

February 2016

Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its February 18, 2016 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-2 – Press Release

FERC authorizes disposition of jurisdictional facilities

E-1, *Pennsylvania Electric Company*, Docket No. EC15-157-000. The order grants the request of Pennsylvania Electric Company, Metropolitan Edison Company, and Jersey Central Power & Light (FirstEnergy East Operating Companies) for authorization for a transaction in which (1) FirstEnergy Transmission, LLC will make a cash investment in Mid-Atlantic Interstate Transmission, LLC (Mid-Atlantic Interstate) in exchange for the Class A membership interest in and sole operational control and management of Mid-Atlantic Interstate, and (2) the FirstEnergy East Operating Companies will contribute their transmission assets to Mid-Atlantic Interstate in a tax-free contribution in exchange for passive, Class B membership interests in Mid-Atlantic Interstate.

FERC initiates an investigation under the Federal Power Act

E-3, *West-Wide Must-Offer Requirements*, Docket No. EL16-27-000. The order initiates an investigation under section 206 of the Federal Power Act to determine whether, in light of the significant changes in California's wholesale markets over time, the must-offer obligation originally imposed in the Western Electricity Coordinating Council during the California energy crisis of 2001 is no longer necessary and therefore has become unjust and unreasonable.

FERC denies a complaint

E-4, *City of Osceola, Arkansas v. Entergy Arkansas, Inc.*, Docket No. EL16-7-000. This order addresses Osceola's complaint against Entergy Arkansas, that seeks refunds for rough production cost equalization payments that Osceola alleges Entergy Arkansas

unlawfully passed through the purchased energy variable of the energy rate formula contained in the Entergy Arkansas/Osceola Power Coordination, Interchange, and Transmission Agreement from 2007 through 2009. The order finds that Osceola previously settled the claim on which its complaint rests, and therefore denies Osceola's complaint.

FERC accepts tariff revisions

E-5, *Public Service Company of Colorado*, Docket No. ER16-178-000, *et al.* This order accepts Public Service Company of Colorado's (PSCo) tariff revisions implementing Joint Dispatch Transmission Service and a Joint Dispatch Agreement to facilitate the centralized intra-hour dispatch of resources within PSCo's balancing authority area, to be effective January 1, 2016. The order also accepts Black Hills/Colorado Electric Utility Company, LP's tariff revisions implementing the Joint Dispatch Transmission Service and Joint Dispatch Concurrence Filing. The order finds that under the Joint Dispatch Agreement, the parties will be able to realize substantial cost savings through the dispatch of their collective resources in a more efficient manner. In addition, the order finds that, with the revisions proposed by PSCo both in its filing of this revised Joint Dispatch Agreement and in its deficiency response, PSCo has addressed the concerns that resulted in the Commission's rejection of PSCo's initial Joint Dispatch Agreement filing in its June 23, 2015 order. This item is related to E-12, discussed below.

FERC accepts tariff revisions, subject to condition

E-6, *New York Independent System Operator, Inc.*, Docket Nos. ER16-168-000 and ER16-168-001. This order conditionally accepts NYISO's proposed revisions to the market power mitigation measures set forth in section 23 of its Market Administration and Control Area Services Tariff. According to NYISO, the proposed revisions will improve coordination between the electric system and natural gas system by giving NYISO authority to prohibit generators from including unauthorized natural gas costs and penalties in reference levels and to reject ex-post requests to recover costs associated with unauthorized natural gas use. The order accepts NYISO's proposal, subject to NYISO clarifying a proposed exemption from the physical withholding evaluation for generators that cannot supply capacity in real time where generating would require the use of unauthorized natural gas.

FERC grants a limited waiver

E-7, *Entergy Gulf States Louisiana, L.L.C.*, Docket No. ER15-1922-000. This order grants a request from Entergy Services, Inc. for limited waiver of section 2.18 in the

Entergy System Agreement related to a Commission-approved transaction transferring jurisdictional assets from Entergy Louisiana to Entergy New Orleans.

FERC accepts a filing

E-8, *PJM Interconnection, L.L.C. and Public Service Electric and Gas Company*, Docket No. ER16-619-000. The order grants PSE&G's requested abandonment rate incentive for its portion of the Artificial Island Project, a nuclear generation and transmission complex located in southern New Jersey. The order finds that the requested abandonment incentive is tailored to address the risks and challenges that PSE&G faces.

