The Commission met in open session at 10:01 a.m. when were present:

NORMAN C. BAY, Chairman
TONY CLARK, Commissioner
CHERYL A. LaFLEUR, Commissioner
PHILIP D. MOELLER, Commissioner
COLETTE D. HONORABLE, Commissioner
FERC STAFF:
KIMBERLY D. BOSE, Secretary
JOE McCLELLAND, OEIS
MIKE BARDEE, OER
JAMIE SIMLER, OEMR
ANN MILES, OEP
MAX MINZNER, OGC
ARNOLD QUINN, OEPI
LARRY PARKINSON, OE

PRESENTERS:
E-1 Greg Basheda, OEMR
Accompanied by Debra Irwin, Carol Johnson, Jamie Chabinsky, and Randy Johanning

E-3 Virginia Castro, OEMR
Accompanied by Debra Irwin, Joseph Cholka, Stephanie Schmidt, Randy Johanning, and Jamie Chabinsky

A-1 Alyssa Asonye, OED
Shabnam Tehrani, OED

A-3 Owen Reynolds, OE
Dillon Kolkmann, OE
Accompanied by Eric Primosch and Patricia Schaub
SECRETARY BOSE: The purpose of the Federal Energy Regulatory Commission's open meeting is for the Commission to consider the matters that have been duly posted in accordance with the Government and the Sunshine. Members of the public are invited to observe, which includes attending, listening, and taking notes, but does not include participating in the meeting or addressing the Commission. Actions that purposefully interfere or attempt to interfere with the commencement or conducting of the meeting or inhibit the audience's ability to observe or listen to the meeting, including attempts by audience members to address the Commission while the meeting is in progress, are not permitted. Any persons engaging in such behavior will be asked to leave the building. Anyone who refuses to leave voluntarily will be escorted from the building. Additionally, documents presented to the Chairman, Commissioners, or staff during the meeting will not become part of the official record of any Commission proceeding, nor will they require further action by the Commission.

If you wish to comment on an ongoing proceeding before the Commission, please visit our

PROCEDINGS

(10:01 a.m.)
website for more information. Thank you for your cooperation.

CHAIRMAN BAY: Good morning everybody. This is the time and place that has been noticed in the open meeting of the Federal Energy Regulatory Commission to consider the matters that have been duly posted in accordance with the government and the Sunshine Act. Please join us in the pledge of allegiance.

(The pledge of allegiance commences.)

Since the September 17th meeting the Commission has had a very busy month. We've issued 64 additional orders.

Colleagues, do you any other opening statements or announcements?

COMMISSIONER MOELLER: Thank you, Mr. Chairman. I have some guests today; I'd like to introduce my family. My wife Elizabeth, I have Wilson, Phillip, Caroline, my sister Anne Marie, and our house manager Nadine Adam. Thank you, Mr. Chairman.

CHAIRMAN BAY: Thank you.

Cheryl?

COMMISSIONER LaFLEUR: Welcome, wonderful to have you here. I'd like to take a moment to note something important that happened since our last open meeting. It does relate to one of the cases on agenda
E-4, but I'm not going to talk about the case. On October 1 the integrated system officially joined the Southwest Power Pool. It's the backbone of the whole electric transmission system across seven states in the Upper Great Plains including Basin Heartland and the Upper Great Plains region of the western area power administration. And it's particularly significant that it represents the first time a federal power marketing administration has joined an RTO. So congratulations to SPP and all of its new members. Thank you.

CHAIRMAN BAY: Thank you, Cheryl.

Tony?

COMMISSIONER CLARK: Thank you. Good morning and welcome to Phil's family as well. I'm glad that Commissioner LaFleur brought up the SPP integration that just took place. I happened to return from North Dakota just this past week, I was at a conference and was pleased to recognize the folks who have been working so hard on that. Any marketplace integration is an undertaking, with in the case of SPP it doubles the size of the geographic footprint of that ISO. So thanks to all of those working so hard on that particular issue.

Again, thanks, good morning, welcome.

CHAIRMAN BAY: Thank you, Tony.

Colette?
COMMISSIONER HONORABLE: Thank you, Mr. Chairman. And I'm also pleased to welcome Elizabeth and Caroline and family. I'm really delighted that Phil introduced his family because it really underscores the fact that none of us could do this work without an incredible support system. And Phillip and Caroline are especially special to me because they know my daughter Sydney and we've all spent time together over the years, so I'm delighted they're here.

Mr. Chairman, I'm also pleased that later this week I will be going to my home in Little Rock where I'm going to tackle a lot in a few short days: I will go by SPP; I'm going to tour the MISO operation center there; and also I'm looking forward to speaking at a bipartisan policy center event focusing on regional compliance with the clean power plan.

And last but not least, I hope to engage with my colleagues at OMS and maybe stop by the Arkansas Public Service Commission if they'll have me there.

(Laughter.

COMMISSIONER HONORABLE: Thank you.

CHAIRMAN BAY: Thank you, Colette. That sounds like a very busy, productive trip. Thank you very much for what you're doing.

Madam secretary, I think we're ready to
SECRETARY BOSE: Thank you, Mr. Chairman.


We're now ready to take a vote from this morning's agenda. We are now ready to take a vote on this morning's consent agenda. The vote begins with Commissioner Honorable.


SECRETARY BOSE: Commissioner Clark.

COMMISSIONER CLARK: Aye.

SECRETARY BOSE: Commissioner LaFleur.
COMMISSIONER LaFLEUR: I vote aye.
SECRETARY BOSE: Commissioner Moeller.
COMMISSIONER MOELLER: Noting my partial dissent in E-27, I vote aye.
SECRETARY BOSE: And Chairman Bay.
CHAIRMAN BAY: I vote aye.
SECRETARY BOSE: The first item for discussion and presentation this morning is item E-1 concerning a draft final rule on refinements to policies market-based rates for wholesale sales of electric energy, capacity, and ancillary services by public utilities. There will be a presentation by Greg Basheda from the Office of Energy Market Regulation. He is accompanied by Debra Irwin from the Office of Energy Market Regulation, Carol Johnson and Jamie Chabinksy from the Office of General Counsel, and Randy Johanning from the Office of Electric Reliability.
MR. BASHEDA: Good morning, Chairman Bay and Commissioners.
E-1 is a draft final rule pertaining to the Commission’s requirements for market-based rate authorization for wholesale sales of electric energy, capacity, and ancillary services by public utilities. Through this draft final rule, the Commission adopts, in many respects, the proposals in the June 19th, 2014,
notice of proposed rule making they are intended to clarify and streamline certain aspects of its electric market-based rate program.

With regard to issues of process and reporting, the draft Final Rule clarifies that, in lieu of submitting indicative screens as part of their horizontal market power analysis, sellers may explain and provide information demonstrating that all of their generation capacity in the relevant geographic market, including first-tier markets, is fully committed. In addition it adopts a 100 megawatt change in status threshold for reporting new affiliations to align with the existing 100 megawatt threshold for reporting net increases in the generation capacity, as proposed in the NOPR. The draft Final Rule adopts the changes in the asset appending the sellers must submit with most market-based rate filings, and also that the asset appendix be submitted in an electronic format that can be searched, sorted, and otherwise accessed using electronic tools.

