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BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

- - - - -x  
IN THE MATTER OF: :  
CONSENT ELECTRIC, CONSENT GAS, :  
CONSENT HYDRO :  
DISCUSSION ITEMS :  
STRUCK ITEMS :  
- - - - -x

1035TH COMMISSION MEETING

Commission Meeting Room  
Federal Energy Regulatory  
Commission  
888 First Street, N.E.  
Washington, D.C.

Wednesday, September 20, 2017  
10:01 a.m.

1                   The Commission met in open session at 10:01 a.m.,  
2 when were present:

3

4                   CHAIRMAN NEIL CHATTERJEE

5                   COMMISSIONER CHERYL LaFLEUR

6                   COMMISSIONER ROBERT POWELSON

7

8                   SECRETARY KIMBERLY D. BOSE

9

10                  PRESENTERS:

11                  1-1, Jette Gebhard (OEMR), accompanied by:

12                                  Caroline Wozniak (OEMR)

13                                  Roshini Thayaparan (OGC)

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1                   P R O C E E D I N G S

2                   (10:01 a.m.)

3                   SECRETARY BOSE: Good morning. The purpose of the  
4 Federal Energy Regulatory Commission's Open Meeting is for  
5 the Commission to consider the matters that have been duly  
6 posted in accordance with the Government in the Sunshine  
7 Act.

8                   Members of the public are invited to observe,  
9 which includes attending, listening, and taking notes, but  
10 does not include participating in the meeting or addressing  
11 the Commission.

12                   Actions that purposely interfere or attempt to  
13 interfere with the commencement or conducting of the meeting  
14 or inhibit the audience's ability to observe or listen to  
15 the meeting, including attempts by the audience members to  
16 address the Commission while the meeting is in progress, are  
17 not permitted.

18                   Any persons engaging in such behavior will be  
19 asked to leave the building. Anyone who refuses to leave  
20 voluntarily will be escorted from the building.

21                   Additionally, documents presented to the  
22 Chairman, Commissioners, or staff during the meeting will  
23 not become part of the official record of any Commission  
24 proceeding, nor will they require further action by the  
25 Commission.

1           If you wish to comment on an ongoing proceeding  
2 before the Commission, please visit our website for more  
3 information. Thank you for your cooperation.

4           CHAIRMAN CHATTERJEE: Good morning. This is the  
5 time and place that has been noticed for the open meeting of  
6 the Federal Energy Regulatory Commission to consider the  
7 matters that have been duly posted in accordance with the  
8 Government in the Sunshine Act. Please join us in the  
9 Pledge of Allegiance.

10           (Pledge of Allegiance recited.)

11           CHAIRMAN CHATTERJEE: Thank you. It is an honor  
12 to be here with you all today. I would like to start today  
13 by welcoming Commissioner Rob Powelson and his team, as well  
14 as Commissioner Cheryl LaFleur and her staff to today's  
15 meeting.

16           It has been a privilege working with both  
17 Commissioner Powelson and Commissioner LaFleur as the quorum  
18 was restored.

19           Rob and I have known each other for a number of  
20 years, and we're bonded together by going through the Senate  
21 confirmation process with each other, and have enjoyed our  
22 past working history and look forward to continuing it in  
23 the future. I have also known Cheryl for a number of years,  
24 and have truly appreciated our friendship and the good work  
25 that she has done.

1           I would specifically like to thank her and her  
2 staff for the warm welcome they've shown me over the past  
3 several weeks. They, as well as the entire FERC staff were  
4 faced with an immensely difficult job during the  
5 unprecedented absence of a quorum. Yet, under Cheryl's  
6 leadership, FERC staff rose to the occasion, maintaining  
7 stability and continuing the important work before them.

8           I would particularly like to thank Stephen  
9 Wellner, who in my early days coming into the Commission was  
10 an invaluable resource to me as we got the agenda and worked  
11 to put things together.

12           I know we are all pleased to have the quorum  
13 restored to the Commission, and I am further pleased by  
14 several recent additions to the team who I would like to  
15 acknowledge now.

16           First, I would like to introduce the new Chief of  
17 Staff of the Commission, Anthony Pugliese--everybody  
18 Anthony Pugliese. Anthony has a deep understanding of  
19 infrastructure issues from his time at the Department of  
20 Transportation and working for Governor Corbett, and his  
21 background and expertise on these issues make him well  
22 suited for the challenge ahead of him. I look forward to  
23 working with Anthony.

24           I would also like to introduce James Danly, who  
25 was named just this week as the new General Counsel. James

1 served with distinction in the United States Army. He  
2 served two deployments to Iraq, first with an Infantry  
3 Company in Bagdad, and then on staff at Multinational Force  
4 Iraq, receiving a Bronze Star and Purple Heart. Most  
5 recently, James has been in private practice specializing in  
6 energy regulation and litigation. I am confident that his  
7 credentials and experience will serve him well as he takes  
8 on the significant task of leading the Office of the General  
9 Counsel, and I appreciate his continued dedication to public  
10 service.

