

October 2015

Commission Meeting Summaries

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

FERC grants in part and denies in part requests for rehearing and clarification; conditionally accepts compliance filings

E-2, *Ameren Energy Resources Generating Company v. Midcontinent Independent System Operator, Inc.*, Docket No. EL13-76-001, *et al.* This order addresses several proceedings relating to the level of compensation and other issues associated with the operation of System Support Resource (SSR) Units under the MISO tariff, and the SSR agreements between MISO and Illinois Power regarding the provision of SSR service by the Edwards Unit No. 1 generating facility for 2013, 2014, and 2015. The order affirms the Commission's prior finding that a generator should be provided the opportunity to recover its fixed costs through a full cost-of-service rate when a generator in the MISO region is forced to continue to operate for reliability reasons in accordance with an SSR agreement under MISO's tariff. The order also affirms the Commission's prior finding that it cannot provide retroactive cost-of-service recovery because, among other reasons, under section 206 of the Federal Power Act, the Commission can only make a rate increase effective prospectively from the date of the order fixing the new rate. Accordingly, the Commission's previous determinations regarding recovery of costs in 2013 and 2014 for Edwards Unit 1 remain unchanged. The order also addresses a number of other issues on rehearing and compliance.

FERC accepts a filing; rejects, without prejudice, rate requests

E-3, *Public Service Company of New Mexico*, Docket No. ER10-2302-005. This order accepts a notice of change in status filed by Public Service Company of New Mexico (PNM) to report a transaction in which it purchased interests in a 132-megawatt facility. Additionally, the order rejects, without prejudice, PNM's request to restore its market-based rate authority in the PNM balancing authority area and rejects, without prejudice, the simultaneous transmission import limit (SIL) values submitted by PNM for

the PNM balancing authority area. The order provides clarification to the industry with respect to Delivered Price Test analyses and SIL studies.

FERC denies rehearing; grants in part clarification

E-4, *Southwest Power Pool, Inc.*, Docket Nos. ER14-2850-001 and ER14-2851-001. This order addresses requests for rehearing of the Commission's November 10, 2014 order, which conditionally accepted in part, rejected in part, and set for hearing and settlement judge procedures in part, Southwest Power Pool, Inc.'s proposal to integrate Western Area Power Administration – Upper Great Plains Region, Basin Electric Power Cooperative, and Heartland Consumers Power District as transmission owning members. The order denies the requests for rehearing, and grants in part and denies in part requests for clarification.

FERC grants rehearing; clarifies actions

E-5, *PJM Interconnection, L.L.C.*, Docket No. ER13-535-002, et al. The order denies rehearing of the Commission's May 2, 2013 order addressing PJM's Minimum Offer Price Rule (MOPR). In the May 2 order, the Commission accepted PJM's proposal to establish two categorical MOPR exemptions, one for competitive entry and one for certain self-supply resources, along with other revisions, subject to PJM's retention of its unit-specific review process and other revisions. The order denies rehearing requests contending the Commission exceeded its statutory authority under section 205 of the Federal Power Act (FPA) in reimposing the unit specific review process. The order explains that the Commission acted consistent with its authority under section 205 of the FPA since the Commission found that PJM's filing was not just and reasonable without retention of the unit-specific review process. The order explains that PJM is free to withdraw its filing within 30 days and return to its prior just and reasonable rate if it is unwilling to accede to the Commission's conditions.

FERC accepts a compliance filing, subject to a further compliance filing

E-8, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER12-678-005. This order accepts a compliance filing by MISO, subject to a further compliance filing. MISO had previously proposed tariff provisions governing the allocation of costs for Revenue Sufficiency Guarantee costs relating to Voltage and Local Reliability (VLR). In this order, the Commission accepts, subject to certain specified revisions, new provisions filed by MISO relating to aspects of these tariff provisions, including the determination of "commercially significant" VLR commitments and the ability of stakeholders to participate in making those determinations.

FERC denies rehearing, grants clarification

E-9, *Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, Docket No. RM14-11-001. This order denies two requests for rehearing and grants clarification of Order No. 807, which, among other things, adopted a rule granting a blanket waiver from Open Access Transmission Tariff requirements to owners/operators of Interconnection Customers Interconnection Facilities.

FERC accepts a filing

E-11, *North American Electric Reliability Corp.*, Docket No. RR15-4-001. This order accepts NERC's compliance filing, finding that NERC adequately justified elimination of the load-serving entity registration category function from the NERC registry criteria.

