

September Meeting Summaries

E-2, Media Alert

E-3, E-5, E-6, E-7, E-8, E-9 and E-10, News Release

FERC rejects proposed Appendix I Agreement between American Transmission Co. and the Midwest ISO

E-13, *Midwest Independent Transmission System Operator*, Docket No. ER08-1146-000. The Commission rejected a proposed Appendix I Agreement between American Transmission Co. and the Midwest Independent Transmission System Operator (Midwest ISO). Midwest ISO's *pro forma* Appendix I is a framework for membership and operation of independent transmission companies within Midwest ISO. The Commission rejected American Transmission Co.'s proposed Appendix I agreement because it did not show that it meets the eligibility requirements to become an independent transmission company under Appendix I.

E-14, Media Alert

E-15 and E-16, Media Alert

E-17, News Release

FERC approves PJM schedule which contains methodology to allocate costs of NERC penalty assessments

E-19, *PJM Interconnection*, Docket No. ER08-1144-000. The Commission conditionally accepted, subject to a compliance filing, PJM Interconnection's (PJM) addition of a new Schedule 11 - Allocation of Costs Associated with North American Electric Reliability Corp. (NERC) Penalty Assessments (Schedule 11) to its Operating Agreement. Schedule 11 allows PJM to make a Federal Power Act section 205 filing seeking to pass NERC Reliability Standards violation penalties through to PJM Members if NERC finds those Members to have contributed to PJM's being fined; it also allows a Member to make a filing seeking to pass penalties through to PJM if PJM contributed to a Member's being fined. The Commission determined that the proposal provides a reasonable mechanism for the assignment of penalties issued for violations of Reliability Standards, and is consistent with a previous guidance order.

FERC accepts PJM's compliance filing addressing cost allocation

E-20, *PJM Interconnection*, Docket Nos. ER06-456-014, *et al.* The Commission

accepted a compliance filing stemming from a prior order which conditionally accepted proposed revisions to PJM Interconnection's (PJM) cost allocation assignments set forth in Schedule 12-Appendix of the PJM Open Access Transmission Tariff, allocating cost responsibility for at or above 500 kV transmission enhancements and expansions included in the PJM Regional Transmission Expansion Plan on a region-wide rather than on a beneficiary-pays basis. PJM had been required to submit a compliance filing demonstrating that the cost allocations were consistent with the tariff provisions, and the Commission found that the compliance filing provided such a demonstration.

FERC issues notification to revoke market-based authority for two companies

E-22, *Electric Quarterly Reports; Freedom Partners, et al.*, Docket Nos. ER02-2001-008, *et al.* The Commission identified two public utilities (Solaro Energy Marketing Corp and Take Two) with authority to sell power at market-based rates that failed to file their required Electric Quarterly Reports through the second quarter of 2008. In this order, the Commission notified these companies that their market-based rate authorizations will be revoked unless they comply with the Commission's requirements within 15 days of the issuance of this order.

FERC issues guidance on reporting transmission capacity reassignment agreements in Electric Quarterly Reports

E-24, *Revised Public Utility Filing Requirements for Electric Quarterly Reports*, Docket No. RM01-8-011. The Commission provided public utilities filing electric quarterly reports with guidance on reporting the transmission capacity reassignment agreements they have entered and the transactions they have made during the reporting period pursuant to those agreements. This guidance is necessitated by the new requirements that the Commission established in Order No. 890, as clarified in Order Nos. 890-A, and 890-B, regarding the reassignment of transmission capacity.