11 In that regard, I would be remiss if I didn't  
12 recognize the good work of Former General Counsel David  
13 Morenoff. I am grateful for his leadership and willingness  
14 to take on this important challenge, and I look forward to  
15 continuing to work with him as he returns to his duties as  
16 Deputy General Counsel. David has also been an invaluable  
17 resource to me from the moment I walked in the door.

18 I would like to also note that then-Acting  
19 Chairman LaFleur named Anna Cochrane, Director of the Office  
20 of Energy Market Regulation, in June. Anna has over 35  
21 years of experience in the energy industry, having worked  
22 both in private industry and at the Commission, and has  
23 previously served as both Deputy Director and Acting  
24 Director of OEMR.

25 Finally, I would like to introduce several

1 members of my staff, as well. My policy advisor, Andrea  
2 Spring. Andrea and I have worked together for a number of  
3 years, going back to our shared time on Capitol Hill when  
4 she was a top staffer at the House Energy and Commerce  
5 Committee. She was a critical asset to me as I went through  
6 the Senate confirmation process with Commissioner Powelson  
7 in her role at OEA, and she has been my sherpa in my  
8 journey thus far here at the Commission.

9 I would also like to introduce my legal advisor,  
10 Rob Ross. Rob is not only a lawyer's lawyer and a  
11 consummate energy professional, he has also demonstrated  
12 significant service to country, having worked on a  
13 minesweeper and as a Navy nuclear officer.

14 Additional legal advisor Mindy Sauter has almost  
15 20 years of experience in the legal industry and the energy  
16 industry, and has been at the Commission for a decade  
17 working in a number of roles at the Office of General  
18 Counsel. She has been tremendous to work with and has aided  
19 me through this process.

20 My technical advisor, Eric Vandenberg, brings a  
21 background in engineering and in expertise in markets that,  
22 with all of the issues confronting the Commission, is so  
23 critical and he is an exceptional resource as well.

24 My Executive Assistant Michelle Brown has been at  
25 the Commission for nearly a decade, or for more than a

1 decade. Her experience and her knowhow, as well as her  
2 gentle demeanor and professionalism have been great. It's a  
3 pleasure to be welcomed by Michelle in the office every  
4 morning.

5           And finally, I want to introduce my Strategic  
6 Advisor Lindsee Gentry. Lindsee and I served as colleagues  
7 together in the Senate working for Leader McConnell. She  
8 demonstrated exceptional capabilities there, and I look  
9 forward to continuing to work together with her here at the  
10 Commission.

11           I would also like to recognize Tracy Adamsky who  
12 over the past several weeks stepped in and played an  
13 integral role in assisting myself and the team. She has  
14 been such an asset in helping get the office set up and  
15 running, and we are grateful for her willingness to serve.  
16 I am confident that she will continue to serve the  
17 Commission well as she returns to her post at the Office of  
18 the Executive Director.

19           So this is a critical and exciting time at FERC,  
20 and I know we are all eager to continue moving forward.  
21 That would not be possible without the fine work of staffers  
22 like those I just named, as well as those across the  
23 building.

24           I would also like to take a moment to acknowledge  
25 all those who have lost loved ones or have been otherwise



1 impacted by Hurricanes Harvey and Irma. Just this morning,  
2 Hurricane Maria made landfall in Puerto Rico as a Category 4  
3 storm, bringing with it torrential rains and damaging winds.

4 We will continue to monitor the situation and  
5 keep the people of Puerto Rico in our thoughts. So many  
6 brave and hard-working utility workers from across the  
7 country have stepped in to help following Hurricanes Harvey  
8 and Irma, and I want to take a moment to highlight their  
9 work.

10 These utilities and their employees have and will  
11 continue to play a crucial role in helping Texas and the  
12 Southeast get back into operation following these  
13 devastating storms.

14 Crews from all over the country are assisting in  
15 this effort. As part of this effort, FERC and NERC issued a  
16 joint statement to encourage mutual assistance and assure  
17 companies they wouldn't be penalized for helping to restore  
18 service.

19 Additionally, FERC granted an extension of time  
20 on filing deadlines so that people and companies could focus  
21 on recovery. And we also granted a pipeline waiver to  
22 facilitate gasoline delivery.

23 Now turning to the business before us today.  
24 Since the January 19th meeting, and excluding the period of  
25 time when the Commission did not have a quorum, we issued

1 158 Notational Orders.

2 Colleagues, do you have any opening statements or  
3 announcements?

4 COMMISSIONER LaFLEUR: Well thank you very much,  
5 Chairman Chatterjee, and thank you for your gracious words  
6 on the work of myself and my team in the no-quorum period.

7 I definitely think most of the credit is due to  
8 the staff around the Commission, but I will have more to say  
9 about that in Agenda Item A-1, so I won't make you listen to  
10 a long list of thank-you's twice, although I will make you  
11 listen to a long list of thank-you's once.

12 (Laughter.)

13 COMMISSIONER LaFLEUR: It's an honor and a  
14 pleasure to formally welcome Chairman Chatterjee and  
15 Commissioner Powelson to the Commission, and to put on my  
16 glasses so I can read my peerless pose. I am delighted that  
17 you're here, not just because I was lonely--

18 (Laughter.)