The draft Final Rule reduces burden by adopting the NOPR proposal to eliminate the requirement that the market-based rate sellers file quarterly land acquisition reports and provide information on sites for generation capacity development in market-based rate
application and updated market power analyses.

The draft Final Rule adopts the NOPR proposal to require a seller filing on initial application for market-based rate authority, an updated market power analysis, or a notice of change in the status reporting new affiliations to include a corporate organizational chart. However, the chart only needs to include seller's affiliates as defined in Section 35.36(a)(9) of the Commission's regulations rather than all upstream owners, energy subsidiaries an energy affiliates as was originally proposed in the NOPR. The draft Final Rule requires that the horizontal market power screens and simultaneous transmission import limit submittals be filed in workable electronic spreadsheets. Shortly after the Final Rule is issued, spreadsheets for the standard screen format, asset appendix, and the SIL submittals 1 and 2 will be available on the Commission's website.

The draft Final Rule also provides important clarifications with respect to the manner in which the market power analysis is undertaken. For example, the draft Final Rule adopts the NOPR proposal to require market-based rate sellers to report in their screens and asset appendices all of their long-term firm purchases of capacity and/or energy that have been associated with
long-term firm transmission reservation. This will provide a more accurate measure of a seller's generation resources. It also adopts most of the NOPR's clarifications with regard to simultaneous transmission import limit studies and provides additional clarifications in response to comments, and adopts several of NOPR's proposals that concern defining the default relevant geographic market for an independent power producer located in a generation-only balancing authority area as the balancer authority areas of each transmission provider to it which the independent power producer's generation only balancing authority area is directly interconnected.

While the draft Final Rule adopts many of the proposals in the NOPR, it does not adopt the NOPR proposal to relieve market-based rate sellers in regional transmission organizations and independent system operator markets of the obligation to submit the indicative screens. Rather, the draft Final Rule proposal is to transfer on this aspect of the NOPR to a newly established administrative docket for possible consideration in the future as the Commission may deem appropriate. As such, the draft Final Rule continues the Commission's current practice of requiring the sellers in regional transmission organization and
independent system operator markets submit the screens
when submitting initial market-based rate applications
and updated market power analyses.

Finally, in contrast to the NOPR proposal, the draft Final Rule determines that behind-the-meter generation need not be accounted for in the indicative screens and the asset appendices and will not count towards the 100 megawatt change in status threshold or the 500 megawatt Category 1 seller threshold.

CHAIRMAN BAY: Thank you, Greg. And thank you to all of your colleagues at the Office of Energy Market Regulation, the Office of General Counsel, and the Office of Electric Reliability. We've worked on Order 16. I know a lot of staff time went into the review of the Commission's market-based rate program. And we very much appreciate your efforts. The market-based rate program is a key element of the Commission's effort to use the power in competitive markets to produce just and reasonable rates for consumers. It's been eight years since the Commission codified its market-based rate, all Orders 6 and 7. And today's order is a culmination of that review of that policy based on our experience with an eye towards identifying processes that can be streamlined in
lessening administrative burdens where appropriate. In my view, such an exercise is a hallmark of the Government, and for that reason I'm pleased to support today's order.

Colleagues?

COMMISSIONER MOELLER: Thank you, Mr. Chairman. No questions for the team. But I want to thank them for all the work they've put in. After we've done something, to find out how effective it's been, make changes, perhaps defer some additional discussion on perhaps later on more changes, that is good government. And I applaud the Commission for moving forward today.

CHAIRMAN BAY: Thank you, Phil.

Cheryl?

COMMISSIONER LaFLEUR: Thank you. I have no questions either. I also would like to thank the team for their work over many months on this very extensive final rule. I think it's a good example of the work we do to learn from our experience and to make our practices better, streamlining them in some ways and also requiring more information where needed. And I hope it will help in the evaluation of NBR applications going forward. Thank you.

CHAIRMAN BAY: Thank you, Cheryl.
Tony?

COMMISSIONER CLARK: I can assure members of
the public that indicative streams are not quite as
exciting as they sound.

(Laughter)

COMMISSIONER CLARK: This update, as my
colleagues have indicated, is a deep dive and this is an
extensive order and it took a lot of legwork on behalf
of the Commission. So thanks for all the work that
staff did.

CHAIRMAN BAY: Thank you, Tony.

Colette?

COMMISSIONER HONORABLE: Thank you, Mr.
Chairman. I echo the comments of my colleagues, and I
appreciate your work. It took a lot of cooperation and
 collaboration to pull that together in a way that would
support the ongoing work in the industry. Over 2,000
public utilities have been granted market-based rate
authority. After demonstrated that they or their
affiliates either lack or adequately mitigated market
power. And I mention that because the number 2,000
really is a testament to how far we've come with this
effort and how robust the markets have become.

I also wanted to mention that this Final
Rule is a good example of how our rule-making process
works at FERC, and that a common period is a significant one. Here we issue the notice of proposed rulemaking, we wanted to hear whether this proposal was a good or bad idea. And for instance, based on the feedback that we received, the Final Rule adopts some of the NOPR proposal yet doesn't adopt others. And I mention this because some of our earlier rulemaking, it is a good process at work. For instance, the final rules did not adopt the NOPR proposal to not require sellers in the RTL market system indicative to it.

Thank you for your feedback, to all of the stakeholders on that point. And also we are streamlining this work as we do better when we know better. So thank you for your work, and I'd like to thank all of the stakeholders as well.

CHAIRMAN BAY: Thank you, Colette.

Madam secretary?

SECRETARY BOSE: We will now take a vote on E-1.

Commissioner LaFleur.

COMMISSIONER LaFLEUR: Aye.

SECRETARY BOSE: Commissioner Moeller.

COMMISSIONER MOELLER: Aye.

SECRETARY BOSE: And Chairman Bay.

CHAIRMAN BAY: Aye.
SECRETARY BOSE: The next presentation and discussion item this morning is E-3, a draft order concerning the Public Service Company of New Mexico and Docket No. ER10-2302-005. There will be a presentation by Virginia Castro from the Office of Energy Market Regulation. She is accompanied by Debra Irwin and Joseph Cholka the from the Office of Energy Market Regulation, Stephanie Schmidt from the Office of Electric Reliability, along with Randy Johanning from the Office of Electric Reliability, and Jamie Chabinksy from the Office of the General Counsel.

MS. CASTRO: Good morning, Chairman Bay and Commissioners.

E-3 is a draft order involving a notice of change in status filed by the Public Service Company of New Mexico, PNM, to report a transaction in which it purchased the interests in the Delta Person, Limited Partnership, the owner of a 132 megawatt gas-fired generating facility located in the PNM balancing authority area. PNM also seeks to reinstate its market-based rate authorization in the PNM balancing authority area because PNM states that the market characteristics in the PNM balancing authority area have changed since PNM relinquished its market-based rate authority in 2010. In support of its request, PNM
submits an updated market power analysis, which includes indicative market power screens, a delivered price test, or DPT analysis, and a simultaneous transmission import limit or SIL study.