FERC dismisses request for clarification of order authorizing NERC to request data

E-25, *Mandatory Reliability Standards for the Bulk Power System and North American Electric Reliability Corp.*, Docket Nos. RM06-16-004 and RR08-1-001. The Commission dismissed a request for clarification of an order approving section 1600 of the Rules of Procedure of the North American Electric Reliability Corp. (NERC) because the request was premature. Section 1600 authorizes NERC and the Regional Entities to request data or other information necessary to fulfill their obligations under section 215 of the Federal Power Act, and the Commission's prior order had directed that NERC and the Regional Entities provide the Commission advance notice of such requests for data or other information. The request sought clarification of the relationship between the data

collection and the Paperwork Reduction Act of 1995 (PRA). The Commission explained that the advance notification was for informational purposes only and ensured that the Commission had an opportunity to take action following its review of the data collection “as may be appropriate.” Stating that any future application of its right to take action was speculative, the Commission concluded that the request for clarification was premature and that Commission would address its obligations under the PRA when and where appropriate.

E-26, Media Alert

FERC establishes settlement judge procedures to assist parties in resolving rate dispute

E-27, *Dynergy Power Marketing and Dynergy Midwest Generation*, Docket No. ER07-323-002. The Commission determined that the issues raised in the requests for rehearing of an order in this proceeding regarding the rates charged by Dynergy Power Marketing, Inc. for ancillary services provided to the Ameren Illinois Utilities for the locked-in period from January 1, 2007 through December 31, 2007 may be amenable to settlement. Therefore, before ruling on rehearing, the Commission established settlement judge procedures to assist the parties in resolving their dispute.

FERC denies rehearing of order conditionally accepting PJM’s cost allocation for baseline RTEP projects that operate at or above 500 kV

E-28, *PJM Interconnection*, Docket No. ER08-229-001. The Commission denied rehearing of an order that conditionally accepted a filing by PJM Interconnection (PJM) regarding the cost allocation for baseline Regional Transmission Expansion Plan projects that operate at or above 500 kV. Noting that the objections to the assignment of the costs of such facilities on a region-wide basis had already been addressed and rejected in other orders, the Commission denied rehearing.

FERC denies rehearing of an order on remand, and denies request to direct Entergy to pay interest on refunds

E-29, *Louisiana Public Service Commission and the Council of the City of New Orleans v. Entergy Corp.*, Docket Nos. EL00-66-006, *et al.* The Commission denied rehearing of an order on remand from the D.C. Circuit that directed Entergy Corp. (Entergy) to calculate charges for the Entergy system that would immediately exclude interruptible load from the computation of peak load responsibility under two Service Schedules and to pay refunds. The Commission explained that in light of the court’s decision it had

properly found that refunds were in order, and that arguments to the contrary had already been rejected by the court. The Commission also denied as untimely the Louisiana Public Service Commission's motion to direct Entergy to pay interest on the refunds.

FERC accepts AEP's updated market power analysis

E-30, *AEP Power Marketing, et al.*, Docket Nos. ER96-2495-030, *et al.* The Commission accepted the updated market power analysis for the PJM market filed by AEP Power Marketing, AEP Service Corp., AEP Energy Partners, CSW Energy Services and Central and South West Services. The Commission concluded that the applicants satisfy the Commission's standards for market-based rate authority in the PJM market and also accepted, subject to a further compliance filing, proposed market-based rate tariff revisions incorporating revisions adopted in the market-based rate rulemaking proceeding.

E-31, News Release

M-1, News Release

G-1, Media Alert

FERC issued a proposal to incorporate NAESB's Standards for Business Practices of Interstate Natural Gas Pipelines

G-2, *Standards for Business Practices of Interstate Natural Gas Pipelines*, Docket No. RM96-1-029. The Commission issued a proposal to incorporate by reference in the Commission's regulations the most recent version (i.e., Version 1.8) of the Standards for Business Practices of Interstate Natural Gas Pipelines adopted by the Wholesale Gas Quadrant of the North American Energy Standards Board, with two exceptions, and to make minor changes to correct the wording of the regulations. Version 8.1 of the Standards includes a new set of standards for "Internet Electronic Transport" that is applicable to both retail gas and electric markets as well as wholesale gas markets, which should promote a more seamless electronic marketplace by providing consistent electronic protocols across these various markets, and the addition of a standard for gas quality reporting that should provide information on how natural gas pipelines determine gas quality. The two exceptions are the result of inconsistencies between the Standards and the Commission's record retention requirements.

