

MAY MEETING SUMMARIES

E-1, E-2, E-3, E-4, E-5 and E-6 – News Release

FERC denies New Harquahala’s challenge to inclusion in NERC compliance registry

E-7, *New Harquahala Generating Co.*, Docket No. RC08-4-000. The Commission denied an appeal by New Harquahala Generating Co. (Harquahala) challenging a finding by the North American Electric Reliability Corp. (NERC) that Harquahala was properly included on the NERC compliance registry as a transmission owner and transmission operator, on the basis of its ownership of a 26 mile, 500 kV generator tie line. The Commission concluded that NERC and the Western Electricity Coordinating Council adequately supported the registration of Harquahala as a transmission owner and transmission operator pursuant to NERC’s plenary authority to register entities that own or operate assets that are “material to the reliability of the bulk power system.”

E-8, Media Alert

FERC denies rehearing of rule approving Critical Infrastructure Protection Reliability Standards

E-9, *Mandatory Reliability Standards for Critical Infrastructure Protection*, Docket No. RM06-22-001. The Commission denied requests for rehearing and granted clarification of a rule that approved eight Critical Infrastructure Protection (CIP) Reliability Standards submitted to the Commission for approval by North American Electric Reliability Corp. (NERC) pursuant to section 215 of the Federal Power Act. The CIP Reliability Standards require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements to safeguard critical cyber assets.

FERC proposes changes to definition in EQR data dictionary

E-10, *Revised Public Utility Filing Requirements for Electric Quarterly Reports*, No. RM01-8-010. The Commission issued a notice inviting comment on a proposal to clarify the definition of “Commencement Date” in Field 22 of the Electric Quarterly Reports (EQR) Data Dictionary. The proposal is in response to concerns raised by EQR users at a recent staff technical conference, as well as in comments by Edison Electric Institute in a related proceeding.

FERC accepts National Grid's updated market power analysis

E-12, *Niagara Mohawk Power Corp. et al.*, Docket Nos. ER96-2585-007, *et al.* The Commission accepted the updated market power analysis for the National Grid companies and determined that they satisfy the Commission's standards for market-based rate authority. The Commission determined that the companies pass the pivotal supplier screen and wholesale market screen in the New York Independent System Operator (NYISO) and ISO-New England markets, but fail both screens in the New York City and Long Island submarkets. The Commission determined that the existing NYISO mitigation measures are sufficient to address market power concerns in the New York City and Long Island submarkets.

FERC conditionally accepts Midwest ISO/PJM's Congestion Management Process

E-13, *Midwest Independent Transmission System Operator, and PJM Interconnection*, Docket No. ER07-940-001. The Commission conditionally accepted a compliance filing made by the Midwest Independent Transmission System Operator and PJM Interconnection, which contained proposed revisions to the Congestion Management Process (CMP) of their Joint Operating Agreement required by a previous Commission order. The Commission concluded that it would allow the CMP field test to continue through the date that North American Electric Reliability Corp. determines is necessary for the field test to yield the data needed to serve its intended purpose.

FERC accepts Energy East Affiliates' updated market power analysis

E-14, *Carthage Energy, et al.*, Docket No. ER99-2541-009, *et al.* The Commission accepted Energy East Affiliates' updated market power analysis and determined that Energy East Affiliates satisfy the Commission's standards for market-based rate authority.

FERC conditionally accepts Northeast Utilities' updated market power analysis

E-15, *Northeast Utilities Service Co. and Select Energy*, Docket Nos. ER96-496-016, ER99-14-013 and ER99-3658-003. The Commission conditionally accepted Northeast Utilities Service Co.'s and Select Energy's updated market power analysis and determined that Energy East Affiliates satisfy the Commission's standards for market-based rate authority, subject to the applicants' filing a revised affirmative statement in compliance with 18 C.F.R. § 35.37(e)(4) stating that they have not and will not erect barriers to entry in the relevant markets, as well as revised market-based rate tariffs in compliance with Order No. 697.

FERC denies TransCanada's complaint against ISO-NE

E-16, *TransCanada Power Marketing v. ISO New England*, Docket No. EL08-43-000. The Commission denied the complaint in which TransCanada Power Marketing (TransCanada) asked the Commission to require ISO New England to accept TransCanada's composite offers into the first Forward Capacity Auction (FCA) and include the capacity represented by those offers in the capacity that successfully bid into the FCA at the floor price. The Commission concluded that the requested relief is unsubstantiated on its merits and the complaint is barred on procedural grounds.