The draft order accepts the notice of change in status filed by PNM, and rejects, without prejudice, PNM's request for market-based authority in the PNM balancing authority area. The draft order also rejects, without prejudice, the SIL values submitted by the PNM for the PNM balance authority area.

The draft order also reminds market-based rate sellers the type of information and analysis that is useful and appropriate for the Commission's consideration of the DPT. The draft order provides important information, not only to PNM, but also to industry, with respect to several issues that arose in review of the DPT analysis and those studies prepared by PMN. Those studies are used as a basis to calculate import capability to serve balancing authority load when performing market power analyses, including both indicative market power screens and DPT analyses. The issues identified in the draft order have been seen in a number of other market-based rate filings. Thus, the clarification in E-3 is intended to promote industry compliance with the Commission's regulations and
policies in an effort to more timely process market-based rate filings.

Although the Commission has provided guidance on how to conduct a DPT analysis in previous orders and generic rulemaking proceedings, it is also addressed in the Commission's regulations, the draft order attempts to gather this previous guidance into one order and provide further clarification to the industry.

In an effort to assist industry in preparing field studies and DPT analyses in the future, that contends to update the market-rate based portion of the Commission's website to outline the findings in the draft order and provide responses to frequently asked questions on the preparation of SIL studies and DPT analyses. If filers have further questions, they can request pre-filing conferences with staff prior to submitting these studies, as staff is available to provide information on how these studies should be prepared.

This concludes our presentation. Staff would be happy to address any questions you may have.

Thank you.

CHAIRMAN BAY: Thank you, Virginia. And my thanks to the team for your work in this matter. Today's order provides additional guidance and clarification to industry which should help reduce any
uncertainty when it has to do the analysis in analyzing
market-based rate applications. I also appreciate the
fact that staff is putting up a lot of this information
on this website's, I think that will be very helpful.
So thank you for your good work on this order.

  Colleagues?

COMMISSIONER MOELLER: Just quick thanks to
the team. Obviously these last two items go together
and are submitted within. I appreciate the work you
did.

CHAIRMAN BAY: Cheryl?

COMMISSIONER LaFLEUR: I'd also like to the
thank the team. I think, as with the NBR order we just
discussed, this is an example of the Commission staff
learning from experience to find ways to make our
processes better. I just want to observe that, although
this case happens to involve Public Service of New
Mexico, the order points our that a myriad of other
companies have submitted applications with exactly the
same issues. So we just happened, the PNM was just the
lucky person we chose to use their order as the vehicle
to deliver this guidance.

(Laughter)

COMMISSIONER LaFLEUR: And I hope that the
guidance will be helpful to applicants to make their
application processes smoother and faster in the future.

Thank you.

CHAIRMAN BAY: Thank you, Cheryl.

Tony?

COMMISSIONER CLARK: Thanks, Mr. Chairman.

And thanks for putting this item on the agenda for discussion. Because the point Cheryl just made was exactly the point that I was going to make. PNM can thank us for free advertising.

(Laughter)

COMMISSIONER CLARK: We've given them to date. But it's really more than PNM. This is a number of issues that staff indicated that have been noted in the applications we have received. So this is more about setting a guidepost for other stakeholders in the industry as well, so that in the future some of the applications that we received will have more standardized information int he order that we're looking for. So thank you.

CHAIRMAN BAY: Thank you, Tony.

Colette?

COMMISSIONER HONORABLE: Thank you, Mr. Chairman. I, too, am supporting this order because of the broader message. Thank you, Cheryl and Tony, for the point that you mention. Our intention isn't
certainly to single out PNM. And I also appreciate the point you've made, Ms. Castro, regarding using the pre-filing process; it's an important way to resolve issues ahead of the filing. That's a broader message for everyone, as well as our effort to clarify how to reduce the amount that should be conducted. Kudos to you for also making sure that this information is on the website. In the future I would also support providing this guidance in a separate administrative docket or otherwise to make sure we are informing the masses about it versus through a particular utilities docket. But this happened to be the right time for the clarification. Thank you for the team.

CHAIRMAN BAY: Thank you, Colette.

Madam secretary?

SECRETARY BOSE: We will now take a vote on E-3. The vote begins with Commissioner Honorable.

COMMISSIONER HONORABLE: Aye.

SECRETARY BOSE: Commissioner Clark.

COMMISSIONER CLARK: Aye.

SECRETARY BOSE: Commissioner LaFleur.

COMMISSIONER LaFLEUR: Aye.

SECRETARY BOSE: Commissioner Moeller.

COMMISSIONER MOELLER: Aye.

SECRETARY BOSE: And Chairman Bay.
CHAIRMAN BAY: Aye.

SECRETARY BOSE: The next presentation is discussion item this morning is on item A-1 concerning the 2015 Federal Employee Viewpoint Survey Results. There will be a PowerPoint presentation on this item. The presentation will be made by Alyssa Asonya and Shabnam Tehrani from the Office of the Executive Director.

MS. ASONYA: Good morning, Mr. Chairman and Commissioners. Thank you for the opportunity to present the Commission's 2015 Federal Employee Viewpoint Survey Results. Today Shabnam and I will be presenting an overview of the Employee Viewpoint Survey, the Commission's survey results, and the rankings when compared to other federal agencies.

The Federal Employee Viewpoint Survey measures the job satisfaction of federal employees. It is administered every year by the Office of Personnel Management. Permanent federal employees at every agency have an opportunity to provide voluntary and anonymous responses. Once the survey period ends, the Office of Personnel Management compiles the information and issues agency-specific results to every federal agency. The results, broken down by agency, office, and division level, are a powerful tool for
employees wanting to share their perspectives on work experiences, office culture, and agency leadership. In turn, agency leaders are empowered to further analyze the results, recognize areas of strength, and initiate a plan to improve the agency as a whole. I will now turn the presentation over to Shabnam, who will provide you with some Commission-specific data.

MS. TEHRANI: In 2015, 996 Commission employees completed the survey for a participation rate of 73 percent, the highest response rate at the Commission since the survey has been administered. As you can see on the graph, the participation rate has increased by 20 percent since 2012. The survey participants include full-time and part-time permanent employees at Commission headquarters and regional offices.

Compared to last year's results, the Commission's scores in 89 percent of the questions went up. Specifically, 63 of the 71 questions on the survey had an increase in positive scores. The question with the largest positive increase related to the confidence employees have in the survey results being used to improve workplace.

OPMI uses the survey results to rank federal agencies. For the measure of employee engagement, the
Commission is ranked number 4 out of the 37 large agencies in the government. Employee engagement is defined as employees' sense of purpose, their level of dedication to the work, and their commitment to the organization and its mission. It is measured using the scores of 15 questions from the survey regarding employees' views on leaders, supervisors, and intrinsic work experiences. The Commission's score in the employee engagement measure is 76 percent, which is a 2 percent increase from last year and a 6 percent increase from 2012. Compared to the government-wide results, the Commission's score is higher than 12 percent.

