

September 2015 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its September 17, 2015 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 - Press Release

E-2 – Press Release

E-3, E-4, E-5 and E-6 – Press Release

FERC rejects and conditionally accepts proposed tariff revisions; directs further compliance filing

E-7, *Midcontinent Independent System Operator, Inc.*, Docket No. ER14-2952-003, *et al.* In response to the Commission's directives in a February 2015 order, Midcontinent Independent System Operator, Inc. (MISO) submitted a compliance filing proposing a new System Support Resource (SSR) cost allocation method in new Rate Schedule 43A under MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). MISO also filed revised rate schedules applicable to specific SSR Units located in Michigan's Upper Peninsula (the Presque Isle SSR Units, the Escanaba SSR Units, and the White Pine SSR Unit), each providing that SSR cost allocation shall be calculated as stated in Rate Schedule 43A. The order finds that MISO's proposed SSR cost allocation methodology generally complies with the directives of the February 2015 order in that it assigns SSR costs directly to load-serving entities serving loads that would contribute to thermal or voltage reliability violations in the absence of the Presque Isle, Escanaba, and White Pine SSR Units under conditions that are representative of actual manual and/or automatic responses taken during reliability events. The order rejects proposed Rate Schedule 43A as a generally applicable rate schedule, but directs MISO, in a compliance filing due within 30 days of the issuance date of this order, to incorporate its proposed SSR cost allocation methodology (as modified) directly into the rate schedules applicable to the Presque Isle, Escanaba, and White Pine SSR Units. The order also conditionally accepts revised Rate Schedule 43 (addressing cost allocation for the Escanaba SSR Units), revised Rate Schedule 43G (addressing cost allocation for the Presque Isle SSR Units), and revised Rate Schedule 43H (addressing cost allocation for the White Pine

SSR Unit), subject to MISO submitting a further compliance filing within 30 days of the date of this order, to be effective on the dates requested.

FERC conditionally accepts a rate filing, subject to a compliance filing

E-8, *Kanstar Transmission, LLC*, Docket No. ER15-2237-000. The order conditionally accepts Kanstar's proposed transmission formula rate template and formula rate protocols (together, Formula Rate) to establish a mechanism under which it would recover its costs associated with transmission projects that it intends to own and develop as part of Southwest Power Pool, Inc.'s (SPP) Order No. 1000 competitive transmission owner selection process. The order accepts the Formula Rate, to be effective once the template and protocols are filed with the Commission to become part of SPP's Open Access Transmission Tariff, consistent with the effective date established in that future proceeding, subject to a compliance filing. In addition, the order (1) accepts Kanstar's proposed base return on equity (ROE) for filing, suspends it for a nominal period, subject to refund, and sets it for hearing and settlement judge procedures; (2) grants Kanstar's proposed 50 basis point adder for participation in a regional transmission organization, subject to the resulting ROE being within the zone of reasonableness; (3) approves a request to defer as a regulatory asset all of Kanstar's prudently incurred pre-commercial and formation costs for later recovery; (4) grants Kanstar's request to use a hypothetical capital structure of up to 60 percent equity and 40 percent debt, to remain in effect until the first transmission project it has been awarded through the SPP transmission owner selection process is placed in service; (5) denies Kanstar's request to recover 100 percent of prudently incurred costs associated with its proposed Walkemeyer Project if Kanstar is selected to develop this project through the SPP competitive bidding process and that project is later discontinued; and (6) accepts Kanstar's request that its existing three affiliates and other yet-to-be-formed affiliates within SPP be authorized to utilize the same Formula Rate and requested incentives.

FERC conditionally accepts a rate filing, subject to a compliance filing

E-9, *Midwest Power Transmission Arkansas, LLC*, Docket No. ER15-2236-000. This order conditionally accepts a proposed formula rate template and protocols that Midwest Power will use to recover costs associated with transmission projects that it intends to own and develop if it is a successful bidder in MISO's Order No. 1000 competitive solicitation process. With respect to Midwest Power's requests for incentive rate treatment, the order (1) grants Midwest Power's request for authorization to defer as a regulatory asset its prudently-incurred costs, including pre-commercial and formation costs; (2) grants Midwest Power's request to use an initial hypothetical capital structure of up to 60 percent equity and 40 percent debt; and (3) grants Midwest Power's request to use a 50 basis point RTO adder. In addition, the order accepts Midwest Power's request that other yet-to-be-formed affiliates be authorized to replicate the formula rate template and to use the same requested incentives.

