

June 19 Meeting Summaries

E-1 and E-4, News Release

FERC denies rehearing of order accepting Boralex's updated market power analysis

E-7, *Boralex Livermore Falls, et al.*, Docket Nos. ER01-2569-006, *et al.* The Commission denied rehearing of an order accepting the updated market power analysis filed by Boralex Industries (Boralex) on behalf of four of its affiliates. The Commission reaffirmed the finding that the Maritimes Control Area is the relevant geographic market for Boralex's plants in Northern Maine, rejecting the Maine Commission's argument that the smaller Northern Maine area should be used.

FERC addresses issues with CAISO's Reliability Capacity Services Tariff

E-8 and **E-19**, *California Independent System Operator Corp., et al.*, Docket Nos. EL08-13-000 and EL08-20-000 and *California Independent System Operator Corp.*, Docket Nos. ER06-615-017, *et al.* In **E-8**, the Commission determined that the Reliability Capacity Services Tariff (RCST) continues to be just and reasonable for the brief period from January 1, 2008 until June 1, 2008, the date the California Independent System Operator Corp.'s (CAISO) successor interim backstop capacity procurement mechanism, the Transitional Capacity Procurement Mechanism (TCPM), became effective. Upon finding that the RCST is just and reasonable and not unduly discriminatory during this brief period, the Commission denied a complaint filed by Dynegy Moss Landing, and Dynegy Morro Bay, El Segundo Power, and Reliant Energy. The Commission also terminated an investigation under section 206 of the Federal Power Act into the justness and reasonableness of extending the RCST until the earlier of the implementation of either the CAISO's Market Redesign Technology Upgrade or an alternative backstop capacity mechanism, namely the TCPM. In **E-19**, the Commission accepted CAISO's RCST compliance filing with an effective date of January 1, 2008. As of June 1, 2008, these RCST provisions are superseded by tariff provisions implementing the CAISO's successor interim backstop procurement mechanism, the TCPM.

E-10, News Release

FERC conditionally accepts NERC's compliance filing with respect to its 2008 Business Plan and Budget

E-11, *North American Electric Reliability Corp.*, Docket No. RR07-16-003. The Commission conditionally accepted (subject to further compliance filings) a compliance filing submitted by the North American Electric Reliability Corp. (NERC) in response to an order conditionally accepting NERC's 2008 Business Plan and Budget. As directed, NERC's compliance filing: includes a true-up of actual 2007 costs incurred by NERC and each Regional Entity to their respective 2007 budgets; includes a description of accounting policies and procedures comparable to the Commission's Uniform System of Accounts that describe and provide guidance on how to record and summarize financial data and transactions; includes a revised records retention policy; and responds to other compliance directives in the previous order.

FERC approves settlement agreements concerning Public Service Co. of Colorado's generation service

E-12, *Public Service Co. of Colorado*, Docket Nos. ER08-527-000, *et al.* The Commission accepted tariff sheets accompanying three separate settlement agreements filed by the Public Service Co. of Colorado (Public Service). The settlements resolved issues among Public Service and several of its wholesale electric customers for cost-based, full requirements generation service. Among other things, the tariff sheets filed with the three settlements amend the fuel cost and economic purchased power adjustment clause and establish separate base rates, which include no construction work in progress costs for pollution control or other construction projects and are premised on the depreciation rates filed in this proceeding.

FERC accepts results of ISO-NE's Forward Capacity Auction

E-13, *ISO New England*, Docket No. ER08-633-000. The Commission accepted ISO-New England's filing describing the results of its first, February 2008 Forward Capacity Auction; the auction results determine capacity prices for 2010/2011, including, *inter alia*, the final set of Capacity Zones resulting from the auction (i.e., one Capacity Zone for the entire New England region) and the Capacity Clearing Price (i.e., \$4.50/kw-month). The Commission also dismissed challenges to the previously-accepted methodology for resetting the Cost of New Entry in auctions.

FERC termination QF purchase obligation for United Illuminating Co.

