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Before the
FEDERAL ENERGY REGULATORY COMMISSION
1007th Commission Meeting
Thursday, July 17, 2014
Hearing room 2C
888 First Street, N.E.
Washington, D.C.20426

The Commission met in open session, pursuant to
notice, at 10:02 a.m., when were present:

COMMISSIONERS:

CHERYL A. LaFLEUR, Acting Chairwoman
PHILIP MOELLER, Commissioner
JOHN NORRIS, Commissioner
TONY CLARK, Commissioner

FERC STAFF:

KIMBERLY D. BOSE, Secretary
JEFF WRIGHT, Director, OEP
ANNA COCHRANE, OEMR
MICHAEL BARDEE, Director, OER
JOSEPH McCLELLAND, Director, OEIS
DAVID MORENOFF, Acting General Counsel
JAMIE SIMLER, Director, OEPI
NORMAN BAY, Director, OE

1 Discussion Items:

2 E-2, E-3, E-4, E-5, E-6 and E-7

3 PRESENTERS:

4 ADAM POLLOCK, OEMR

5 ACCOMPANIED BY:

6 NATALIE TINGLE-STEWART, OEMR

7 ANDRE GOODSON, OGC

8 ELIZABETH SHEN, OGC

9 STEVEN HUNT, OE

10 E-8, E-9, and E-10

11 PRESENTERS:

12 MATTHEW VLISSIDES, OGC

13 ACCOMPANIED BY:

14 JULIE GREENISEN, OGC

15 TOM BRADISH, OER

16 REGIS BINDER, OER

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20 COURT REPORTER: Jane W. Beach, Ace-Federal Reporters, Inc.

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1 P R O C E E D I N G S

2 (10:02 a.m.)

3 ACTING CHAIRWOMAN LaFLEUR: Good morning,
4 everyone. This is the time and place that's been noticed
5 for the open meeting of the Federal Energy Regulatory
6 Commission to consider the matters that have been duly
7 posted in accordance with the Government in the Sunshine
8 Act.

9 Please join us in the Pledge of Allegiance.

10 (Pledge of Allegiance recited.)

11 ACTING CHAIRWOMAN LaFLEUR: Well good morning,
12 everyone. It seems like every month I start off by noting
13 it's been another eventful month here at FERC, and in this
14 case it's really been an eventful month as well as actually
15 an eventful week.

16 As most of you are aware, on Tuesday Norman Bay
17 and I were confirmed by the Senate to new terms on the
18 Commission. I want to congratulate Norman on his
19 confirmation. We look forward to having him on this side of
20 the table, just a small move geographically but a big move
21 in other ways.

22 As I said in my press statement, I am very
23 grateful to President Obama for nominating me, and to the
24 Senate for confirming me and providing me with this
25 continued opportunity, and I look forward to continuing to

1 work with my colleagues and everyone in the energy community
2 on the vital work of the Commission.

3 I want to just take a moment to thank everyone
4 who has been so supportive to me in the eight months that
5 I've been Acting Chairman, especially everyone here at the
6 Commission, but really every, you know, senior staff and my
7 own team. Everyone has been wonderful.

8 When I became Acting Chairman in November, I said
9 that our goal was to keep the work of the Commission moving
10 forward during the transition, and I want to thank you all
11 for doing just that. And I hope that--hopefully it's not a
12 vane hope that everyone will be able to take a little bit of
13 time off between now and the September meeting sometime.

14 We have issued 45 Notational Orders since the
15 June open meeting, and we have a number of interesting
16 things on the Consent Agenda.

17 I want to turn it over to my colleagues. One of
18 the highlights of the July meeting is the Moeller suit--

19 (Laughter.)

20 ACTING CHAIRWOMAN LaFLEUR: --and so I will start
21 with Commissioner Moeller.

22 COMMISSIONER MOELLER: Thank you, Cheryl.

23 (Laughter.)

