

# December 2010 Meeting Summaries

These are summaries of orders voted on by the Federal Energy Regulatory Commission at its December 16, 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, News Release

## **FERC approves merger of FirstEnergy and Allegheny**

E-2, *FirstEnergy Corp. and Allegheny Energy, Inc.*, Docket No. EC10-68-000. The Commission approved the merger of FirstEnergy Corp. (FirstEnergy) and Allegheny Energy, Inc. (Allegheny). Under the proposal, FirstEnergy will acquire Allegheny through a stock-for-stock exchange in which Allegheny stockholders will receive FirstEnergy stock worth approximately \$4.7 billion. The Commission concluded that the proposed transaction was consistent with the public interest.

E-3 and E-5, News Release

## **FERC accepts proposed Attachment X to Entergy's Open Access Transmission Tariff, which gives the Entergy-Regional State Committee authority to direct Entergy to make certain filings**

E-4, *Entergy Arkansas, Inc., et al.*, Docket No. ER11-1923-000. The Commission stated that Entergy Operating Companies' (Entergy) proposed Attachment X to its open access transmission tariff (OATT). The proposed Attachment X gives the Entergy-Regional State Committee the authority to direct Entergy to (1) make a filing under section 205 of the Federal Power Act to change the cost allocation for transmission upgrades or modify the time horizon of the Entergy Base Plan and (2) add projects to Entergy's Construction Plan. The proposal directly responds to the issues and concerns of the state regulators and stakeholders on the Entergy system.

## **FERC denies without prejudice Grasslands' request to guarantee priority transmission rights for the Wind Spirit Project**

**E-6, *Grasslands Renewable Energy LLC***, Docket No. EL10-51-000. The Commission denies Grassland Renewable Energy LLC's (Grasslands) proposal to guarantee priority transmission rights to certain customers who agree to participate in the Wind Spirit Project that is not available to other customers. The proposal would grant an undue preference to those transmission customers participating in the Wind Spirit Project, and it is, therefore, inconsistent with section 205 of the Federal Power Act and the Commission's open-access principles. The requested approvals are denied without prejudice to Grasslands revising its proposal to comport with the Commission's open-access principles.

## **FERC proposes to approve four WECC regional Reliability Standards**

**E-7, *Version One Regional Reliability Standards for Facilities Design, Connections, and Maintenance; Protection and Control; and Voltage and Reactive***, Docket No. RM09-9-000. The Commission proposed to approve four regional Reliability Standards developed by the Western Electricity Coordinating Council (WECC). The regional Reliability Standards have been designated by WECC as FAC-501-WECC-1 – Transmission Maintenance, PRC-004-WECC-1 – Protection System and Remedial Action Scheme Misoperation, VAR-002-WECC-1 – Automatic Voltage Regulators, and VAR-501-WECC-1 – Power System Stabilizer. The Commission also proposed to direct the Western Electricity Coordinating Council to develop certain modifications to the proposed regional Reliability Standards. The Commission also seeks comment on certain provisions and whether it should direct the North American Electric Reliability Corporation to modify existing or develop certain new continent-wide Reliability Standards.

## **FERC proposes to approve a WECC System Operating Limits Reliability Standard**

**E-8, *Version One Regional Reliability Standard for Transmission Operations***, Docket No. RM09-14-000. The Commission proposed to approve a revised regional Reliability Standard TOP-007-WECC-1 (System Operating Limits) developed by the Western Electricity Coordinating Council (WECC) and approved by the North American Electric Reliability Corporation. The Commission also proposed to direct WECC to develop certain modifications to the proposed regional Reliability Standard, poses questions about several aspects of the proposed WECC Reliability Standard and requests comments on the identified concerns.

## **FERC proposes to accept NERC interpretation of the Transmission and Generation Protection System Maintenance and Testing Reliability Standard**

**E-10**, *Interpretation of Protection System Reliability Standard*, Docket No. RM10-5-000. The Commission proposed to accept the North American Electric Reliability Corporation's (NERC) interpretation of Requirement R1 of Commission-approved Reliability Standard PRC-005-1 (Transmission and Generation Protection System Maintenance and Testing). The Commission also proposed to direct NERC to develop modifications to the PRC-005-1 Reliability Standard, through its Reliability Standards development process, to address gaps in Protection System maintenance and testing standard that are highlighted by the proposed interpretation.

## **FERC approves schedule for adopting a Frequency Response Reliability Standard**

**E-11**, *North American Electric Reliability Corporation*, Docket Nos. RM06-16-010 and RM06-16-011. The Commission accepted the North American Electric Reliability Corporation (NERC) compliance filing concerning a proposed schedule to develop requirements for minimum levels of frequency response needed for Reliable Operation consistent with the Commission's directives in Order No. 693.