E-14, *United Illuminating Co.*, Docket No. QM08-5-000. The Commission granted United Illuminating Co.'s application to terminate on a service territory-wide basis its obligation to enter into new power purchase obligations or contracts to purchase energy and capacity from qualifying cogeneration and small power production facilities with a net capacity in excess of 20 Megawatts (MW). The Commission made the decision based

on the un rebutted statements by United Illuminating Co. in its application, that United Illuminating Co. provides qualifying facilities larger than 20 MW nondiscriminatory access to independently administered, auction-based day-ahead and real-time wholesale markets for the sale of electric energy and to wholesale markets for long-term sales of capacity and electric energy.

FERC accepts CAISO's amendment to its MRTU to implement bid caps for start-up and minimum load costs

E-15, *California Independent System Operator Corp.*, Docket No. ER08-73-000. The Commission accepted as modified, California Independent System Operator Corporation's (CAISO) amendment to its Market Redesign and Tariff Upgrade (MRTU) tariff to implement bid caps for market-based start-up and minimum load costs. Specifically, the Commission accepted, as modified, the CAISO's proposal to mitigate the market power potential of start-up and minimum load bids in the day-ahead and real-time energy markets, to become effective as of the date of MRTU implementation. The order also directed the CAISO to revise the proposed registered cost option mitigation measures by using a more geographically appropriate gas price index than the one proposed by the CAISO, and to make a compliance filing within 30 days from the date of issuance of the order.

FERC addresses rehearing of order accepting Midwest ISO's ancillary services market

E-17 and **E-23**, *Midwest Independent Transmission System Operator*, Docket No. ER07-1372-003 and ER07-1372-004. In **E-17**, the Commission conditionally accepted, subject to a further compliance filing, a compliance filing in response to an order that accepted the Midwest Independent Transmission System Operator's (Midwest ISO) proposed ancillary services market (ASM), as modified, and ordered compliance filings. The Commission also granted the Midwest ISO's request to delay commencement of its ASM from June 1, 2008 to September 9, 2008. In **E-23**, the Commission granted in part and denied in part requests for rehearing of an order accepting the Midwest ISO's ASM proposal. The Commission clarified that sellers in the Midwest ISO with authority to sell energy at market-based rates will be authorized to sell ancillary services at market-based rates in the ASM upon inclusion in their market-based rate tariffs of the standard ancillary services provision that is adopted in the order.

FERC accepts settlement concerning NSTAR Electric's formula rates

E-21, *NSTAR Electric Co.*, Docket Nos. ER07-549-000, *et al.* The Commission accepted, subject to a further compliance filing, an uncontested settlement filed by

NSTAR Electric Co., the Massachusetts Attorney General and the Concord Municipal Light Plant. The settlement, among other things, established a return on equity of 10.9 percent to be used by NSTAR Electric Co. in its formula rates and resolved related issues for which hearing and settlement judge procedures were established by the Commission in its initial order issued in this proceeding. The Commission determined that the settlement was fair, reasonable and in the public interest.

FERC denies rehearing of an order denying FPL Energy's complaint regarding interconnection facility costs

E-22, *FPL Energy Marcus Hook v. PJM Interconnection*, Docket No. EL04-57-003. The Commission denied rehearing of an order that addressed on remand, and denied, a complaint by FPL Energy Marcus Hook (FPL Energy) against PJM Interconnection (PJM), which had alleged that PJM failed to properly apply portions of PJM's Open Access Transmission Tariff (OATT) governing interconnection of new power plants to the PJM grid. The complaint centered on the Mickleton-Monroe circuit upgrade and whether FPL Energy should be required to pay the costs of the upgrade (i.e., whether or not FPL Energy should receive a credit for the costs of the upgrade). The Commission affirmed its previous finding that FPL is not entitled to a credit for the costs of the upgrade.

FERC denies rehearing of incentive rate treatment for three Southern California Edison projects

E-24, *Southern California Edison Co.*, Docket No. EL07-62-001. The Commission denied rehearing of an order granting Southern California Edison Co.'s (SCE) petition for a declaratory order. In the order, the Commission approved incentive rate treatment for the Devers-Palo Verde II Project, which consists of the construction of two major transmission lines; the Tehachapi Project, which consists of more than 200 miles of 500 kV transmission line, approximately 10 miles of 220 kV transmission line and three new substation facilities; and the Rancho Vista Project, which includes a proposed new 500 kV substation.