FERC addresses CAISO/PG&E arbitration award on MOO charges

E-17, *California Independent System Operator Corp.*, Docket No. EL06-10-000 and *Pacific Gas and Electric Co.*, Docket No. EL06-11-000. The Commission addressed two petitions for review of an arbitration award, which were filed by California Independent System Operator Corp. (CAISO) and Pacific Gas and Electric Co. (PG&E). The Commission affirmed the Arbitration Award in part, insofar as it had ordered the CAISO to refund to PG&E must-offer obligation charges, and thus denied the CAISO's petition for review. The Commission reversed the Arbitration Award in part, insofar as it had disallowed interest on the refunds ordered and, accordingly, granted PG&E's petition for review.

FERC addresses waiver request from the Standards of Conduct

E-18, *Exelon Corp.*, Docket No. TS04-286-003. The Commission granted a request for waiver of the standards of conduct to permit ComEd EA to calculate and provide certain information to PJM Interconnection and granted a temporary waiver to permit ComEd EA to meet POLR service customers' daily energy balancing needs and procure energy covered by a financial swap with ExGen. The temporary waiver expires 30 days after the effective date of the final rule to be issued in the standards of conduct rulemaking.

FERC addresses Niagara Mohawk's interconnection agreement with American Ref-Fuel of Niagara

E-20, *Niagara Mohawk Power Corp.*, Docket No. ER07-1285-002. The Commission denied Niagara Mohawk Power Corp.'s (Niagara Mohawk) request for rehearing of an order which accepted an interconnection agreement (IA) between Niagara Mohawk and American Ref-Fuel of Niagara and directed Niagara Mohawk to refund the time value of revenues collected from June 30, 1998 through October 13, 2007. The Commission determined that the American Ref-Fuel IA became Commission jurisdictional at the point

where American Ref-Fuel had the right to make third-party sales, not, as argued by Niagara Mohawk, on the date when American Ref-Fuel actually made the authorized sales.

FERC grants rehearing of Niagara Mohawk's interconnection agreement

E-21, *Niagara Mohawk Power Corp.*, Docket Nos. ER07-1019-003, *et al.* The Commission granted rehearing, conditionally accepted a compliance filing, and directed Niagara Mohawk Power Corp. (Niagara Mohawk) to remove language in three unexecuted Interconnection Agreements (IAs) which failed to conform to the New York Independent System Operator, Inc.'s IA *pro forma* language. The Commission concluded that, as requested on rehearing, the service agreement language as to a generation developer's liability for subsequent taxable events should track the NYISO *pro forma* language; that language provides that such liability runs for 10 years from the date that certain facilities are placed in service (which occurred in the early 1990's) rather than 10 years from the date the service agreement became effective (which was June 6, 2007, and which thus would have resulted in liability for a greater period).

FERC accepts PJM's OATT compliance filing

E-23, *PJM Interconnection*, Docket No. OA08-9-000. The Commission accepted PJM Interconnection's (PJM) compliance filing, as modified, as required by Order No. 890. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. The filing included information on how PJM uses the available flowgate capacity methodology and coordinates its available transfer capability with its neighboring systems through various interregional/joint operating agreements.

FERC accepts SPP's OATT compliance filing

E-24, *Southwest Power Pool*, Docket No. OA08-5-000. The Commission accepted, as modified, the Southwest Power Pool's (SPP) compliance filing, as required by Order No. 890. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis.

FERC addresses MAPP's OATT compliance filing

E-25, *Mid-Continent Area Power Pool*, Docket Nos. OA07-51-000 and OA07-51-001.

The Commission accepted, as modified, the Mid-Continent Area Power Pool's (MAPP) compliance filings, as required by Order No. 890. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis.

FERC accepts Midwest ISO's compliance filing

E-26, *Midwest Independent Transmission System Operator, et al.*, Docket Nos. OA08-14-000, *et al.* The Commission accepted, as modified, the Midwest Independent Transmission System Operator's Order No. 890 compliance filing. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. The Commission, however, rejected the Capacity Benefit Margin (CBM) filings, concluding that the Midwest ISO's transmission owners and stand-alone transmission companies should submit redesigned transmission charges that reflect the CBM-set aside through a limited rate filing under section 205 of the Federal Power Act.

FERC addresses Midwest ISO's long-term firm transmission rights proposal

E-27 & E-28, *Midwest Independent Transmission System Operator, Inc.*, Docket Nos. ER07-478-005 and ER07-478-006. In E-27, the Commission granted in part, denied in part, and dismissed in part a request for rehearing of the Commission's October 19, 2007 compliance order on long-term firm transmission rights. In E-28, the Commission accepted in part and rejected in part the compliance filing related to the October 19, 2007 compliance order.

FERC accepts CAISO's OATT compliance filing

E-29, *California Independent System Operator Corp.* Docket No. OA08-12-000. The Commission accepted, as modified, the California Independent System Operator Corp.'s (CAISO) compliance filing, as required by Order No. 890. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. Specifically, the Commission accepted the CAISO's proposed changes to the existing CAISO tariff, as modified, to be effective October 11, 2007. The Commission also accepted the CAISO's proposed changes to the Market Redesign and Technology Upgrade (MRTU) tariff, as modified, to become effective as of the date of MRTU implementation.