For the measure of global satisfaction, the Commission is ranked third among large federal agencies. Global satisfaction is measured by four questions relating to employees' overall satisfaction with their job, organization, and pay and when they recommend the organization as a good place to work. The Commission's score on the global satisfaction measure is 74 percent, a 3 percent increase from 2014 and a 6 percent increase from 2012. Compared to the government-wide results, the Commission's score is higher than 14 percent. In addition to the OPMI analysis, the partnership for public service also publishes a separate ranking based on the survey results. This is called the "Best places
to work in a federal government" index. In 2014, the Commission ranked number 5 in this index. However, the 2015 rankings have not yet been released.

Five questions from the survey that highlight the Commission's strengths are the following: Employees' views on supervisors treating them with respect and talking to them about their performance; their views on the quality of work within their units; supervisors' support for work/life balance; and whether employees believe their work is important.

MS. ASONYA: In terms of next steps, all Commission employees will receive the agency-wide results in the next few days. In addition, the results will be posted on the Commission's website, FERC.gov, for the public to view. The Office of the Executive Director will be partnering with each office to discuss the office and division level survey results and develop an action plan to further improve the workplace in areas identified as strengths, as well as areas identified as challenges. We are encouraged by the interest and enthusiasm of senior leadership and look forward to working with each office soon. Thank you for your time.

We are open to any questions or comments you may have.

CHAIRMAN BAY: Thank you Alyssa and Shabnam
for the presentation. First, let me thank staff for the
great work that you do. We're so lucky here at the
Commission to have staff that are so engaged and
satisfied with their work. You do important work and we
appreciate what you do. Staff is truly the greatest
resource at the Commission. Let me also thank senior
staff for the leadership you provide in your offices.
FERC is very talented [sic] to have board of talented,
dedicated office directors that we have. These results
I think also reflect on my colleagues on the Commission
and a culture that they've helped develop, one that
prizes excellence, respect, professionalism, and
collegiality. In particular my predecessors John
Wellinghoff and Cheryl LaFord serve the credit for
FERC's steady upward climb. When you look at that
upward trajectory, it's so striking to see the way in
which FERC continues to do better. In other agencies
there's a different story.

Finally, let me make this one plug for FERC:
If anyone out there is interested in coming to one of
the best agencies in the government.

(Laughter)

CHAIRMAN BAY: If you have a friend that may
be interested in coming to the best agencies in
Government, please consider applying to FERC. You'll
have great colleagues, you'll do interesting and important work where you can truly make a difference.

You can find job listings for FERC at www.FERC.com.

(Laughter)

CHAIRMAN BAY: Thank you.

Phil?

COMMISSIONER MOELLER: Thank you, Mr. Chairman. I'm glad you called this item. I congratulate you and your predecessors and your staff for the results. As members of my team know, I asked them on evaluation time to focus on the positive things that they do, focus on the areas where they've improved, and then focus also on areas that continue to need improvement. And in that light of very positive results, are there any other areas where you can generally say that the Commission can still improve?

MS. ASONYA: Yes, based on the survey results, two areas are creativity and innovation and pay. However, pay is an area that has been identified as a challenge across the Government consistently with the survey results.

(Laughter)

MS. ASONYA: In fact, FERC ranks amongst the top ten agencies in regards to employee satisfaction in this case. Nevertheless, it is government wide. The
report that will be issued on the website, the Chairman just sited FERC.gov, will include additional details regarding our strengths and areas for improvement.

COMMISSIONER MOELLER: Thank you for your answer and the presentation.

COMMISSIONER LaFLEUR: Thank you, Alyssa and Shabnam for sharing those very gratifying results. One of my very best days at the Commissioner is when I accompanied David Warnoff and Anton Porter and watched them be recognized for the Partnership for Public Service for our survey results last year. We are so lucky to have the wonderful team of employees we do at FERC. I truly would like to thank the office leaders for the specific, targeted work they did responding to the surveys in past years to help us grow. And I want to single out the Office of Energy Project, which was the first one to put together an employee team to really learn, I think it was 2013 survey. And I'd also like to recognize Anton who coordinates all the offices in that interest.

Since the question of the greatest improvement was whether employees thought we used this survey to make this a better place to work, I guess it's incumbent on us to use the survey to make this a better place to work.
COMMISSIONER LaFLEUR: I do want to point out that it will be challenging. I think to sustain all these wonderful results as we go through the building modernization over the next several years, so that's on all of us as leaders to make that process work. Thank you.

CHAIRMAN BAY: Thank you, Cheryl.

Tony?

COMMISSIONER CLARK: Thank you, Mr. Chairman. From the day that I've walked in the door, I've been so impressed by the dedication and professionalism of the staff here. It's nice to see affirmation of what's happening at the Commission, and hopefully we can all keep up the good work. I would also say thank you, Mr. Chairman, for putting this on the agenda because it reminds me that I haven't done my performance evaluations yet.

(Laughter)

COMMISSIONER CLARK: For my own staff, and I know they've been anxiously awaiting that feedback.

CHAIRMAN BAY: Thank you, Tony.

Colette?

COMMISSIONER HONORABLE: Thank you, Mr. Chairman. Thank you for the presentation. It is a
wonderful story to hear from more of our employees here and colleagues here, and to learn that they are equally enjoying this, as much as I am as the newest Commissioner. People always ask me, "Do you like what you do?" And I say, "I knew that I would like it but I actually love it." And I love coming to this place and working alongside such incredibly talented and experienced individuals. It's amazing the work that is carried out here. It's challenging, every day is something new and different. But we also serve others and we carry out important work. Thank you for highlighting this effort. And also our executive director Anton Porter, thank you for also working with the spirit of excellence each and every day. Thank you.

CHAIRMAN BAY: Thank you, Colette.

Madam secretary.

SECRETARY BOSE: Thank you. The next presentation is discussion item, the last this morning, is A-3 concerning the 2015-2016 Winter Energy Market Assessment. There will be a presentation by Owen Reynolds and Dillon Kolkmann. They're accompanied by Eric Primosch and Patricia Schaub from the Office of Enforcement. There will be a PowerPoint presentation on this item.

MR. REYNOLDS: Good morning, Mr. Chairman
and Commissioners. This is the Office of Enforcement's 2015-16 Winter Energy Market Assessment. The winter assessment is staff's opportunity to share our thoughts and market expectations for the upcoming winter season. Natural gas and electric spot and futures prices are lower than last year, consistent with expectations that energy markets are well positioned to manage potential challenges this winter. The U.S. natural gas market is well supplied, with ample production and storage. Record-breaking production continues despite lower rig counts, increased exports, and the collapse of oil prices. New natural gas pipeline expansions and projects to reverse flows on some pipelines will also provide more transportation capacity from producing to market areas this winter, though no capacity additions have been made in New England. Winter weather forecasts indicate cooler than normal temperatures in the South, moderate weather in the Midwest, Pacific Northwest, and Northeast, and uncertain temperatures in the Mid-Continent and Mid-Atlantic. Temperate conditions in the Midwest and Northeast should help depress total residential and commercial natural gas demand during the winter, although LNG exports and industrial facilities could add to the total demand as operations begin. Electricity prices also increasingly track natural gas
markets as gas-fired generation increases. In addition, increased integration of renewables can cause price volatility, particularly in the Western markets.