24 COMMISSIONER MOELLER: I want to quickly send my
25 congratulations to you and to Norman for being confirmed by

1 the Senate on Tuesday. It was on Bastille Day 2006 when I
2 was confirmed, along with colleagues Commissioner Spitzer
3 and Wellinghoff, and so I guess you were off by just a day.
4 But nevertheless, it will be great to have a full Commission
5 with all of us working together. The Commission runs best
6 when it is full, and I greatly look forward to the time
7 when, after Norman is sworn in, we will be at a full
8 Commission.

9 ACTING CHAIRWOMAN LaFLEUR: Thank you.
10 Commissioner Norris?

11 COMMISSIONER NORRIS: I'd just add my
12 congratulations as well. I know it's been a long haul for
13 both of you, as it seems to be the pattern going forward.
14 Maybe that will change. But it's great to have you both
15 confirmed and am very happy for both of you.

16 ACTING CHAIRWOMAN LaFLEUR: Thanks so much.
17 Commissioner Clark.

18 COMMISSIONER CLARK: Yes, I would add my
19 congratulations as well to you, Cheryl, and to you, Norman.
20 I've enjoyed working with you both over the last two years
21 in various capacities, and look forward to continuing to
22 work with you, Cheryl, and Norman in your new capacity as we
23 move forward.

24 I too am happy to note the appearance of the
25 Moeller July suit. For me, it has come to remind me that my

1 trip to the lake cabin is only a few weeks away.

2 (Laughter.)

3 COMMISSIONER CLARK: So I'm looking forward to
4 that.

5 ACTING CHAIRWOMAN LaFLEUR: Well perhaps next
6 July we can get an Adarondak chair to--

7 (Laughter.)

8 ACTING CHAIRWOMAN LaFLEUR: Well, with those
9 weighty remarks, I think we will move on to the Consent
10 Agenda.

11 SECRETARY BOSE: Good morning, Madam Chairman.
12 Good morning, Commissioners.

13 Since the issuance of the Sunshine Act notice on
14 July 10th, 2014, no items have been struck from this
15 morning's agenda. And your Consent Agenda is as follows:

16 Electric Items:

17 E-1, E-11, E-12, E-13, and E-14.

18 Gas Items:

19 G-1, G-2, and G-3.

20 Hydro Items:

21 H-1, H-2, H-3, and H-4.

22 Certificate Items:

23 C-1

24 We are now ready to take a vote on this morning's
25 Consent Agenda items. The vote begins with Commissioner

1 Clark.

2 COMMISSIONER CLARK: Aye.

3 SECRETARY BOSE: Commissioner Norris.

4 COMMISSIONER NORRIS: Aye.

5 SECRETARY BOSE: Commissioner Moeller.

6 COMMISSIONER MOELLER: Aye.

7 SECRETARY BOSE: And Chairman LaFleur.

8 ACTING CHAIRWOMAN LaFLEUR: Aye. Thank you.

9 SECRETARY BOSE: We are now ready for the
10 Discussion and Presentation Items for this morning. The
11 first matter before the Commission will be a joint
12 presentation and discussion on Items E-2, E-3, E-4, E-5,
13 E-6, and E-7, concerning certain formula rate matters.

14 There will be a presentation by Adam Pollock from
15 the Office of Energy Markets and Regulation. He is a
16 accompanied by Natalie Tingle-Stewart from the Office of
17 Energy Markets and Regulation; Andre Goodson and Elizabeth
18 Shen from the Office of the General Counsel; and Steven Hunt
19 from the Office of Enforcement.

20 MR. POLLOCK: Good morning, Chairman LaFleur and
21 Commissioners:

22 Items E-2 through E-7 concern proposed
23 Commission-initiated investigations of whether the formula
24 rate protocols, or formula rates which lack protocols, of
25 certain public utilities are sufficient to ensure just and

1 reasonable transmission rates.

