

September 2016

Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its September 22, 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

E-2, Press Release

E-4, Press Release

FERC denies rehearing, grants clarification and acts on refund reports

E-3, *Public Service Commission of Wisconsin v. Midcontinent Independent System Operator, Inc.*, Docket No. EL14-34-003, *et al.* This order denies rehearing and grants, in part, clarification of the Commission's February 19, 2015 order addressing several proceedings related to the refund of previously allocated costs associated with the operation of System Support Resource Units under the MISO tariff. The order also finds that the refund reports submitted by MISO meet the Commission's requirements as stated in the Commission's May 3, 2016 order directing a refund report. However, the order directs MISO to suspend refunds for certain System Support Resource Units and file an updated refund report when the Commission issues an order on the Initial Decision in Docket No. ER14-1242-006, *et al.*

FERC proposes a rule

E-5, *Balancing Authority Control, Inadvertent Interchange, and Facility Interconnection Reliability Standards*, Docket No. RM16-13-000. The notice of proposed rulemaking proposes to approve Reliability Standards BAL-005-1 (Balancing Authority Control) and FAC-001-3 (Facility Interconnection Requirements) as submitted by North American Electric Reliability Corporation, and proposes to approve the retirement of Reliability Standard BAL-006-2 (Inadvertent Interchange).

FERC approves reliability standards

E-6, *North American Electric Reliability Corporation*, Docket No. RD16-6-000. This order approves two proposed Reliability Standards IRO-018-1 and TOP-010-1 submitted by the North American Electric Reliability Corporation that address real-time reliability monitoring and analysis capabilities of reliability coordinators, balancing authorities, and transmission operators.

FERC conditionally accepts compliance filings

E-7, *Midcontinent Independent System Operator, Inc.*, Docket Nos. ER12-1266-005 and ER12-1266-006. This order addresses outstanding compliance requirements primarily related to Order No. 745. The order conditionally accepts MISO's compliance filings. The order requires further compliance with respect to the allocation of costs associated with, among other issues, Demand Response Resource compensation across zones, allocation of these costs between day-ahead and real-time market participants, and tariff consistency issues.

FERC conditionally accepts compliance filing

E-8, *Midcontinent Independent System Operator, Inc.*, Docket Nos. ER12-1265-005 and ER12-1265-006. The order addresses outstanding compliance requirements primarily with respect to Order No. 719. This order accepts most of MISO's compliance filing and requires further compliance with respect to consumption baselines for Demand Response Resources and tariff consistency issues.

FERC grants clarification

E-9, *Midcontinent Independent System Operator, Inc.*, Docket No. ER16-197-002. The order grants clarification of the Commission's December 30, 2015 order as it pertains to a potential ruling by the U.S. Internal Revenue Service (IRS). The order clarifies that, should the IRS rule that the proration methodology described in the U.S. Treasury regulations must continue to be applied to the originally projected Accumulated Deferred Income Tax balances in performing the annual formula rate true-up calculations, applicants are not estopped by the December 30 order from making a future filing with the Commission consistent with the IRS's direction.

FERC affirms, in part, and reverses, in part, an Initial Decision

E-10, *Midwest Independent Transmission System Operator, Inc.*, Docket Nos. ER11-1844-001 and ER11-1844-002. The order affirms in part, and reverses in part, certain determinations of the Presiding Administrative Law Judge (Presiding Judge), and it dismisses the remaining determinations of the Presiding Judge as moot. This proceeding

concerns a filing by MISO and International Transmission Company (ITC) proposing revisions to MISO's tariff to establish a methodology to recover costs of ITC's Phase Angle Regulating Transformers (PARs) located on the Michigan-Ontario, Canada border. The order finds that applicants have not demonstrated that their proposal to allocate costs of the PARs to entities outside of MISO is just and reasonable. The order also dismisses as moot requests for rehearing.