Spot and futures prices generally reflect market expectations for a relatively well-supplied winter. Spot natural gas prices traded in a tight range and remained relatively low throughout the summer. At times, prices in New York and New England traded under $2 MMbtu, well below the U.S. benchmark at Henry Hub. In addition, futures prices for this winter are trading several dollars less than last year. The cost to hedge natural gas in Northeast market areas is around $10 MMbtu. In New England traders seem to be factoring in the likelihood of the LNG cargoes mitigating price spikes in the region. Consequently Algonquin futures are trading at half the price of last year. Elsewhere, natural gas futures prices in Southern California and at the Henry Hub are more than one dollar per MMbtu below the last year's prices. Power futures prices have followed natural gas futures downward, reflecting the growing reliance of power generation on natural gas. Traders are likely recognizing the ample supply of natural gas expected for the coming winter as well as the expanded natural gas pipeline delivery system.

As always, weather is one of the primary
some least predictable drivers for natural gas and electricity markets. A strengthening El Nino in the tropical pacific could bring warmer-than-normal weather to most northern states and relatively wet and stormy weather to the southern half of the U.S. NOAA's three-month outlook for December 2015 through February 2016 is consistent with this pattern. It shows a higher probability of warm weather in the Northeast, Midwest, and Pacific Northwest, and colder weather in the Gulf and Southeast. NOAA predicts an equal chance for cold or warm weather in the Mid-Atlantic, Mid-Continent, and Southwest. Based on NOAA data, some analysts project this winter to be 7 percent warmer than last year and 3 percent warmer than the 30-year average. Most commercial forecasting services also expect the U.S. to have a warmer-than-usual winter, with some projecting the highest probability for warm weather in December.

Storage inventories began this year's injection season below the five-year average. However, storage refilled quickly throughout the spring and summer, as strong production growth outpaced demand. As a result, natural gas inventories may reach 4 TcF by the end of the injection season, which would be a record level. Inventories are robust in all regions, and we expect the EIA producing region to set a new all-time
high by the end of the month, while the East and the West regions should be near previous records. In addition, Canadian storage is approaching the five-year average, and imports can quickly respond to meet high winter demand in the U.S. This graphic shows potential withdrawal rates based on two historic scenarios from the past five years. The red dotted line shows storage inventory withdrawals based on the cold weather events of winter 2013-14, and indicates that similar withdrawals this winter would still leave storage within the five-year range. The green dotted line shows the lowest withdrawal rates in the last five years, similar to winter of 2011-12, indicating that the storage could remain above the five-year range. Finally, deliverability, scarcity, and record price spikes during the 2013-14 cold weather events have largely been addressed for other heating and electric generating fuels, indicating strong market preparation for the upcoming winter season. Propane storage at the whole sale level is filled far above the five-year range. Coal stock piles and deliveries are also at or above normal due to improved rail deliveries, as well as capital improvements to railroad tracks and locomotives. This graphic shows U.S. monthly natural gas demand by sector from September 2013 and
forecasted demand through April 2016. It shows that peak demand during the previous two winters was similar and unusually high. Given average weather and demand patterns, total natural gas demand should be lower than the previous two winters. Warmer-than-usual temperatures in the Midwest and Northeast should further mitigate peak demand from the residential and commercial sectors. In New England, 34 BcF of liquefied natural gas imports from Everett and Canaport helped moderate natural gas price spikes in the region last winter. With global LNG prices currently below $8 per MMbtu, we expect that New England will be able to attract LNG cargoes again this winter. We do not expect the predicted cold weather in the South to significantly increase demand. Power burn continues to rise as coal plants retire and natural gas becomes more price competitive for electric generators. During April and July of 2015, monthly natural gas power burn surpassed coal-fired generation for the first time at the national level. As the graphic shows, power burn peaked this past summer, but should level out through the coming winter. Industrial natural gas demand could also increase by 500 MMcfd by year's end because of new industrial facilities. Internationally, natural gas imports from Canada will continue to meet peak U.S.
winter demand. However, ISO New England has expressed concerns over operational issues at the Deep Panuke offshore facility. In contrast, pipeline capacity and exports to Mexico have increased, though because Mexican demand is largely summer peaking, the new infrastructure is not expected to add upward price pressure during the winter months. In addition, we understand that Cheniere Energy expects its LNG export facility at Sabine Pass, Louisiana to begin full operation at 750 MMcf/d of contracted exports towards winter's end. We will monitor these developments closely to see if the added facilities have a market impact.

CHAIRMAN BAY: Thanks, Owen.

MR. KOLKMANN: At the last Commission meeting, most RTO's generally expressed confidence in their abilities to achieve reliable leader operation. However, the New York ISO and the ISO New England, we're more cautious. To ensure reliability, a number of efforts have occurred and are ongoing. Categories of effort include: Seasonal reliability assessments; gas-electric coordination; neutralization testing; and improved situational awareness. RTO has continued their efforts to integrate gas-electric coordination. Fuel inventory service have also become the norm, allowing RTO's to better realize, incorporate, and prepare for
potential fuel shortages before the winter begins. Seasonal modeling assessments and winterization testing is also common. Seasonal assessments often form the baseline for winter preparedness efforts. These assessments remain ongoing and have identified and observed in excess of targets. At the individual generator level, RTO's are working in plants running workshops and target secret facilities to ensure readiness for cold temperatures. RTO's have also increased situational awareness in understanding of natural gas market fundamentals.

Perhaps highlighting natural gas pipelines that overlay electric transmission maps exist in many RTO's, including the New York ISO, ISO New England and SPP. These maps help system operators plan for fuel restrictions on their system when making dispatch decisions. More generally, RTO's, in particular CAISO, have learned about more about national gas system outages and the domino effect on the electric grid.

Demand in winter months differs from other seasons, not only in the amount of demand but also in the pattern during the day. MISO, SPP, ISO New England, and CAISO, for example, experience two ramps during the winter month: One in the morning and one in the evening as customers turn on their lights. The evening ramp is
especially normal during the holiday period. These large changes in load can present challenges to power operators. In California, significant amounts of solar generation has compounded this effect. Utility scale solar capacity has grown to 6,912 megawatts as CAISO added 598 megawatts so far in 2015, and behind the meter solar has raised an estimated 3,000 megawatts. This is a particular challenge in the winter when the sun sets well before the evening peak load.

