

OCTOBER MEETING SUMMARIES

FERC accepts NYISO's OATT compliance filing

E-1, *New York Independent System Operator*, Docket No. OA08-52-004 and OA08-52-006. The Commission determined that the New York Independent System Operator (NYISO) substantially complied with the Commission's order on compliance with Order No. 890, subject to a further filing to address certain discrete issues. The Commission accepted the details of the actual cost allocation methodology associated with economic transmission projects built to resolve congestion identified through the NYISO's congestion study, but directed NYISO to make a compliance filing that includes tariff language describing NYISO's proposed Installed Capacity Market metric and net reductions in Transmission Congestion Contract revenues and bilateral contracts. The Commission also directed NYISO to file a compliance filing to include the requirement that beneficiaries voting against approval of a project must provide a detailed explanation, with supporting data, of the substantive reasons underlying their decision.

FERC denies NYRI's request to reopen transmission proceeding

E-2, *New York Independent System Operator*, Docket No. OA08-52-005. The Commission denied the New York Regional Interconnect's (NYRI) request for rehearing of an order that denied rehearing of an order conditionally accepting New York Independent System Operator's (NYISO) Order No. 890 compliance filing. The Commission also dismissed as moot NYRI's motion to reopen the record to consider NYISO's White Paper on transmission expansion in New York State.

E-3 and E-4 – News Release

FERC denies rehearing of Automatic Time Error Correction Reliability Standard

E-6, *Western Electricity Coordinating Council Regional Reliability Standard Regarding Automatic Time Error Correction*, Docket No. RM08-12-001. The Commission denied a request for clarification, or in the alternative, rehearing of its order approving the Western Electricity Coordinating Council regional Reliability Standard regarding Automatic Time Error Correction.

FERC proposes revisions to QF certification form and regulations

E-7, *Revisions to Forms, Procedures, and Criteria for Certification of Qualifying Facility Status for a Small Power Production or Cogeneration Facility*, Docket No. RM09-23-000. The Commission issued a Notice of Proposed Rulemaking (NOPR) to update the Commission's Form No. 556, which is used by cogeneration and small power production facilities to either self-certify qualifying facility (QF) status or apply for Commission certification of QF status. As part of the update, the Commission proposed to revise its regulations to remove the contents of the Form No. 556 from the regulations, and in their place provide that an applicant seeking to certify QF status of a facility must complete, and electronically file, the Form No. 556 that is in effect at the time of filing. The Commission is seeking comments on a new interactive version of the Form No. 556 that will be easier to fill out and will be available for download from the Commission's website. Finally, the Commission proposed to exempt smaller generating facilities from the QF certification requirement and sought comments on whether 1 Megawatt or another size is the appropriate threshold for such an exemption.

FERC issues Final Rule correcting citation for interest rates for refunds under Federal Power Act

E-8, *Interest Rates for Refunds*, Docket No. RM09-24-000. The Commission issued a Final Rule revising its regulations, which require use of prime rate values in calculating the interest rate on refunds under the Federal Power Act. The Federal Reserve has discontinued "Statistical Release G.13," where those values formerly were reported, and the Commission's regulations are being revised to reflect that such data can now be found in "Statistical Release H 15."

FERC denies rehearing of Midwest ISO's payment plan concerning reactive power

E-10, *Midwest ISO Transmission Owners*, Docket No. ER08-15-002. The Commission denied rehearing of the Commission's decision to accept Schedule 2-A to the Midwest Independent Transmission System Operator's (Midwest ISO) Tariff. Schedule 2-A allows transmission owners in the Midwest ISO to determine on zone-by-zone basis whether affiliated and unaffiliated generators in their zones will be compensated for providing reactive power pursuant to Schedule 2 of the Tariff, which provides for compensation on a capability basis, or pursuant to Schedule 2-A, which provides for compensation only for providing reactive power outside of the bandwidth in which the generator is required to operate.

FERC addresses compliance filing and refund report by Kentucky Utilities and Louisville Gas & Electric

E-13, *Louisville Gas & Electric Co. and Kentucky Utilities Co.*, Docket No. ER02-2560-

009. The Commission accepted in part and rejected in part the compliance filing and refund report filed by Louisville Gas & Electric Co. and Kentucky Utilities Co. in this rate proceeding. Following a series of orders, the parties submitted a compliance filing and refund report adjusting their proposed rates to reflect the nature of the service being provided, which the Commission accepted, in part, subject to certain modifications.

FERC addresses rehearing of the Standards of Conduct rule

M-1, *Standards of Conduct for Transmission Providers*, Docket No. RM07-1-001. The Commission addressed rehearing and clarification requests of a Final Rule that revised the Commission's Standards of Conduct for natural gas and electric transmission providers. The issues raised on rehearing generally involved questions concerning the applicability of the Final Rule to existing company practices and procedures.