FERC grants a petition for declaratory order

E-12, *Bloom Energy Corporation*, Docket No. EL15-81-000. This order grants a petition for declaratory order, finding that certain changes in facts do not affect exemptions (applicable to companies that are holding companies solely with respect to, e.g., exempt wholesale generators and non-traditional utilities) that the Commission previously granted under the Public Utility Holding Company Act of 2005.

FERC denies complaints

E-13, *Southern Company Services, Inc. et al. v. MISO*, Docket No. EL15-66-000; *Morgan Stanley Capital Group, Inc. v. MISO*, Docket No. EL15-77-000. This order denies two complaints against MISO, both of which allege that MISO violated the Attachment FF-6 cost allocation provisions of its tariff through its assessment of through-and-out transmission rates under Schedules 7, 8, and 26. The order finds that MISO did not violate its filed rate because the Attachment FF-6 cost allocation provisions of the tariff do not apply to through-and-out rates under Schedules 7, 8, and 26. The order also denies the complainants' alternative argument regarding the justness and reasonableness of the Schedule 7, 8, and 26 through-and-out rates, because that issue is already being addressed in the Federal Power Act section 206 proceeding established in Docket No. EL14-19-000.

FERC denies request for reconsideration

E-14, *Winding Creek Solar LLC*, Docket Nos. EL15-52-001 and QF13-403-003. This order denies Winding Creek Solar's request for reconsideration of the Commission's May 8, 2015 Notice of Intent Not to Act and Declaratory Order, in which the Commission declined to initiate an enforcement action under section 210(h)(2)(A) of the Public Utility Regulatory Policies Act of 1978 (PURPA) against the California Public

Utilities Commission. The Commission also reaffirmed its determination that the California Public Utilities Commission's feed-in tariff program, the Renewable Market Adjusting Tariff program, is consistent with PURPA.

FERC denies request for clarification or rehearing

E-15, *Delta-Montrose Electric Association*, Docket No. EL15-43-001. This order denies Kit Carson Electric Cooperative's request for clarification or rehearing of the Commission's June 18, 2015 declaratory order. That order found that, and this order reaffirms that, Delta-Montrose is obligated to purchase power from qualifying facilities offering available energy and capacity under section 292.303(a) of the Commission's regulations, notwithstanding any conflicting contractual provisions between Delta-Montrose and Tri-State Generation and Transmission Association, Inc.

FERC grants request for one-year extension of a waiver for an existing tariff

E-16, *Midcontinent Independent System Operator, Inc.*, Docket No. ER14-2022-001. This order grants MISO's request for a one-year extension of an existing waiver of certain provisions of its tariff and of certain North American Energy Standards Board standards relating to the processing of long-term firm transmission service requests between MISO South and MISO Midwest/PJM, effective April 1, 2015 through the earlier of April 1, 2016 or the resolution of the dispute between MISO and Southwest Power Pool, Inc. in Docket No. ER14-1174-000, *et al.*

FERC denies rehearing; accepts compliance filing

E-17, *Midcontinent Independent System Operator, Inc. (MISO)*, Docket No. ER14-943-002, *et al.* This order denies the request for rehearing of the Commission's March 31, 2015 order, in which the Commission, among other things, conditionally accepted a renewal System Support Resource agreement for the Edwards Unit 1 generator and a related generator compensation filing, as well as accepted an associated rate schedule, for 2015. The order also accepts MISO's compliance filing to the March 31, 2015 order.

FERC dismisses a filing

E-18, *R.E. Ginna Nuclear Power Plant, LLC*, Docket No. ER15-1047-003. The order finds improper TC Ravenswood, LLC's request for rehearing of the Commission's July 13, 2015 rehearing that affirmed, without modification, its April 14, 2015 order that rejected, as beyond the scope of the proceeding, arguments that the Reliability Support Services Agreement should not be allowed to suppress market prices. Under Commission precedent, rehearing of an order on rehearing lies only when the order on rehearing modifies the result reached in the original order in a manner that gives rise to a

wholly new objection. Accordingly, the order dismisses this rehearing request on procedural grounds.

FERC sets filing for hearing and settlement judge procedures

E-19, *Entergy Services, Inc.*, Docket No. ER15-1826-000. This order sets Entergy's ninth annual bandwidth implementation filing for hearing and settlement judge procedures.

FERC sets filing for hearing and settlement judge procedures

E-20, *Louisiana Public Service Commission v. Entergy Services, Inc.*, Docket No. EL01-88-013. The order sets Entergy's compliance filing regarding bandwidth calculations for a seven-month period in 2005 for hearing and settlement judge procedures. The order also denies a request by the Arkansas Public Service Commission to exclude Entergy Arkansas from making bandwidth payments in this proceeding.

