

March 2016

Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its March 17, 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-1 – Press Release

FERC approves a final reliability rule

E-2, *North American Electric Reliability Corporation*, Docket No. RM15-8-000. This final rule approves Reliability Standard PRC-026-1 (Relay Performance During Stable Power Swings).

FERC accepts a filing, subject to condition

E-3, *Southwest Power Pool, Inc.*, Docket Nos. ER16-139-000 and ER16-139-001. This letter order accepts SPP's tariff filing to update the Index of Grandfathered Agreements contained in Attachment W, subject to the correction of certain non-substantive errors.

FERC grants a waiver

E-4, *Southwest Power Pool, Inc.*, Docket No. ER16-636-000. The order grants SPP's request for waiver of section 10.1(3) of Attachment AE of SPP's Open Access Transmission Tariff (OATT) in order to resettle past settlement statements because of various software design flaws and the timing of Commission acceptance of changes to the SPP OATT. The waiver allows SPP to issue settlement statements outside of the 365-day limit imposed by section 10.1(3) of Attachment AE.

FERC terminates a proceeding

E-6, *Kentucky Utilities Company*, Docket No. ER12-1574-000. This order terminates a proceeding that was kept open to allow Benham Power Board to file status reports in

accordance with its obligations under its settlement with Kentucky Utilities. The reports detailed Benham Power Board's efforts to find an alternative electric supplier after the eventual termination of its contract with Kentucky Utilities. Because Benham made the necessary arrangements for a new power supplier and terminated its contract with Kentucky Utilities, the order terminates this proceeding.

FERC accepts a filing

E-7, *San Diego Gas & Electric Co.*, Docket No. ER16-445-000. The order accepts San Diego Gas & Electric's third annual informational filing made under its Fourth Transmission Owner Formula Rate, effective January 1, 2016.

FERC approves an uncontested partial settlement

E-8, *New York Independent System Operator*, Docket No. ER15-572-001. The letter order approves an uncontested partial settlement that addresses the financial terms that are components of New York Transco, LLC's (NY Transco) revenue requirement for the proposed Transmission Owner Transmission Solutions (TOTS) Projects, including the base return on equity (ROE), the characterization of the 50-basis point ROE adder, the capital structure, and the cost allocation under NYISO's Open Access Transmission Tariff for the TOTS Projects. The partial settlement resolves all issues set for hearing or pending in requests for rehearing with respect to the applicants' proposed TOTS Projects. The partial settlement provides that Docket No. ER15-572-00-0 shall remain open but held in abeyance with respect to the Alternating Current Transmission Projects, and provides for settlement negotiations to resume on that issue in the coming months.

FERC approves a contested settlement

E-9, *Entergy Gulf States Louisiana L.L.C.*, Docket No. ER14-1640-000, *et al.* This order approves a contested settlement revising Service Schedule MSS-3 of the Entergy System Agreement, section 30.12 at footnote 1, to reprice downward, for purposes of the bandwidth formula, certain power purchase agreements that were entered into in response to a retail regulatory program of the Louisiana Public Service Commission.

FERC approves an uncontested settlement agreement

E-10, *Public Service Company of New Mexico*, Docket Nos. ER13-685-000, ER13-685-001, ER13-687-000 and ER13-690-000. The order approves an uncontested settlement agreement reached among Public Service Company of New Mexico (PNM), Navopache Electric Cooperative, Inc., El Paso Electric Company, Navajo Tribal Utility Authority, Tri-State Generation and Transmission Association, Inc., and Western Area Power Administration concerning PNM's cost-of-service transmission formula rate.

FERC approves an uncontested settlement agreement

E-11, *Duke Energy Carolinas, LLC*, Docket Nos. ER15-234-000, ER15-689-000 and ER15-689-001. The order approves an uncontested settlement agreement reached among Duke Energy Carolinas, LLC (DEC), on behalf of its affiliate Duke Energy Florida, LLC (DEF, formerly Duke Energy Florida, Inc.), Seminole Electric Cooperative, Inc., the Florida Municipal Power Agency, and the Reedy Creek Improvement District. The settlement addresses the proposal made by DEC, on behalf of DEF, to recover 50 percent of DEF's construction work in progress costs associated with 23 additional transmission expansion projects in DEF's rate base.