19 COMMISSIONER LaFLEUR: --but because of the  
20 experience and expertise that you bring. I have enjoyed  
21 working with Rob when he was president of NARUC, and with  
22 Neil on the Hill, and I am excited to tackle the new  
23 challenges ahead.

24 I also want to welcome your teams with whom we're  
25 already enjoying working. First and foremost, Anthony

1 Pugliesse, welcome to the Commission and to the table. Nice  
2 to have you here. And you're already introduced Rob Lindsey  
3 in your office, and I imagine we will soon be meeting April  
4 and Brett in Commissioner Powelson's office.

5 I want to welcome back to the floor old friends  
6 Andrea Spring, Mindi Sauter, and Eric Vandenberg, who did a  
7 stint in my office at one stage. Michelle Braun, Megan  
8 Estenson and Jeffrey Hensley, nice to have you back on the  
9 11th floor. I want to welcome James Danly. You obviously  
10 bring a strong and varied experience to us, especially as a  
11 thought leader and a decorated hero in the military, as well  
12 as your legal career. We're happy to have you here. And  
13 also happy to have David as deputy, but whom I'll see a  
14 little more later. Welcome Anna and Terry to table, back to  
15 the table.

16 And last but not least, I want to introduce  
17 Jessica Cockerel who is a newbie on my team, having only  
18 been with me since February. She is--but this is her first  
19 official meeting, sitting on the uncomfortable bench behind  
20 us. Jessica has been an energy industry analyst at the  
21 Commission since 2008, primarily in the policy office, but  
22 also with stints in Energy Market Regulation and the Office  
23 of Enforcement. She has been in the middle of almost every  
24 major policy effort the Commission has engaged in in the  
25 past nine years, and we're really lucky to have her on my

1 team.

2 Finally, I want to second Neil's comments on the  
3 recent hurricanes and express appreciation to all the people  
4 who are working tirelessly to restore power. I know some of  
5 them are from the companies we see represented in the  
6 audience, but many more out on the web.

7 For anyone who has anything to do with  
8 electricity, keeping the lights on is job one. And people  
9 are at their finest after a major storm. I especially want  
10 to applaud the mutual aid and the cooperation among  
11 industry, both IOUs and public power, and with State,  
12 Federal, and Local Government, as well as first responders.  
13 I'm glad we're able to make a small contribution under your  
14 leadership.

15 Thank you.

16 COMMISSIONER POWELSON: Well good morning,  
17 everyone. Let me first start off as someone who is here as  
18 a Commissioner from the Great Commonwealth of Pennsylvania.  
19 I am realizing that the traffic patterns are a lot different  
20 than Harrisburg.

21 (Laughter.)

22 COMMISSIONER POWELSON: I would like to also start  
23 off by personally thanking the FERC staff, or as I commonly  
24 refer to them, as Team 888, for their unwavering support of  
25 the Commission's mission and program of work during this, I

1 call it a historic transition period. It's almost hard to  
2 believe we've been without a quorum, as Chairman Chatterjee  
3 mentioned, since February. And this historic quorum void  
4 has certainly caused an enormous backlog within the Agency.  
5 But as the Chairman mentioned, 158 Notational votes have  
6 gone out the door, so I'm proud to report the manufacturing  
7 line is back in order.

8           There's an old adage that says that work that can  
9 be done in a day is not work. And when I look back at my  
10 three weeks here at the Commission, just looking at the  
11 backlog alone tells you that we've got a lot of work ahead  
12 of us.

13           But I am also thoroughly impressed with the  
14 professionalism and the institutional knowledge and the  
15 welcoming spirit that each one of you from this table to the  
16 back, to our security team, to our executive director, to  
17 our HR people--I know I'm going to miss people, so I better  
18 get off this recognition kick very quickly. I'll get a  
19 nasty email.

20           But you have all been wonderful, and you are what  
21 makes this organization tick. Forty years of rich history,  
22 and I thank you, and I thank the Chairman and Commissioner  
23 LaFleur who join us in thanking you for a job well done.

24           Now speaking of jobs well done, I think we both,  
25 all of us would be remiss in not thanking the outgoing

1 chair. Now she's told me this morning, I'm not retiring.

2 And I said I'm not roasting you.

3 (Laughter.)

4 COMMISSIONER POWELSON: I'm not doing that  
5 because, as many of you know, I'm a proud Philadelphia  
6 Eagles Fan, and I had to recognize her at a NARUC event.  
7 She puts a dam Patriots Jersey on--

8 (Laughter.)

9 COMMISSIONER POWELSON: And then we're into  
10 baseball season and I'm still, you know, struggling with my  
11 Phillies, and Neil reminds me about the Nats, and it's  
12 hurtful.

13 (Laughter.)