The winter three-hour ramp requirements climbed to a maximum of 9,131 megawatts in the winter 2014-15 from 6,247 in 2011-2012. And this winter could be the highest ever on the CAISO system. This ramp requires other generators to be online and available as needed. The removal of generation remains sensitive to markets prices and is not dispatchable in CAISO. Together, the need for gas-fired generation and the lack of renewable generation increases the likelihood of price volatility in possible over- or under-generation conditions. This increased power ramp creates a natural gas bracket in the power plant pulling natural gas from pipelines to fuel their output. In the winter 2013-14 CAISO and Southern California Gas encountered a problem serving generator natural gas demand. At least in part, because SoCal Gas lacked adequate tools to deal with low
pressure situations. SoCal filed with the California Public Utilities Commission for a low-operational flow order program similar to that in the Northern part of the State. The CPU granted this request, but is unclear whether the OFO will be affected this winter. CAISO and SoCal Gas discovered further areas for coordination this past summer.

Maintenance on SoCal's system, combined with the record natural gas generation dispatch in the L.A. Basin, lead SoCal to notify CAISO that it could not serve all the power plant demand. CAISO's dispatch resulted from significantly lower import and cloud cover that reduced solar output. Overcast conditions, which are common in the winter months, can reduce solar output and can increase the amount of natural gas required by generators, as well as add to operational uncertainty.

In early September the Commission approved a three-year extension of ISO New England inter-reliability program. The program is designed to prevent over-reliance on natural gas-fired generators, as well as to implement other proactive measures during the winter months. The three-year term is intended as a bridge until the initiation of pay-for-performance capacity market. Once pay-for-performance has been implemented, ISO New England believes that the winter reliability program
will no longer be needed.

These pie charts show how much the ISO has relied on full and oil-fired power plants in the winter. They contributed 6 percent of all of the energy produced last year in New England, but when demand peaks and when natural gas-fired generators cannot fuel, they are crucial for reliability. During last winter's extreme weather, they contributed 24 percent of energy in January and 18 percent in February. The winter reliability program provides incentives for three types of resources: Oil and dual fuel generators to increase oil inventories; LNG to augment natural gas-fired generators' pipeline gas; and demand response. The program includes compensation for up to ten days of oil supply per generator, 6 BcF of LNG, and 100 megawatts of demand response.

Additionally, last year six units representing about 1,700 megawatts decided to take advantage of incentives for generators to add dual-fuel capability. Over the past two winters the program cost approximately 75 and 46 million respectively. It is forecasted to cost between 36 and 66 million each year going forward, depending on factors such as the amount of unused oil at the end of the winter, actual fuel prices, and the number of hours when demand response is
called.

In addition to the winter reliability program, the ISO has initiated several other measures over the past year to increase operator flexibility and provide incentives to market participants to enhance reliability. Additionally, the reserve constraint compounding factor levels were increased to better reflect scarcity and prevent precipitation during shortage conditions. Even with these initiatives, however, ISO New England reports that the loss of any major non-gas unit are significant disruptions in gas supply and pipeline capability will create major challenges for ISO operations.

Southwest Power Pool out of the Western area power administration in Billings, Montana, the base is electric power cooperative in Bismarck, North Dakota, and the Heartland in Madison, South Dakota. Collectively known as the Integrated System of Operations at the October 1. This is the first time a federal power marketing party has joined the RTO. The integrated system added more than 500 megawatts of peak demand and 950 miles of transmission infrastructure, expanding SPP by 14 states. The integrated system will increase SPP's generating capacity by about 10 percent.

And the energy integrates With the Southern
part of CAISO's system, expanding the market into the Southwest. RTO's have made other changes that should improve market performance this winter. For example, ISO New England increased its total operating reserve requirement from 1,965 megawatts to 2,620 megawatts, and will implement enhanced reserved shortage curves on November 1. Furthermore, MISO and SPP have established market-to-market coordination protocols to improve market efficiency across their sales.

This concludes the winter 2015-16 energy market assessment. We're happy to answer any questions you have.

CHAIRMAN BAY: Thank you, Dillon, Owen, Pat, and Eric, along with the rest of your colleagues in the Office of Enforcement who worked on this report. This report has been very informative and helpful to us. I don't have any questions or comments regarding this specific report, but I want to let you know how helpful these reports are to the Commission and how they can help us with our situational awareness going into peak times of the year. So thank you.

Colleagues?

COMMISSIONER MOELLER: Thank you, Mr. Chairman. Thank you for the report, great report.

Great work.
I have four quick questions, and hopefully I'm not stealing anyone's questions, but if so it's the last time.

(Laughter)

CHAIRMAN MOELLER: First, generally speaking, to the gas-electric coordination, you have to keep that issue alive. You spoke do it generally. Is there anymore elaboration you want to but on that subject matter?

MR. REYNOLDS: Just want to highlight the fact that we've made some pretty important steps in the last couple of years. In the Order 77, we noted some pretty important examples, CAISO providing gas-burn pipelines, that's been very helpful, gas-usage tool. The new memorandum of understanding. It's an ongoing issue. We certainly haven't accomplished everything we'd like to, but important steps have been made.

COMMISSIONER MOELLER: Very good. Thank you. Could you elaborate on a little bit more on the negative offers of up to $150 per megawatt hour? Is that yours?

MS. SCHAUB: The negative offers are supposed to help manage situations. And in general, what you want is a market where people increase or decrease their output is not on our dispatches. And at
least in California when they did it, the hope was that some of the renewables might happen when that system happens. That hasn't been the case in California.

MR. KOLKMANN: I would report similar.

COMMISSIONER MOELLER: Relating to PJM, we've had a lot of retirement in the coal fleet. What's your sense going into this winter given those number of retirements?

MR. KOLKMANN: Well, as you know PJM was here last Commission meeting, they expressed confidence. So if Mike Kormos is confident, I'm confident I guess is my first answer to that. So that's my number 1 answer to that. We definitely noted some retirements which are occurring, I think he said about 10 gigawatts over the last year. But there have been approximately three coming online, as well as some new transmission projects which will also help. At the end of the day, if Mike's confident, I'm confident we will continue to monitor.

COMMISSIONER MOELLER: Thank you. Last question on slide 11 you focused on the fact, particularly in CAISO, a state that has provided to promote renewable energy quite extensively, wind and solar which is intermittent. I think the conclusion of that is that, for those people who strongly support those forms of energy, I certainly support them as well,
you need some gas plants to back them up. So you need
the gas and you need the pipelines to get them there.
Correct?

MS. SCHAUB: Yes, that's correct. And
that's been an area that CAISO, especially SoCal Gas,
have put a lot of attention on it, they've found
especially during the ramping periods. The power ramps
result in a gas ramping, as gas ramps units on top of
it. It's not just the size of the pipeline, it's the
amount of gas actually available in the system to be
taken out in that short period of time.

COMMISSIONER MOELLER: A manageable
challenge, but a challenge nonetheless.

MS. SCHAUB: Yes.

COMMISSIONER MOELLER: Thank you very much.

CHAIRMAN BAY: Thank you, Phil.

Cheryl?

