

June 2013

Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its June 20, 2013 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 summaries 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 and E-2 – Press Release

E-3, E-4, E-5, and E-13 – Press Release

FERC grants petition for declaratory order

E-6, *Western Electricity Coordinating Council*, Docket No. EL13-52-000. This order conditionally grants the Western Electricity Coordinating Council's (WECC) petition for declaratory order regarding its plan to establish a separate, independent company, RC Company, to perform the reliability coordinator function in the WECC region.

FERC proposes a rule

E-7, *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards*, Docket No. RM13-8-000. This notice of proposed rulemaking (NOPR) addresses the North American Electric Reliability Corporation's (NERC) proposed retirement of 34 requirements within 19 Reliability Standards in response to the Commission's proposal in paragraph 81 of the March 15, 2012 order in Docket No. RC11-6-000. The NOPR proposes to approve the retirement of the 34 requirements that either provide little protection for Bulk-Power System reliability or are redundant with other aspects of the Reliability Standards. In addition, the NOPR proposes to withdraw 41 outstanding Commission directives that NERC make modifications to Reliability Standards that have been addressed in some other manner, are redundant with another directive, or provide general guidance as opposed to a specific directive.

FERC approves a revised Reliability Standard

E-8, *North American Electric Reliability Corp.*, Docket No. RD13-3-000. The order approves a revised Reliability Standard on Event Reporting, EOP-004-2, which would replace two existing Reliability Standards, EOP-004-1- Disturbance Reporting and CIP-001-2a - Sabotage Reporting. The revised standard requires responsible entities to report events to relevant entities, including law enforcement, within a 24-hour period, and identifies the threshold requirements that trigger the reporting requirement.

FERC conditionally accepts a compliance filing

E-9, *North American Electric Reliability Corp.*, Docket No. RC11-6-004. This order accepts NERC's compliance filing in which it reports on its implementation of the Find, Fix, Track and Report (FFT) program. In its filing, NERC also proposes five enhancements to the FFT program. The order approves four of the five enhancements to the FFT program, subject to conditions.

FERC rejects refund report, provides guidance for filing a new report

E-10, *Ameren Corporation*, Docket No. AC11-46-000. This order directs Ameren Illinois Company (Ameren Illinois) to refile its refund report to reverse the effects of including goodwill and other acquisition premiums in prior formula rate billings. The order finds that Ameren Illinois' refund computations, filed to comply with the Commission's July 19, 2012 order, are flawed because they inappropriately go beyond the scope of the compliance directive to remove certain acquisition premiums from its transmission formula rates, and because they lack detail sufficient to evaluate compliance. Therefore, the order rejects Ameren Illinois' refund report, and provides guidance on what should and should not be included in a new report.

FERC accepts shared transmission service agreement, grants a waiver

E-11, *Sky River, LLC*, Docket Nos. ER13-388-001 and ER13-388-002. The order accepts the Applicants' shared transmission service agreement, and grants their request for waiver of certain requirements under Order Nos. 888, 889, 890, and section 35.28, Part 37 and Part 358 of the Commission's regulations. The transmission facilities in question consist of a discrete radial generation tie-line.

FERC conditionally accepts tariff sheets, establishes hearing and settlement judge procedures

E-12, *San Diego Gas & Electric Company*, Docket No. ER13-941-000. This order conditionally accepts SDG&E's tariff sheets designed to implement a new

Transmission Owner formula rate mechanism to replace the currently effective formula rate mechanism, suspends the tariff sheets for five months, and establishes hearing and settlement judge procedures. The order also grants SDG&E's use of a 50 basis-point incentive adder for participation in the California Independent System Operator, subject to suspension and the zone of reasonable returns determined at hearing. Finally, the order finds that SDG&E's use of a 12-month weighted average to develop the proposed transmission rate base violates section 35.13(h)(4)(i) of the Commission's regulations which requires that a company use an average of the 13-month balances to develop its transmission rate base. Accordingly, the order instructs the administrative law judge to use the 13-month average in determining SDG&E's transmission rates.

FERC conditionally accepts a compliance filing

E-14, *ISO New England Inc.*, Docket No. ER12-1643-001. This order accepts, subject to a further compliance filing, ISO New England's compliance filing proposing tariff revisions to establish a revised compensation methodology for frequency regulation service, as required by Order No. 755. The proposed tariff changes revise the compensation methodology that ISO New England previously proposed and that the Commission rejected in a November 8, 2012 order, because that original compensation methodology did not meet Order No. 755's requirements to provide uniform clearing prices and separate payments for capacity and performance. The order finds that ISO New England's revised compensation methodology remedies the concerns identified in the November 8, 2012 order, *i.e.*, providing uniform clearing prices and separate payments for capacity and performance. However, the order also finds that ISO New England's revised compensation methodology does not address whether resources will be able to include inter-temporal opportunity costs in their bids and how ISO New England will verify those costs, as required by Order No. 755, and accordingly directs a further compliance filing. The order also rejects ISO New England's requested January 1, 2015 (or later) effective date and establishes an effective date 180 days from the date of the order.