FERC grants a petition for declaratory order

E-10, *Southline Transmission, LLC*, Docket No. EL15-65-000. This order grants a petition for a declaratory order that finds that Southline Transmission is a passive entity and therefore not a public utility under the Federal Power Act or an electric utility company under the Public Utility Holding Company Act of 2005. The order also grants negotiated rate authority to SU FERC, LLC, approves SU FERC, LLC's capacity allocation methodology, and grants certain waivers of Commission regulations.

FERC denies rehearing

E-11, *Northern States Power Company, a Minnesota corporation*, Docket No. QM15-2-001. This order denies Northern States Power's request for rehearing of the Commission's May 14, 2015 order. That order denied Northern States Power's application to terminate its Public Utility Regulatory Policies Act mandatory purchase obligation with respect to purchases from Twin Cities Hydro LLC's qualifying facility, which has a net capacity of 17.92 megawatts.

FERC conditionally accepts a filing

E-12, *Bonneville Power Administration*, Docket No. EF15-09-000. This order approves Bonneville Power's proposed 2016 wholesale power and transmission rates on an interim basis, pending further review, and also provides an additional period of time for the parties to file comments.

FERC denies rehearing and request for clarification

E-13, *Sunflower Electric Power Corporation v. Kansas Municipal Energy Agency and Southwest Power Pool, Inc.*, Docket No. EL14-38-001. The order denies Sunflower Electric's request for rehearing and/or clarification of the Commission's July 2014 order that denied a complaint Sunflower filed against Kansas Municipal and SPP. In its July 2014 order, the Commission held that Sunflower, as the complainant, failed to meet its burden of proof with regard to its allegations that a power supply arrangement between Kansas Municipal and Garden City, Kansas, was unjust, unreasonable, and unduly discriminatory and preferential, or otherwise in violation of the Commission's and SPP's rules, including SPP's Open Access Transmission Tariff.

FERC denies rehearing

M-1, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, Docket No. RM14-2-001. The order denies Desert Southwest Pipeline Stakeholders' request for rehearing of Order No. 809, in which the Commission revised its regulations relating to the scheduling of transportation service on interstate natural gas

pipelines to better coordinate the scheduling practices of the wholesale natural gas and electric industries, as well as to provide additional scheduling flexibility to all shippers on interstate natural gas pipelines. The order also requests that the natural gas and electric industries, through the North American Energy Standards Board, begin considering the development of standards related to faster, computerized scheduling now and file such standards or a report on the development of such standards with the Commission.

FERC establishes hearing and settlement judge procedures

H-2, *Confederated Salish and Kootenai Tribes; Energy Keepers Incorporated*, Project No. 5-100. This order establishes hearing and settlement judge procedures, in response to a request by the Flathead, Mission and Jocko Valley Irrigation Districts and the District's Flathead Joint Board of Control and in accord with Article 40(c) of the license, to resolve whether any part of the output from the Kerr Hydroelectric Project No. 5, located on the Flathead River in Flathead and Lake counties, Montana, should be made available to the United States, on behalf of the Flathead Irrigation Project, at reduced cost.

FERC authorizes abandonment of interstate natural gas facilities

C-1, *Columbia Gas Transmission, LLC and Mountaineer Gas Company*, Docket Nos. CP15-133-000 and CP15-146-000. The order authorizes Columbia to abandon by sale approximately 15.4 miles of its Line SM-108 pipeline to Mountaineer, and to abandon in place approximately 0.75 miles of Line SM-108 between its Blue Sulphur and Indian Meadows delivery points, in Cabell and Putnam counties, West Virginia. This order also finds that, upon acquisition by Mountaineer, the Line SM-108 Facilities abandoned by sale will provide local distribution service exempt from the Commission's jurisdiction, and that Mountaineer qualifies as a "Hinshaw" company. Hinshaw pipelines are pipelines that receive gas in interstate commerce but are not subject to Commission jurisdiction by reason of section 1(c) of the Natural Gas Act because all of the gas received at a state's boundary is consumed within the state.

FERC conditionally authorizes new interstate gas facilities

C-2, *Columbia Gulf Transmission, LLC*, Docket No. CP15-109-000. This order grants authorization under section 7 of the Natural Gas Act to Columbia Gulf to construct and operate the Cameron Access Project that will include approximately 34 miles of pipeline and a new 12,260 horsepower compressor station in Jefferson Davis, Cameron, and Calcasieu parishes in Louisiana. The proposed facilities will have the capability to provide up to 800,000 dekatherms per day of additional firm transportation service from east to west on Columbia Gulf's West Lateral Transmission System, enabling project shippers to access new natural gas markets along the Gulf Coast and elsewhere.