14 COMMISSIONER POWELSON: But I have really enjoyed  
15 the welcome and the professionalism of this wonderful woman,  
16 and she is a person that we all have worked with. When I  
17 was a lowly state chairman, she took my calls. We worked  
18 together on one of the most historic things that I'm so  
19 proud of, but it was the work that Pennsylvania, Maryland,  
20 and California--you couldn't get three more eclectic states  
21 working together on the efforts in front of the Supreme  
22 Court on seeking cert with FERC Order 745. And it was  
23 because of her work and her leadership that we were able to  
24 form that bond.

25 But electric-gas coordination, MOPA reforms, I

1       could go on and on and on. And the professional staff that  
2       she has surrounded herself with, and I include Bill as part  
3       of that professional staff. As my wife says, behind every  
4       great man there's a great woman. Well, in this case I think  
5       Bill knows his role, and I know my role on the home front.  
6       My wife always jokes, you might have been a chairman and  
7       you're a commissioner, just take the trash out--

8                       (Laughter.)

9                       COMMISSIONER POWELSON: --because I'm not  
10       referring to you as--so I just want to take this  
11       opportunity. I know the Chairman joins me in this. I just  
12       want to take this opportunity, Commissioner, Chairman--  
13       because you never lose the title, Neil, just remember that--

14

15                       (Laughter.)

16                       COMMISSIONER POWELSON: --but I want to salute  
17       you for a job well done, and your staff as well.

18                       (Applause.)

19                       COMMISSIONER LaFLEUR: Well thank you very much.  
20       I try to exemplify Woodie Allen's philosophy: 99 percent of  
21       life is just showing up. So I'm here.

22                       (Laughter.)

23                       COMMISSIONER POWELSON: Well on that, that's a  
24       great transition. Speaking of showing up, let me also take  
25       the opportunity to recognize my team. I apologize. Anthony

1 is a proud Pennsylvanian. Everybody thinks, it's like the  
2 Texans have come to Washington, and so have the  
3 Pennsylvanians. But I'm a little tougher on Anthony because  
4 it's almost like Irish love with the new Italian kid.

5 (Laughter.)

6 COMMISSIONER POWELSON: We worked together in a  
7 prior life for Governor Corbett, and it's good to have him  
8 here. But he knows, as the Chairman knows, I'm pretty  
9 dogged with him. So he gets no free pass.

10 And James Danly, you've served this country with  
11 distinction. Although you're a graduate of Yale, we knew  
12 you couldn't get into the University of Penn--

13 (Laughter.)

14 COMMISSIONER POWELSON: --but I want to welcome  
15 you. That's Irish love, too, James. But welcome to you,  
16 and you will do a great job. You are surrounded by, as I  
17 told you the other day, some remarkable people in the Office  
18 of General Counsel. And David Morenoff, we will recognize  
19 you here shortly. You need no introduction, but the work  
20 that you've done on behalf of this Agency, thank you.

21 So where's my staff? Here they are. First of  
22 all, I want to first recognize, back by popular demand,  
23 proud UVA graduate, Washington & Lee Law School Graduate,  
24 and first job out of law school was here at the Commission  
25 in the Office of General Counsel. She's been waiting 10



1 years to get back to the FERC, and I promised her if  
2 approved by the Senate--was that what we used to say?--if  
3 confirmed? If confirmed. So we got through that. And  
4 April Bileau, who is with me, welcome back, April. And  
5 she's really hit the ground running.

6 She knows more people in this agency than I do.  
7 So I knew I hired the right person. I also want to take  
8 this opportunity to recognize Brett Rendina, again in a  
9 prior life worked for me, and then came to Washington to  
10 work in the energy practice at McGuire Woods. James is a  
11 proud graduate of the University of Pennsylvania. He was an  
12 All IV Golfer and went to the Villanova Law School, and he  
13 has kept his allegiance to the Quakers. He has not become a  
14 bandwagon wildcat fan.

15 I also am blessed, and I want to thank Arnie and  
16 the folk at the Office of Energy Policy. As Neil and I have  
17 been blessed to have some detailees. And Jessie Hensly, who  
18 comes very well recommended by former FERC Commissioner Phil  
19 Moeller, I just want to thank you, Jessie. I hate to lose  
20 you here next week, but you're not going very far. But I  
21 want to thank you for, you've just really hit the ground  
22 running on a volunteer assignment. So I just want to thank  
23 you for your participation. And I promised Arnie I won't  
24 steal you.

25 And then lastly, the glue that holds the office

1 together. She served under the leadership of a great  
2 Commissioner Tony Clark, but Megan Esteson, who was, believe  
3 it or not, speaking of being talented, where is she? Okay.  
4 Very sneaky, Megan.

5 (Laughter.)

6 COMMISSIONER POWELSON: Very sneaky. But Megan  
7 has really been a great confidential assistant to me. As my  
8 former colleague, who is in the audience, Commissioner  
9 Pizengurley, would know, I'm a hard guy to keep up with and  
10 I need someone like a Megan around me. And, Megan, thank  
11 you for getting me up and running and keeping me on the  
12 straightened path. I know you're going to get combat pay  
13 after this tour of duty.

14 (Laughter.)