FERC determines that Transco has not fully complied with a prior Commission order concerning its fuel tracker

G-3, *Transcontinental Gas Pipe Line Corp.*, Docket No. RP08-272-001. The

Commission determined that Transcontinental Gas Pipe Line Corp. (Transco) has not fully complied with an order regarding Transco's proposed Rate Schedule SS-2 fuel tracker. The Commission directed Transco to file further revised tariff sheets to clarify how the fuel tracker provisions of Rate Schedule SS-2 work (including a requirement to make annual filings with the Commission by June 1 to be effective May 1, and clarifying in a revised section the recovery of storage and transportation fuel with narrative examples of how each subsection will be applied).

FERC approves power sales agreement at the Rocky Reach Project in Washington

H-1, *Public Utility District No. 1 of Chelan County, Washington*, Project No. 2145-089. The Commission approved a power sales agreement between the Public Utility District No. 1 of Chelan County, Washington and two power purchasers under section 22 of the Federal Power Act, which requires approval for a power sales agreement whose term extends beyond the term of the project license. The sale of power is from the 1,237 Megawatt Rocky Reach Project, which is located on the Columbia River in Washington.

FERC approves power sales agreement at the Morris Sheppard Dam project in Texas

H-2, *Brazos River Authority*, Project No. 1490-046. The Commission approved a facility use agreement between the Brazos River Authority and a non-licensee under section 22 of the Federal Power Act, which requires approval for a power sales agreement whose term extends beyond the term of the project license, and under license Article 5, which requires approval for conveyances to non-licensees of rights in project property. The sale of power is from the 22.5 megawatt Morris Sheppard Dam on the Brazos River in Palo, Pinto, Young, and Stephans Counties, Texas. The Commission determined that section 22 applied to the agreement because it provides for a sale of project power and not simply for the conveyance of rights to operate the project's generating facilities, and that the agreement is consistent with the project-control requirements of license Article 5, subject to modification of the agreement to provide the licensee with unlimited access to the project's power generating facilities.

FERC lifts stay and denies rehearing, and clarifies certain land exchange matters concerning the Biron Hydroelectric Project in Wisconsin

H-3, *Consolidated Water Power Co.*, Project No. 2192-028 and -030. The Commission lifted a stay and denied the licensee's request for rehearing of an order amending the license for the 6,232-kilowatt Biron Hydroelectric Project to authorize a land exchange. The Biron Project is located on the upper Wisconsin River in Wood and Portage Counties, Wisconsin. The order also clarified certain aspects of the prior order.

FERC addresses potential application to sell project lands along the Morris Shepherd Dam Project in Texas

H-4, *Brazos River Authority*, Project No. 1490-047. The Commission responded to a petition for declaratory order regarding a potential application for authorization to sell project lands along the border of the reservoir of the Morris Shepherd Dam Project, in Texas. The Commission concluded that, given that the Commission has twice previously determined that the lands at issue are necessary parts of the project's buffer zone, it appears unlikely that the Commission would grant an application to remove the lands from the project boundary.

H-5, Media Alert

FERC terminates license for the Appleton Trust project in Massachusetts

H-6, James Lichoulas Jr., Project No. 9300-018. The Commission terminated the license for the Appleton Trust Project, which is located on the Hamilton Canal in Middlesex County, Massachusetts. The Commission terminated the license due to the fact that the project is not any closer to being able to resume operation than it was 14 years ago when the license was issued.

FERC address rehearing of order amending shoreline management plan for the Kingsley Dam project in Nebraska

H-7, *Central Nebraska Public Power and Irrigation District*, Project No. 1417-227. The Commission granted Central Nebraska Public Power and Irrigation District's rehearing request of an order amending the Land and Shoreline Management Plan for the Kingsley Dam Project, which is located on the North Platte and Platte Rivers in Nebraska. The order clarifies issues with regard to a few parcels of land at one of the project's 29 reservoirs.

C-1, News Release