## **FERC proposes to approve NERC interpretation of the Operational Reliability Information and Reliability Coordination standards**

**E-12**, *Electric Reliability Organization Interpretations of Interconnection Reliability Operations and Coordination and Transmission Operations Reliability Standards*, Docket No. RM10-8-000. The Commission proposed to approve the North American Electric Reliability Corporation's (NERC) interpretation of certain specific requirements of the Commission-approved Reliability Standards, TOP-005-1, Operational Reliability Information, and IRO-005-1, Reliability Coordination – Current-Day Operations. Specifically, the interpretation addresses whether a Special Protection System that is operating with only one communication channel in service is “degraded” under these standards. The Commission proposes to approve the interpretation, as being consistent with and not expanding or changing the existing Reliability Standards.

## **FERC denies rehearing of order addressing Violation Severity Levels to critical infrastructure protection reliability standards**

**E-13**, *Mandatory Reliability Standards for Critical Infrastructure*, Docket No. RM06-22-012. The Commission denied a request for rehearing of an order addressing Violation Severity Level assignments for critical infrastructure protection reliability standards. The

Commission affirmed its prior determination establishing two additional guidelines in the underlying order and directing the North American Electric Reliability Corporation to make certain modifications to align the Violation Severity Levels with the newly established guidelines.

### **FERC grants clarification concerning payments of refunds**

**E-14**, *Louisiana Public Service Commission and the Council of the City of New Orleans v. Entergy Corporation*, Docket No. EL00-66-015. The Commission clarified an order addressing a refund report, which found, among other things, that Entergy had not yet paid certain refunds. The Commission's clarification removes the inaccurate statement in the earlier order that Entergy had not yet paid certain refunds; that statement resulted from an Entergy letter stating it had paid the refunds not being posted on eLibrary.

### **FERC accepts large generator interconnection agreement among ISO-NE, New England Power Company and Rhode Island Central Genco**

**E-15**, *ISO New England, Inc.*, Docket No. ER11-1918-000. The Commission accepted an unexecuted large generator interconnection agreement among ISO New England Inc. (ISO-NE), New England Power Company, and Rhode Island Central Genco, LLC. The Commission explained that the cost allocation proposed in the large generator interconnection agreement, allocating the costs of network upgrades to the interconnecting generator, is just and reasonable and consistent with the terms of the ISO-NE Tariff.

### **FERC addresses filing concerning ISO-NE's Forward Capacity Auction**

**E-16**, *ISO New England Inc.*, Docket No. ER10-2477-002. The Commission accepted a filing by ISO New England Inc. (ISO-NE) detailing the results of ISO-NE's fourth Forward Capacity Auction, which procured capacity for the 2013-2014 Commitment Period. While ISO-NE rejected the de-list bids of two of the Salem Harbor units. The Commission required ISO-NE to submit a compliance filing within 60 days that either identifies alternatives to resolve the reliability-based need for the Salem Harbor units and the time to implement those solutions, or includes an expedited timeline for identifying and implementing alternatives.

## **FERC approves BHE Holding's acquisition of Maine & Maritimes Corporation**

**E-18**, *BHE Holdings Inc., Maine & Maritimes Corporation*, Docket No. EC10-67-000. The Commission approved BHE Holdings Inc.'s application to acquire all of the stock of Maine & Maritimes Corporation, including Maine Public Service Company (MPS), as consistent with the public interest. The order determined that costs related to integration of MPS with the ISO-New England are not related to the instant proceeding and approved a proposed amendment to the application to the extent that it binds applicants and the protestor to certain actions, but the Commission does not accept the implication that it is bound to certain actions.

## **FERC terminates review of penalties imposed on Army Corp of Engineers for reliability violations**

**E-20**, *North American Electric Reliability Corporation*, Docket No. NP10-160-000. The Commission terminated its review of the zero-dollar penalty imposed on the Army Corps of Engineers-Tulsa District (Corps) for violations of certain Reliability Standards adopted under section 215 of the Federal Power Act, and allowed that penalty to take effect. The Commission affirmed its prior ruling that federal entities such as the Corps that use, own, or operate the Bulk-Power System must comply with mandatory Reliability Standards under section 215 of the Federal Power Act.

## **FERC grants waivers of NAESB standards**

**E-21**, *ISO New England Inc.*, Docket No. ER11-1947-000. The Commission granted certain limited waiver requests regarding North American Energy Standards Board (NAESB) standards under the Wholesale Electric Quadrant (WEQ). ISO New England Inc. (ISO-NE) requested a renewal of waivers of certain WEQ standards for which it was previously granted waiver in two prior orders. The order granted a renewal of these waivers because ISO-NE certified that the circumstances supporting the waivers are still in effect, and granted additional minor waivers.

