearing of order accepting summary report on fishery resources at the Don Pedro Project in CA

H-4, *Turlock Irrigation District and Modesto Irrigation District*, Project Nos. 2299-065 and 2299-053. The Commission granted in part and denied in part several requests for

rehearing of an order accepting the Ten Year Summary Report on fishery resources and requiring additional studies for the Don Pedro Project located on the Tuolumne River in Tuolumne County, California. The Commission denied a petition to modify minimum flow requirements and to initiate formal consultation with the National Marine Fisheries Service (NMFS) pursuant to section 7(a)(2) of the Endangered Species Act concerning project effects on California Central Valley steelhead, a threatened species, finding that there is currently no proposed agency action that would require consultation. To benefit steelhead and fall-run Chinook salmon, the Commission required an instream flow and temperature study, added NMFS as an agency to be consulted in connection with certain license articles, and directed the appointment of a settlement judge for a proceeding on possible interim measures to protect fishery resources pending relicensing.

FERC approves compression expansion to Wyoming facilities

C-2, *Rockies Express Pipeline*, Docket No. CP09-58-000. The Commission granted a certificate of public convenience and necessity for Rockies Express Pipeline to construct and operate additional compression at the existing Big Hole and Arlington compression stations in Wyoming. The Commission approved the project because it will create capacity to transport new supplies sourced in the Rocky Mountains with minimal adverse impacts.

FERC approves Pier Reinforcement Project at Cove Point LNG terminal in Maryland

C-3, *Dominion Cove Point LNG*, Docket Nos. CP09-60-000 and 001. The Commission granted a request by Dominion Cove Point LNG for authorization to upgrade, modify and expand the existing offshore pier at Cove Point's LNG terminal in Calvert County, Maryland. The Commission approved the proposed Pier Reinforcement Project because it will enable the safe docking and handling at the pier of LNG vessels larger than the pier is currently capable of handling. This will provide LNG shippers with greater flexibility in acquiring and scheduling cargoes from a variety of supply sources from around the world.