15 COMMISSIONER POWELSON: So the last item, I could  
16 join my colleagues in really saying this country is going  
17 through an unbelievable situation right now with two  
18 hurricanes, with Irma and Harvey. It does remind me of my  
19 days in Pennsylvania. I had the worst chairmanship when it  
20 came to weather events. But the work of our mutual  
21 assistants, the work of the governors in the two states,  
22 the Office of Emergency Personnel, and our mutual assistance  
23 teams that are down there, it's truly a remarkable testimony  
24 to our mutual assistance crews and how they work together.

25 And, Chairman Chatterjee, I commend you and the

1 outreach you've done with NERC on a very sensitive issue  
2 that was so important to the markets, and the safety, and  
3 the restoration efforts. So I commend you and your team.

4 And lastly, I want to take this opportunity. We  
5 had some fellow commissioners from the Mid Atlantic Region  
6 holding their retreat here in the Commonwealth of Virginia,  
7 and my good colleague Commissioner Judith Yadman yesterday  
8 hosted a high-level cyber briefing. But I want to just  
9 leave on this note.

10 I look over to my good friend Joe McClellan. Joe  
11 and his team in the Office of Energy Infrastructure and  
12 Security, commonly referred to as OEIS, and for complete  
13 disclosure here I am in the 12-Step program learning all the  
14 different bureaus and the acronyms that follow them. But,  
15 Joe, I want to commend you and your team for the outreach to  
16 the state commissioners yesterday, and the work that you do.  
17 And I think my takeaway is, this organization has a  
18 tremendous role to play helping states build capacity.

19 We know these threat vectors have changed, as you  
20 said yesterday, but your outreach has been critical  
21 important. And my state was blessed to have you come up and  
22 do a two-day training.

23 Mr. Chairman, this guy is doing this pro bono on  
24 behalf of this Federal Agency. Joe, we will compensate you  
25 adequately some day. We don't know how. But with that, I

1 just want to thank you. I was just thoroughly impressed  
2 with your outreach, and your knowledge, and my fellow  
3 colleagues appreciated your outreach, and Sandy, and the  
4 entire team thank you as well for your help. Cameron, as  
5 well.

6 So I'm done with my opening remarks. In typical  
7 Pennsylvania fashion, I was a little long-winded, and I will  
8 make sure I get back on track, Mr. Chairman.

9 CHAIRMAN CHATTERJEE: Thank you. Thank you both  
10 for your remarks, and compared to the United States Senate  
11 that was brief and to the point.

12 (Laughter.)

13 CHAIRMAN CHATTERJEE: Madam Secretary, I think  
14 we're ready to go to the Consent Agenda.

15 SECRETARY BOSE: Good morning, Mr. Chairman, and  
16 good morning, Commissioners.

17 Since the issuance of the Sunshine Act Notice on  
18 September 13th, 2017, no items have been struck from this  
19 morning's agenda. Your Consent Agenda is as follows:

20 Electric Items: E-1, E-2, E-3, E-4, E-5, E-6,  
21 E-7, E-8, E-9, E-10, E-11, E-12, E-13, E-14, E-15, E-16,  
22 E-17, E-19, E-20, E-21, E-22, and E-23.

23 Gas Items: G-2, G-3, and G-4.

24 Hydro Items--

25 (Audience disruption.)

1                   CHAIRMAN CHATTERJEE: Folks, you've been  
2 instructed not to stand up or disrupt--

3                   (Sound system shut down.)

4                   SECRETARY BOSE: We will resume the Consent  
5 Agenda. Having read the Electric Items and Gas Items, I  
6 will begin with the Hydro Items on the Consent Agenda.

7                   Hydro Items: H-1, H-2, H-3, H-4, H-5, and H-6.

8                   We will now take a vote on this morning's Consent  
9 Agenda. The vote begins with Commissioner Powelson.

10                  COMMISSIONER POWELSON: I vote aye.

11                  SECRETARY BOSE: Commissioner LaFleur.

12                  COMMISSIONER LaFLEUR: I vote aye.

13                  SECRETARY BOSE: And Chairman Chatterjee.

14                  CHAIRMAN CHATTERJEE: Aye.

15                  SECRETARY BOSE: We will now move on to the  
16 discussion and presentation item for this morning. The item  
17 for this morning is A-1 concerning staff activities during  
18 the No Quorum Period. There will be a presentation by Jette  
19 Gebhart from the Office of Energy Market Regulation. She is  
20 accompanied by Caroline Wozniak from the Office of Energy  
21 Market Regulation, and Roshini Thayaparan from the Office of  
22 the General Counsel.

23                  MS. GEBHART: Good morning. Good morning, Mr.  
24 Chairman and Commissioners.

25                  (A slide presentation follows:)

1           Thank you for the opportunity to make a  
2 presentation about staff activities during the No Quorum  
3 Period, the period that the Commission lacked a quorum, from  
4 February 4th through August 9th.

5           During this time period, the work of all the  
6 Commission's program offices moved forward as staff  
7 continued to perform much of the day-to-day work of the  
8 Agency. In addition, staff exercised the additional  
9 delegated authority given to it to ensure the orderly  
10 processing of certain items consistent with the public  
11 interest.

