

February 2014 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its February 20, 2014 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.

FERC grants in part and denies in part requests for clarification

E-1, *Third Party Provision of Ancillary Services; Accounting and Financial Reporting for Electric Storage Technologies*, Docket Nos. RM11-24-001 and AD10-13-001. This order grants in part and denies in part the requests for clarification of Order No. 784, which revised certain aspects of the Commission's market-based rate regulations, ancillary services requirements under the *pro forma* open access transmission tariff (OATT), and accounting and reporting requirements. The order clarifies that: (1) with respect to sales of Energy Imbalance and Generator Imbalance services, any intra-hour transmission scheduling practice would be sufficient to meet Order No. 784's requirements; (2) the section 205 filing requirement for sales of ancillary services made pursuant to a competitive solicitation applies only to sales not otherwise authorized in Order No. 784; (3) nothing in Order No. 784 is intended to permit transmission providers to limit the quantity or percentage of total reserve obligations of Regulation and Frequency Response service a customer may self-supply; (4) historical one-minute and ten-minute ACE data must be posted to OASIS by public utility transmission providers within 30 days after the issuance of the order; (5) Account 555.1, Power Purchased for Storage Operations, is intended to include all costs of power purchased for energy storage operations without regard to the classification of the associated energy storage device used in operations; and (6) the new accounting and reporting requirements must be implemented as of January 1, 2013, *i.e.*, in the 2013 forms that must be filed with the Commission by April 18, 2014.

FERC proposes a policy statement

E-2, *Payment of Dividends from Funds Included in Capital Accounts*, Docket No. PL14-1-000. This Proposed Policy Statement proposes that section 305(a) of the Federal Power Act (FPA) should be interpreted as not prohibiting the payment of dividends from funds

included in capital accounts by any public utility that has a market-based rate tariff on file with the Commission, does not have captive customers, and does not provide transmission or local distribution services. Because the payment of dividends from funds included in capital accounts by such public utilities does not appear to implicate the concerns underlying the enactment of FPA section 305(a), the announced policy would eliminate a regulatory burden otherwise applicable to such public utilities under FPA section 305(a).

FERC conditionally accepts tariff amendments

E-3, *PJM Interconnection, L.L.C.*, Docket No. ER14-623-000. The order conditionally accepts PJM's December 13, 2013 tariff amendments to its Open Access Transmission Tariff and Operating Agreement to add new real-time External Transaction bidding and scheduling rules. The revisions would implement Coordinated Transaction Scheduling (CTS) at specifically designated Proxy Generator Buses between the New York Independent System Operator, Inc. (NYISO) and PJM. The order conditionally accepts the proposed tariff revisions, to become effective the later of November 2014, or the date that the NYISO-PJM CTS becomes operational, subject to further informational and compliance filings. A companion order accepting NYISO's CTS filing is Item **E-4** on this agenda.

FERC conditionally accepts tariff revisions

E-4, *New York Independent System Operator, Inc.*, Docket No. ER14-552-000. This order conditionally accepts tariff revisions filed by the NYISO to its Open Access Transmission Tariff and its Market Administration and Control Area Services Tariff to add new real-time External Transaction bidding and scheduling rules, known together as Coordinated Transaction Scheduling (CTS), for use at specifically designated Proxy Generator Buses between NYISO and PJM Interconnection, L.L.C. (PJM). The tariff revisions are conditionally accepted to be effective the later of November 2014, or the date that the Coordinated Transaction Scheduling becomes operational, subject to a further compliance filing. A companion order accepting PJM's CTS filing is Item **E-3** on this agenda.

FERC accepts proposed tariff revisions

E-5, *Southwest Power Pool, Inc.*, Docket No. ER12-2292-004. The order accepts SPP's proposed revisions to Attachment AE of its Open Access Transmission Tariff to comply with the Commission's September 20, 2013 order in Docket No. ER12-2292-003. Additionally, the order accepts SPP's request for a temporary limited waiver for implementing certain of the proposed tariff revisions.