FERC denies rehearing

E-21, *Louisiana Public Service Commission v. Entergy Services, Inc.*, Docket No. EL01-88-012. The order denies Entergy's request for rehearing of an earlier order rejecting a compliance filing, finding that Entergy must include interest on recalculated bandwidth payment amounts for the seven-month period from June 1, 2005 through December 31, 2005.

FERC denies rehearing

E-22, *Louisiana Public Service Commission v. Entergy Services, Inc.*, Docket No. EL01-88-011. The order denies Entergy's request for rehearing of an earlier order denying rehearing of an order on remand from the U.S. Court of Appeals for the District of Columbia Circuit, finding that Entergy must include interest on recalculated bandwidth payment amounts for the seven-month period from June 1, 2005 through December 31, 2005.

FERC denies rehearing; accepts an unprotested compliance filing

E-23, *PJM Interconnection, L.L.C.*, Docket No. ER14-2940-001, *et al.* The order denies rehearing of the Commission's November 28, 2014 order in which the Commission conditionally accepted PJM's proposed revisions to the pricing elements used by PJM to clear its capacity market auctions. In that earlier order, the Commission generally accepted PJM's proposed changes to its capacity market demand curve – the Variable Resource Requirement Curve – and related inputs, including the net cost of new entry (Net CONE) of a representative new power plant and the energy and ancillary services

revenues that such a plant would be expected to earn through its participation in PJM's markets. The order denies rehearing on these issues. In addition, the order accepts PJM's unprotested compliance filing, addressing and correcting certain aspects of PJM's proposed location-specific Net CONE values that, absent correction, could have operated to disconnect costs and/or revenues from the areas to which they might be attributed.

FERC denies rehearing

E-24, *Fore River Development, LLC*, Docket No. EC10-85-002. This order denies a request for rehearing of the Commission's December 22, 2010 order. The December 22, 2010 order granted authorization in accordance with section 203 of the Federal Power Act for the transfer of generation facilities from Fore River Development, LLC, Mystic I, LLC, Mystic Development, LLC, Boston Generating, LLC to Constellation Holdings, Inc. or its designee, Mystic Power.

FERC denies rehearing

E-25, *Seminole Electric Cooperative, Inc. v. Florida Power & Light Company*, Docket No. EL12-53-001. This order denies Seminole's request for rehearing of the Commission's June 28, 2012 order. Specifically, the order finds that the version of Schedule 4 of Florida Power & Light Company's (FPL) *pro forma* Open Access Transmission Tariff that was in effect at the time the original complaint was filed permits both the apportionment and non-apportionment approach to assessing imbalance charges. The order also denies Seminole's request for rehearing of the Commission's interpretation of the Network Integration Transmission Service Agreement between Seminole and FPL as limiting refunds to a 24-month period.

FERC denies a complaint and request for waiver

E-27, *Champion Energy Marketing, LLC v. PJM Interconnection, L.L.C. and PJM Settlement, Inc.* Docket No. EL15-46-000. The order denies Champion's complaint against PJM. The complaint objects to PJM's allocation of real-time Balancing Operating Reserve charges to Champion for the month of January 2014 on the basis that the operation and application of the PJM Open Access Transmission Tariff to Champion with respect to these charges is unjust, unreasonable, and unduly discriminatory or preferential. The order denies Champion's request for a one-time, Champion-specific waiver of the applicable tariff provisions and its request for a refund in the amount of \$3,130,125, plus interest.

FERC grants requests for clarification

M-1, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, Docket No. RM14-2-002. This order clarifies Order No. 809,

establishing default interpretations to apply to natural gas capacity release transactions that span the transition from the existing standard to the revised standards, i.e., from two to three intra-day nomination cycles under the new nomination timeline adopted in Order No. 809.

FERC approves a final rule

G-1, *Standards for Business Practices of Interstate Natural Gas Pipelines; Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities, Final Rule (Order No. 587-W)*, Docket Nos. RM96-1-038 & RM14-2-003. This final rule amends the Commission's regulations to incorporate by reference, with certain enumerated exceptions and with certain enumerated minor corrections, the latest version (Version 3.0) of business practice standards adopted by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) applicable to interstate natural gas pipelines. These revisions, in part, revise the codes used to identify receipt and delivery locations in the Index of Customers. For consistency with the revisions to the Index of Customers, the final rule also proposes certain conforming changes to the Commission's regulations at 18 C.F.R. §§ 157.14, 157.18, 260.8, and 284.13 to have various interstate natural gas pipeline filings and postings use the same location point names as provided for in the NAESB WGQ Version 3.0 Standards. The rule also makes conforming changes to 18 C.F.R. § 284.126. In addition, the final rule terminates, as moot, the proceeding in Docket No. RM14-2-003, as the standard corrections NAESB filed in Docket No. RM14-2-003 are included as part of the Version 3.0 standards that the Commission is incorporating by reference here, with the same implementation date of April 1, 2016.