FERC denies complaint concerning NorthWestern's interconnection queue

E-30, *Montgomery Great Falls Energy Partners v. NorthWestern Corp., d/b/a NorthWestern Energy*, Docket No. EL07-102-000. The Commission denied Montgomery Great Falls Energy Partners' (Montgomery) complaint against NorthWestern Corp., d/b/a NorthWestern Energy (NorthWestern), which alleged both that NorthWestern had failed to adhere to its Open Access Transmission Tariff standards related to management of its large generator interconnection queue and that NorthWestern had unduly discriminated against Montgomery's large generator interconnection project. Montgomery asked that it be granted a position that was higher in the interconnection queue. The Commission determined that NorthWestern had acted consistently with its Tariff and that Montgomery's claims to the contrary were without merit, and thus denied the relief sought by Montgomery in its complaint.

M-1, M-2, M-3 and M-4 – News Release

G-1, News Release

FERC addresses gas quality issues on Columbia Gas' system

G-2, *Indicated Shippers v. Columbia Gulf Transmission Co.*, Docket Nos. RP04-98-002 and RP04-98-003. The Commission accepted, subject to certain modifications, Columbia Gulf Transmission Co.'s tariff compliance filing to amend the gas quality provisions of its tariff to include a Cricondenthem Hydrocarbon Dewpoint (CHDP) safe harbor, and provisions for the administration of the CHDP limit.

FERC grants rehearing of Iroquois negotiated rate agreement with Con Edison

G-3, *Iroquois Gas Transmission System*, Docket No. RP98-18-033. The Commission granted rehearing of an order, which had accepted a negotiated rate agreement between Iroquois Gas Transmission System (Iroquois) and Consolidated Edison Company of New York (Con Edison), subject to Iroquois removing a non-conforming flexible primary receipt point/contract demand adjustment provision from the agreement. Upon reconsideration, the Commission will allow the flexible primary receipt point/contract demand adjustment provision to remain in effect until it is terminated upon the in-service date of the MarketAccess Project.

FERC addresses remand of Burlington's ad valorem tax refund

G-4, *Burlington Resources Oil & Gas Co. and Panhandle Eastern Pipe Line Co.*, Docket

Nos. GP99-15-005 and RP98-40-041. The Commission addressed the remand by the United States Court of Appeals for the District of Columbia Circuit concerning who is responsible for payment of the *ad valorem* tax refund obligation arising from certain Natural Gas Policy Act price-regulated natural gas sales by Burlington Resources Oil and Gas Co. (Burlington) to two pipelines. Consistent with the Court decision, the Commission ordered two companies to return to Burlington, with interest, the amount of *ad valorem* tax refunds Burlington paid to them under protest.

FERC denies rehearing of headwater benefit assessment for Arkansas Electric Cooperative's Dam No. 2 Project

H-1, *Arkansas Electric Cooperative Co.*, Docket No. HB73-93-15-003. The Commission denied Arkansas Electric Cooperative's request for rehearing of an order assessing its annual charges for headwater benefits received by several of its hydroelectric facilities, including the Dam No. 2 Project, from the operation of upstream federal storage projects. Specifically, the Commission denied the challenge to the methodology as to the Dam No. 2 Project assessments concluding that the record demonstrates that staff adjusted its results to account for actual generation at Dam No. 2.

FERC authorizes construction of compressor in Calcasieu Parish, Louisiana

C-2, *Trunkline LNG Co.*, Docket No. CP08-68-000. This Commission granted Trunkline LNG Co.'s request for authorization to construct, install, and operate a 1,500 hp electric motor-driven compressor and related piping and electrical connections at its existing LNG import terminal, located in Calcasieu Parish, Louisiana. The Commission approved the proposal because the proposed facilities will enable Trunkline LNG Co. to safely and reliably send out additional boil-off gas produced as a result of the recent expansion project.

FERC grants Columbia Gulf's proposal to abandon facilities in Louisiana

C-3, *Columbia Gulf Transmission Co. and Tennessee Gas Pipeline Co.*, Docket Nos. CP08-54-000 and CP08-55-000. The Commission granted Columbia Gulf Transmission Co.'s proposal to abandon its interests in facilities offshore and onshore Louisiana, in the Blue Water, South Timbalier, and South Pass 77 Systems, and Tennessee Gas Pipeline Co.'s proposal to acquire those interests. The Commission concluded that the public convenience and necessity requires approval of the abandonment/acquisition proposal and authorization for Tennessee to operate the facilities, most of which it currently owns jointly with Columbia Gulf, as an integrated part of its existing system.