FERC denies rehearing

E-9, *Pacific Gas and Electric Company*, Docket No. ER15-2294-001. The order denies the request for rehearing of the September 30, 2015 order that accepted for filing PG&E's proposed seventeenth rate increase under its transmission owner tariff, TO17; suspended the proposed rate for five months to become effective on March 1, 2016, subject to refund; and established hearing and settlement judge procedures. The Commission reaffirmed its allowing an incentive adder for utilities, such as PG&E, that join and/or continue to remain in an ISO/RTO such as CAISO.

FERC denies rehearing

E-10, *Pacific Gas and Electric Company*, Docket No. ER14-2529-001. This order denies the request for rehearing of FERC's September 30, 2014 order accepting for filing PG&E's proposed sixteenth rate increase under its transmission owner tariff, TO16; suspending the proposed rate for five months to become effective on March 1, 2015, subject to refund; and establishing hearing and settlement judge procedures. The Commission reaffirmed its allowing an incentive adder for utilities, such as PG&E, that join and/or continue to remain in an ISO/RTO such as CAISO.

FERC denies a request for clarification or rehearing

E-11, *Midcontinent Independent System Operator, Inc.*, Docket Nos. ER13-2157-004 and ER13-2157-005. The order denies the request for clarification or, in the alternative, rehearing of the Commission's October 31, 2014 order on rehearing and compliance. The order also accepts in part and rejects in part MISO's compliance filing of an amended Generator Interconnection Agreement among Ameren Services Company, Hoopston Wind, LLC, and MISO.

FERC denies rehearing

E-12, *Public Service Company of Colorado*, Docket No. ER15-237-004, *et al.* This order denies Public Service Company of Colorado's (PSCo) request for rehearing of the Commission's June 23, 2015 order rejecting the proposed Joint Dispatch Agreement among PSCo, Black Hills/Colorado Electric Utility Company, LP, and Platte River Power Authority and the corresponding tariff revisions implementing Joint Dispatch Transmission Service under the Open Access Transmission Tariffs of Black Hills and the Xcel Energy Operating Companies. The order denies PSCo's request that the Commission grant rehearing of its determination that PSCo's proposal to pay resources dispatched as Joint Dispatch Energy at a system-wide price derived from the system-wide marginal cost provides insufficient protections to mitigate against the potential for PSCo to exercise market power. The order also finds that, given that the Commission denies rehearing of the just and reasonableness of the proposed Joint Dispatch Agreement, there is no need to address the secondary request for rehearing pertaining to the Standards of Conduct vis-à-vis the Joint Dispatch Agreement. This item is related to E-5, discussed above.

FERC denies rehearing

E-13, *GenOn Energy Management, LLC*, Docket No. ER15-2571-001, *et al.* This order denies GenOn's request for rehearing and clarification regarding the Commission's October 30, 2015 order setting GenOn's proposed reactive power tariffs for hearing and settlement judge procedures, and referring the matter to the Commission's Office of Enforcement for further examination and inquiry. The order rejects GenOn's contention that the Commission acted arbitrarily and capriciously in suspending the proposed rates for five months. The order also rejects GenOn's argument that the Commission erred in referring this matter to the Office of Enforcement for further examination and inquiry.

FERC conditionally accepts a filing

G-1, *Gulf South Pipeline Company, LP*, Docket No. RP16-131-000. The order accepts, subject to conditions, Gulf South's proposal for a fuel tracker as required by its recently approved rate case settlement. The order requires Gulf South to modify how it calculates fuel on its Southeast Market Expansion facilities (Docket No. CP13-96-000, *et al.*) in order to address protests to its original calculation methodology. The order directs Gulf South to specify in its tariff the methodology it will use to convert electric compression costs to a natural gas equivalent, and to make other adjustments that Gulf South agreed to make.

FERC grants in part and denies in part rehearing request

G-2, *El Paso Natural Gas Co.*, Docket No. RP10-1398-000, *et al.* This order generally denies rehearing of the Commission's Opinion No. 528 addressing El Paso's first fully

litigated rate case since the 1950s. The order grants rehearing of the Commission's earlier determination that El Paso should allocate discount adjustment costs within the zone where the discounts were granted. The order also generally accepts El Paso's compliance filing as consistent with the earlier opinion but directs El Paso to make an additional compliance filing to reflect the change in this rehearing order. The order also affirms an initial decision on an issue remanded by Opinion No. 528, and finds that El Paso improperly allocated certain unsubscribed capacity costs to shippers contrary to a 1996 settlement.

