

# October Meeting Summaries

**E-1**, News Release

**E-2, E-5 and E-25**, News Release

## **FERC accepts Portland General Electric's transmission planning process compliance filing**

**E-3**, *Portland General Electric Co.*, Docket Nos. OA08-45-000 and OA08-45-001. The Commission accepted Portland General Electric Co.'s transmission planning process filing, subject to a further compliance filing. The filing detailed the company's local planning processes including how and when customers and interested stakeholders can review information and provide input in the early stages of the planning process, as well as the company's decision to participate in the sub-regional planning process conducted by the Northern Tier Transmission Group.

## **FERC accepts the NYISO's transmission planning process compliance filing**

**E-4**, *New York Independent System Operator*. Docket Nos. OA08-52-000, OA08-52-001, and OA08-52-002. The Commission accepted the New York Independent System Operator's Order No. 890 transmission planning process compliance filing, as modified. The filing explains that NYISO's new planning process builds on its existing planning process and will contain three major components: (1) local transmission planning; (2) reliability planning; and (3) economic planning. The filing also describes NYISO's proposed cost allocation provisions. The Commission will continue to periodically monitor the implementation of the planning process to determine if adjustments are necessary.

## **FERC accepts compliance filing on allocated long-term firm transmission rights in New England**

**E-7**, *ISO New England and New England Power Pool*, Docket No. ER07-476-002. The Commission accepted a compliance filing submitted by ISO New England (ISO-NE) and New England Power Pool (NEPOOL). The compliance filing brings ISO-NE's tariff into compliance with Order Nos. 681, 681-A and a prior order in this proceeding. The compliance filing provides that the price of allocated long-term firm transmission rights in New England be made available prior to a load serving entity's decision either to purchase such rights or to renew its purchase of such rights – thus allowing the entity to know the price before it makes a binding commitment to acquire such rights. That price will be based on the most recent auction of long-term firm transmission rights held prior

to the nominating and awarding of such rights. The compliance filing also provides that renewals need not necessarily be in increments of 5 years, but can be for one year. The Commission required an additional compliance filing that would allow a customer to re-enter the allocation process to obtain a 5-year renewal (as opposed to a series of annual renewals) after the initial 5-year term has expired.

## **E-8, E-9, E-10 and E-16 – News Release**

### **FERC approves NERC’s proposal to register distribution providers as LSEs for loads in retail choice areas**

**E-14**, *Direct Energy Services, et al.* Docket Nos. RC07-4-003, *et al.* The Commission approved the North American Electric Reliability Corp.’s (NERC) proposed revisions to its Statement of Compliance Registry Criteria that provide, in the short term, for registration of certain distribution providers as load-serving entities for loads located in retail choice areas where those loads are directly connected to the distribution providers’ distribution facilities. The Commission acknowledged that, while this may not be a perfect solution, NERC’s proposal is superior to the original plan to instead register retail power marketers as load-serving entities, and is just and reasonable in its own right.

### **FERC denies in part and grants in part rehearing of earlier CAISO station power order, and reaffirms its prior approval of monthly netting**

**E-17**, *California Independent System Operator Corp.*, Docket No. ER05-849-002, *et al.* The Commission denied in part and granted in part rehearing of an earlier station power order. Consistent with prior precedent upheld in court, the Commission denied rehearing and reaffirmed its earlier approval of California Independent System Operator Corp.’s (CAISO) Station Power Protocol (which includes monthly netting); these provisions allow a merchant generator to self-supply station power (either on-site or from a remote site) so long as the merchant generator’s net output over the netting interval, a month, is positive. The Commission explained that Southern California Edison Co. is thus precluded from imposing retail and other load-based charges on merchant generators that, under the CAISO’s Station Power Protocol, self-supply their station power requirements over the monthly netting period. The Commission, however, granted rehearing and allowed the continued use of so-called Permitted Netting, i.e., the netting that takes place on-site when a generator is running, given the support of the parties for such decision. The Commission emphasized, though, that netting was not restricted to just Permitted Netting, and load-serving entities were not permitted to impose retail and load-based charges on merchant generators that self-supply under the monthly netting allowed by CAISO’s Station Power Protocol.

### **FERC accepts PSEG Companies' updated market power analysis**

**E-18**, *PSEG Energy Resources & Trade, et al.*, Docket Nos. ER99-3151-008, *et al.* The Commission accepted PSEG Energy Resources & Trade, Public Service Electric and Gas Co., and PSEG Power Connecticut's (PSEG Companies') updated market power analysis and Order Nos. 697 and 697-A compliance filings. The Commission concluded that the PSEG Companies satisfy the standards for market-based rate authority. The Commission also granted market-based rate authorization to PSEG Fossil and PSEG Nuclear.

### **FERC accepts Facilities Sharing Agreement between Hardee and Seminole**

**E-19**, *Hardee Power Partners Limited*, Docket Nos. ER08-1348-000 and ER08-1348-001. The Commission accepted a Facilities Sharing Agreement between Hardee Power Partners Limited (Hardee) and Seminole Electric Coop. (Seminole). Under the Facilities Sharing Agreement, Hardee and Seminole will share the cost of operating and maintaining limited interconnection facilities in proportion to their ownership interests in the rated capacity of their generation units.