FERC denies rehearing

E-12, *California Independent System Operator Corporation*, Docket No. ER15-1825-001. The order denies NRG's request for rehearing of the Commission's October 1, 2015 order, that, among other things, accepted CAISO's proposal to replace an existing tariff provision (stating that resource adequacy substitutions are allowed "prior to the close of the day-ahead market") with a tariff provision stating that such substitutions are allowed in accordance with the timeline specified in the business practice manual.

FERC grants clarification

E-15, *Louisville Gas and Electric Company and Kentucky Utilities Company*, Docket Nos. ER14-2866-003 and ER14-2866-004. The order grants the applicants' request for clarification regarding the Commission's directive to revise their formula rate protocols to address joint meetings on regional transmission projects. The order also accepts the applicants' compliance filing that revises their formula rate protocols in line with the clarification they seek.

FERC addresses a petition

E-17, *City of Alexandria, Louisiana*, Docket No. EL15-75-000. The order addresses the City of Alexandria's petition for a 50-basis point return on equity adder for its participation in a regional transmission organization. The order finds the City of Alexandria's request to implement the adder was not necessary to the extent it is eligible to use the Municipal Generic Template in the MISO tariff, and grants the applicant's request to defer collection of the adder.

FERC grants in part petition for waiver

E-18, *Heartland Consumers Power District*, Docket No. EL16-1-000. This order grants, in part, Heartland's petition for waiver of its utility customers' purchase obligations under section 292.303(a) of the Commission's regulations to purchase energy and capacity from qualifying facilities (QFs), and waiver of Heartland's own obligation to sell energy and capacity requested by QFs under section 292.303(b) of the Commission's regulations. The order grants Heartland's requested waiver, but only with respect to those twenty-two Heartland customers that agree to transfer their Public Utilities Regulatory Policies Act (PURPA) purchase obligation to Heartland, and assume Heartland's PURPA sales obligations, as reflected in Heartland's waiver requests.

FERC denies rehearing and grants clarification

E-19, *City of Holland, Michigan v. Midwest Independent Transmission System Operator, Inc.*, Docket Nos. EL05-55-003 and EL05-63-005. The order denies MISO's request for rehearing of the Commission's May 20, 2008 order that conditionally accepted MISO's refund reports in these proceedings. The order also grants MISO's request for clarification regarding the applicable refund period and methodology.

FERC denies rehearing

E-20, *Caithness Long Island II, LLC v. New York Independent System Operator, Inc.*, Docket No. EL15-84-001. This order denies the rehearing request of the Long Island Power Authority and its wholly-owned subsidiary Long Island Lighting Company d/b/a Power Supply Long Island (collectively, LIPA). LIPA requested rehearing of the Commission's September 30, 2015 order that granted the complaint filed by Caithness Long Island II, LLC against NYISO. This order finds that LIPA's request for rehearing, asking the Commission to direct NYISO to include the Long Island Guideline in the NYISO Deliverability Test, is beyond the scope of the issues raised in Caithness' complaint.

FERC approves an uncontested settlement agreement

E-21, *Public Service Company of Colorado*, Docket Nos. ER15-266-000 and ER15-266-001. The order approves an uncontested settlement agreement between Public Service Company of Colorado (PSCo) and several of its customers. The settlement resolves all issues in dispute in the proceeding, including issues involving the appropriate loss factors for service on PSCo's transmission and distribution systems and the application of those loss factors to PSCo's transmission formula rates and production formula rates.

FERC denies rehearing

E-22, *Modesto Irrigation District and Turlock Irrigation District v. Pacific Gas and Electric Company*, Docket No. EL15-55-001. The order denies requests for rehearing of the Commission's July 2, 2015 order filed by the Modesto Irrigation District (Modesto) and Turlock Irrigation District (Turlock) (collectively, the Districts), the Transmission Agency of Northern California, the City of Redding, California, and M-S-R Public Power Agency. The order affirms the Commission's July 2015 order that denied the Districts' complaint alleging that PG&E breached certain Interconnection Agreements between the Districts and PG&E.

FERC dismisses petition for declaratory order; plans to convene a technical conference

E-23, *ITC Grid Development, LLC*, Docket No. EL15-86-000. The order dismisses a July 28, 2015 petition for declaratory order filed by ITC Grid Development, LLC (ITC) requesting that the Commission find (1) that binding revenue requirement bids selected as the result of Commission-approved, Order No. 1000-compliant, and demonstrably competitive transmission project selection processes will be deemed just and reasonable when filed at the Commission as a stated rate under section 205 of the Federal Power Act (FPA) and (2) that such binding bids are entitled to protection under the Mobile-Sierra standard, and may not subsequently be changed by means of a complaint filed under FPA section 206 unless required by the public interest. In this order, the Commission recognizes that this case highlights broader policy considerations and will convene a technical conference in the future to explore the issues further.

