

# October 2010 Meeting Summaries

These are summaries of orders voted on by the Federal Energy Regulatory Commission at its October 21, 2010, public meeting. They are produced by the FERC Office of External Affairs and are intended to provide only a general synopsis of the orders. They are not intended as a substitute for the Commission's orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary.

[E-1, Handout](#)

E-2, News Release

E-3, News Release

## **FERC conditionally approves revisions to NERC delegation agreements**

**E-4, *North American Electric Reliability Corporation***, Docket No. RR10-11-000. The Commission conditionally approved the North American Electric Reliability Corporation's (NERC) revised *Pro Forma* Delegation Agreement, each of the revised Delegation Agreements entered into by NERC and the eight Regional Entities, the proposed amendments to NERC's Rules of Procedure, and the proposed amendments to the Bylaws of the Midwest Reliability Organization and Florida Reliability Coordinating Council. The *Pro Forma* Delegation Agreement is an improvement to the activities and relationships between NERC and the Regional Entities, reflecting lessons learned from the first four years of experience operating under the new reliability requirements of section 215 of the Federal Power Act, added by the Energy Policy Act of 2005. The changes include a new section 8 setting forth process and procedures for NERC's oversight of the Regional Entities, and a change to section 12 providing that the term of the delegation agreements will now be five years (rather than three years).

E-5, News Release

E-6, News Release

## **FERC proposes to approve Planning Resource Adequacy Assessment reliability standard**

**E-8, *Planning Resource Adequacy Assessment Reliability Standard***, Docket No. RM10-10-000. The Commission proposed to approve a regional Reliability Standard, BAL-502-RFC-02, Planning Resource Adequacy Analysis, Assessment and Documentation, developed by ReliabilityFirst Corporation (RFC) and submitted by the North American Electric Reliability Corporation. The proposed standard requires planning coordinators within the RFC geographical footprint to annually analyze, assess and document resource adequacy for load in the RFC footprint, to use a “one day in 10 year” loss of load criterion and to document and post load and resource capability in each area or transmission-constrained sub-area identified.

### **FERC proposes to accept WECC’s Qualified Transfer Path Unscheduled Flow Relief reliability standard**

**E-9, *North American Electric Reliability Corporation***, Docket No. RM09-19-000. The Commission proposed to accept the Western Electric Coordinating Council (WECC) Qualified Transfer Path Unscheduled Flow Relief regional Reliability Standard, and asked for further clarification regarding several aspects of the interaction among the proposed regional Reliability Standard, the corresponding continent-wide Reliability Standard and WECC’s Unscheduled Flow Mitigation Plan.

### **FERC accepts CAISO’s governance compliance filing**

**E-10, *California Independent System Operator Corporation***, Docket No. ER09-1048-000. The Commission accepted the California Independent System Operator Corporation’s (CAISO) compliance filing regarding Order No. 719’s requirement that Regional Transmission Organization/Independent Transmission System Operators adopt procedures and/or structural reforms as necessary to ensure that the board of directors is responsive to the needs of its customers and stakeholders. The Commission found that the compliance filing on existing governance procedures and stakeholder processes satisfies the requirements of Order No. 719. The Commission also noted that additional reforms were proposed in a technical conference proceeding and should be considered by CAISO and its stakeholders, but that these reforms are not required by Order No. 719.

### **FERC accepts Midwest ISO’s governance compliance filing**

**E-11, *Midwest Independent Transmission System Operator, Inc.*** Docket No. ER09-1049-000. The Commission accepted the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) compliance filing regarding Order No. 719’s requirement that Regional Transmission Organization/Independent Transmission System Operators adopt procedures and/or structural reforms as necessary to ensure that the board of directors is

responsive to the needs of its customers and stakeholders. The Commission found that the compliance filing on governance procedures and stakeholder processes satisfies the requirements of Order No. 719. The Commission also noted that additional reforms were proposed in a technical conference proceeding and should be considered by Midwest ISO and its stakeholders, but that these reforms are not required by Order No. 719.

### **FERC accepts SPP's governance compliance filing**

**E-12**, *Southwest Power Pool Inc.* (SPP), Docket No. ER09-1050-000. The Commission accepted the Southwest Power Pool Inc.'s (SPP) compliance filing regarding Order No. 719's requirement that Regional Transmission Organization/Independent Transmission System Operators adopt procedures and/or structural reforms as necessary to ensure that the board of directors is responsive to the needs of its customers and stakeholders. The Commission found that the compliance filing on governance procedures and stakeholder processes satisfies the requirements of Order No. 719. The Commission also noted that additional reforms were proposed in a technical conference proceeding and should be considered by SPP and its stakeholders, but that these reforms are not required by Order No. 719.

