

# December Meeting Summaries

## **FERC accepts notices of change in status for AES companies**

**E-1, *AES Creative Resources, et al.***, Docket No. ER99-1773-009, *et al.* The Commission accepted notices of change in status filed by a number of affiliates of The AES Corporation with market-based rate authorization (collectively, the AES Companies). The Commission also explained why Goldman Sachs and JP Morgan are not affiliates of certain of the AES Companies and why certain waivers requested by those AES Companies are therefore not necessary.

## **FERC accepts FirstEnergy's affiliates' move into the PJM market**

**E-2, *American Transmission Systems, et al.***, Docket No. ER09-1589-000, *et al.* The Commission addressed American Transmission Systems' (ATSI) filing and a related complaint filed by FirstEnergy Services Co. (FirstEnergy), ATSI's parent company, requesting that the Commission conditionally approve ATSI's application to withdraw from the Midwest Independent System Operator (Midwest ISO) and allow ATSI to join the PJM Interconnection (PJM), subject to ATSI's proposed plan for integrating into PJM's capacity markets. The Commission authorized ATSI to terminate its existing obligations to the Midwest ISO, subject to conditions; authorized ATSI's plan for integrating into PJM's capacity markets, subject to conditions; and rejected ATSI's waiver requests regarding its regional transmission expansion plan obligations, subject to the rights of the parties to negotiate the terms pursuant to which ATSI will pursue its integration commitments. The Commission also dismissed FirstEnergy's complaint raising this same issue.

## **FERC accepts PJM's Order No. 719 compliance filing**

**E-3, *PJM Interconnection***, Docket No. ER09-1063-000, *et al.* The Commission accepted a PJM Interconnection compliance filing (subject to a further compliance filing) in response to a rule establishing reforms to improve the operation of organized wholesale electric power markets in the areas of: (1) demand response, including pricing during periods of operating reserve shortage; (2) long-term power contracting; and (3) market-monitoring policies.

**E-4, News Release**

**E-5 and E-16, News Release**

## **FERC accepts updated Interchange Scheduling and Coordination Reliability Standards**

**E-6, *Revised Mandatory Reliability Standards for Interchange Scheduling and Coordination***, Docket No. RM09-8-000. The Commission issued a Final Rule accepting the North American Electric Reliability Corp.'s updated Interchange Scheduling and Coordination Reliability Standards to specify times for entities in the Western Interconnection to review and respond to requests for interchange service. The changes clarify response requirements for all affected entities, specifically for on-time requests for service and requests for emergency interchange and reliability adjustment interchange services, and facilitate reliability by giving Western Electricity Coordinating Council entities sufficient time to assess and respond to requests for interchange service.

## **FERC denies rehearing of order on competition in organized markets**

**E-7, *Wholesale Competition in Regions with Organized Electric Markets***, Docket No. RM07-19-002. The Commission denied rehearing of Order No. 719-A, affirming its basic determinations regarding demand response and pricing during periods of operating reserve shortages in organized markets. Order No. 719-A affirmed in part and granted in part rehearing of Order No. 719 that established reforms to improve the operation of organized wholesale electric power markets.

## **FERC reviews implementation of Critical Infrastructure Protection Reliability Standards**

**E-8, *North American Electric Reliability Corp.***, Docket No. RM06-22-010. This involves the North American Electric Reliability Corp.'s plan for the implementation of Critical Infrastructure Protection Reliability Standards, CIP-002-1 through CIP-009-1 by generator owners and operators of U.S. nuclear power plants. In this order, the Commission determined that a future filing would be necessary to provide clarification on the scope of systems determination, particularly the exemption process to provide an appropriate schedule for making the standards mandatory and enforceable.

## **FERC denies rehearing of Version 2 Critical Infrastructure Protection Reliability Standards**

**E-9, *North American Electric Reliability Corp.***, Docket No. RD09-7-001. The Commission denied a request for rehearing of an order approving the revised Version 2 Critical Infrastructure Protection Reliability Standards. The Commission did grant clarification and a 90-day extension from the date of issuance of this order giving the

North American Electric Reliability Corp.'s time to develop the requested modification to the visitor control program.

### **FERC sets Trans Bay Cable's transmission revenue requirement for hearing**

**E-10**, *Trans Bay Cable*, Docket No. ER10-116-000. The Commission set for hearing and settlement judge procedures Trans Bay Cable's transmission revenue requirement in connection with its 400 megawatt submarine transmission line and associated facilities. The Commission did not set for hearing the issues approved in a 2005 order, and rejected Trans Bay Cable's request to include a new 50 basis point adder in its overall return on equity to reflect participation in the California Independent System Operator market.