2 The integrity and transparency of formula rates
3 and particularly formula rate protocols are critically
4 important in ensuring just and reasonable rates, and
5 especially so given that more utilities are using formula
6 rates to recover the cost of their transmission
7 investments.

8 The Commission has recently addressed formula
9 rate protocols in the MISO region. Following a Section 206
10 investigation, the Commission found that the formula rate
11 protocols were insufficient to ensure just and reasonable
12 rates, and therefore directed MISO and its transmission
13 owners to file revised formula rate protocols to address the
14 Commission's concerns about the scope of participation, the
15 transparency of the information exchange, and the ability of
16 customers to challenge transmission owners' implementation
17 of a formula rate as a result of the information exchange.

18 Among the requirements addressed in the
19 transparency of the information exchange, the Commission
20 required MISO to include a provision in the formula rate
21 protocols that transmission owners make annual informational
22 filings of their formula rate updates with the Commission.

23 The Commission staff has undertaken a review of
24 the transmission formula rates and formula rate protocols of
25 jurisdictional public utilities to identify utilities that

1 currently are not required to make annual informational
2 filings of their formula rate updates with the Commission,
3 and identified the utilities discussed in Items E-2 through
4 E-7.

5 Those utilities are: Black Hills Power,
6 Incorporated; UNS Electric, Incorporated; Louisville Gas &
7 Electric and Kentucky Utilities Company; Westar Energy,
8 Incorporated; Kansas City Power & Light Company; KCP&L
9 Greater Missouri Operations Company; and The Empire District
10 Electric Company.

11 In addition, the Commission staff undertook an
12 analysis of the identified utilities' formula rate protocols
13 based on the concerns identified in the MISO formula rate
14 protocol orders.

15 The draft orders find that the identified
16 utilities either have formula rate protocols that are
17 deficient regarding scope, transparency, and challenge
18 procedures, and thus appear to be unjust and un reasonable,
19 or have formula rates that lack protocols entirely.

20 Specifically, the draft orders require the
21 identified utilities to revise or provide formula rate
22 protocols to:

23 (1) enable a broader range of interested parties
24 to obtain formula rate information and participate in review
25 processes;

1 (2) improve transparency by making revenue
2 requirement, cost inputs, calculations, and other
3 information publicly available and by providing interested
4 parties with the opportunity to review such information;

5 (3) submit to the Commission their formula rate
6 updates annually as an informational filing; and

7 (4) set forth well-defined procedures through
8 which interested parties may both informally and formally
9 challenge the implementation of the formula rates.

10 In order to effectuate these changes, the draft
11 orders require the identified utilities to file formula rate
12 protocols or file revisions to their formula rate protocols
13 within 60 days to address the Commission's identified
14 concerns or show cause why they should not be required to do
15 so.

16 In addition, based on its experience reviewing
17 transmission formula rate annual updates, today staff will
18 post on the Commission's website general guidance for
19 utilities on the appropriate format--including providing
20 work papers in their native format with all formulas
21 intact--for annual formula rate updates posted for
22 interested parties and filed with the Commission as
23 informational filings, and the level of support that is
24 expected for such annual updates, to assist the utilities in
25 preparing future annual updates and annual update

1 informational filings.

2 Thank you. We would be happy to answer any
3 questions that you may have.

4 ACTING CHAIRWOMAN LaFLEUR: Well thank you, very
5 much, Adam, and thank you to everyone on the team.

6 I know that these six draft orders that we're
7 looking at are really the product of a much larger staff
8 effort that you and colleagues undertook to review
9 transmission formula rates and associated protocols. So I
10 want to thank everyone in all sections of the Office of
11 Energy Market Regulation for their work on that.

12 Verifying the accuracy of inputs used in formula
13 rates and providing interested parties the opportunity to
14 challenge information or ask questions about information is
15 an essential part of the Commission's obligation to ensure
16 that transmission rates are just and reasonable.

17 At the NARUC meeting on Monday, we got into a
18 funny little conversation about whether energy work was sexy
19 or not.

