

May 2012

Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its May 17, 2012 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at www.ferc.gov.

E-1 – Press Release

E-5 – Press Release

FERC initiates an investigation of MISO formula rate protocols under Federal Power Act section 206

E-3, *Midwest Independent Transmission System Operator, Inc., et al.*, Docket No. EL12-35-000. The order initiates an investigation under section 206 of the Federal Power Act and establishes paper hearing procedures to determine whether the formula rate protocols under the transmission tariff of the Midwest Independent Transmission System Operator, Inc. (MISO), as well as the formula rate protocols that each of the MISO transmission owners have on file with the Commission, are sufficient to ensure just and reasonable rates. The formula rate protocols essentially establish a vetting process for the MISO transmission owners' formula rate inputs. Specifically, the order identifies three areas of concern with the current protocols: (1) the scope of participation in this process, i.e., who will have access to information concerning the transmission owners' formula rate inputs; (2) the transparency of the information provided by transmission owners, i.e., what information is provided; and (3) the ability to challenge transmission owners' implementation of the formula rate, i.e., how challenges may be resolved. Initial briefs are due within 30 days of publication in the Federal Register of notice of the Commission's instituting the proceeding, and reply briefs are due 21 days after the filing of initial briefs.

FERC approves PJM's Order No. 755 compliance filing, subject to conditions

E-4, *PJM Interconnection, L.L.C.*, Docket No. ER12-1204-000. The order addresses a compliance filing and proposed tariff revisions submitted by PJM in response to Order No. 755 (the Commission's rulemaking directive requiring

RTOs and ISOs to establish a two-part compensation methodology, including both a capacity-based payment and a performance-based payment for frequency regulation service). The order finds that PJM's compliance filing satisfies the requirements of Order No. 755, subject to conditions.

FERC rejects, without prejudice, application to terminate QF mandatory purchase obligation

E-7, *Public Service Company of New Mexico*, Docket Nos. QM12-2-000 and QM12-2-001. The order rejects, without prejudice to refile as a new application, PNM's application to terminate its qualifying facility (QF) mandatory purchase obligation because PNM has not provided the required list of potentially-affected QFs.

FERC denies request for rehearing

E-9, *ISO New England, Inc.*, Docket No. ER11-4336-004. This order denies rehearing of the Commission's January 19, 2012 order accepting, with conditions, ISO-NE's two-stage Order No. 745 (the Commission's rulemaking directive on demand response compensation) compliance filing proposal, which included a transition period in which it would implement many of the changes necessary to comply with Order No. 745, and a later fully integrated solution which would be in full compliance with Order No. 745.

FERC denies request for rehearing

E-10, *Californians for Renewable Energy, Inc., (CARE) and Barbara Durkin v. National Grid, Cape Wind and the Massachusetts Department of Public Utilities*, Docket No. EL11-9-001. This order denies CARE's request for rehearing of the Commission's November 7, 2011 order dismissing CARE's complaint against National Grid, Cape Wind, and the Massachusetts Department of Public Utilities.

FERC grants, in part, petition for declaratory order on participant funding of transmission lines

E-12, *National Grid Transmission Services Corporation and Bangor Hydro Electric Company (Northeast Energy Link)*, Docket No. EL11-49-000. The order grants National Grid Transmission Services Corporation's and Bangor Hydro Electric Company's (together, the Northeast Energy Link parties') petition for a declaratory order, but only on the limited issue of whether a generator's funding the construction of a high voltage direct current transmission line, in return for priority rights to the line's capacity, is consistent with the Commission's open access transmission requirements. The order explains that participant funding in

and of itself is not inconsistent with the Commission's open access transmission requirements.

FERC denies request for rehearing and clarification

H-1, *Wyco Power and Water, Inc.*, Project No. 14263-001. The order denies Wyco's request for rehearing and clarification of a February 2012 staff order dismissing its preliminary permit application for a proposed project that would include a new 501-mile-long water pipeline and seven hydropower developments to be located in Wyoming and Colorado.

FERC denies rehearing

H-3, *Borough of Weatherly, Pennsylvania*, Project No. 14358-001. The order denies the Borough of Weatherly, LLC's rehearing request of a previous staff order that dismissed as late-filed its competing preliminary permit application to study the feasibility of developing the hydroelectric power potential at the U.S. Army Corps of Engineers' Francis E. Walter Dam, located on the Lehigh River, in Luzerne County, Pennsylvania.

FERC approves, with certain modifications and conditions, non-project use of project lands and waters

H-5, *Public Utility District No. 1 of Chelan County, Washington*, Project No. 2145-109. The order authorizes the licensee, Public Utility District No. 1 of Chelan County, Washington, to permit Beebe Ranch, LLC to construct boat dock facilities within the project boundary. The marina facilities would be located on the Columbia River in Douglas County, Washington, and would consist of a 40-slip community boat dock and an access area to be used by the residents of the Beebe residential community. The order directs the licensee to include in Beebe Ranch's permit certain modifications and conditions.

FERC dismisses petition for declaratory order

H-6, *Public Utility District No. 2 of Grant County, Washington*, Project No. 2114-250. The order dismisses as premature a petition by Public Utility District No. 2 of Grant County, Washington for an order declaring that state and local regulation is preempted with respect to a fish protection facility that Grant County proposes to construct as mitigation for the impacts of its Priest Rapids Project, located on the Mid-Columbia River, in Washington. The order concludes that Grant County needs to file an amendment application seeking Commission authorization for the facility in question before the issue of preemption will be ripe.

FERC authorizes replacement facilities and increased natural gas storage deliverability

C-1, *Natural Gas Pipeline Company of America LLC*, Docket No. CP11-547-000. The order authorizes Natural's proposed 2012 Storage Optimization Project, which is designed to replace aging compressor units with new equipment, optimize Natural's market-area storage withdrawal and injection capabilities, and improve the flexibility and reliability of its Gulf Coast Mainline System. Specifically, the order authorizes Natural to construct and operate compression facilities in Washington County, Iowa and Effingham County, Illinois, and to abandon certain compression facilities in Clinton and Platt Counties, Illinois. The order also grants, as part of the proposed project, Natural's requests for authority to reduce the cushion gas inventory at its North Lansing Storage Field in Harrison County, Texas; increase the certificated peak day storage deliverability of its Keota St. Peter Reservoir in Washington County, Iowa; and increase the meter capacity at its Compressor Station 205. In addition, the order grants Natural's request for a pre-determination that it may roll the costs associated with the proposed facilities into its system rates in a future Natural Gas Act section 4 rate case, absent any significant change in circumstances, as the project will provide operational benefits to existing customers. No party filed a protest to Natural's application.

FERC authorizes project to install and operate new compressor units and related facilities at Elba Island LNG import terminal in GA

C-2, *Southern LNG Company, L.L.C.*, Docket No. CP12-31-000. The order authorizes Southern LNG to install and operate a new 2,500 horsepower electric motor-driven compressor and related facilities at the site of its existing liquefied natural gas (LNG) import terminal located at Elba Island near Savannah, Georgia to capture and compress natural gas that boils off from the LNG storage tanks and inject it into the downstream interstate pipelines.