### **FERC addresses rehearing of Integrated Balancing Authority Area**

**E-11**, *California Independent System Operator Corp.*, Docket Nos. ER08-1113-004, *et al.* The Commission denied rehearing of orders concerning Market Efficiency Enhancement Agreements between the California Independent System Operator Corp. (CAISO) and Integrated Balancing Authority Area market participants to price import and export transactions through the Sacramento Municipal Utility District and Turlock Irrigation District balancing authority areas. The Commission affirmed its conclusion that a Market Efficiency Enhancement Agreement signatory demonstrating that its resources within the Integrated Balancing Authority Area support a transaction with the CAISO may receive pricing under the transaction agreement.

### **FERC accepts compliance filing related to SPP's interconnection queue reforms**

**E-12**, *Southwest Power Pool*, Docket No. ER09-1254-001. The Commission accepted, subject to a further compliance filing, Southwest Power Pool's (SPP) compliance with an order conditionally accepting SPP's reforms to its Large Generator Interconnection Procedures. Among other things, the revisions create three interconnection study queues with different deposit and milestone requirements.

### **FERC sets paper hearing for refund concerning Entergy's allocation of capacity costs**

**E-17**, *Louisiana Public Service Commission and the City Council of New Orleans v. Entergy Corp.; Louisiana Public Service Commission v. Entergy Services*, Docket Nos. EL00-66-013 and EL95-33-009. The Commission initiated a paper hearing regarding the applicability of section 206(c) of the Federal Power Act and the appropriateness of the

refunds resulting from changes in the treatment of interruptible load in the allocation of capacity costs by the Entergy operating companies.

### **FERC defers further action on complaint until resolution of Item E-17**

**E-18**, *Louisiana Public Service Commission v. FERC*, Docket No. EL01-88-007. The Commission deferred further action in this case until resolution of a paper hearing in Item E-17 (above). The issues at question here are whether the Commission provided a sufficient rationale for not ordering refunds, and whether the Commission impermissibly delayed the implementation of the bandwidth remedy.

### **FERC denies rehearing of order on complaint concerning Entergy's OATT**

**E-19**, *ConocoPhillips Co. v. Entergy Services*, Docket No. EL08-59-001. The Commission denied rehearing of an order finding violations of Entergy Service's Open Access Transmission Tariff (OATT) when ConocoPhillips Co.'s transmission reservations were terminated in reverse queue order rather than on a *pro rata* basis.

### **FERC accepts revisions to Southern's Auction**

**E-20**, *Southern Co. Services*, Docket No. ER09-88-003. The Commission conditionally accepted Southern Co. Services' (Southern) revisions to its market-based rate tariff to include third-party sellers in the bid-based, day-ahead and hour-ahead auctions for energy that Southern operates in the Southern balancing authority area.

### **FERC accepts Southern's *pro forma* network operating agreement**

**E-22**, *Southern Operating Cos.*, Docket No. ER09-635-000. The Commission accepted Southern Operating Company's Open Access Transmission Tariff revisions to expedite the negotiation of future network operating agreements. The amendments include an unauthorized use penalty and a penalty for failure to manually shed load.

### **M-1 and M-2, News Release**

### **FERC clarifies requirements for Form No. 60 and the Uniform System of Accounts**

**M-3**, *Revised Filing Requirements for Centralized Service Companies Under the Public Utility Holding Company Act of 2005, the Federal Power Act, and the Natural Gas Act*,

Docket No. RM09-21-000. The Commission revised its regulations at 18 CFR 366.1, 366.23, 367.1, and 367.2 to require every centralized service company that provides non-power services to any public utility and any natural gas company, or both, to file Form No. 60 (Annual Report of Centralized Service Companies) annually and to abide by the Uniform System of Accounts, unless exempt or granted a waiver pursuant to 18 CFR 366.3 or 366.4. The Commission found that the current regulatory text did not clearly match the Commission's intent that centralized service companies be subject to these requirements. These revisions carry out the Commission's intent.

### **FERC affirms ROE for Kern River**

**G-1**, *Kern River Gas Transmission Co.*, Docket No. RP04-274-000, *et al.* The Commission affirmed its holding that Kern River Gas Transmission Co.'s (Kern River) return on equity should be 11.55 percent. The Commission also resolved all issues concerning Kern River's proposed Period One rates. The Commission also resolved issues concerning Kern River's proposed Period Two rates, holding that those rates must be levelized. Finally, the Commission set for hearing the remaining issues concerning the Period Two rates.