FERC denies a complaint

E-24, *Big Sandy Peaker Plant, LLC; Wolf Hills Energy, LLC; Crete Energy Venture, LLC; Lincoln Generating Facility, LLC; Rolling Hills Generating, L.L.C.* *v. PJM Interconnection, L.L.C.* Docket No. EL16-9-000. The order denies a complaint filed against PJM Interconnection, L.L.C. (PJM) by Tenaska Fund I Entities and Tenaska Fund II Entities (collectively, Tenaska) under sections 206 and 306 of the Federal Power Act. The complaint alleges that, in October 2014, PJM inappropriately found that Tenaska's combustion turbine generating facilities were not eligible to provide Tier 1 Synchronized Reserve effective October 1, 2013, and made billing adjustments to rescind the payments previously made by PJM to Tenaska for Tier 1 Synchronized Reserve during the period from October 1, 2013 to July 1, 2014.

FERC denies rehearing, grants clarification in part, and addresses compliance filings

E-25, *PJM Interconnection, L.L.C., Midwest Independent Transmission System Operator, Inc.*, Docket Nos. ER11-2814-001, ER11-2815-001, ER11-2814-002, ER11-2814-004, ER11-2815-002, ER11-2815-003, ER11-2815-004, ER11-2815-006, ER11-3279-001, ER11-3279-002, ER11-3279-003. The order addresses requests for rehearing of the Commission's May 31, 2011 order (PJM Order) accepting, subject to condition, a proposal by American Transmission Systems, Inc. (ATSI) and PJM Interconnection, L.L.C. (PJM) to make revisions to the PJM tariff in connection with ATSI's decision to realign its Regional Transmission Organization (RTO) status by leaving the RTO operated by Midwest Independent Transmission System Operator Inc. (MISO), and integrating into the RTO operated by PJM. The principal condition was that ATSI remove recovery of exit fees and legacy transmission costs ATSI incurred as a result of its corporate decision to leave the MISO RTO from the PJM tariff because ATSI had not shown that the benefits of realigning with PJM justified those costs. In a concurrent order (MISO Order), the Commission conditionally accepted proposed Schedule 37 filings submitted by MISO, MISO Transmission Owners, and ATSI, as well as proposed revisions to the MISO tariff reflecting the treatment of costs of certain projects upon the withdrawal of ATSI from MISO. In its September 19, 2013 order, the Commission rejected settlement agreements intended to resolve all pending issues in the underlying proceedings (Settlement Order). The order: (1) denies rehearing of the PJM Order; (2) denies rehearing and grants clarification in part of the MISO Order; (3) denies rehearing of the Settlement Order; (4) accepts an ATSI June 30, 2011 compliance filing; (5) accepts a June 13, 2011 compliance filing, and a December 13, 2011 compliance filing errata; (6) accepts a MISO Parties' compliance filing, subject to condition; and (7) rejects an ATSI compliance report.

FERC grants rehearing

G-1, *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-X, Docket No. RM96-1-039. This order grants requests filed by the Interstate Natural Gas Association of America and Southern Star Central Gas Pipeline, Inc. seeking rehearing of Order No. 587-W, the Commission's final rule, issued October 16, 2015, that revises section 284.13(b)(2)(iv) of the Commission's regulations regarding the posting of receipt and delivery points for interruptible transportation for clarity.

FERC addresses issues on remand

G-2, *Transcontinental Gas Pipe Line Corporation*, Docket Nos. RP06-569-008 and RP07-376-005 (consolidated). In response to the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *BNP Paribas Energy Trading GP v. FERC*, 743 F.3d 264 (2014), the order reverses the Commission's prior decision in this case and rejects Transco's proposal to charge BNP Paribas Energy Trading GP and South Jersey Resources Group, LLC (collectively, replacement shippers) a new incremental rate for

service under Rate Schedule Washington Storage Service-OA. The order finds that Transco has not shown that it is reasonable to allocate to the replacement shippers the entire cost of base gas Transco had to purchase when two of its historic storage customers released their capacity to the replacement shippers and purchased their share of the base gas. The order requires Transco to roll these costs into the rates of all its shippers and requires Transco to refund the excess amounts it collected from the replacement shippers.