12           Staff also made preparations for the Commission  
13 to act upon restoration of quorum. On February 3rd, in  
14 anticipation of the loss of quorum, the Commission issued an  
15 Order related to staff's delegated authority. The February  
16 3rd Order performed--affirmed all previous delegations to  
17 the staff, and granted staff additional authority to act on  
18 certain matters, including on filings under Section 205 of  
19 the Federal Power Act, Section 4 of the Natural Gas Act, and  
20 Section 6 of the Interstate Commerce Act, with statutory  
21 action dates falling while the Commission lacked a quorum.

22           Staff was also given authority to act on  
23 uncontested settlements filed under Commission Rule 602, and  
24 on certain uncontested requests for waiver. Office of  
25 Energy Market Regulation staff issued 200 Orders under the

1 new delegated authority. Of those, 68 were subject to  
2 further Commission Order.

3 The February 3rd Order expired by its terms on  
4 August 23rd. During the No Quorum Period, staff also  
5 continued to issue Orders under the various delegations that  
6 had existed prior to the loss of quorum.

7 Lastly, in preparation for the restoration of  
8 quorum, staff continued to analyze filings that were  
9 submitted to the Commission but could not be acted on under  
10 delegated authority. Where appropriate, staff sought more  
11 information through data requests, deficiency letters,  
12 staff-led workshops, or technical conferences.

13 During the No Quorum Period, staff held a number  
14 of technical conferences and workshops to engage with  
15 industry, state representatives, and interested stakeholders  
16 on a range of matters. These conferences and workshops  
17 helped to develop a record for the Commission to consider  
18 upon restoration of quorum.

19 For example, on May 1st and 2nd, staff held a  
20 technical conference to discuss the interplay between state  
21 policy goals and the wholesale capacity markets operated by  
22 ISO New England, the New York ISO, and PJM Interconnection.

23 Following the conference, staff invited comments  
24 on the topics discussed, and received 81 sets of initial  
25 comments and 27 sets of reply comments from a wide range of

1 interested parties.

2 On June 22nd, the Annual Reliability Technical  
3 Conference was held covering topics including the state of  
4 and risks to reliability, cyber security, and high-impact,  
5 low-frequency threats to the grid.

6 And on June 29th, staff held a technical  
7 conference on developments in the natural gas index  
8 liquidity and --on natural gas index liquidity and  
9 transparency to, among other things, understand the state of  
10 liquidity in the physical natural gas markets, and explore  
11 current trends in physical natural gas trading and price  
12 reporting, and how the use of natural gas indices has  
13 changed over time.

14 Finally, in March, May, and June, respectively,  
15 staff led workshops on issues raised in the filings made by  
16 PJM and the Mid Continent ISO regarding targeted market  
17 efficiency projects, potential improvements to the Electric  
18 Quarterly Report Program and filing process, and the  
19 effectiveness of the Hydropower Licensing Program's two-year  
20 pilot process.

21 During the No Quorum Period, staff also released  
22 numerous reports. For example, in June staff issued the  
23 2017 Summer Seasonal Assessment. This is staff's annual  
24 opportunity to share its summer outlook on electricity and  
25 natural gas markets and reliability matters.



1           In April, the Office of Enforcement's Division of  
2 Energy Market Oversight published the 2016 State of The  
3 Markets Report. The annual report shares staff's views on  
4 energy market developments during the past year to better  
5 inform the Commission's understanding of current trends.

6           In consultation with staff from the North  
7 American Electric Reliability Corporation, staff issued a  
8 report in June on Grid Restoration and Recovery Planning  
9 Absent SCADA and EMS functionality.

10           On May 17th, staff sent Congress a report and  
11 recommendations on the two-year hydropower licensing pilot  
12 process as required by the Hydropower Regulatory Efficiency  
13 Act of 2013.

14           Staff also issued a Hydropower Primer and Updates  
15 to Guidance Manuals for environmental report preparation,  
16 and for reporting cultural resource investigations for  
17 natural gas projects.

18           Finally, during the No Quorum Period staff across  
19 all of the program offices continued their many activities  
20 under the Commission's jurisdiction.

21           For example, Office of Energy Projects staff  
22 continued its work to support energy infrastructure,  
23 including issued and delegated orders, environmental impact  
24 statements, and environmental assessments, and performing  
25 natural gas and hydropower facility inspections. Notably,

1 project staff also responded to the Oraville Spillway  
2 incident, working closely with the California Department of  
3 Water Resources in responding to the emergency and on the  
4 subsequent stabilization and reconstruction work.

5 Office of Enforcement staff continued to perform  
6 its surveillance, investigative oversight, auditing, and  
7 accounting functions, including opening surveillance  
8 inquiries into possible violations by market participants in  
9 the electric and natural gas markets, continuing work on  
10 investigations, representing the Commission in litigated  
11 matters, and working on new and ongoing audits and issuing  
12 audit reports.

13 The Office of Energy Infrastructure Security  
14 staff provided information regarding cyber threats to  
15 private sector energy facilities, gave threat briefings to  
16 and continued information sharing with various federal and  
17 state governmental partners, and planned and participated in  
18 cyber security and physical security tabletop exercises.