FERC denies rehearing

E-11, *PJM Interconnection, L.L.C.*, Docket No. ER14-1831-003. The order denies rehearing of the Commission's February 23, 2016 order that accepted Virginia Electric Power Company's (VEPCO) revision to its formula rate to change its methodology for calculating Accumulated Deferred Income Tax (ADIT) to accord with its IRS Private Letter Ruling (PLR). The order finds that VEPCO's approach to the true-up mechanism in its rate, used to reconcile the originally projected ADIT amounts with the actual ADIT amounts, is consistent with the PLR.

FERC accepts a compliance filing, subject to condition

E-12, *Entergy Services, Inc.*, Docket No. ER10-1350-006. The order accepts Entergy's compliance filing subject to the condition that Entergy submit a subsequent compliance filing that provides for interest on all bandwidth payments associated with Opinion No. 545, issued December 17, 2015. The order also requires Entergy to make other adjustments as required by the companion rehearing order being issued in Agenda Item E-13, Docket No. ER10-1350-005.

FERC denies rehearing request

E-13, *Entergy Services, Inc.*, Docket No. ER10-1350-005. This order denies rehearing of the Commission's order on the Initial Decision in the fourth bandwidth proceeding, Opinion No. 545, issued December 17, 2015. The order denies rehearing on all issues except for the issue of contra-securitization accumulated deferred income taxes (ADIT). The order requires removal of all securitized asset ADIT and contra-securitized asset ADIT for the 2009 test year. In addition, the order grants Entergy's requested clarification that the directive to Entergy to revise and resubmit its FERC Form No. 1s for the seven-month period from June 1, 2005 through December 31, 2005 is not intended to amend the bandwidth formula retroactively. The order also requires interest on all refunds required in this fourth bandwidth proceeding.

FERC denies a complaint

E-14, *Ameren Illinois Company*, Docket No. ER16-1169-000. This order denies a formal challenge submitted by Southwestern Electric Cooperative, Inc. and Southern Illinois

Power Cooperative protesting the annual informational formula rate update and true-up that was filed by Ameren Illinois as required by the formula rate protocols set forth in Attachment O-AIC of MISO's tariff.

FERC authorizes an internal corporate reorganization

E-15, *AEP Texas Central Company, AEP Texas North Company, AEP Utilities, Inc.*, Docket No. EC16-135-000. The order grants authorization for an internal corporate reorganization under which AEP Texas North and AEP Texas Central will merge into a single entity.

FERC affirms Chief Accountant's statement, denies rehearing

E-16, *Duke Energy Carolinas, LLC, et al.*, Docket No. AC15-174-001. The order denies requests for rehearing filed by three Duke Energy Corp. subsidiary operating companies (Duke Companies) of the Chief Accountant's February 12, 2016 letter order. That letter order granted Duke Companies' request for waiver of Commission regulations so that they may use the consolidated method of accounting instead of the equity method. That letter order, as relevant here, also noted the Commission's policy applicable to discounts on accounts receivable sold without recourse, *i.e.*, that such discounts are non-operating costs excluded from cost-of-service rates. The instant order affirms the Chief Accountant on this latter issue.

FERC denies rehearing request

E-17, *Occidental Chemical Corporation v. Midwest Independent Transmission System Operator, Inc.*, Docket No. EL13-41-001. This order denies Occidental's request for rehearing of the Commission's April 21, 2016 order. That order denied Occidental's complaint against MISO and Occidental's request for a declaratory order that MISO's plan for integrating qualifying facilities (QFs) in the Entergy operating companies' footprint violated QFs' rights under the Public Utility Regulatory Policies Act of 1978 and unduly discriminated against QFs in violation of the Federal Power Act.

FERC approves an uncontested settlement

G-2, *Tuscarora Gas Transmission Company*, Docket Nos. RP16-299-000 and RP16-1137-000. This order approves the July 15, 2016 uncontested settlement filed by Tuscarora, resolving all issues in the Natural Gas Act section 5 case brought by the Commission in Docket No. RP16-299-000. The order further approves Tuscarora's August 1, 2016 tariff filing in Docket No. RP16-1137-000, which implements the terms of its settlement.