FERC addresses Texas Eastern's negotiated rate agreements

G-1, *Texas Eastern Transmission*, Docket Nos. RP99-480-024 and RP09-143-000. The Commission addressed Texas Eastern Transmission's (Texas Eastern) letter agreements and revised tariff sheets to modify previously filed and accepted negotiated rate agreements. Texas Eastern proposed to include negotiated fuel rate caps and a provision that those negotiated fuel rate caps would apply to any replacement shipper to whom the customer might release its capacity. The Commission conditionally accepted the agreements and tariff sheets, subject to a compliance filing.

FERC addresses issue concerning capacity release program

G-2, *Texas Eastern Transmission, et al.*, Docket No. RP09-70-000, *et al.* The Commission determined that, under the Commission's capacity release program as revised in Order No. 712, a pipeline is not required to provide the same discounted or negotiated usage or fuel charge to an asset manager replacement shipper that it has provided to the primary firm shipper. The Commission determined that pipelines should apply the Commission's existing selective discounting policy on a case-by-case basis to determine whether to grant a discounted or negotiated usage or fuel charge to an asset manager replacement shipper, subject to a general requirement of no undue discrimination.

FERC establishes a hearing to review the prudence of Columbia Gas's costs

G-3, *Columbia Gas Transmission*, Docket Nos. RP09-792-000 and RP09-792-001. The Commission reconsidered an earlier order and determined that certain one-time third-

party transportation costs Columbia Gas Transmission incurred after an outage on one of its lines are potentially eligible for recovery in Columbia's annual Transportation Cost Rate Adjustment, to the extent they were prudently incurred. The Commission established a hearing to review the prudence of the costs.

FERC addresses rehearing of the Spring Gap-Stanislaus Hydroelectric Project in California

H-1, *Pacific Gas and Electric Co.*, Project No. 2130-038. The Commission addressed rehearing of an order issuing a license to Pacific Gas and Electric Co. for the continued operation of the Spring Gap-Stanislaus Hydroelectric Project, located on the Middle Fork Stanislaus River and South Fork Stanislaus River in Calaveras and Tuolumne counties, California. The Commission affirmed the inclusion of a multi-use road within the project boundary, affirmed and altered certain project deadlines, and revised license articles and conditions to include omitted and updated information.

FERC denies rehearing of the dismissal of a post-licensing intervention on the Osage Project in Missouri

H-3, *AmerenUE*, Project No. 459-282. The Commission denied rehearing of a notice dismissing a motion to intervene and request for rehearing filed by Duncan's Point Home Owners and Lot Owners Association in the post-licensing proceeding for the Pebble Creek and Duncan's Point Public Access Plan for the Osage Hydroelectric Project on the Lake of the Ozarks in Missouri. The Commission affirmed the dismissal of the motion to intervene, denied a renewed motion to intervene, and clarified that construction of a paved walkway along the undeveloped portions of the lake shoreline is not necessary. Clearly marking the project boundary and replacing damaged boundary markers will ensure unobstructed public access to the shoreline near Pebble Creek, the Commission said.

FERC concludes that North Carolina has not waived water quality certification for the Yadkin Project

H-4, *Alcoa Power Generating*, Project No. 2197-096. The Commission denied a request by Alcoa Power Generating (Alcoa) for an order declaring that the State of North Carolina has waived water quality certification with respect to the relicensing of Alcoa's Yadkin Project, located on the Yadkin River in North Carolina. The Commission determined that North Carolina acted on Alcoa's request for certification within the one-year period permitted by the Clean Water Act.

FERC authorizes abandonment of Columbia gas line in Kentucky

C-1, *Columbia Gas Transmission and Jefferson Gas*, Docket No. CP09-65-000. The Commission authorized Columbia Gas Transmission to abandon by sale to Jefferson Gas the Line KZ-East System in Meiffee and Morgan counties, Kentucky, and the transportation service agreement associated with the facilities. The facilities will be used to perform gathering functions that are exempt from the Commission's jurisdiction.

FERC grants exemption for two test wells in Louisiana

C-2, *BCR Holdings*, Docket No. CP09-454-000. The Commission granted BCR Holdings' request for approval of an exemption from certificate requirements so it can perform temporary activities in preparation for drilling two test wells otherwise assess the feasibility of developing an underground natural gas storage facility in Lafourche Parish, Louisiana. The Commission determined that activities are necessary for BCR Holdings to make an informed business and engineering decision regarding the feasibility of developing a storage facility that would allow it to better serve growing gas demand in the region.