19 The Office of Electric Reliability staff  
20 continued monitoring and reporting real-time events on the  
21 bulk power system through a 24/7 emergency reporting system,  
22 observed preparations for events like the August solar  
23 eclipse, and mitigation efforts following the Eliso Canyon  
24 Natural Gas Facility's leak; participated in audits related  
25 to critical infrastructure protection, and continued to

1 monitor cyber related threats, events, technologies,  
2 research, and practices.

3 The Office of Energy Policy and Innovation staff,  
4 among other things, continued analysis of pending  
5 rulemakings and other generic dockets, and continued to  
6 develop and refine objective and standardized measures to  
7 help assess the current state of transmission development  
8 and the effectiveness of the Commission's policies regarding  
9 transmission investment.

10 In the Office of General Counsel, the Solicitor's  
11 Office filed appellate briefs and participated in oral  
12 arguments. And Office of Administrative Litigation staff  
13 filed comments on settlements and briefs and testimony in  
14 litigated proceedings.

15 Finally, in the Office of Administrative Law  
16 Judges and Dispute Resolution, the Administrative Law Judges  
17 staff continued to issue initial decisions, certify  
18 settlements, and hold formal conferences and hearings.

19 Dispute Resolution Service staff facilitated the  
20 settlement of a number of complex cases and help line calls,  
21 and provided training to Commission staff.

22 This concludes our presentation. We would be  
23 happy to answer any questions you may have.

24 CHAIRMAN CHATTERJEE: Thank you for that  
25 presentation. I don't have a question, just a comment. As

1 Rob and I were going through the Senate confirmation  
2 process, what we heard repeatedly was we need to get you  
3 guys through so that we can get FERC working again. We need  
4 to get FERC working again.

5 What has been made clear to me from the moment I  
6 walked in the door and was just captured by that  
7 presentation, is that FERC has been working, and has been  
8 doing tremendous work under Acting Chairman LaFleur's  
9 leadership, and with the talent and efforts of the staff  
10 here. I just wanted to thank you all, and all of the staff  
11 for the tremendous leadership and dedication that you  
12 showed through this difficult period.

13 Colleagues?

14 COMMISSIONER LaFLEUR: Thank you very much,  
15 Chairman.

16 Thank you, Jette, Roshini, and Caroline for that  
17 excellent summary. It almost makes me feel like we don't  
18 need Commissioners when you see who really does the work  
19 around here.

20 I do want to expand a little bit on some of what  
21 happened in the No Quorum Period. To say that the first  
22 part of this year until my friends arrived was an odd and  
23 unusual time at FERC would be an understatement.

24 It started, and it's my first chance to mention  
25 that at this table in the end of January, the last nine days

1 of quorum were an extremely intense but very productive  
2 period. And I want to thank everyone for working night and  
3 day to get things out, including the Delegation Order that  
4 allowed you to keep going during the absence of quorum. I  
5 always knew that our staff has a lot of work ethic, but it  
6 takes tremendous dedication to keep reading things and  
7 writing comments and writing convoluted memos and drafting  
8 orders when there's nobody to act on them. And I got my  
9 package every Friday, and things just kept getting filed in  
10 "Virtual Agenda."

11 So thank you for that. Obviously your efforts  
12 gave us a lot of draft orders for FERC 2.0 to consider, and  
13 I think Chairman Chatterjee and his team are doing an  
14 excellent job mowing down the considerable backlog that we  
15 have.

16 I appreciate that you are doing a post mortem on  
17 the delegation experience to see if there's anything we  
18 should change in our delegations going forward based on that  
19 to make our work more efficient.

20 I think people out in the FERCisphere have  
21 expressed frustration on where are all the big things, the  
22 big policy items? We want those. When are they coming?  
23 And the work on that during the No Quorum Period was a  
24 little bit like the part of the duck that's underneath the  
25 lake and it moves furiously but you can't see it.

1           I know that the Policy Office and offices around  
2           the Commission worked to analyze dozens of rulemakings,  
3           generic proceedings, and other dockets with significant  
4           policy implications ranging from Order 1,000, to ROE, to  
5           PRPET, a hydro license terms, and many more. And there what  
6           you did, what I asked you to do was to transparently frame  
7           options for FERC 2.0, and that will give us a basis to work  
8           on going forward as we attack those things.

9           There are just a few other things that took place  
10          during the No Quorum Period I want to single out. The first  
11          is the May 1 and 2nd tech conference. That's one of the  
12          most important issues we face--how regional wholesale  
13          markets that we regulate have to--are affected by and can be  
14          adapted to the growing state policy initiatives. And I want  
15          to publicly thank the folks who worked on the tech  
16          conference that was so widely attended and commented on.

17          I also want to mention the ongoing work of the  
18          Office of Energy Projects, the Office of Enforcement, and  
19          the Office of General Counsel, on post-certificate issues  
20          related to the Rover Pipeline Construction. This matter has  
21          presented a unique set of challenges for the Commission. I  
22          know your work is still ongoing, and I appreciate it and  
23          support it.