20 (Laughter.)

21 ACTING CHAIRWOMAN LaFLEUR: This work is not
22 glamorous, going through many, many formula rate protocols,
23 but I think these Orders, as well as the additional staff
24 guidance that I really commend to everyone's attention
25 that's being posted to the Commission's website today, will

1 really help further the mission of ensuring just and
2 reasonable rates.

3 I just would like to ask if you could provide a
4 little more background on the review of jurisdictional
5 companies' formula rate filings that staff undertook, the
6 scope of the review, and what you did that then led to the
7 identification of the six companies on whom we are looking
8 at draft orders, as well as the development of the guidance
9 that you posted on the website.

10 MR. POLLOCK: Staff examined the formula rates
11 and formulaic protocols of approximately 70 jurisdictional
12 public utilities, and we compared those protocols to those
13 of MISO for which the Commission has already issued Orders.

14 We identified those that do not make annual
15 informational filings, in addition to evaluating whether or
16 not they met the standards addressed in the MISO protocols
17 orders.

18 ACTING CHAIRWOMAN LaFLEUR: Thank you. That's
19 helpful to know how many you looked at. This was part of a
20 very careful overview.

21 Colleagues?

22 COMMISSIONER MOELLER: Thank you, Acting Chair
23 LaFleur. I'd just quickly note that Elizabeth was once a
24 legal intern in our office, so I want to note the alumni
25 factor there. But Commissioner Norris has been one of the

1 leaders on this issue, so I will defer to him.

2 COMMISSIONER NORRIS: Thank you for your work on
3 this. This is, as you noted, Chairman LaFleur, this is
4 fundamental to our work here. I mean a lot of this is in
5 response to a couple of years ago. The state commissions
6 asked us to look at these formula rate protocols, and
7 they're entitled, as are consumers entitled to know that the
8 formula rate process is working right.

9 Over 70 percent of our jurisdictional
10 transmission is now formula rates, which I think is great.
11 I mean, it's a more efficient process. But it's only
12 successful if it's transparent and we verify to make sure
13 that these are done right and appropriate returns are being
14 earned.

15 So I just salute you for your work digging into
16 the weeds on this and helping us get it right.

17 Thank you.

18 ACTING CHAIRWOMAN LaFLEUR: Thank you, John.
19 Commissioner Clark?

20 COMMISSIONER CLARK: No questions, but thanks to
21 the team for your work.

22 ACTING CHAIRWOMAN LaFLEUR: Thank you, all.
23 Madam Secretary?

24 SECRETARY BOSE: We are now ready to take a vote
25 on these items together. The vote begins with Commissioner

1 Clark.

2 COMMISSIONER CLARK: Aye.

3 SECRETARY BOSE: Commissioner Norris.

4 COMMISSIONER NORRIS: Aye.

5 SECRETARY BOSE: Commissioner Moeller.

6 COMMISSIONER MOELLER: Aye.

7 SECRETARY BOSE: And Chairman LaFleur.

8 ACTING CHAIRWOMAN LaFLEUR: Aye.

9 SECRETARY BOSE: The next item for presentation
10 and discussion this morning will be on--a joint presentation
11 as well--on items E-8, E-9, and E-10. This is concerning
12 certain reliability agenda matters. There will be a
13 presentation by Matthew Vlissides from the Office of the
14 General Counsel. He is accompanied by Julie Greenspan from
15 the Office of the General Counsel; Tom Brandish and Regis
16 Binder from the Office of Electric Reliability.

17 MR. VLISSIDES: Good morning, Acting Chairman
18 LaFleur and Commissioners.

19 Today we will provide a summary of Reliability
20 Agenda Items E-8, E-9, and E-10.

21 Agenda Item E-8 is a draft Notice of Proposed
22 Rulemaking on the Physical Security Reliability Standard,
23 CIP-014-1, submitted by the North American Electric
24 Reliability Corporation, or NERC, in response to an Order
25 issued by the Commission on March 7, 2014.