FERC denies rehearing

G-2, *Algonquin Gas Transmission, LLC*, Docket Nos. RP13-751-001 and RP13-751-000. This order denies Algonquin's request for rehearing of the April 2013 Order in this proceeding, requiring Algonquin to revise its tariff to comply with the Commission's reservation charge crediting policy or explain why it should not be required to do so. The order finds that Algonquin's tariff is unjust and unreasonable and requires Algonquin to revise its tariff to comply with Commission policy. The D.C. Circuit affirmed the Commission's application of its reservation charge crediting policy to another pipeline in *North Baja Pipeline, LLC v. FERC*, 483 F.3d 819 (D.C. Cir. 2007). The order rejects Algonquin's request because it would conflict with this precedent and the Commission's well-established reservation crediting policy.

FERC approves an uncontested settlement

G-3, *Transwestern Pipeline Company, LLC*, Docket No. RP15-23-000, *et al.* The order approves an uncontested Stipulation and Agreement of Settlement to resolve all disputed

issues among the settling parties. This proceeding was initiated by Transwestern's October 1, 2014 filing in Docket No. RP15-23-000, proposing to implement a general rate change under section 4 of the Natural Gas Act. On October 30, 2014, the Commission issued an order accepting and suspending certain tariff records to be effective April 1, 2015, subject to refund and the outcome of a hearing. On July 28, 2015, the presiding judge certified the Settlement to the Commission as uncontested. The order finds the settlement fair, reasonable, and in the public interest.

FERC clarifies buy-sell transactions for certain asset management agreements

G-4, *Rice Energy Marketing LLC*, Docket No. RP15-1089-000. On June 29, 2015, Rice Energy Marketing LLC asked the Commission to find that the exemption from the prohibition on buy-sell transactions for asset management agreements (AMAs) applies to supply AMAs on the same basis as delivery AMAs. The order clarifies that the buy/sell prohibition is not applicable to volumes of natural gas that the asset manager in a supply AMA purchases from its releasing shipper and then resells to that shipper.

FERC affirms, in part and reverses, in part, an Initial Decision

G-5, *ANR Storage Company*, Docket No. RP12-479-000. The order affirms in part, and reverses in part, a January 29, 2014 Initial Decision denying ANR Storage's request for market-based rate authority. The order finds that ANR Storage, the largest provider of storage service in the relevant markets, did not meet its burden of proof by demonstrating that it lacked significant market power.

FERC approves contested settlement, severs and remands contesting party for hearing procedures

G-6, *Great Lakes Gas Transmission Company, ANR Pipeline Company*, Docket Nos. RP15-138-000, RP15-138-001, RP15-139-000, RP15-139-001, RP13-743-000, RP13-743-001, RP13-743-002, RP13-743-003 (Consolidated), and RP14-650-000, RP14-650-001, and RP15-785-000. The order approves the contested settlement submitted in the captioned proceedings as to the supporting/uncontesting parties. The order severs the sole contesting party and remands the proceeding to the Chief Administrative Law Judge.

FERC approves a final rule

H-1, *Commencement of Assessment of Annual Charges*, Docket No. RM15-18-000. This final rule revises the Commission's regulations regarding when the Commission will commence assessing annual charges to non-municipal hydropower licensees and exemptees with respect to licenses and exemptions authorizing unconstructed projects and new capacity. Specifically, the Commission will commence assessing annual

charges on the date by which the licensee or exemptee is required to begin construction of an unconstructed project or new capacity, rather than on the date that project construction actually begins. The final rule also provides that for any license, exemption, or amendment authorizing additional capacity that receives an extension of the start-of-construction deadline, the Commission will begin assessing annual charges upon the expiration of the start-of-construction deadline as extended.

FERC grants rehearing

H-2, *PK Ventures I Limited Partnership*, Project No. 4093-037. This order grants PK Ventures' request for rehearing of the Commission's August 18, 2015 order that approved the transfer of the license for the Bynum Hydro Project No. 4093, located on the Haw River in Chatham County, North Carolina, from Bynum Hydro (Bynum) to PK Ventures. The order finds that, because the Commission chose not to issue an annual license to Bynum upon expiration of Bynum's license on May 1, 2015, there was no license for the Commission to transfer to PK Ventures. Therefore, the August 18, 2015 order approving transfer is rescinded, and PK Ventures is not the licensee for the Bynum Hydro Project. In addition, the order finds that because PK Ventures missed the deadlines to file an application for relicensing, it is barred from filing a relicense or exemption application in the current relicensing proceeding.