FERC denies rehearing

G-3, *Alliance Pipeline L.P.*, Docket No. RP15-1022-003. This order denies Alliance Pipeline's request for rehearing of the Commission's order issued November 19, 2015. The order finds that Alliance raises no new issues warranting modification of the Commission's ruling.

FERC grants a preliminary permit, denies competing permit application

H-1, *Western Minnesota Municipal Power Agency; FFP Qualified Hydro 14, LLC*, Project Nos. 14491-002 and 13579-004. The order responds to a recent U.S. Court of Appeals for the D.C. Circuit opinion that vacated and remanded two orders involving the issuance of a preliminary permit to study the feasibility of a hydroelectric project at the U.S. Army Corps of Engineers' Saylorville Dam and Lake on the Des Moines River, in the city of Johnston in Polk County, Iowa. The order grants a preliminary permit to the municipality, Western Minnesota Municipal Power Agency, and denies a competing permit application filed by FFP Qualified Hydro 14.

FERC grants authorization for replacement gas pipeline facilities

C-1, *Columbia Gas Transmission, LLC*, Docket No. CP15-495-000. The order authorizes Columbia Gas to abandon in place by removal a section of its Line 138 system and associated facilities in Fayette and Somerset counties, Pennsylvania; Preston County, West Virginia; and Garrett County, Maryland. The order also approves Columbia Gas' request for a certificate of public convenience and necessity for the construction and operation of a new lateral line for the purpose of maintaining service to its firm transportation customer, Columbia Gas of Pennsylvania.

FERC approves abandonment of certain gas facilities

C-2, *Regency Field Services, LLC*, Docket Nos. CP15-272-000 and CP15-272-001. The order approves Regency Field Services' abandonment of an 8-mile-long residue line extending from a Texas processing plant. In an October 15, 2015 order, the Commission found the line to be jurisdictional and issued Regency a certificate. Regency requested

rehearing, arguing that because the residue line carries gas from a non-jurisdictional processing plant, the residue line should be viewed as a non-jurisdictional extension of plant operations. Regency states it intends to transfer the residue line to Oasis Pipeline LP, a Texas intrastate, and based on this prospective transfer, Regency requests its certificate be vacated, or alternatively, that its abandonment of the residue line be authorized. The order finds that because the line is jurisdictional, abandonment is required, and because Oasis Pipeline will be able to provide equivalent service to Regency's existing customers, abandonment is permitted. Because the order approves the abandonment of the residue line, the request for rehearing of the October 2015 and the motion to vacate the certificate are dismissed.

FERC grants request for clarification

C-3, *DBM Pipeline, LLC*, Docket No. CP15-104-001. The order clarifies that the underlying July 24, 2015 letter order authorizing DBM Pipeline to own and operate its existing Ramsey Residue Line did not intend to preclude the pipeline from holding an open season in accordance with section 21.2 of its General Terms & Conditions (GT&C). The order finds that the pipeline's August 24, 2015 compliance tariff filing in Docket No. RP15-1204-000 added language to GT&C section 21.2 that adequately addresses the July 24, 2015 letter order's concerns regarding the potential for the pipeline to reserve capacity improperly. The order also dismisses DBM Pipeline's alternative request for rehearing as moot.

FERC grants request for clarification

C-4, *Tres Palacios Gas Storage LLC*, Docket No. CP14-27-001. The order grants Tres Palacios' request for clarification of the Commission's March 19, 2015 order that denied the company's request for authorization under section 7(b) of the Natural Gas Act to abandon up to 22.9 billion cubic feet of certificated working gas storage capacity in its salt dome natural gas storage facility located in Matagorda and Wharton counties, Texas. The order clarifies that Tres Palacios is not required to show evidence of structural changes to its storage facility in order to request authorization to change its certificated working gas capacity. As required by the March 19, 2015 order, in conjunction with any future request for abandonment of working gas capacity, Tres Palacios must specify proposed changes to the existing certificated parameters of its storage facilities and must submit evidence that will allow the Commission to determine that such changes will not adversely affect the integrity of the storage caverns.

FERC authorizes transfer of passive ownership interests

C-5, *Iroquois Gas Transmission System, L.P.*, Docket No. CP16-58-000. The order authorizes Iroquois to transfer a passive ownership interest in its jurisdictional facilities in Schoharie County, New York, to the county's Industrial Development Agency to

implement a settlement with the county that allows Iroquois to make fixed payments based on future property tax assessments to the county from 2016 through 2029 in lieu of paying taxes.