1 The draft Notice of Proposed Rulemaking proposes
2 to approve the Physical Security Reliability Standard,
3 including the associated violation risk factors, violation
4 severity levels, implementation plan, and effective date.

5 While proposing to approve the Physical Security
6 Reliability Standard, the draft Notice of Proposed
7 Rulemaking, pursuant to the Commission's authority under
8 Section 215(d)(5) of the Federal Power Act, proposes to
9 direct NERC to develop two modifications to the Physical
10 Security Reliability Standard.

11 First, consistent with the March 7th Order, the
12 draft Notice of Proposed Rulemaking proposes to direct NERC
13 to modify the Physical Security Reliability Standard to
14 include a procedure that allows applicable governmental
15 authorities to add or subtract facilities from an applicable
16 entity's list of critical facilities.

17 Second, the draft Notice of Proposed Rulemaking
18 proposes to direct NERC to remove the undefined term
19 "widespread" as used in the phrase "widespread instability,"
20 from the Physical Security Reliability Standard. This term
21 is undefined and adds an element of ambiguity to the
22 proposed standard.

23 In addition to the two proposed directives, the
24 draft Notice of Proposed Rulemaking proposes to direct NERC
25 to submit two informational filings.

1 The first informational filing, which would be
2 due six months following the effective date of a final rule
3 in this proceeding, would address whether the development of
4 reliability standards that provide physical security for all
5 "High Impact" control centers, as that term is defined in
6 current Reliability Standard CIP-002-5.1, is necessary for
7 the reliable operation of the Bulk-Power System.

8 The second informational filing, which would be
9 due one year following the effective date of the final rule
10 in this proceeding, would address the resiliency of the
11 Bulk-Power System when confronted with the loss of critical
12 facilities.

13 The informational filing would explore what steps
14 could be taken in addition to those required by the proposed
15 Physical Security Reliability Standard to maintain the
16 reliable operation of the Bulk-Power System when faced with
17 the loss or degradation of critical facilities.

18 The draft Notice of Proposed Rulemaking seeks
19 comment on these proposals and other issues. Initial
20 comments are due 45 days after publication of the Notice of
21 Proposed Rulemaking in the Federal Register. And reply
22 comments are due within 15 days following the initial
23 comment due date.

24 Agenda Item E-9 is a draft Notice of Proposed
25 Rulemaking that proposes to approve revised Reliability

1 Standard PRC-005-3, Protection System and Automatic
2 Reclosing Maintenance, requiring applicable entities to
3 include certain autoreclosing relays as part of their
4 protection system maintenance programs.

5 The draft Notice of Proposed Rulemaking also
6 proposes to direct NERC to submit a report two years after
7 the effective date of the proposed Reliability Standard,
8 based on actual performance data and simulated system
9 conditions from planning assessments, addressing whether the
10 revised Reliability Standard applies to an appropriate set
11 of autoreclosing relays.

12 Finally, the draft Notice of Proposed Rulemaking
13 proposes to direct NERC to modify the proposed Reliability
14 Standard to include maintenance and testing of supervisory
15 devices associated with applicable autoreclosing relays.

16 Comments on the draft Notice of Proposed
17 Rulemaking are due 60 days after its publication in the
18 Federal Register.

19 Agenda Item E-10 is a draft Final Rule that
20 approves new Reliability Standard PRC-025-1 governing
21 generator relay loadability. The Reliability Standard was
22 developed in response to a Commission directive, and will
23 enhance reliability by reducing the likelihood of premature
24 or unnecessary tripping of generators during system
25 disturbances.

1 The draft Final Rule also approves revisions to
2 the current Reliability Standard governing transmission
3 relay loadability in PRC-023-3 which clarify the
4 applicability of the two Reliability Standards.