FERC approves an uncontested settlement

G-3, *Columbia Gulf Transmission, LLC*, Docket No. RP16-302-000. This order approves the July 26, 2016 uncontested settlement filed by Columbia Gulf resolving all issues in the Natural Gas Act section 5 case brought by the Commission in Docket No. RP16-302-000. The order further requires Columbia Gulf to file revised tariff records within 30 days to reflect the Commission's action in this order.

FERC approves a settlement and related tariff records

G-4, *Washington Gas Light Company, LLC*, Docket Nos. PR15-5-002 and RP15-238-000. This order approves the offer of settlement and associated tariff records filed by Washington Gas Light Company on August 1, 2016, resolving all issues in these proceedings.

FERC approves a settlement

G-5, *Columbia Gas Transmission, LLC*, Docket No. RP16-1082-000. This order approves a settlement filed June 30, 2016 by Columbia that, among other things, would provide a more permanent framework for allocating costs from lost and unaccounted for gas volumes between transmission and gathering customers. The settlement sets the gathering retainage rate at 4 percent beginning March 1, 2017. The rate will increase by 0.5 percent each year until it reaches 6 percent. Additionally, Columbia agrees to hold annual meetings with customers. Settlement Article VII sets forth that the standard of review for changes to the settlement will be the "just and reasonable standard, and not the 'public interest' standard." The order finds that the settlement is uncontested and is fair, reasonable and in the public interest.

FERC denies petition for declaratory order

H-1, *Percheron Power, LLC*, Docket No. EL16-50-000. The order denies Percheron's petition for declaratory order requesting that the Commission find that it retains jurisdiction to authorize small conduit hydroelectric projects of 5 megawatts or less within U.S. Bureau of Reclamation's Columbia Basin Project. The order finds that the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act withdrew the Commission's jurisdiction over new, small conduit hydropower development within the Columbia Basin Project, including the five particular sites in which Percheron had an interest in developing.

FERC grants a stay

H-2, *Fairlawn Hydroelectric Company, LLC*, Project No. 12715-008. This order grants Fairlawn Hydroelectric's request for a two-year stay of the commencement and

completion of construction deadlines for the Jennings Randolph Hydroelectric Project No. 12715, to be located at the U.S. Army Corps of Engineers' Jennings Randolph Dam and Lake, on the North Branch Potomac River in Garrett County, Maryland, and Mineral County, West Virginia.

FERC modifies, approves drawdown plan; grants a temporary license variance

H-3, *Domtar Paper Company, LLC*, Project No. 2212-049. This order grants Domtar Paper Company, licensee of the Rothschild Hydroelectric Project in Marathon County, Wisconsin, a temporary variance of Article 402 and approves a reservoir drawdown plan filed in accordance with Article 404 of its license in order to repair concrete deterioration at the waterline on the upstream side of the dam. The order concludes that the licensee's proposed drawdown schedule is reasonable and, although it would have a short-term effect on duck hunting and trapping season, would help minimize effects to the primary recreation season during the summer and to aquatic resources.

FERC authorizes compression facilities; denies rolled-in rate treatment

C-1, *ANR Pipeline Company*, Docket No. CP16-64-000. The order authorizes ANR to modify its existing Collierville Meter Station and construct and operate one new 4,700 horsepower compressor station and appurtenant facilities in Shelby County, Tennessee. The order denies the applicant's requested pre-determination of rolled-in rate treatment because the project revenues are less than the project's costs.

FERC authorizes abandonment of certain gas transmission facilities

C-2, *Kinetica Deepwater Express, LLC*, Docket No. CP16-78-000. The order authorizes Kinetica Deepwater Express (previously TC Offshore, LLC) to abandon by sale jurisdictional transmission facilities located in state and federal waters offshore Louisiana in the Gulf of Mexico, and onshore in the state of Louisiana.