FERC grants a waiver

E-7, *Ohio Power Company*, Docket No. ER14-7-000. The order grants a petition filed by American Electric Power Service Corporation (AEPSC), on behalf of its affiliate Ohio Power Company (Ohio Power), requesting a waiver of section 35.14 of the Commission's regulations, in order to recover from Wheeling Power Company (Wheeling) a coal contract buy-down payment. Because Ohio Power did not timely seek approval of the recovery of the buy-down payment, however, the order also directs Ohio Power to refund the time value of the buy-down costs collected from Wheeling prior to October 1, 2013 (the date that AEPSC's request was filed with the Commission).

FERC sets a briefing schedule for a remanded case

E-8, *Black Oak Energy, L.L.C., et al.*, Docket No. EL08-14-010. The order sets a schedule for briefing a case remanded by the U.S. Court of Appeals for the District of Columbia Circuit for further consideration of the issue of recoupment of refunds previously directed by the Commission in its July 21, 2011 and May 11, 2012 Recoupment Orders.

FERC dismissed a complaint

E-9, *Allco Renewable Energy Limited v. Massachusetts Electric Company*, Docket No. EL12-12-000. This order dismisses Allco Renewable Energy Limited's (Allco) complaint against Massachusetts Electric Company d/b/a National Grid that alleged that National Grid had failed to comply with the Public Utilities Regulatory Policies Act of 1978 with respect to the determination of avoided cost rates. The order explains that it is the state commission's responsibility, in the first instance, to determine an avoided cost rate consistent with the Commission's regulations, and the state has not yet acted on an Allco petition to calculate an avoided-cost rate for its proposed qualifying facilities. The order therefore dismisses the complaint as premature.

FERC denies rehearing, grants limited clarification and accepts a compliance filing

E-10, *Interstate Power and Light Company v. ITC Midwest, LLC and Midcontinent Independent System Operator, Inc.*, EL12-104-001 & ER13-2156-000. This order addresses (1) ITC Midwest's request for rehearing and clarification of the Commission's July 18, 2013 order granting a complaint by Interstate Power and Light Company (IPL) that challenged ITC Midwest's generator reimbursement policy, (2) IPL's request for clarification of that order, and (3) MISO's compliance filing in response to the order. The order denies the request for rehearing, grants in part and denies in part the requests for clarification, and accepts MISO's compliance filing.

FERC sets complaint for hearing and settlement judge procedures

E-11, *Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California v. Trans Bay Cable L.L.C.*, Docket No. EL14-15-000, *et al.* On December 17, 2013, Six Cities filed a complaint against Trans Bay Cable and a motion to consolidate the complaint with the ongoing hearing and settlement judge proceedings established in Docket No. ER13-2412-000, regarding Trans Bay's Transmission Revenue Requirement. Separately, on December 20, 2013, Six Cities filed a limited request for rehearing of the Commission's order in the ongoing proceeding. The order sets the complaint for hearing and settlement judge procedures, grants the motion to consolidate the two proceedings, and denies Six Cities' rehearing request.

FERC grants in part, denies in part, and dismisses in part, requests for rehearing

E-12, *ITC Holdings Corp., et al.*, Docket No. ER12-2681-000, *et al.* This order grants in part, denies in part, and dismisses in part requests for rehearing of the Commission's June 20, 2013 orders related to the integration of certain Entergy Corporation subsidiaries into the Midcontinent Independent System Operator, Inc. and the transfer of certain Entergy Corporation transmission assets to ITC Holdings Corp. and its subsidiaries (Entergy-ITC Transaction). The order grants rehearing as to issues related to regional through and out rates, institutes a Federal Power Act (FPA) section 206 proceeding, and establishes hearing and settlement judge procedures. The order consolidates the new FPA section 206 proceeding with the ongoing hearing and settlement judge procedures in Docket No. ER13-948-000. The order denies rehearing as to issues related to rate of return on equity, transmission pricing zones, and parallel loop flows. In addition, parties to the Entergy-ITC Transaction have notified the Commission that the transaction will not occur. Accordingly, the order terminates proceedings related to the Entergy-ITC Transaction and dismisses the related rehearing requests as moot.

