

May 2014 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its May 15, 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.

Part 1 of 2

E-1 through E-4 – Press Release

E- 6 – Press Release

FERC denies in part and grants in part rehearing and clarification, and conditionally accepts compliance filing

E-5, *Terra-Gen Dixie Valley, LLC*, Docket No. ER11-2127-003, *et al.* This order denies Terra-Gen's request that the Commission reconsider its determination on jurisdiction and priority rights for a generator lead line and grants clarification regarding pricing. Additionally, the order finds that Terra-Gen's proposed tariff sheets partially comply with the Commission's directives and orders a further compliance filing. Finally, in keeping with more recent precedent, the order modifies the requirement in a prior Commission order in this proceeding that, in order to obtain priority rights to the Dixie Valley Line, Terra-Gen's affiliate, New York Canyon, LLC, must acquire ownership rights to the line.

FERC orders an interconnection

E-7, *Southern Cross Transmission LLC; Pattern Power Marketing LLC*, Docket No. TX11-1-001. This order directs the City of Garland, Texas to interconnect with Southern Cross Transmission LLC's proposed High Voltage Direct Current transmission line. The order also directs Oncor Electric Delivery Company LLC and CenterPoint Energy Houston Electric, LLC to provide transmission service for power flows into and out of ERCOT. In December 2011, the Commission issued a proposed order making a preliminary finding that ordering the requested interconnection and transmission service

would satisfy the requirements of sections 210, 211, and 212 of the Federal Power Act (FPA). The proposed order noted, however, that the Commission could not issue a final order without additional detail regarding reliability studies and the cost responsibility for any required upgrades. This final order finds that the revised application and unexecuted interconnection agreement provide the information necessary to find that the requirements of FPA sections 210, 211, and 212 have been satisfied.

FERC issues a “Notice of Intent Not to Act”

E-8, *Gregory and Beverly Swecker v. Midland Power Coop*, Docket No. EL14-9-000. The order is a “Notice of Intent Not to Act,” which gives notice that the Commission declines to initiate an enforcement action under section 210(h)(2)(A) of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Sweckers filed two petitions for enforcement action: the first against Midland Power Cooperative (Midland), and the second against Midland and Central Iowa Power Cooperative. Both petitions claim that Midland’s methodology for calculating its avoided costs is inconsistent with PURPA. The Notice of Intent Not to Act cites a Commission order and a Federal District Court order both of which state that Midland’s methodology for calculating its avoided costs was consistent with PURPA. The Notice of Intent Not to Act states that the Commission’s decision not to initiate an enforcement action means that the Sweckers may themselves bring an enforcement action against the Minnesota Commission in the appropriate court.

FERC approves a final rule

M-1, *Electronic Tariff Filings*, Docket No. RM01-5-001. This final rule clarifies Commission regulations to make explicit that consistent with Order No. 714 and the Commission’s guidance (1) statutory tariff and rate filings must be made electronically, according to the Commission’s posted requirements for eTariff filing, and (2) filings not made in proper electronic format will not become effective under the applicable statutes if the Commission fails to act by the proposed effective dates in pleadings.

FERC orders evidentiary hearings

M-2, *BP America Inc.*, Docket No. IN13-15-000. This order responds to an answer filed jointly by BP America Inc., BP Corporation North America Inc., BP America Production Company, and BP Energy Company (collectively, BP) to the Commission’s August 5, 2013 show cause order and the Office of Enforcement Staff’s reply to BP’s answer. This order rejects BP’s threshold legal objections to the Commission’s authority to proceed and sets for trial-type evidentiary hearing before an administrative law judge whether BP violated section 1c.1 of the Commission’s regulations and section 4A of the Natural Gas Act. In its show cause order, the Commission directed BP to show cause why the Commission should not find that BP manipulated the next-day, fixed-price natural gas market at the Houston Ship Channel between September and November 2008. The

Commission's show cause order also directed BP to show cause why it should not pay civil penalties in the amount of \$28,000,000 and disgorge \$800,000 in unjust profits, plus interest, resulting from market manipulation, or a modification to these amounts as warranted.

FERC grants a petition for declaratory order

G-1, *North Dakota Pipeline Company LLC*, Docket No. OR14-21-000. The order grants North Dakota Pipeline's petition for declaratory order seeking certain rulings regarding tariffs for its Sandpiper Project, an oil pipeline expansion project that would substantially increase the pipeline capacity available for Bakken crude oil produced in western North Dakota and eastern Montana to access downstream markets. The order approves North Dakota Pipeline's proposed tariff structure involving committed rates for priority and non-priority service, as well as uncommitted rates and apportionment principles that are based on Commission precedent.

FERC approves an uncontested settlement

G-2, *Columbia Gas Transmission, LLC*, Docket No. RP14-393-000. The order approves the uncontested settlement filed by Columbia to restructure historic non-conforming service agreements between Columbia and former Commonwealth Gas Pipeline (Commonwealth) customers. The settlement arises from a desire to conform Columbia's 1990 acquisition of the Commonwealth facilities by merger with current regulatory and market requirements. Specifically, the settlement is intended to implement negotiated successors to the historic non-conforming agreements, so as to make the successor arrangements more efficient and transparent while maintaining the essential economic balance and capacity availability terms of the 1990 merger. The order also grants related abandonment and certificate authority to implement the settlement's terms.

FERC denies rehearing

G-3, *Tennessee Gas Pipeline Company, LLC*, Docket No. RP12-514-002. The order denies the Indicated Shippers' request for rehearing of the Commission's October 17, 2013 order approving Tennessee's proposal to provide a higher scheduling priority for secondary in-path transactions to primary delivery points than to secondary in-path transactions from primary receipt points.

FERC revokes exemption from licensing

H-1, *Christopher M. Anthony*, Project No. 6618-007. In accordance with section 31(b) of the Federal Power Act, the order revokes the exemption from licensing issued for the 400-kilowatt Frankfort Hydroelectric Project No. 6618 located on Marsh Stream, in

Waldo County, Maine, finding that the exemptee failed to properly implement required fish passage measures that would protect endangered species.

FERC grants rehearing and amends a license

H-3, *Appalachian Power Company*, Project No. 1290-013. The order grants rehearing and clarifies that only certain facilities within a project substation at the Winfield Hydroelectric Project, located on the Kanawha River in Putnam County, West Virginia, are project works. The order also limits the scope of the required avian protection plan to these facilities.

FERC authorizes construction and operation of a gas pipeline expansion project

C-1, *Arlington Gas Storage, LLC*, Docket No. CP13-83-000. This order authorizes Arlington to construct and operate its proposed Gallery 2 Expansion Project, to be located in Schuyler County, New York. The order also approves Arlington's request to reaffirm its market-based rate authority. The Gallery 2 Project is an expansion of Arlington's Seneca Lake Storage Project. Arlington will convert two interconnected bedded salt caverns to natural gas storage. The Gallery 2 Project would increase the working gas capacity of Seneca Lake Project from 1.45 billion cubic feet (Bcf) to 2.00 Bcf.