### **FERC accepts ISO-NE's governance compliance filing**

**E-13**, *ISO New England Inc. and New England Power Pool*, Docket No. ER09-1051-000. The Commission accepted ISO New England Inc. (ISO-NE) and New England Power Pool's (NEPOOL) compliance filing regarding Order No. 719's requirement that Regional Transmission Organization/Independent Transmission System Operators adopt procedures and/or structural reforms as necessary to ensure that the board of directors is responsive to the needs of its customers and stakeholders. The Commission found that the compliance filing on governance procedures and stakeholder processes satisfies the requirements of Order No. 719. The Commission also noted that additional reforms were proposed in a technical conference proceeding and should be considered by ISO-NE, NEPOOL and stakeholders, but that these reforms are not required by Order No. 719. The Commission also accepted the proposed revisions to ISO-NE's mission statement, and rejected alternative proposals as beyond the scope of the proceeding.

### **FERC accepts PJM's governance compliance filing**

**E-14**, *PJM Interconnection, L.L.C.*, Docket No. ER09-1063-000. The Commission accepted PJM Interconnection, L.L.C.'s (PJM) compliance filing regarding Order No. 719's requirement that Regional Transmission Organization/Independent Transmission System Operators (RTO/ISO) adopt procedures and/or structural reforms as necessary to

ensure that the board of directors is responsive to the needs of its customers and stakeholders. The Commission found that the compliance filing on governance procedures and stakeholder processes satisfies the requirements of Order No. 719. The Commission also noted that additional reforms were proposed in a technical conference proceeding and should be considered by PJM and its stakeholders, but that these reforms are not required by Order No. 719.

### **FERC accepts NYISO's governance compliance filing**

**E-15**, *New York Independent System Operator, Inc.*, Docket No. ER09-1142-000. The Commission accepted the New York Independent System Operator, Inc.'s (NYISO) compliance filing regarding Order No. 719's requirement that Regional Transmission Organization/Independent Transmission System Operators (RTO/ISO) adopt procedures and/or structural reforms as necessary to ensure the board of directors is responsive to the needs of its customers and stakeholders. The Commission found that the compliance filing on governance procedures and stakeholder processes satisfies the requirements of Order No. 719. The Commission also noted that additional reforms were proposed in a technical conference proceeding and should be considered by NYISO and its stakeholders, but that these reforms are not required by Order No. 719.

### **FERC approves settlement of RMR agreement dispute between Dynegy South Bay and the CAISO**

**E-16**, *Dynegy South Bay, LLC*, Docket No. ER10-166-000. The Commission approved an uncontested settlement agreement resolving all issues set for hearing by the Commission on proposed revisions to a Reliability Must-Run Agreement between Dynegy South Bay, LLC and the California Independent System Operator.

### **FERC accepts rate settlements between Public Service Company of Colorado and certain of its wholesale customers**

**E-18**, *Public Service Company of Colorado*, Docket Nos. ER10-192-000, *et al.* The Commission accepted revised tariff sheets reflecting multiple uncontested settlement agreements between Public Service Company of Colorado and Black Hills/Colorado Electric Utility Company, LP; City of Burlington, Colorado; Town of Center, Colorado; Grand Valley Rural Power Lines, Inc.; Holy Cross Electric Association, Inc.; Intermountain Rural Electric Association; and Yampa Valley Electric Association, Inc. These reflect a proposed rate increase to wholesale base rates. The Commission approved the settlements and accepted for filing the accompanying revised tariff sheets, finding that they appear to be just and reasonable.

G-1, News Release

G-2, News Release

### **FERC conditionally accepts non-conforming service agreements**

G-3, *Portland Natural Gas Transmission System*, Docket No. RP10-758-000. The Commission accepted, subject to conditions, 58 non-conforming service agreements filed by Portland Natural Gas Transmission System. The Commission directed a compliance filing providing, among other things, additional information on deviations in certain of the service agreements from the *pro forma* service agreement.

### **FERC grants rehearing, in part, of the license order for the Flint Creek Project**

H-1, *Granite County, Montana*, Project No. 12107-005. The Commission granted, in part, a request for rehearing by Granite County, Montana, of an order issuing a new license for the Flint Creek Project. The project is located in Granite and Deer Lodge Counties, Montana. The county had argued that it should be allowed to operate the project reservoir flexibly to determine which of potentially conflicting interests should be met. The Commission's the order notes the need for clear, enforceable license conditions, made some changes to Article 402, and explained how that gives the county an appropriate amount of flexibility.

### **FERC affirms prior order granting rehearing of order approving a fish screen hydraulic evaluation report for the Leaburg-Waltermville Project in Lane County, Oregon**

H-2, *Eugene Water and Electric Board*, Project No. 2496-222. The Commission denied the licensee's request for rehearing of a prior Commission order granting Oregon's Department of Fish and Wildlife's request for rehearing of a staff order approving a fish screen hydraulic evaluation report with the respect to Eugene's Leaburg-Waltermville Hydroelectric Project, on the McKenzie River in Lane County, Oregon. The Commission affirmed the prior determination that the Leaburg fish screens had failed to meet the approved fish screen evaluation plan's target levels for maximum approach velocity and allowable approach deviation.