FERC dismisses request for rehearing

E-13, *Entergy Arkansas, Inc., et al.*, Docket No. ER12-2693-001. This order dismisses a request for rehearing of the Commission's order accepting the Entergy Operating Companies' notice of cancellation of Service Schedule MSS-2 as moot. The Commission previously accepted the notice of cancellation subject to the closing of the Entergy-ITC Transaction. Parties to the Entergy-ITC Transaction have notified the Commission that the transaction will not occur. Accordingly, the order dismisses the rehearing request as moot.

FERC approves a settlement

E-14, *Southwest Power Pool, Inc.*, Docket No. ER12-1179-008, *et al.* This letter order approves a settlement offer filed by SPP that resolves issues associated with the treatment of Grandfathered Agreement No. 494 in the SPP Integrated Marketplace.

FERC denies rehearing; accepts compliance filing

G-1, *Dominion Transmission, Inc.*, Docket Nos. RP13-431-001, -002. This order rejects the request for rehearing filed by Indicated Shippers, affirming that pipeline compliance with certain orders of the Pipeline and Hazardous Materials Safety Administration could, in some circumstances, qualify as *force majeure* outages for reservation charge crediting purposes. The order also accepts the compliance filing over Indicated Shippers' protest, holding that storage facilities that offer seasonal service may use slightly different reservation charge crediting policies for injections than for withdrawals.

FERC upholds policy on market-based rate criteria for oil pipelines

G-2, *Enterprise Products Partners L.P., and Enbridge, Inc.*, Docket No. OR12-4-000. The order sets forth the Commission's determination of the impact of the U.S. Court of Appeals for the District of Columbia Circuit's decision in *Mobil Pipeline Co. v. FERC*, 676 F.3d 1098 (D.C. Cir. 2012) as it relates to Enterprise/Enbridge's application for a market power determination on the Seaway pipeline as well as all future applications. The order also upholds the denial of Enterprise/Enbridge's application for authority to charge market-based rates on its reversed Seaway pipeline.

FERC denies rehearing

H-1, *KC Brighton LLC*, Project No. 3633-040 and Docket No. CD14-9-001. The order denies KC Brighton's request for rehearing of a November 14, 2013 staff letter order rejecting its request that the Commission characterize its licensed Brighton Dam Project No. 3633 as a "qualifying conduit hydropower facility" to allow it to be excluded from the Commission's licensing jurisdiction under the recently enacted Hydropower Regulatory Efficiency Act of 2013, finding that the Brighton Dam Project does not meet the criteria of a qualifying conduit.

FERC modifies and approves a proposed recreation resource management plan for a hydro project

H-2, *Public Utility District No. 2 of Grant County, Washington*, Project No. 2114-209. The order grants the licensee's request to amend the approved recreation plan for the Priest Rapids Hydroelectric Project No. 2114 by relocating planned recreation enhancements from the Priest Rapids tailrace area to another site farther downstream in order to avoid impacts on the Wanapum Band of Indians. The project is located on the mid-Columbia River in portions of Grant, Yakima, Kittitas, Douglas, Benton, and Chelan counties, Washington.

FERC denies rehearing

C-1, *Columbia Gas Transmission, LLC*, Docket No. CP13-8-001. The order denies requests for rehearing submitted by Gunpowder Riverkeeper and the Woodsbrook Residents and the Woodsbrook Residents request a stay of the Commission's November 21, 2013 order that granted Columbia authority to construct and operate pipeline facilities in Baltimore and Harford counties, Maryland (Line MB Expansion Project).

FERC approves increase in maximum peak day LNG production

C-2, *Sabine Pass Liquefaction, LLC and Sabine Pass LNG, L.P.*, Docket No. CP14-12-000. The order grants Sabine Pass's requested amendment to increase its authorized maximum peak day LNG production and export capacity for LNG Trains 1-4 from approximately 2.2 billion cubic feet per day to approximately 2.76 billion cubic feet per day under optimal operating conditions. The proposal requires no additional construction or modification of previously authorized facilities.