## **G-1, News Release**

## **FERC issues Notice of Inquiry to evaluate the information collected in the semi-annual natural gas storage reports**

**G-2**, *Storage Reporting Requirements of Interstate and Intrastate Natural Gas Companies*, Docket No. RM11-4-000. In this Notice of Inquiry, the Commission seeks

comment on whether the information collected in the semi-annual natural gas storage reports should be modified in light of changes in the natural gas market, whether there should be a standardized electronic format for the storage reports, and whether storage reports must be made public. In issuing the Notice of Inquiry, the Commission noted that in recent years it had updated almost all of its other reporting requirements to standardize the filing format, clarify their public status, and streamline the process of publishing the reported data for public use.

### **FERC addresses rehearing of reporting requirement for section 311 and Hinshaw pipelines**

**G-3**, *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Docket No. RM09-2-001. The Commission largely reaffirmed Order No. 735, in which it required intrastate natural gas providing interstate transportation service and Hinshaw pipelines providing interstate transportation service pursuant to blanket certificates to file public quarterly reports of the basic terms of their contracts with shippers for transportation and storage service. The Commission, however, removed the requirement that contract end dates for interruptible contracts be reported, modified the per-customer revenue reporting requirement to collect the data only on an annual basis and to exclude storage revenues, extended the quarterly filing deadlines to 60 days from the end of the quarter, and also clarified several matters including that Form No. 549D should reflect the data on the billing statements to customers.

### **FERC denies request for rehearing of Columbia's scheduling penalties**

**G-4**, *Columbia Gas Transmission Corporation*, Docket No. RP07-340-007. The Commission denied a request for rehearing challenging earlier orders approving Columbia Gas Transmission Corporation's scheduling penalties. The Commission found that the 3 percent scheduling penalty tolerance level approved for critical periods was justified, and the requirements of Order No. 637 to provide services to manage imbalances had been met.

### **FERC denies rehearing of order concerning Columbia's rate filing related to quantities in storage**

**G-5**, *Columbia Gas Transmission Corp.*, Docket No. RP08-295-002. The Commission largely denied rehearing of an order on a filing by Columbia Gas Transmission Corp. (Columbia Gas) proposing revisions to its SIT Rate Schedule; the Commission reaffirmed that, while shippers taking SIT service are not exempt from the incurrence of penalties, it is unreasonable to impose scheduling penalties on a shipper taking SIT

service when that shipper has complied with the terms and conditions of the service. Rate Schedule SIT service allows shippers to balance differences between actual receipts and actual deliveries under a shipper's transportation service agreements through the injection into and withdrawal out of storage.

### **FERC accepts surrender of a license for a hydroelectric project in Klickitat and Skamania Counties, WA**

**H-1**, *PacifiCorp*, Project No. 2342-005 and 011. The Commission accepted the surrender of the license for the Condit Project, on the White Salmon River in Klickitat and Skamania Counties, Washington, authorized the removal of all project facilities except the powerhouse and dismissed a subsequent its earlier-filed relicense application. The Commission found that the benefits of dam removal to anadromous fish, wildlife, and whitewater recreation outweigh the costs associated with removing Condit dam and Northwestern Lake.

### **FERC approves pipeline project in Western Pennsylvania**

**C-1**, *National Fuel Gas Supply Corporation*, Docket Nos. CP10-457-000 and CP07-458-000. The Commission granted National Fuel Gas Supply Corporation's request for authorization to construct and operate the Line N Relocation and Interconnect Project and the Line N Compressor Installation Expansion Project in western Pennsylvania. The Commission authorized the projects because they will enhance the reliability of service to existing customers and provide benefits to the market without any identifiable harm to existing customers, other pipelines, landowners and communities.

### **FERC approves revisions to certificate permitting leases of capacity between Columbia and Millennium**

**C-2**, *Columbia Gas Transmission, LLC and Millennium Pipeline Company, LLC*, Docket No. CP10-488-000. The Commission approved an application from Columbia Gas Transmission, LLC (Columbia) and Millennium Pipeline Company, LLC (Millennium) to amend their certificate authority authorizing Columbia to lease capacity from Millennium and Millennium to lease capacity from Columbia. The proposal amends various provisions of the leases between Columbia and Millennium to clarify receipt and delivery point rights and to allocate capacity at shared points of receipt and delivery. The proposed lease revisions will not reduce the quantity or reliability of service to existing shippers or result in inappropriate imbalance penalties or other charges.

## **FERC approves construction of pipeline lateral in Hot Spring County, AR**

**C-3**, *Texas Eastern Transmission, LP*, Docket No. CP10-471-000. The Commission granted Texas Eastern Transmission, LP (Texas Eastern) a certificate of public convenience and necessity to construct and operate 8.4 miles of 16-inch pipeline lateral facilities to enable Texas Eastern to provide up to 112,000 dekatherms a day of firm transportation service to KGen Hot Spring, LLC's Hot Spring Energy Facility in Hot Spring County, Arkansas. The project will enable Texas Eastern to meet KGen Hot Spring's service request and provide the Hot Spring Energy Facility with access to additional gas supplies with minimal harm to existing customers, other pipelines, landowners or communities.