5 This concludes our presentation, and we are happy
6 to take any questions you may have.

7 ACTING CHAIRWOMAN LaFLEUR: Well thank you very
8 much, Matthew, and team. It is always exciting to vote out
9 a few more standards, so I am happy that we are doing that
10 today.

11 I want to also thank Mike Bardee for his
12 leadership, especially on the very accelerated Physical
13 Security Order and Standard, and Ted Franks for his work on
14 the--nondecisionally on the Standards team in this very
15 important effort.

16 In March of this year we directed NERC to develop
17 reliability standards to address the physical security of
18 the Bulk Electric System. Our directive specified--and
19 which as everyone knows is probably only the second time
20 we've used our authority under Section 215 to issue a
21 directive that a standard be developed. Our directive
22 specified that the standards had to include three elements:

23 First, to require owners and operators to perform
24 a risk assessment to identify those facilities that, if
25 rendered inoperable or damaged, could have a critical impact

1 on the operation of the interconnection through instability,
2 uncontrolled separation, or cascading failure. The words in
3 215 of the Federal Power Act that define our Reliability
4 jurisdiction.

5 Second, the standards must require owners and
6 operators to evaluate threats and vulnerabilities that may
7 affect those critical facilities that have been identified.

8 And finally, the standards must require owners
9 and operators to develop and implement a security plan that
10 addresses any identified threats or vulnerabilities.

11 I think that, as we reflected in the Notice of
12 Proposed Rulemaking that we're voting out this morning, the
13 submission that was made in response to that directive
14 largely satisfies all of those requirements that were
15 specified in the Order.

16 The March 7th Order and the standard we propose
17 to approve was intentionally narrow in its focus on the
18 identification and protection of critical substation
19 facilities, those whose loss could result in cascading
20 failures, uncontrolled separation affecting the
21 interconnection.

22 We know a lot of other work is going on across
23 physical security. A lot of has been for a long time. A
24 lot more has taken place in the last year. But this
25 standard does not cover the waterfront. It zeroes in on the

1 most--on an identified regulatory gap on the most critical
2 facilities and seeks to strengthen the work there.

3 While we deleted the word "widespread" because we
4 think it just added a level of ambiguity, we confirmed that
5 clear focus. I think that hopefully the standard will help
6 broaden and standardize and strengthen a lot of the work
7 that is going on.

8 I hope that we receive a wide range of comments
9 on the questions that we are posing in the NOPR, and I am
10 particularly interested in the proposed informational filing
11 on resiliency that we asked NERC to file in a year.

12 We are hearing a lot recently about transformer
13 supply chain, how much is in stock, equipment sharing--I
14 know Joe and his folks are doing a lot of this work;
15 logistics, transportation. Some of the elements that could
16 affect the ability to restore the system if a critical
17 facility were lost. And I am very interested in NERC and
18 the industry's take on those issues, and I welcome comment
19 on that part of the Order.

20 Finally, I know that the--this has been widely
21 commented--the March 7 timeline outlined a very aggressive,
22 the March 7th Order set forth a very ambitious timeline to
23 develop standards in 90 days. NERC and the Standards
24 volunteers not only met that timeline, they beat it by two
25 weeks. And I really appreciate all the work that went into

1 that.

2 Thank you, very much. Colleagues?

3 COMMISSIONER MOELLER: Well, Acting Chair
4 LaFleur, I think you summarized things well and the Orders
5 speak for themselves. I don't have a lot to add, but I
6 wanted to reiterate your final point, which was to thank
7 those involved in developing the standards. Compared to
8 most standards that we get from NERC, it was a very
9 accelerated timeframe. People took that job very seriously.
10 They did it well. We will see what's next.

11 But thanks go all around. I haven't spoken very
12 publicly on this issue, I've taken more of a lowkey
13 approach, but nevertheless we're moving forward. Thanks for
14 your leadership in pushing this, and we will look forward to
15 the comments. Similar to the questions that you posed I too
16 would be interested in that kind of feedback.