FERC addresses CA MRTU compliance filing

E-25, *California Independent System Operator Corp.*, Docket No. ER06-615-006. The Commission addressed certain compliance filings regarding the California Independent System Operator Corporation's (CAISO) Market Redesign and Technology Upgrade (MRTU). Specifically, the Commission addressed those provisions pertaining to all other issues other than resource adequacy and the Business Practice Manuals.

FERC addresses rehearing of revisions to financial reporting requirements for Gas Pipelines

M-1, Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines, Docket No. RM07-9-001. The Commission affirmed its basic determinations in Order No. 710, granted in part and denied in part rehearing and granted clarification regarding certain revisions to its forms and reporting requirements for natural gas pipelines. The rule adopted revisions to the Commission's financial reporting requirements for natural gas pipelines, FERC Form Nos. 2, 2-A and 3-Q.

G-1, Media Alert

FERC denies rehearing of Western's tariff filing

G-3, *Western Refining Pipeline Co.*, Docket No. IS08-131-002. The Commission denied the Navajo Nation and the Navajo Nation Oil and Gas Co.'s and Resolute Natural Resources Co.'s and Resolute Aneth's requests for rehearing of an order accepting Western Refining Pipeline Co.'s (Western) tariffs. The Commission concluded that the rehearing parties do not have a substantial economic interest in Western's tariff filing and, therefore, lack standing to protest the filing.

G-4, News Release

FERC denies rehearing of order issuing preliminary permit for Robert C. Byrd Lock & Dam Project

H-1, *City of Wadsworth et al.*, Project No. 12796-002, *et al.* The Commission denied rehearing of an order issuing a preliminary permit to the City of Wadsworth, Ohio, to study the feasibility of the proposed Robert C. Byrd Lock & Dam Project No. 12796, to be located on the Ohio River in Mason County, West Virginia, and Gallia County, Ohio, at the United States Army Corps of Engineers' existing Robert C. Byrd Lock and Dam. The Commission affirmed the determination of the preliminary permit pursuant to the policy favoring first-in-time competing applications.

FERC addresses rehearing request of a new license for a hydroelectric project in Jackson County, Oregon

H-2, *Pacificorp*, Project No. 2630-008. The Commission addressed a rehearing and

clarification request of an order granting a new license to PacifiCorp to continue to operate and maintain the Prospect Nos. 1, 2, and 4 Hydroelectric Project. The project is located on the Rogue River, Middle Fork Rogue River, and Red Blanket Creek in Jackson County, Oregon. The Commission denied a request for deletion of license articles pertaining to boating safety, a whitewater flow study, and boater access to the Rogue River at one of the project's powerhouses. In addition, the order makes a number of other minor corrections or clarifications.

FERC issues certificate for storage facility in Monroe County, Mississippi

C-1, *Tarpon Whitetail Gas Storage*, Docket No. CP08-46-000. The Commission issued a certificate of public convenience and necessity authorizing Tarpon Whitetail Gas Storage to construct and operate a natural gas storage facility and associated facilities (Whitetail Gas Storage Project) in Monroe County, Mississippi. The Commission approved the proposal because it will enhance storage options available to existing pipelines and their customers and, thus, will increase competitive alternatives with minimal adverse impacts.

FERC issues certificate for storage facility in Cameron Parish, Louisiana

C-2, *Black Bayou Storage Co.*, Docket Nos. CP07-451-000, *et al.* The Commission issued a certificate of public convenience and necessity authorizing Black Bayou Storage Co. authorization to construct and operate a salt dome natural gas storage facility in Cameron Parish, Louisiana. The Commission approved the proposal because it will enhance storage options available to existing pipelines and their customers and, thus, will increase competitive alternatives with minimal adverse impacts.

FERC grants petition concerning Portland Natural Gas Transmission System's physical capacity

C-3, *Portland Natural Gas Transmission System*, Docket No. CP08-70-000. The Commission granted Portland Natural Gas Transmission System (PNGTS) petition for declaratory order requesting that the Commission determine that the physical capacity across the PNGTS system from Pittsburg, New Hampshire to Dracut, Massachusetts will be 168,000 Million cubic feet per day (Mcf/d) on a firm year-round basis once the Maritimes and Northeast Pipeline Phase IV Expansion facilities are placed in service. The Commission determined that PNGTS will be incapable of transporting gas volumes in excess of 168,000 Mcf/d on a firm year-round basis.