FERC denies rehearing

E-15, *Gerry E. Greenfield, Jr. v. Benton County, Washington*, Docket No. EL12-78-001. This order denies Mr. Greenfield's request for rehearing of the Commission's Notice of Intent Not to Act issued on August 21, 2012. Mr. Greenfield objected to the Commission's findings with respect to whether the actions of Benton County, Washington constituted a violation of the Public Utility Regulatory Policies Act of 1978 (PURPA). The order explains that PURPA does not exempt qualifying facilities from local zoning regulations and restrictions.

FERC denies rehearing

E-16, *Idaho Wind Partners 1, LLC*, Docket No. EL12-74-001. This order denies requests for rehearing of the Commission's September 20, 2012 order. The September 20, 2012 order found that a new proposed curtailment policy before the Idaho Public Utilities Commission was inconsistent with the Public Utility Regulatory Policies Act of 1978 (PURPA) and the Commission's regulations implementing PURPA, and explained that a utility may not curtail unilaterally during light-loading conditions where a qualifying facility's output is purchased pursuant to a long-term obligation and at rates calculated at the time that obligation was incurred.

FERC denies rehearing

H-1, *City of Seattle, Washington*, Project No. 2144-040. The order denies a request by the Public Utility District No. 1 of Pend Oreille County, Washington (District) for rehearing of a March 20, 2013 order in which Commission staff issued a new license to the City of Seattle, Washington, for the continued operation and maintenance of the Boundary Project No. 2144, located on the Pend Oreille River in eastern Washington. The District argued that the order erred in not requiring Seattle to allocate a portion of the project's power to the District.

FERC denies rehearing

H-2, *Public Utilities District No. 2 of Grant County*, Project No. 2114-257. The order denies Mr. Pat Kelleher's rehearing request of Commission staff's December 17, 2012 letter denying Mr. Kelleher's request for access to the Airstrip site on Public Utility District No. 2 of Grant County, Washington's Priest Rapids Project No. 2114. The order finds that the Airstrip site is not a current project recreation site, and therefore it is not reasonable to require the licensee to obtain additional rights to use roads leading to the area.

FERC issues a new hydroelectric license

H-3, *Alabama Power Company*, Project Nos. 2146-111, 618-000, and 82-000. The order issues a new license to Alabama Power Company to continue operation and maintenance of the Coosa Project No. 2146, the Mitchell Dam Project No. 82, and the Jordan Dam Project No. 618. The projects, consisting of a total of seven developments, are being relicensed under one license as the Coosa River Project No. 2146. The project's authorized capacity being licensed is a combined 960.9 megawatts. The project is located on the Coosa River, in Cherokee, Etowah, Calhoun, St. Clair, Talladega, Shelby, Coosa, Chilton, and Elmore counties, Alabama, and Floyd County, Georgia.

FERC amends a certificate

C-1, *Northern Natural Gas Company*, Docket No. CP13-53-000. The order grants Northern's request for certificate authorization to construct and operate the Garner Plant Liquefied Natural Gas (LNG) Offloading and Utilization Project to offload LNG at its existing Garner Plant peak-shaving facility in Hancock County, Iowa for operational use on its system and to provide a new LNG liquefaction and delivery service to third-party shippers on an interruptible basis. The order grants Northern's request for presumption of rolled-in rate treatment for the costs of the project in its next general Natural Gas Act section 4 rate case, and approves the associated tariff sheets for the new interruptible liquefaction and delivery service.

FERC amends a Presidential Permit and authorization for a natural gas export project

C-2, *Kinder Morgan Texas Pipeline LLC*, Docket No. CP13-94-000. The order amends Kinder Morgan Texas Pipeline's Natural Gas Act section 3 authorizations and Presidential Permit to increase the authorized capacity of its border-crossing facilities at the United States-Mexico border near Salineño, in Starr County, Texas from approximately 425 to 700 million cubic feet of gas per day to reflect increased design capabilities resulting from the implementation of a series of operational changes on the non-jurisdictional pipeline upstream of the cross-border facilities.