17 ACTING CHAIRWOMAN LaFLEUR: Thank you.
18 Commissioner Norris?

19 COMMISSIONER NORRIS: A lowkey approach. I could
20 use some help on that, probably, on this issue.

21 (Laughter.)

22 COMMISSIONER NORRIS: And I'm not going to say a
23 lot more today. Everyone has heard my comments on this, so
24 I just plead with folks: Be rational. I know we can't
25 barricade our way out of this, a resilient, nimble,

1 redundant grid that is being modernized rapidly with the
2 advent to new technologies, just the utilization of the PMU
3 data is so small, yet the capacity impossibilities to really
4 address this in what I consider a modern way as opposed to
5 the erection of concrete barriers and walls makes more long-
6 term sense, understanding in the interim there may be some
7 measures that need to be taken to this security standard for
8 protection for threats that we don't really know or
9 understand, that we be rational about this.

10 And I think the industry has generally been
11 rational about the protection of their assets throughout the
12 existence of them owning those assets, and I continue to
13 rely on them to make good judgments about what is necessary
14 out there.

15 Thanks.

16 ACTING CHAIRWOMAN LaFLEUR: Thank you.

17 Commissioner Clark?

18 COMMISSIONER CLARK: I will be putting a
19 statement out later today on the web to just highlight a few
20 more comments, but basically this is one more step in the
21 continuing evolution of the Commission's authority over
22 reliability that really blossomed after EAct of '05. And
23 today we are getting into the area more forcefully, I guess,
24 in physical security. And it is the next natural
25 progression in terms of what can and should be covered by

1 the Commission's mandatory enforceable standards.

2 One thing I would note is, it is just a first
3 steps, however. The turnaround was quick for NERC, and
4 given the time limitations that they had I think it was a
5 very admirable effort. But this is an iterative process.
6 We have noted some of the concerns that have been raised by
7 different parties about that this may not go far enough, and
8 some of the criticism there's a grain of truth in, I even
9 think, that there may be things that the Commission and NERC
10 will need to consider on a going forward basis, especially
11 as it relates to ensuring interconnection and systemwide
12 visibility, understanding that these first steps of
13 identification and gathering of facilities is really a
14 bottom-up process.

15 But on a going-forward basis, I think the process
16 that the Commission is adopting in this, including the
17 follow-up filings, informational filings that the Commission
18 will be requiring, as well as things like requiring that the
19 Commission itself and appropriate governmental entities
20 including recognizing our Canadian colleagues, have the
21 ability to potentially address future physical assets that
22 should be included, are all ways to continue the discussion.
23 The--what the Commission has in front of it with our
24 enforcement authority is always an option to either accept
25 or reject, and in this particular case rejecting it and

1 setting the process back many months really is not a viable
2 option. Rather, accepting it and understanding that we're
3 going to continue to have more discussions and efforts in
4 this area is entirely appropriate and as I said, a very good
5 and solid first step.

6 ACTING CHAIRWOMAN LaFLEUR: Thank you.

7 Madam Secretary?

8 SECRETARY BOSE: Again we'll be voting on this
9 item jointly. The vote begins with Commissioner Clark.

10 COMMISSIONER CLARK: Aye.

11 SECRETARY BOSE: Commissioner Norris.

12 COMMISSIONER NORRIS:

13 SECRETARY BOSE: Commissioner Moeller.

14 COMMISSIONER MOELLER: Aye.

15 SECRETARY BOSE: And Chairman LaFleur.

16 ACTING CHAIRWOMAN LaFLEUR: Aye.

17 Well, I guess that was short but sweet. Thank
18 you all. I hope everyone has a very nice summer. And with
19 that, this meeting is adjourned.

20 (Whereupon, at 10:29 a.m., Thursday, July 17,
21 2014, the 1007th open meeting of the Federal Energy
22 Regulatory Commissioners was adjourned.)

23

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25