### **FERC denies rehearing of order denying preliminary permit for the Thermalito Afterbay Dam in Butte County, California**

**H-3, *Thermalito Hydro, LLC***, Project No. 13794-001. The Commission denied rehearing of a staff order dismissing a preliminary permit application proposing to study the feasibility of developing hydropower at Thermalito Afterbay Dam and outlet. The dam and outlet are features of an existing licensed project, the Oroville Project, on the Feather River in Butte County, California. The Commission said it is not possible to determine with certainty whether the proposed project would use the same water resource as the Oroville Project.

### **FERC finds that Weaver's Cove has not satisfied a condition of the July 2005 certificate order**

**C-2, *Weaver's Cove Energy, LLC***, Docket No. CP04-36-006. The Commission granted rehearing, in part, of a staff order that, among other things, granted requests by Weaver's Cove to modify certain aspects of the design for the Weaver's Cove LNG terminal site, and found that Weaver's Cove had satisfied Condition 40 of the July 2005 certificate order relating to a parcel of land known as the Wedge Lot. The Commission reaffirmed that the staff order did not authorize commencement of site construction activities or any other activities that could affect a coastal use or resource. The Commission concluded that Condition 40 had not been met because it remains unclear who owns the Wedge Lot and whether Weaver's Cove has satisfied the Department of Transportation's exclusion zone regulations.

### **FERC approves abandonment and lease of Texas Gas capacity**

**C-3, *Texas Eastern Transmission, LP and Texas Gas Transmission, LLC***, Docket No. CP10-490-000. The Commission granted Texas Gas Transmission, LLC's (Texas Gas) request for approval to abandon capacity it leased on Texas Eastern Transmission, LP's (Texas Eastern) system and Texas Eastern certificate authority to reacquire the capacity associated with terminating the lease with Texas Gas. The Commission concluded that Texas Eastern's reacquisition of 103,500 Dekatherm per day of capacity is required by the public convenience and that it will not harm existing shippers.

### **FERC grants exemption for test drilling in a depleted oil field in Uinta County, Wyoming**

**C-4, *Ryckman Creek Resources, LLC***, Docket No. CP10-498-000. The Commission granted Ryckman Creek Resources, LLC an exemption from the requirements of section

7 of the Natural Gas Act for the purpose of drilling a stratigraphic test well in a depleted oil field in Uinta County, Wyoming. The company plans to drill to determine the suitability of this area for the development of a natural gas storage facility.

### **FERC approves transfer of ownership of Pennsylvania storage facilities**

**C-5**, *UGI Storage Company and UGI Central Penn Gas, Inc.*, Docket Nos. CP10-23-000 and CP10-24-000. The Commission granted UGI Storage Company's application for certificate authority to acquire and operate UGI Central Penn Gas, Inc.'s interests in the Tioga, Meeker and Wharton storage facilities in Pennsylvania, and for market-based rates for the storage services it will provide. Granting the application will add to the competition in this region and provide more alternative facilities to meet natural gas demand, FERC said.

### **FERC approves amendment to certificate allowing additional capacity at the Elk City storage field in Kansas**

**C-7**, *Southern Star Central Gas Pipeline, Inc.*, Docket No. CP10-2-001. The Commission granted Southern Star Central Gas Pipeline, Inc.'s (Southern Star) request to amend its certificate authorizing it to increase the total and working gas capacity of the Elk City storage field in Kansas. Specifically, the Commission accepted the proposal to convert an additional 1.4 billion cubic feet (Bcf) of base gas capacity to working gas capacity at the Elk City storage field and to provide storage service using the additional 1.4 Bcf of capacity at market-based rates. The Commission approved the amended proposal because the benefits Southern Star's project will provide to the market outweigh the minimal harms to existing customers, other pipelines, landowners or communities.

**FERC conditionally approves Duke Energy Ohio and Duke Energy Kentucky's move from the Midwest ISO to PJM**

**E-1**, *Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.*, Docket Nos. ER10-1562-000 and ER10-2254-000. The Commission approved, subject to conditions and the outcome of future proceedings, the move of Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc. from the Midwest Independent Transmission System Operator, Inc. to PJM Interconnection, L.L.C. (PJM). Subject to conditions and the outcome of future proceedings, the Commission found that the applicants met the standard for withdrawal from a Regional Transmission Organization (RTO), and the Commission rejected requests that it change how it evaluates applications to withdraw from an RTO. The Commission also accepted the Fixed Resource Requirement Integration Plan, which details Duke's proposal to meet PJM resource adequacy requirements from the date of transmission system integration, January 1, 2012, up to the date of full participation in PJM's capacity market, June 1, 2014.