COMMISSIONER LaFLEUR: I would also like to
thank the team for the excellent work. I want to drill
a little bit down on New England, and I have a couple
questions. I was really struck by slide 12 where you
showed the high dependence of New England on coal and
nuclear during winter peaks. That's somewhat troubling
given that virtually all of the coal in New England has
announced its retirement, and we just heard about
another nuclear plant announcing its retirement this week. And it really highlights the extreme dependence of New England on natural gas generation and on pipeline infrastructure, which we know is limited. You noted in slide 6 that the lack of winter flows from the Deep Panuke offshore would present a challenge. And when ISO New England was here last month, I believed he identified that as the top thing he's worried about this winter. I don't know much about Deep Panuke other than I know how to say the name. Could you expand on it on what's going on there? Do we expect to get deliveries there this winter?

MR. REYNOLDS: That's a great question and I have expressed concern about Deep Panuke. It's an offshore facility off of Nova Scotia that brings gas down through one of the Northeast pipelines into the United States. It was designed for 350 MMcfu's of capacity, however it's never produced quite that level. The maximum was just around 300, and it only produced about 200 MMcfu last winter. They have decided to only maintain operations during the winter months and to extend its operable life when prices are most favorable. And winter, over the last couple years, water intrusion and hydrate formation have caused operational issues within the lines that may cause problems in the future.
With that said, they do expect operations to continue during the winter, but we're just not sure at what level.

COMMISSIONER LaFLEUR: Thanks, Owen. That certainly explains it. I wanted to talk about slide 9 a little bit, that's the one that shows a happy picture of gas prices coming down in a straight line until 2020, consummation to be wished, but of course projections, we all know what Yogi Bear said. And it shows that as of 2017 gas prices in the Northeast and the Appalachian productions area will essentially converge. I guess I want to know: Are you assuming new pipeline infrastructure to make that happen? And can you provide more insight on -- you know, the Northeast covers a lot, is New England in that happy picture or do you expect divergence to continue?

MR. REYNOLDS: I'll answer the second part first. In general, we are expecting resuming the expectations for capacity additions in our modeling. And a lot of the convergence of prices between the market areas along the Atlantic has been a producing region and the Appalachian basin are based on the inservice states that are projected for main of those pipelines. And in terms of what we're using in our composite, yes, we're using several market points along
the Atlantic coast. And at Algonquin presence in the
City Gate area is the high end of that composite and
does continue to be the high end of our composite. So
we do expect it to also decrease and get closer to both
Henry Hub and the production area in the Appalachian as
projects such as the Algonquin incremental market
project to come online and several of the other major
projects.

COMMISSIONER LaFLEUR: Thank you very much.

CHAIRMAN BAY: Thank you, Cheryl.

Tony?

COMMISSIONER CLARK: I don't have any
questions but thanks to the team for this good report.

CHAIRMAN BAY: Thank you, Tony.

Colette?

COMMISSIONER HONORABLE: Thank you, Mr.
Chairman. Thank you to the team. And having this
report on the news since the last open meeting and
hearing from the RTO and ITO experts, I think it really
compliments one another. And to Dillon's point, him and
Mike and others say that they feel comfortable, or
whatever the less tentative language may have been,
gives us comfort too. But I wanted to apply to you and
ask you to remain vigilant, in particular some of the
exchanges that Cheryl brought out regarding areas to
watch, it's something to keep in mind, particularly in
the Northeast.

I appreciate your highlight of the
diamondism [sic], if you will, with markets, with SPP,
with Cal ISO and the PIM, it's certainly something we
will continue to watch. But I think it underscores
Phil's point about infrastructure, how we're going to
get this energy where it needs to go.

And I also wanted to reference slide 4 in
which you reference the weather patterns, and
particularly strong weather pattern with El Nino.
Warmer weather on the West Coast and the Northern parts
of the country and California shifts East some drought
relief, I understand they're in their fourth year of
drought, so that's very important, and that the Gulf and
Southern states will be in a colder-than-normal winter.
That doesn't give me much relief having been through one
winter here.

(Laughter)

COMMISSIONER HONORABLE: But it seems as
though my home state of Arkansas could be really in
between the two extremes, but it really will bare
watching really in some unusual ways, some weather we
haven't always had in a number of places around the
country. But I wanted to ask you about the combination
of warm and wet weather impact on energy production next
year and how will the relatively warm weather limit snow
accumulation and associated hydro generation?

MS. SCHAUER: You're right on the mark. We
saw that this year in the Northwest. They had average
precipitation, but they actually had warmer
temperatures, which brought down the snow pack and
definitely affected their generation in the summer and
affected the entire supply situation in the last.
California, similarly last year they had low
precipitation but warm temperatures and it definitely
made a problem for them. What it means is you get
summer early on but then later on in the season when
electric generation is peaking, you don't necessarily
have it there and you can have more competition for
water needs for fish mitigation and other purposes as
well. Decreased temperatures will help drain water, but
it doesn't necessarily limit impact.

COMMISSIONER HONORABLE: Thanks. I just
wanted to add that to your list of things to watch for.
Thank you.

CHAIRMAN BAY: Thank you, Colette.

Last but certainly not least, I have one
more announcement. This is Phil Moeller's last open
meeting. And this meeting would not be complete without
honoring and celebrating all things Phil Moeller and his
tenure on the Commission. Phil has been on the
Commission for almost 10 years, and I can still recall
meeting you for the first time, Phil, about seven years
ago. And from the time I knew I would enjoy working
with you, that I would respect you, and that it would be
great to have their professional relationship with you.
And that has turned out to be the case. Phil has been a
great Commissioner, a great colleague, and a great
American. I'm going to miss working with Phil. Not
only is he a deep thinker on energy issues, but he has
that special Fill Moeller sense of humor.

(Laughter)
CHAIRMAN BAY: I still recall the time you
gave Cheryl the deflated football.

(Laughter)
CHAIRMAN BAY: He's got that inevitable Phil
Moeller sense of style, no one, but no one can pull it
off like Phil Moeller.

(Laughter)
CHAIRMAN BAY: Sorry, Tony.

But no one, but no one, makes a punch as
mean as Phil on the 11th floor. I believe DOE has
certified his apple punch as a bio fuel. I understand
the creation of Moeller's vortex has been declared
illegal in 39 states, as it should be.

But, Phil, you've been an amazing colleague, and I'm going to miss you. And I'm going to give the rest of the Commission an opportunity to add their thoughts as well.

Cheryl?

COMMISSIONER LaFLEUR: Well, thank you, Norman. And of course I have some things to say. Phil was actually the very first Commissioner I got to know after being nominated, because I was paired with him at my nomination hearing in 2010. And I still remember when I was still up at home standing in my living room talking on my telephone to Betsey Moeller and I told her I would be paired with Phil and she said, "Boy, you're really lucky to be paired with Phil." And she was absolutely right. Of course I was desperate to ask who I wouldn't be lucky to be paired with.

