

September 2014 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its September 18, 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.

E-1 and E-2 – Press Release

FERC conditionally accepts tariff revisions

E-3, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER12-1194-000. This order conditionally accepts MISO's proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff to provide for Multi-Value Project Auction Revenue Rights.

FERC proposes a rule

E-4, *Demand and Energy Data Reliability Standard*, Docket No. RM14-12-000. This Notice of Proposed Rulemaking proposes to approve proposed Reliability Standard MOD-031-1 (Demand and Energy Data) developed by the North American Electric Reliability Corporation. Reliability Standard MOD-031-1 provides authority for applicable entities to collect demand, energy and related data to support reliability studies and assessments and to enumerate the responsibilities and obligations of requestors and respondents of that data.

FERC approves a final rule

E-5, *Standards for Business Practices and Communication Protocols for Public Utilities*, Docket No. RM05-5-022. This final rule revises FERC regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. These standards update NAESB's WEQ Version 002 and Version 002.1 Standards to reflect policy

determinations made by the Commission in the Order No. 890 series of orders and in other orders. In addition, the Commission is listing, informationally as guidance, NAESB's Smart Grid Standards (WEQ-016 through WEQ-020) in Part 2 of the Commission's regulations.

FERC accepts a compliance filing

E-6, *North American Electric Reliability Corp.*, Docket No. RC11-6-004. This order addresses the NERC's annual compliance filing on the Find, Fix, Track, and Report (FFT) program. The order accepts NERC's compliance filing and approves two modifications to the FFT program. First, the order approves NERC's proposal to continue to process certain moderate risk possible violations as FFTs, and directs NERC to provide additional reporting on the treatment of moderate risk FFTs in the next annual report. Second, the order approves in part and rejects in part NERC's proposal to extend the timeframe for competing mitigation activities associated with an FFT. Specifically, the order approves NERC's proposal to extend the mitigation period after an FFT is posted from 90 days to one year. However, the order rejects NERC's proposal to allow mitigation activities to extend longer than one year after an FFT is posted.

FERC denies request for rehearing, dismisses request for clarification

E-7, *PPL Electric Utilities Corporation*, Docket No. QM13-2-002. This order denies PPL Electric's request for rehearing and dismisses the Pennsylvania Public Utility Commission's request for clarification of the Commission's October 17, 2013 order in this docket. In that October 17 Order, the Commission denied PPL Electric's application to be relieved of its requirement to enter into a new contract or obligation to purchase electric energy from IPS Power Engineering Inc.'s (IPS Power) Souderton LLC cogeneration qualifying facility (Souderton QF) which is expected to have a net capacity of 18.1 MW. In the October 17 Order, the Commission found that PPL Electric had failed to overcome the Commission's rebuttable presumption that the Souderton QF, as a 20 MW or smaller QF, lacks nondiscriminatory access to the PJM markets. The order finds that PPL Electric's arguments on rehearing do not persuade the Commission to change its prior determination that PPL Electric failed to overcome the rebuttable presumption that the Souderton QF, as a QF 20 MW or smaller, lacks nondiscriminatory access to the relevant wholesale markets.

FERC confirms and approves rate schedules

E-8, *Western Area Power Administration*, Docket No. EF14-4-000. This order confirms and approves Western Area Power Administration's requested extension of Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 for the sale of firm electric and transmission service for the Parker-Davis Project which consists of two multi-purpose

projects whose power output is sold to preference customers in California, Arizona, and Nevada.

FERC establishes hearing and settlement judge procedures

E-9, *East Texas Electric Cooperative, Inc. v. Entergy Texas, Inc. and Entergy Texas, Inc. v. East Texas Electric Cooperative, Inc.* Docket Nos. EL14-43-000 and EL14-69-000. This order sets for hearing and settlement judge procedures two interrelated complaints regarding the practice of Entergy Texas in calculating the share of its 2013 rough production cost equalization payments to be borne by several East Texas electric cooperatives.