### **FERC addresses rehearing and complaints related to SFPP's 2008 indexed rates**

**G-2**, *SFPP, et al.*, Docket Nos. IS08-302-003; OR08-15-001; OR09-8-000; OR09-18-000. This case involves BP West Coast Products LLC's and ExxonMobil Oil Corporation's requests for rehearing of an order accepting SFPP's 2008 indexed rates and three separate complaints filed by BP and ExxonMobil, Chevron Products Co., and Tesoro Refining and Marketing Co. The Commission denied rehearing, set for hearing two discrete issues raised by Chevron and BP/ExxonMobil, dismissed the remaining Chevron and BP/ExxonMobil complaints and dismissed the Tesoro complaint.

### **FERC denies rehearing of license approval for the Santa Felicia Project in California**

**H-1**, *United Water Conservation District*, Project No. 2153-012. The Commission denied rehearing of an order approving a new license for the 1,420-kilowatt Santa Felicia Project on Piru Creek, a tributary of the Santa Clara River, in Ventura County, California, that occupies 174.5 acres of federal lands in the Los Padres and Angeles National Forests. The Commission determined that it was reasonable to rely on the analysis of the National Marine Fisheries Service (NMFS) in support of NMFS' biological opinion regarding impacts on endangered steelhead.

## **FERC denies rehearing of preliminary permits in Ohio and West Virginia**

**H-2, *McGinnis Inc.***, Project Nos. 13443-001, 13448-001, and 13454-001. The Commission denied rehearing of orders issuing preliminary permits for the Racine, Windfield and Market hydrokinetic projects in Ohio and West Virginia. The Commission concluded there is no evidence that the permits will impermissibly alter any existing licensed projects without the licensees' permission.

## **FERC modifies summer releases and turbidity monitoring for the El Dorado Project in California**

**H-3, *El Dorado Irrigation District***, Project No. 184-196. The Commission granted in part rehearing of an order modifying and approving the licensee's proposal for summer releases and turbidity monitoring relating to the geomorphology sensitive site investigation and mitigation plan. The 21-megawatt El Dorado project is located on the South Fork of the American River in El Dorado, Amador and Alpine Counties, California.

## **FERC establishes hearing procedures to address headwater benefits charges on the Penobscot River in Maine**

**H-4, *PPL Maine, PPL Great Works, and Bangor Pacific Hydro Associates***, Docket No. HB131-08-000. The Commission directed the appointment of an administrative law judge to conduct a hearing to determine the meaning and effectiveness of an agreement entered into by prior licenses in respect to whether three downstream licensees of projects located on the Penobscot River are liable to the licensee of upstream storage projects for charges for headwater benefits received by the downstream projects prior to May 7, 1999.

## **C-1 and C-2, Press Release**

## **FERC approves Fayetteville Express Pipeline system project in Arkansas and Mississippi**

**C-3, *Fayetteville Express Pipeline***, Docket No. CP09-433-000. The Commission issued a certificate to Fayetteville Express Pipeline to construct and operate its proposed Fayetteville Express Pipeline System project, which consists of approximately 185 miles of 42-inch diameter pipeline and 71,465 horsepower of compression, in Arkansas and Mississippi. The Commission approved the project because it would deliver up to 2 million dekatherms per day of natural gas from Fayetteville Shale production to Midwest,

Southeast and Northeast markets with minimal adverse environmental effects.

### **FERC denies Transco's request to abandon the McMullen Lateral in Texas**

**C-4**, *Transcontinental Gas Pipe Line Co. and Copano Field Services/Central Gulf Coast*, Docket No. CP09-38-000. The Commission denied Transcontinental Gas Pipe Line Co.'s request to abandon its McMullen Lateral in Texas by sale to Copano Field Services. The Commission determined that Transco failed both to support its contention that the McMullen Later is underutilized to the extent that it no longer is essential to the provisions of Transco's open-access interstate transportation service, and provide evidence to support alleged benefits of the abandonment.

### **FERC vacates certificate for National Fuel to lease capacity to Tennessee Gas**

**C-5**, *National Fuel Gas Supply Corp.*, Docket Nos. CP02-48-000 and CP02-53-000. The Commission granted National Fuel Gas Supply Corp.'s (National Fuel) request that the Commission vacate the certificate and abandonment authorizing National Fuel to lease capacity to Tennessee Gas Pipeline Company (Tennessee) and to abandon Rate Schedule X-51 and related service to Tennessee, and to construct and operate compression facilities to increase capacity for the lease. These authorizations are related to a portion of the approved project that did not go forward.