

March 20, 2008
Meeting Summaries

E-2 and E-3, News Release

FERC accepts NERC's delegation agreement compliance filing

E-4, *North American Electric Reliability Council, et al.*, Docket Nos. RR06-1-012, *et al.* The Commission accepted the North American Electric Reliability Council's (NERC) 180-Day filing in response to the Commission's order accepting (and requiring revisions to) NERC's eight Regional Entity Delegation Agreements and *pro forma* Delegation Agreement. The Commission also directed certain modifications to the *pro forma* Delegation Agreement, the individual Delegation Agreements and the Compliance Monitoring and Enforcement Program to be addressed by NERC and its Regional Entities in a filing to be made within 120 days of the issuance of the order.

E-5, News Release

E-6, E-9 and E-22, News Release

FERC accepted Entergy's compliance filing regarding revised purchase power agreements

E-11, *Entergy Services*, Docket No. ER03-587-007, *et al.* The Commission addressed a compliance filing submitted by Entergy Services (Entergy), which included two alternative versions of certain revised purchase power agreements with the term reduced to ten years (as directed in Opinion Nos. 485 and 485-A). One version preserves Entergy's purchase option and the other deletes it. The Commission accepted the version preserving the purchase option.

FERC addresses CAISO's MRTU tariff revisions

E-12, *California Independent System Operator Corp.*, Docket Nos. ER06-615-011, *et al.* The Commission accepted and rejected various Market Redesign and Technology Upgrade (MRTU) tariff revisions proposed by the California Independent System Operator Corp. (CAISO) related to provisions that had previously been included only in the Business Practice Manuals, and directed the CAISO to submit a compliance filing within 60 days from the date of this order consistent with the Commission's determinations. The Commission also directed staff to convene an additional technical conference approximately six months after MRTU implementation to provide parties

with a final opportunity to identify remaining provisions contained only in the Business Practice Manuals that should be included in the MRTU tariff.

FERC accepts PJM's reliability pricing model compliance filing

E-13, *PJM Interconnection*, Docket Nos. ER05-1410-006 and EL05-148-006. The Commission accepted a compliance filing by PJM Interconnection (PJM) regarding its Reliability Pricing Model (RPM) program, while requiring a further compliance filing. Pursuant to an earlier Commission order, PJM sought to modify its tariff so as to eliminate an inappropriate amount of discretion given to the PJM market monitor with respect to RPM mitigation. The Commission accepted the majority of changes filed by PJM, but required a further compliance filing with regard to the assumptions used to calculate some of the rates contained in the new tariff provisions.

FERC conditionally authorizes Startrans IO's to issue securities

E-14, *Startrans IO*, Docket No. ES08-24-000. The Commission conditionally authorized Startrans IO to issue debt securities in an aggregate amount up to \$11.4 million, consisting of \$10.8 million in senior secured term loan facilities and up to a \$600,000 secured revolving credit facility. In addition, the Commission authorized Startrans IO to issue up to \$25 million of equity in the form of common membership interests. The Commission concluded the application met the standards of section 204 of the Federal Power Act because the proposed issuance of securities is for a lawful object within Startrans IO's corporate purposes and is necessary to, appropriate for and consistent with Startrans IO's performance as a public utility.

FERC clarifies policy concerning Electric Quarterly Report submissions

E-15, *Revised Public Utility Filing Requirements for Electric Quarterly Reports; Xcel Energy Services*, Docket No. RM01-8-008. The Commission clarified that the Northern States Companies may report their transactions made under a joint tariff collectively. However, in instances where the contract identifies only one of the companies as the selling party, accuracy dictates that the specific affiliate making the sale, and the affiliate alone, should be identified as the seller in the electric quarterly report filing.

FERC grants PSE&G's declaratory order concerning transmission assets

E-16, *Public Service Electric and Gas Co.*, Docket No. EL08-19-000. The Commission granted the Public Service Electric and Gas Co.'s (PSE&G) request for a declaratory order confirming that its to-be-constructed 69 kV transmission facilities and related

facilities are properly classified as transmission assets subject to the Commission's jurisdiction. The Commission agreed with the New Jersey Board of Public Utilities that PSE&G has provided adequate justification for why these projects are reasonably classified as transmission and should be included in PJM Interconnection's jurisdictional rates.

