

153 FERC ¶ 61,376
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

December 30, 2015

In Reply Refer To:
Northern Virginia Electric
Cooperative, Inc.
Docket No. ER16-292-000

Jennings, Strouss & Salmon, PLC
1350 I Street NW, Suite 810
Washington, DC 20005

Attention: Debra D. Roby, Esq.

Dear Ms. Roby:

1. On November 6, 2015, Northern Virginia Electric Cooperative (NOVEC) filed a notice of cancellation of its Revised Rate Schedule No. 1, which sets forth NOVEC's Reactive Power Revenue Requirement (Rate Schedule 1). We accept for filing NOVEC's notice of cancellation effective February 1, 2015, as requested.
2. NOVEC states that Rate Schedule 1 provided for reactive service to PJM Interconnection, L.L.C. (PJM) from the Hopewell and Portsmouth Generating Facilities, in exchange for an annual revenue requirement of \$315,000, with a monthly charge to PJM of \$26,250.
3. NOVEC informs the Commission that Rate Schedule 1 expired by its own terms on January 15, 2015. Accordingly, NOVEC requires a retroactive effective date of February 1, 2015, to coincide with the first day of the month following termination of NOVEC's rights associated with the facilities and pursuant to Section 35.15(a) of the Commission's regulations.¹ NOVEC commits to refund to PJM the revenue amount associated with the facilities with interest calculated in accordance with Section 35.19a of the Commission's regulations, or adopt PJM's preferred refund method to account for any overpayment.
4. Notice of NOVEC's filing was published in the *Federal Register*, 80 Fed. Reg. 80 70,781 (2015), with interventions and protests due on or before November 27, 2015. On November 25, 2015, the North Carolina Electric Membership Corporation (NCEMC)

¹ 18 C.F.R. § 35.15(a) (2015) (citing NOVEC Notice at 2).

filed a motion to intervene and comments. On December 1, 2015, PJM filed an out-of-time motion to intervene. Pursuant to Rule 214,² all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties.

5. NCEMC does not oppose the notice of cancellation filed by NOVEC. However, NCEMC requests that the Commission condition acceptance of NOVEC's filing on PJM flowing through refunds received from NOVEC to the transmission customers that ultimately paid those reactive service revenue requirements.

6. We accept for filing NOVEC's notice of cancellation effective February 1, 2015, as requested. NOVEC is hereby directed to provide refunds, with interest calculated pursuant to 18 C.F.R. § 35.19a (2015), within 30 days of the date of this letter order, for the period from February 1, 2015 through the PJM billing cycles that reflect the cancelled revenue requirement for Reactive Service. Furthermore, as per Commission policy,³ given that NOVEC may have continued to receive payments under Rate Schedule 1 when it was "no longer capable of providing that service," we have referred such concern to the Commission's Office of Enforcement for further examination and inquiry as may be appropriate.

7. Finally, we need not grant NCEMC's request because PJM's tariff already provides for the relief that NCEMC requests.⁴

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

² 18 C.F.R. § 385.214 (2015).

³ *PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,132, at P 10 (2014). *See also, e.g., Duke Energy Conesville, LLC*, 150 FERC ¶ 61,229, at P 8 (2015) (referring to the Commission's Office of Enforcement the matter of the resource owner possibly receiving payments for Reactive Power Service after its units had retired and thus were no longer capable of providing that service).

⁴ *See* PJM, Intra-PJM Tariffs, OATT, 10.4 Limitation on Claims (1.0.0), § 10.4(a).