FERC denies a complaint

E-10, *City of Hastings, Nebraska and City of Grand Island, Nebraska v. Southwest Power Pool, Inc.*, Docket No. EL14-57-000. The order denies Complainants' allegations that Southwest Power Pool, Inc. (SPP) may have misinterpreted its Integrated Marketplace Tariff in violation of the Federal Power Act by demanding that Complainants purchase transmission service and pay unreserved use penalties. The order finds that SPP has appropriately interpreted its Tariff and that the Tariff has not been shown to be unjust or unreasonable.

FERC grants a declaratory order

E-11, *Pacific Gas and Electric Company*, Docket No. EL14-51-000. This order grants a request for declaratory order submitted by PG&E seeking transmission rate incentives associated with its investment in the 230 kV Central Valley Transmission Upgrade Project in California. The approved incentives are recovery of prudently incurred costs in the event the project is abandoned due to reasons beyond PG&E's control and confirmation that PG&E's investment in the project will be entitled to the 50 basis point return on equity adder for PG&E's continued participation in the California Independent System Operator Corporation.

FERC grants a petition for a declaratory order

E-12, *Bloom Energy Corporation*, Docket No. EL14-68-000. This order grants Bloom Energy's June 19, 2014 petition for a declaratory order requesting that the Commission exempt Bloom and its subsidiaries from certain of the Commission's regulations under the Public Utility Holding Company Act of 2005 (PUHCA 2005). The order finds that certain of Bloom Energy's subsidiaries (other than those that are exempt wholesale generators) qualify as "non-traditional utilities" under the Commission's regulations under PUHCA 2005, thus entitling Bloom Energy and its subsidiaries to the exemption.

FERC denies rehearing

E-14, *Entergy Services, Inc.*, Docket No. ER13-1556-002. This order denies the rehearing requests of the Louisiana Public Service Commission and the City of New Orleans Council of a December 18, 2013 order in this proceeding. The December 18 order accepted Entergy Services' four revised form of service agreements, which implemented changes required to accommodate Entergy Arkansas, Inc.'s exit from the Entergy System Agreement on December 18, 2013. The order grants in part the Council of the City of New Orleans Council's clarification request regarding the removal of a contractual provision requiring retail approval of the rate schedules. All other requests for rehearing and clarification are denied.

FERC proposes reliability standards

E-16, *Communications Reliability Standards*, Docket No. RM14-13-000. This Notice of Proposed Rulemaking (NOPR) proposes to approve two revised Reliability Standards, COM-001-2 (Communications) and COM-002-4 (Operating Personnel Communications Protocols). The NOPR also raises concerns and seeks additional comment on the responsibility of transmission owners and generator owners that receive operating instructions to use three-part communications, on a proposed directive to modify COM-001-2 to address internal communication capabilities, and on NERC's intended meaning and use of the terms Interpersonal Communication and Alternative Interpersonal Communication.

FERC denies rehearing, accepts compliance filing

E-17, *Entergy Operating Companies*, Docket No. ER05-1065-008. The order denies requests for rehearing and clarification and a late-filed motion to intervene as to the Commission's May 16, 2013 order that granted, in part, and denied, in part, rehearing of the Commission's December 15, 2012 order conditionally accepting Entergy Services, Inc.'s (Entergy) proposed revisions to Attachment C (Methodology To Assess Available Transfer Capability), Attachment D (Methodology For Completing A System Impact Study), and Attachment E (Transmission Service Request Criteria) (collectively, the Criteria Attachments) of its Open Access Transmission Tariff (OATT). Further, the order accepts Entergy's OATT revisions proposed in a compliance filing for the period June 17, 2013, to December 19, 2013, but because the OATT has been cancelled, the order declines to order further compliance filings.

