



Federal Energy Regulatory Commission
February 18, 2016
Open Commission Meeting
Staff Presentation
Items E-13 & G-3

"Good morning Mr. Chairman and Commissioners,

"Items E-13 and G-3 are the first orders drafted by the recently-formed rehearings group of the Office of General Counsel. The group, which is housed in the Solicitor's Office, is staffed with attorneys who have experience in wide-ranging areas of work carried out by the Commission, including energy markets, gas and oil rates, and gas and hydroelectric projects. Attorneys in the rehearings group will be working closely with the teams who prepared the underlying orders. And the group's ability to leverage the case-specific expertise of the initial teams and the subject matter expertise of senior staff throughout the Commission will be vital to its success.

"One of the tasks of the rehearings group will be to bring a fresh set of eyes to the issues raised on rehearing of the Commission's initial orders. An attorney who was not intimately involved in the underlying proceeding will provide an additional check on the initial legal decisions.

"We anticipate that the primary role of the rehearings group will be to make sure that the Commission has – in either the initial order or the rehearing order – fulfilled its legal obligation to articulate the connection between the facts found and the choice made, and to respond meaningfully to legitimate objections raised by the parties before it. In addition, this new group will focus exclusively on handling requests for rehearing. Previously, requests for rehearing were assigned to lawyers in OGC who also handled other matters, including matters with statutory deadlines. This new group will be able to dedicate itself to rehearings, and it is hoped that this will also enhance the efficiency of the rehearing process.

"We anticipate that the work of the rehearings group will result in a change to the look of the rehearing orders that the Commission has issued in the past. In general, Commission rehearing orders have set forth a detailed history of the Commission proceeding and a lengthy recitation of the arguments raised on rehearing. And where a party's rehearing arguments are duplicative of those raised earlier in the proceeding, rehearing orders have generally reiterated the Commission's prior response to those arguments. We will attempt to implement a more streamlined process. In the future, rehearing orders will not reiterate the comprehensive factual background and procedural history of the case found in the initial orders. Instead, rehearing orders will focus strictly on those issues that require further discussion, either because the Commission wants to change or clarify its prior determination, or respond to arguments raised on rehearing that were not addressed in the initial order. And when the initial order has adequately addressed arguments raised on rehearing, we anticipate that the Commission will summarily deny rehearing as to those issues.

"Item G-3 is one example of the new process. The draft order summarily denies Alliance Pipeline's request for rehearing of the Commission's November 19, 2015 order in Docket No. RP15-1022. Among other things, the November 2015 order rejected Alliance's proposal to remove Authorized Overrun Service from its tariff and rate schedules because it would have the effect of depriving Alliance's negotiated rate shippers of the right to obtain Authorized Overrun Service at their negotiated rates. Item G-3 finds that Alliance's request

for rehearing raises no issues that warrant modification of the November 2015 order or any further comment from the Commission. That is to say, the November 2015 order adequately explains the Commission's reasoning and addresses the arguments raised in Alliance's December 2015 request for rehearing.

"Item E-13 is a draft order that denies GenOn Energy Management's request for rehearing and clarification of the Commission's October 30, 2015 order, which set GenOn's proposed reactive power tariffs for hearing and settlement judge procedures and referred an issue to the Commission's Office of Enforcement for examination and inquiry. The format, rather than the substance, of the draft order is notable. The draft order attempts to identify and respond to GenOn's arguments on rehearing as concisely as possible, without the lengthy background and procedural discussion found in typical Commission rehearing orders.

"We are hopeful that the creation of the rehearings group, coupled with the more streamlined approach to rehearing orders, will allow the Commission to more efficiently process requests for rehearing, which in turn will further the public interest.

"Thank you. We would be happy to answer any questions."