24          Finally, I want to call out an effort that you  
25          mentioned, which was the work related to the Oraville Dam in

1 Northern California. As was widely reported in the national  
2 media, in February after tremendous rainfall after a long  
3 drought, both the service spillway and the emergency  
4 spillway at the Oraville Dam were seriously, and indeed  
5 catastrophically, damaged, leading to evacuation over a  
6 weekend of 200,000 people over the NARUC weekend in  
7 February.

8           Becky and I visited the site shortly after that  
9 and saw up close the enormous scale of the damage and the  
10 scope of the work that was underway and had to be done.  
11 People who work for Terry and Dave Capka in the Division of  
12 Dam Safety and Inspections had been onsite every day since  
13 the dam failed, 24/7 in the early weeks, and now in the  
14 hundred-plus-degree heat, still overseeing the repairs to  
15 the site.

16           People from the all--some people don't know we  
17 have regional offices all over the country. The people were  
18 pulled in to platoon each other from all the offices around  
19 the country to keep that effort going, on top of the fact  
20 that this is inspection season when they're doing all the  
21 rest of their other work.

22           So it's really been a tremendous effort but an  
23 important one because we have to make sure that never  
24 happens again there, or anywhere else that we regulate, and  
25 oversee the rebuilding of the spillway, which is a two-year

1 effort, but a lot of it going on right now.

2 Just a few more thank you's. I would be remiss  
3 if I didn't mention that I was not alone with my volley ball  
4 for most of the No Quorum Period. My good buddy,  
5 Commissioner Collette Honorable and her team were here  
6 collaborating in leading the Commission during most of that  
7 time, and I appreciate that. I want to thank my own team,  
8 some of whom are behind me, for all their work. Hopefully  
9 they're all philosophically behind me--

10 (Laughter.)

11 COMMISSIONER LaFLEUR: --but some of them are  
12 also physically behind me, for their work in helping to lead  
13 the Commission and keep our work moving forward on all  
14 fronts. Andy, Becky, Jessica, Andrew, Patricia, and the  
15 Chairman has already mentioned Stephen Wellner who was my  
16 Acting Chief of Staff and did an outstanding job on a large  
17 number of challenges, particularly planning the very  
18 detailed work plan for when we restored quorum and  
19 coordinating with the new Chairman's office.

20 I want to thank everyone on senior staff for  
21 leading the Agency, and for your support to me during the No  
22 Quorum Period. I want to shout out to Jamie Simler. We  
23 would have had a big send off for her if we had a quorum.  
24 She has done a tremendous amount to shape--she did a lot to  
25 shape our work during the No Quorum Period, but she did a



1       tremendous amount to shape our work before that, too. But  
2       we're happy to have Anna and her team, and Jette, and others  
3       to lead that office.

4                 Finally, I do want to say a few words about one  
5       person, and that is David Morenoff, who I can't see but I  
6       hope is still behind me. David was my General Counsel both  
7       of the times I was chairman for nearly two years. Neither  
8       of the periods that he was my General Counsel were normal,  
9       and his superb judgment and support were critical to me  
10      personally during both of those times.

11                David is widely recognized by everyone inside,  
12      and a lot of people outside the building, as a part of the  
13      FERC brain trust, and a key part of a lot of the Agency's  
14      work. He was already honored by Chairman Wellinghoff for  
15      many of those accomplishments in 2013.

16                What I want to say a few words about is David's  
17      leadership. I personally define leadership as making people  
18      realize that the work they do together is more important  
19      because it's done together; that they're part of something  
20      larger. And David exemplifies that in his leadership of the  
21      Office of General Counsel.

22                He has built a strong team that cares about the  
23      Commission, cares about the quality of its work, and the  
24      respect they have for David has shown in his best-in-class  
25      employee satisfaction results under his leadership--I'm

1       sorry, I'm getting choked up--including this past year.

2               As I said earlier, I'm very happy to have James  
3 with us, and also happy to have David continuing as Deputy  
4 General Counsel. So with Chairman Chatterjee's courtesy, I  
5 want to call him forward to receive the Chairman's Executive  
6 Leadership Award.

7               (Applause and award presentation.)

8               COMMISSIONER LaFLEUR: Thank you. I'm done.

9               CHAIRMAN CHATTERJEE: Commissioner Powelson?

10              COMMISSIONER POWELSON: Chairman Chatterjee, I  
11 cannot follow that lead. And with that, I will defer to  
12 you.

13              CHAIRMAN CHATTERJEE: Thank you. With that, this  
14 meeting is adjourned.

15              (Whereupon, at 10:45 a.m., Wednesday, September  
16 20, 2017, the Commission meeting was adjourned.)

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CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceeding  
before the FEDERAL ENERGY REGULATORY COMMISSION in the  
Matter of:

Name of Proceeding: 1035th Commission Meeting

Docket No.:  
Place: Washington, D.C.  
Date: Wednesday, September 20, 2017

were held as herein appears, and that this is the original  
transcript thereof for the file of the Federal Energy  
Regulatory Commission, and is a full correct transcription  
of the proceedings.

Larry Flowers  
Official Reporter