FERC accepts an uncontested settlement agreement

G-3, *Columbia Gas Transmission, LLC*, Docket No. RP16-314-000. The letter order accepts an uncontested settlement agreement that extends a Capital Cost Recovery Mechanism, which enables Columbia Gas to recover through a surcharge certain costs associated with a multi-year modernization program focused on replacing, rehabilitating and/or rebuilding critical pipeline infrastructure and ensuring the safety and reliability of the Columbia transmission system. The order finds the settlement terms are fair and reasonable and in the public interest.

FERC terminates license exemption by implied surrender

H-1, *Congdon Pond Hydro, LLC*, Project No. 10200-014. The order terminates, by implied surrender, Congdon Pond Hydro's exemption from licensing for the Congdon Dam Project No. 10200, located on Oxoboxo Brook in New London County, Connecticut. The order finds that the exemptee's long-term failure to restore the project's generating capacity and continuing financial inability to carry out the terms of the exemption warrants a finding that it is the exemptee's intent to abandon the project.

FERC grants rehearing

H-2, *City of River Falls, Wisconsin*, Project No. 10489-015. The order grants rehearing of Commission staff's December 9, 2015 order denying the City of River Falls' request to extend its license term for five years. The order finds that the unique circumstances of this proceeding demonstrate that a five-year extension of the project license is in the public interest.

FERC denies rehearing

H-3, *Woodland Pulp LLC*, Project No. 2660-027. The order denies Woodland Pulp's request for rehearing of Commission staff's November 23, 2015 order issuing it a new license to continue operating and maintaining the Forest City Project No. 2660, located on the East Branch of the St. Croix River in Washington and Aroostook counties, Maine.

H-4, *Owyhee Hydro LLC*, Project No. 14648-001. The order denies Owyhee Hydro's request for rehearing of Commission staff's November 25, 2015 order denying its

preliminary permit application for the proposed Anderson Ranch Pumped Storage Hydroelectric Project No. 14648. The proposed project would be located at the U.S. Bureau of Reclamation's Anderson Ranch dam and reservoir, part of Reclamation's Boise Project, on the South Fork of the Boise River near Mountain Home in Elmore County, Idaho. The order finds that Commission staff's determination that Reclamation, rather than the Commission, had jurisdiction over the project was correct, and that the denial of the preliminary permit was appropriate.

FERC denies rehearing

C-1, *Gulf South Pipeline Company, LP*, Docket Nos. CP13-91-001, CP13-92-001, and CP13-93-001. The order denies Gulf South's request for rehearing of the Commission's December 19, 2013 order denying Gulf South's three applications for authority to abandon pipeline facilities in Louisiana, Mississippi, and Texas by sale to Gulf South-affiliated companies, and dismissing as moot Gulf South's requests that the Commission find the subject facilities exempt from the Commission's jurisdiction in accordance with section 1(c) of the Natural Gas Act as "Hinshaw" pipeline facilities. The order affirms the prior order's conclusion that Gulf South did not meet its burden of demonstrating that the public interest would be in no way disserved by the proposed abandonment. The order finds that Gulf South did not support its claim that firm shippers, many of whom protested the proposed abandonment, would continue to receive the same quality of service and rates following abandonment.

FERC conditionally approves an interstate natural gas infrastructure project

C-3, *Natural Gas Pipeline Company of America LLC*, Docket No. CP15-505-000. The order grants Natural's request for certificate authorization for the Chicago Market Expansion Project, a new 30,000 horsepower compressor station in Livingston County, Illinois, that would increase firm service capability on Natural's existing mainline by 238,000 dekatherms per day.

FERC seeks opinions of the Secretary of Defense and Secretary of State

C-4, *Impulsora Pipeline, LLC*, Docket No. CP16-70-000. The letters seek the opinions of the Secretary of Defense and the Secretary of State regarding Impulsora's request to amend its existing Presidential Permit originally issued May 14, 2015, and amended on November 19, 2015, to terminate the authorization to construct and operate a 12-inch diameter pipeline at a point on the International Boundary between the United States in Webb County, Texas and Mexico, in the vicinity of Colombia, Nuevo Leon, Mexico.