FERC sets issues of Milford's RMR agreement payments for hearing

E-17, *Connecticut Municipal Electric Energy Coop. and Richard Blumenthal, Attorney General for the State of Connecticut v. Milford Power Co. and ISO New England*, Docket No. EL08-17-000. The Commission established hearing and settlement procedures to determine whether or not the forward capacity market transition payments Milford Power Co. (Milford) is now receiving are sufficient to cover Milford's facility cost and obviate the need for Milford's previously approved reliability must run agreement. Specifically, the Commission directed the presiding judge to review and compare generating facility costs such as fixed operations & maintenance costs, administrative and general costs, and taxes to revenues earned in the energy and capacity markets to determine whether the proposed Reliability Must Run Agreement continues to be necessary for Milford to recover its facility costs.

FERC denies Black Oak's complaint against NYISO concerning alleged tariff violations

E-19, *Black Oak Energy, v. New York Independent System Operator*, Docket No. EL07-95-000. The Commission denied Black Oak Energy's complaint against the New York Independent System Operator (NYISO) alleging that in 2005 NYISO violated its tariff by inappropriately replacing real-time prices to correct claimed pricing errors and by curtailing a transaction and by charging an inappropriate penalty for a scheduling error, which resulted in financial losses to Black Oak. The Commission determined that Black Oak Energy failed to meet its burden to show that NYISO acted inappropriately in correcting the pricing and scheduling errors at issue.

FERC approves conceptual framework for second level of interconnection service under the NYISO OATT

E-21, *New York Independent System Operator, New York Transmission Owners*, Docket Nos. ER04-449-007, *et al.* The Commission approved the conceptual framework proposed by the New York Independent System Operator's (NYISO) plan and provided guidance to NYISO and its members in order to facilitate the development of revisions to the NYISO Open Assess Transmission Tariff that will formally codify the deliverability plan. The Commission also directed the parties to use the stakeholder process to resolve

certain remaining issues raised by parties in response to this filing.

FERC denies rehearing concerning refunds from the Western Energy crisis

E-23, *San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Serv.*, Docket No. EL00-95-000, *et al.* The Commission denied requests for rehearing and granted clarification of an order, in which the Commission addressed disputes filed by market participants in regard to refund reruns and various offsets to refunds. The Commission also affirmed that Puget Sound Energy's transaction was not eligible to set the market clearing price, and thus cannot trigger the breakpoint

FERC denies rehearing of an order conditionally accepting Norwalk Power's proposed RMR agreement

E-24, *Norwalk Power*, Docket Nos. ER07-799-002, *et al.* The Commission denied rehearing of an order conditionally accepting Norwalk Power's (Norwalk) proposed Reliability Must Run (RMR) Agreement. The Commission also granted clarification with respect to recovery of environmental compliance costs and accepted Norwalk's compliance filing.

E-27, News Release

FERC accepts compliance filings concerning NERC's budget

E-28, *North American Electric Reliability Corp.*, Docket No. RR07-16-001. The Commission accepted a compliance filing to an order that determined that portions of North American Electric Reliability Corp.'s (NERC) 2008 budget submission pertaining to the Regional Entities contained many inconsistencies between the business plan and budget of the Regional Entities and directed NERC and the Regional Entities to correct or explain their business plans and budgets to eliminate the inconsistencies. The Commission accepted the Regional Entities' corrected 2008 budgets and business plans and conditionally accepted the Southwest Power Pool's corrected 2008 budget and business plan.

M-1, News Release

M-2, News Release

FERC affirms an Initial Decisions concerning the TAPS Quality Bank

G-1, *BP Pipelines (Alaska) et al.*, Docket No. OR06-10-000. The Commission affirmed an Initial Decision involving the Trans Alaska Pipeline System (TAPS) Quality Bank, which determined the processing cost adjustment to be applied to the new proxy reference price for valuing the West Coast Heavy Distillate cut.

FERC accepts Columbia Gas' tariff sheets

G-3, *Columbia Gas Transmission Corp.*, Docket No. RP08-110-000. The Commission accepted Columbia Gas Transmission Corp.'s filed tariff sheets to establish an hourly no-notice summer-only transportation service via Rate Schedule NTS-S designed to provide enhanced summer-only hourly flexibility exceeding 1/24th of a shipper's Maximum Daily Quantity.

FERC conditionally accepts Columbia Gas' proposed revisions to the appendices of its pro forma service agreements

G-4, *Columbia Gas Transmission Corp.*, Docket No. RP08-127-000. The Commission conditionally accepted Columbia Gas Transmission Corp.'s proposal to revise the appendices of its pro forma service agreements under various rate schedules to facilitate contract administration where shippers have combined multiple service agreements under the same rate schedule.