FERC denies rehearing and request for stay

H-3, *Eagle Crest Energy Company*, Project No. 13123-003. The order denies rehearing of the Commission's June 19, 2014 order issuing an original license for the 1,300-megawatt Eagle Mountain Pumped Storage Hydroelectric Project No. 13123. The project will be located on the site of an inactive mine in Riverside County, California, near the town of Desert Center, and will occupy federal lands. The order affirms the adequacy of the environmental review and denies rehearing and a stay.

FERC grants in part and denies in part rehearing requests

H-4, *Duke Energy Progress, Inc.*, Project No. 2206-048. This order responds to two rehearing requests regarding FERC staff's April 1, 2015 order issuing a new license to Duke to continue operating and maintaining the Yadkin-Pee Dee Hydroelectric Project No. 2206. The order grants Duke's rehearing request that asked the Commission to revise the license order to account for the National Marine Fisheries Service's revised biological opinion and provide a license term of 50 years. The order grants in part Duke's request for other revisions, clarifications, and corrections to the license order, clarifies and modifies certain license articles. The order also denies rehearing requests filed jointly by American Rivers and the City of Rockingham, North Carolina, which raised numerous arguments regarding alleged procedural deficiencies, National Environmental Policy Act and Endangered Species Act violations.

FERC grants authorization for a cross-border gas export project

C-1, *Roadrunner Gas Transmission, LLC*, Docket No. CP15-161-000. This order issues Roadrunner a Presidential Permit and grants authorization under section 3 of the Natural Gas Act to site, construct, operate, and maintain border-crossing facilities for the export of natural gas at the international boundary between the United States and Mexico in El Paso County, Texas. Roadrunner proposes to construct 900 feet of 30-inch-diameter pipeline, with a design capacity of approximately 875,000 Mcf/day.

FERC authorizes, with conditions, upgrades for a natural gas pipeline project

C-2, *Columbia Gas Transmission, LLC and KO Transmission Company*, Docket No. CP15-160-000. The order grants the joint application of Columbia Gas and KO Transmission for a certificate of public convenience and necessity authorizing the replacement of approximately 23 miles of deteriorated pipeline and associated facilities in Kentucky and for approval to abandon in place the deteriorated facilities being replaced. The order also grants the applicants the authorization to roll the project costs into existing rates in their next general rate proceedings, absent any material change in circumstances.

FERC finds gas facilities jurisdictional, grants authorization to provide service; requires tariff filing

C-3, *Regency Field Services LLC*, Docket No. CP15-272-000. This order finds that facilities owned and operated by Regency Field are subject to FERC jurisdiction and authorizes the continued operation of an 8.1-mile-long, 20-inch-diameter residue line that carries gas from processing plants to seven interconnections to one interstate and four intrastate pipelines. In its filing, Regency argues its residue line is non-jurisdictional, but if the Commission does not agree, alternatively asks for waivers from compliance with certain operational and filing requirements. In 2013, Regency acquired the residue line, the processing plant, and 1,258 miles of gathering lines in the Permian Basin. Regency provides bundled gathering, processing, and transportation to producers. The residue line carries both Regency's own gas and gas owned by producer-shippers. The order finds that because the residue line fails the 5-mile-stub-line test, the line is jurisdictional, and accordingly, issues the requested certificate authorizations. The order finds that, because Regency is shipping both its own gas and third-party gas, it cannot qualify for waivers that might otherwise apply if it was carrying only its own gas; consequently, the order requires Regency to file a tariff that includes its transportation and gathering service agreements and to submit Form No. 2-A, The Annual Report of Non-Major Natural Gas Companies. The order exempts Regency from providing service on an open-access basis under Part 284 until it receives a request from a new shipper. Until such time, Regency will not be subject to compliance with the Standards of Conduct.

FERC denies requests for rehearing, clarification and stay

C-4, *Enable Gas Transmission, LLC*, Docket No. CP14-503-001. The order denies landowners' requests for rehearing, clarification, and stay of the Commission's April 16, 2015 order denying the landowners' protest to Enable Gas Transmission, LLC's (EGT) prior notice request, filed under section 7 of the Natural Gas Act and section 157.205 of the Commission's regulations, and authorizing EGT to construct and operate a pipeline lateral in Grady and McClain counties, Oklahoma under its Part 157 blanket certificate.