(Laughter)

COMMISSIONER LaFLEUR: I didn't go there. I really learned a great deal from Phil about how to be a Commissioner. I really admire how he always knows the right thing to say. And he's really represented the Commission very affectively with a very wide range of external audiences. And I also really respect and appreciate his leadership on supporting competitive
markets, gas-electric coordination, and always sticking up for the reliability of the electric system. In the past five years Phil has become not just a valued colleague but a valued friend, but I will miss him, miss his valuable team, having him around on the 11th floor. The punch goes without saying, it will be deeply missed. But I wish you a lot of success in your next chapter and wish you and your family a lot of happiness. God's speed.

CHAIRMAN BAY: Tony?

COMMISSIONER CLARK: One of the first regulatory meetings that I met Phil, there was a Commissioner from South Dakota who made the comment after meeting Phil that Phil was so darn nice that he could almost be from South Dakota.

(Laughter)

COMMISSIONER CLARK: I agreed with that, but I added he was so smart and good-looking that he could be from North Dakota.

(Laughter)

COMMISSIONER CLARK: And nothing over the intervening 10 years has changed my opinion on that topic. It should not go without noting that it wasn't that long ago that we had an absolute majority of Commissioners who were in fact Chicago Cub fans, myself,
John Norris, and Phil Moeller. And with the departure of Phil, there's only one of us on the Commission, which greatly disappoints me because in the moment of our greatest triumph next month I'm going to be the only one that will get to wear that jersey at that meeting.

(Laughter)

COMMISSIONER CLARK: But I will do it on your behalf, Phil, flying the flag. Everyone who's spoken so far is exactly right, Phil is a great friend both in a personal level and on a professional level. I will miss you greatly here, but I wish you all the best. I do have one parting gift for you. Now, for those of you who have been to Phil and Elizabeth's home know that they're aficionados of fine wine. And mostly the California and Washington variety I noted. But the last time I went I noticed that you did not have on your wine rack a bottle of apple-strawberry chateau de Bacchus.

(Laughter)

COMMISSIONER CLARK: I don't know what year this was, but they're all good.

(Laughter)

COMMISSIONER CLARK: It's made with only the finest distilled water and has a frothy head, as all good wine does. So Phil, I bequeath to you a bottle of chateau wine.
CHAIRMAN BAY: Thank you, Tony.

Colette?

COMMISSIONER HONORABLE: Thank you, Mr. Chairman, and for this opportunity to publicly acknowledge a dear friend and colleague Phil Moeller, whom I met when I became a state Commissioner in 2007. We've worked together on a number of issues over the years, on environmental regulation and partnership with Narook, on gas-electric coordination, and on a number of areas of concern and interest both domestically and internationally. It wasn't until I came here, Phil, that I really appreciated the master that you have been in this work, because you have stayed true to carrying out the bread and butter of our work, our orders and such, carrying on the day-to-day and month-to-month business of the agency, but you have equally gotten out among stakeholders, which is very important. More than speaking to the public it's hearing from them in my opinion, and you've been a master of that. And really coming here and seeing how hard you've worked gave me a true and better appreciation for who you are and the public servant you have been.

My promise to you is that I will continue to carry on the strong message that you've brought on gas-electric coordination. More and more we see how
very important it is. And while we haven't been in a
hundred percent in agreement on every aspect of it, I
fully embrace the priority in which you've placed this
important topic. And I look forward to continuing to
raising this issue, and I know you will hold me
accountable. On a selfish note, I want to know who will
get my chair at the open meetings? He's been such a
gentleman both privately and publicly and has offered
advice, has shared his beautiful and lovely family with
us, and has also sought encouragement from me about
raising twins since I am one. And I look forward to
watching them grow and staying in contact, and thank you
most of all for your service to this agency.

COMMISSIONER MOELLER: Well, I actually had
four parting gifts but only two of them arrived. So I'm
not going to publicly present them to you, but I will
describe. I found out your favorite color was purple,
so you're going to be getting Little Rockers headphones.
Tony, you'll be getting your very own copy of Cubs
Nation, which is appropriate I think. Cheryl, I've got
a CD for you from the Sandels so that you can hear the
song "Dirty Water" with the chorus "Boston, you're my
home" every time you want to listen to it. And, Norman,
I have a superhero shirt for you because to be Chairman
of this agency, as Cheryl knows, you have to be on
superhero mode just about all the time. So those
parting gifts that will be presented publicly later, you
can think of me when you look at them.

    I'll try to be brief here. I have a lot of
people to thank and I'll do it as sufficiently as
possible. As I've said publicly, I want to thank
President Bush, President Obama, the Senate, for
confirming me a couple of times. I want to thank
members of the public for the vast majority of treating
us with civility, respect, and good manners, helping
form our decisions, and that should be celebrated
because they make a big difference. The staff here is
incredible. I want to start with the security staff.
They're usually the first people I see in the morning
and the last people I see at night. And our help from
our DHS colleagues as well is appreciated, the entire
staff has been noted and highlighted thankfully by that
presentation on the survey, is an outstanding resource.
If the rest of the federal government had the kind of
quality staff that we have, it would be a much more
efficiently-run government as well, I hope that the rest
of the government can aspire to be what this agency does
and how it does it to improve. I've enjoyed working
particularly closely with my colleagues now and former
colleagues, starting with Joe Kellhurst, Mr. Kelly, and
John Norris as well, all have moved on to other things. But serving with them, their staffs, their Commission assistance, was just a terrific honor. And obviously with my existing colleagues and their team, as well as senior staff, it's been a real honor. Of course my team has been particularly special to me. And we've had scores of interns and we used to call them stars over the years, who have been great. But the people who worked for me I want to mention: John McFarland, Patricia Hert, Chignas Ibnimgani (phonetic) who isn't here today but it still part of the FERC senior staff, Jennifer Shiply, Nick Taclic (phonetic), Rebecca Robinson for a little bit, Terry Burke, Whitney Houston, Jason Stanning who I've referenced was with me for about seven years, and my current team of Christy DeBaus, Rob Idonoskis (phonetic) who has been with me for about eight and a half years, Michelle Brown, and Jennifer knew me from the very first day. It's been a real honor, so thank you.

CHAIRMAN BAY: Thank you, Phil. And to everyone out there, please join me in honoring the second-longest serving Commissioner in the history of FERC. And we have a presentation item for you. Phil, thank you so much.

COMMISSIONER MOELLER: That's very
thoughtful. Thank you. I appreciate the sentiment. It kind of went full circle yesterday because, as I recall being sworn in at the Supreme Court in 2006 and then about four weeks later Caroline arrived and then we had the arguments yesterday, which FERC does, but it was kind of a nice full circle. And of course I couldn't have done any of this without my family, I appreciate you being here today. Again, thank you to everyone involved; it's been an honor. And I wish this agency, which I know is in good hands, continues.

CHAIRMAN BAY: Thank you, Phil. This meeting is adjourned.

(Whereupon, at 11:24 a.m. Thursday, October 15th, 2015, the 1,020th open Commission meeting was adjourned.)