FERC conditionally accepts Columbia Gulf's proposed revisions to the appendices of its pro forma service agreements

G-5, *Columbia Gulf Transmission Co.*, Docket No. RP08-124-000. The Commission conditionally accepted Columbia Gulf Transmission Co.'s proposal to revise the appendices of its pro forma service agreements under various rate schedules to facilitate contract administration where shippers have combined multiple service agreements under the same rate schedule.

FERC denies rehearing of an order accepting changes to Alliance Pipeline's rates

G-7, *Alliance Pipeline*, Docket No. RP00-445-021. The Commission denied rehearing of an order that accepted tariff sheets filed by Alliance Pipeline (Alliance) reflecting changes made to the rates charged under its negotiated rate agreements as the result of changes in Alliance's costs. The Commission rejected an argument that the mutual intent of the parties to the negotiated rate agreements was to reflect certain of Alliance's actual costs in shippers' negotiated rates only after the costs were approved by the Commission

under section 4 of the Natural Gas Act.

FERC addresses Southern's gas quality and interchangeability policy

G-8, *Southern Natural Gas Co.*, Docket Nos. RP04-42-000 and 002. The Commission addressed Southern Natural Gas Co.'s (Southern) filed revised *pro forma* tariff sheets to address the requirements of the Commission's *Policy Statement* on gas quality and interchangeability. The Commission rejected the safe harbor provision since there was insufficient evidence that a 15 degree safe harbor is required to manage an ongoing problem of liquid dropout on Southern's system since there was no evidence that Southern's existing Tariff provisions are insufficient to manage hydrocarbon liquid fallout, noting that neither Southern, nor any other party detailed any instance where Southern had encountered unmanageable liquid dropout, resulting in operational problems.

FERC finds that the Sullivan Creek Project in Washington is subject to the Commission's mandatory licensing jurisdiction

H-1, *Public Utility District No. 1 of Pend Oreille County, Washington*, Docket No. DI07-1-001 and Project No. 2225-011. The Commission granted in part and denied in part several requests for rehearing concerning the jurisdictional status of the Sullivan Creek Project. The project is located on Sullivan Lake, Outlet Creek, and Sullivan Creek, a tributary of the Pend Oreille River, near the town of Metaline Falls in Pend Oreille County, Washington, and occupies 500 acres of U.S. lands within the Colville National Forest. The Commission affirmed that the existing license is valid, reversed the finding that the project is not required to be licensed, and concluded that the project is subject to the Commission's mandatory licensing jurisdiction.

H-2, Media Alert

FERC issues notice of intent not to act on annual charges reconsideration request

H-3, *Grand River Dam Authority*, Project No. 2524-015. The Commission issued a notice stating that the Commission does not intend to act on a request for reconsideration and rehearing of the administrative annual charges statement for 2001 for the Salina Pumped Storage Project.

C-1, News Release

FERC issues certificate for the High Plains Expansion Project in Colorado

C-2, Colorado Interstate Gas Co., Docket Nos. CP07-207-000 and RP08-190-000. The Commission authorized Colorado Interstate Gas Company (CIG) to construct and operate approximately 164 miles of pipeline and appurtenant facilities in Adams, Morgan, and Weld Counties, Colorado. The High Plains Expansion Project will enable CIG to transport 899,000 dekatherms of natural gas per day. Based on the benefits that CIG's proposal will provide to the market and the minimal adverse effects on existing customers, other pipelines, landowners, or communities, the Commission determined that approval of the High Plains Expansion Project is required by the public convenience and necessity. The Commission also initiated an investigation and required CIG to show cause why its existing tariff provisions related to the unauthorized overrun rate during non-critical periods are just and reasonable and comport with Commission policy.

FERC issues certificate for Iroquois expansion project in New York and Connecticut

C-4, Iroquois Gas Transmission System, Docket No. CP07-457-000. The Commission issued a certificate to Iroquois Gas Transmission System (Iroquois) to construct and operate the 08/09 Expansion Project in New York and Connecticut, which consists of new pipeline looping and a new compressor station, as well as the expansion of an existing compressor station, which will enable Iroquois to provide 200,000 dekatherms of natural gas per day of new transportation service to an affiliated shipper. The Commission concluded that the public benefits of additional service outweigh any adverse impacts that would result from the proposed construction.