FERC rules on an Initial Decision, denies rehearing

E-18, *Midwest Independent Transmission System Operator, Inc. and Ameren Illinois Company*, Docket Nos. ER11-2777-001, *et al.* This proceeding is before the Commission on exceptions to an Initial Decision issued on November 20, 2012. In this opinion, the Commission finds one issue moot, and affirms in part, and reverses in part, the

determinations of the Presiding Administrative Law Judge. This opinion also denies the request for rehearing in this proceeding. The opinion makes determinations relating to the issues set for hearing involving the justness and reasonableness of eight unexecuted wholesale distribution service agreements among Ameren Illinois Company and eight wholesale distribution customers: Hoosier Energy Rural Electric Cooperative, Inc., Illinois Municipal Electric Agency, Mt. Carmel Public Utility Company, Norris Electric Cooperative, Prairie Power Incorporated, Southern Illinois Power Cooperative, Southwestern Electric Cooperative, and Wabash Valley Power Association.

FERC conditionally accepts tariff revisions

E-19, *Midwest Independent Transmission System Operator, Inc.*, Docket No. OA08-53-003. This order conditionally accepts MISO's revisions to Attachment FF (Transmission Expansion Planning Protocol) of its Open Access Transmission and Energy Markets Tariff and its Open Access Transmission, Energy and Operating Reserve Markets Tariff to comply with the Commission's directives in its March 24, 2010 order. The order directs MISO to make a further compliance with respect to the comparability principle.

FERC affirms a Partial Initial Decision

G-1, *Shell Pipeline Company LP*, Docket No. IS14-106-000. The order reviews and adopts an April 10, 2014 Partial Initial Decision. The Initial Decision addressed whether the intervenors in a tariff filing by Shell establishing rates for the transportation of petroleum had standing to protest the rates. The order affirms the Initial Decision's finding that these intervenors had standing.

FERC approves a final rule

H-1, *Revisions and Technical Corrections to Conform the Commission's Regulations to the Hydropower Regulatory Efficiency Act of 2013*, Docket No. RM14-22-000. This final rule amends the Commission's regulations pertaining to preliminary permits and exemptions to conform to the enacted Hydropower Regulatory Efficiency Act of 2013. Specifically, the amendments: (1) add and delete language pertaining to preliminary permits and to small conduit and small hydropower exemptions in Parts 4 and 380; and (2) add a new subpart to Part 4 on qualifying conduit hydropower facilities. In addition, the Commission corrects miscellaneous grammatical and typographical errors in Part 4 to improve the clarity and accuracy of the Commission's regulations.

FERC denies rehearing, grants clarification

H-2, *City of New York*, Project No. 13287-005. The order denies rehearing but grants clarification to the City of New York, NY(City) of a May 13, 2014 order issuing an original license to the City to construct, operate, and maintain the 14.08-megawatt

Cannonsville Hydroelectric Project No. 13287, to be located at the City's existing Cannonsville Reservoir, on the West Branch of the Delaware River, near the Town of Deposit, Delaware County, New York. The order clarifies that standard license articles are necessary to protect the public interest, but are used in unusual circumstances only after the licensee has been given notice and the opportunity to comment. The order also clarifies that when Commission staff visits hydroelectric projects, it is Commission policy, to the extent practicable, to notify officials at the project site of the proposed visit and its purpose.

FERC denies rehearing

H-3, *City of Banning, California*, Project No. 14520-001. The order denies Banning's request for rehearing of a June 5, 2013 Commission staff order dismissing Banning's application for a license for the proposed Whitewater Flume Water Power Project that would use project facilities currently under license for the San Geronio Hydroelectric Project No. 344. The order explains that the Commission will not accept a license application that involves a project that is currently under license, and in this case, also subject to a surrender proceeding.

FERC denies rehearing

C-1, *Sabine Pass Liquefaction, LLC and Sabine Pass LNG, LP*, Docket No. CP14-12-001. The order denies Sierra Club's request for rehearing of the February 20, 2014 order that approved Sabine Pass's amendment to increase its authorized maximum peak day LNG production and export capacity for LNG Trains 1-4 from approximately 2.2 to approximately 2.76 billion cubic feet of gas per day under optimal operating conditions. The order concludes Sierra Club's arguments are unpersuasive and are adequately addressed in the Commission's environmental analyses and prior orders authorizing the Liquefaction Project.