### **FERC accepts updated market power analysis filed by FirstEnergy affiliates**

**E-20**, *FirstEnergy Operating Cos.*, Docket Nos. ER01-1403-006, *et al.* The Commission accepted the updated market power analysis and Order No. 697 and 697-A compliance filings of FirstEnergy affiliates Cleveland Electric Illuminating Company, Ohio Edison Company, Toledo Edison Company, Pennsylvania Power Company, Metropolitan Edison Company, Pennsylvania Electric Company, Jersey Central Power & Light Company, FirstEnergy Solutions Corporation, FirstEnergy Generation Corporation, FirstEnergy Nuclear Generation Corporation, and FirstEnergy Generation Mansfield Unit 1 Corp. The Commission concluded that the companies satisfy the Commission's standards for market-based rate authority.

### **FERC accepts a compliance filing related to Midwest ISO's proposal to offer Reliability and Seams Coordination Services**

**E-21**, *Midwest Independent Transmission System Operator*, Docket No. ER08-637-003. The Commission accepted a compliance filing, subject to a further compliance filing, to an order conditionally accepting Midwest Independent Transmission System Operator's (Midwest ISO) proposal to offer Reliability Coordination Service and Interconnected Operations and Congestion Management Service under its Open Access Transmission and Energy Markets Tariff.

### **FERC addresses rehearing of order on Midwest ISO's Western Markets Proposal**

**E-22**, *Midwest Independent Transmission System Operator*, Docket No. ER08-637-002. The Commission addressed requests for clarification or rehearing to the Commission's order approving portions of the Midwest Independent Transmission System Operator's (Midwest ISO) Western Markets Proposal. The Commission required the Midwest ISO to make a compliance filing to address its treatment of the MHEX flowgate and revise the definition of "Reciprocal Entity" in its proposed tariff.

### **FERC conditionally accepts PPL Electric Utilities' updated market power analysis**

**E-23**, *PPL Electric Utilities Corp.*, Docket No. ER00-1712-008. The Commission conditionally accepted an updated market power analysis and Order Nos. 697 and 697-A compliance filings filed by PPL Electric Utilities Corp. and its affiliates, Lower Mount Bethel Energy LLC, PPL Brunner Island LLC, PPL Holtwood LLC, PPL Martins Creek LLC, PPL Montour LLC, PPL Susquehanna LLC, PPL University Park LLC, PPL EnergyPlus LLC, PPL Edgewood Energy LLC, PPL Shoreham Energy LLC, PPL Great Works LLC, PPL Maine LLC, and PPL Wallingford Energy LLC (PPL East Companies), subject to a further compliance filing. The Commission concluded that the companies satisfy the Commission's standards for market-based rate authority.

### **FERC accepts Xcel's compliance filing relating to its method for calculating incremental costs**

**E-24**, *Xcel Energy Services*, Docket No. OA08-71-000. The Commission accepted Xcel Energy Services's (Xcel's) Order No. 890-A compliance filing, subject to a further compliance filing. The Commission directed Xcel to file a further explanation of its method for calculating incremental costs for use in imbalance charges.

### **FERC conditionally approves NorthWestern's settlement of rates for transmission service**

**E-27**, *NorthWestern Corp.*, Docket Nos. ER07-46-001, OA07-7-000, OA07-58-000, and ER08-332-000. The Commission conditionally approved a settlement of rates for transmission service, and deferred a decision on Order No. 890 compliance issues. The order directed NorthWestern Corp. to remove a provision in rate schedules 2, 3, 4, and 9 that requires it to file under section 205 of the Federal Power Act any agreement for the purchase of products to provide ancillary services under such schedules.

## **FERC addresses rehearing concerning the allocation of transmission line losses in PJM**

**E-29**, *Black Oak Energy, v. PJM Interconnection*, Docket No. EL08-14-001. The Commission addressed a request for rehearing of its earlier order denying a complaint, which contended that the allocation of transmission line losses to Black Oak Energy's financial arbitrage transactions using a marginal loss, rather than an average loss, methodology was unduly discriminatory because arbitrage transactions involve no actual physical flows of energy over transmission lines. The Commission denied rehearing as to whether arbitrageurs in the PJM Interconnection (PJM) market should be required to pay marginal line losses, finding that they should pay. Their transactions do cause line losses given that under PJM's tariff virtual and physical transactions are treated identically because both are cleared together to produce locational marginal prices in PJM's Day-Ahead market, and given that PJM dispatches generation in the Day-Ahead Market based on the bids of arbitrageurs. The Commission also denied rehearing as to the payment of over-collected line losses to arbitrageurs, who had claimed that they are entitled to such payments because they pay marginal losses, explaining that as a general matter they are not entitled to such payments. The Commission, however, directed PJM to propose a method of providing a credit for over-collected line losses to those customers, other than just network service customers, who, through their transmission rates, also contribute to the fixed cost of the transmission grid, or to show cause why such a credit should not be provided to such other customers.

**E-26** and **E-31**, News Release

## **FERC accepts the Dominion Companies updated market power analysis**

**E-33**, *Dominion Energy Marketing*, Docket No. ER01-468-006, *et al.* The Commission accepted Dominion Resources Services' updated market power analysis on behalf of Dominion Companies. The Commission concluded that the companies satisfy the Commission's standards for market-based rate authority. The Commission further accepted, subject to a further compliance filing, Dominion Companies' proposed market-based rate tariff revision to incorporate provisions as adopted in Order No. 697.

## **FERC addresses long-term resource adequacy requirements in the Midwest ISO markets**

**E-34** and **E-35**, *Midwest Independent Transmission System Operator*, Docket Nos. ER08-394-001 and ER08-394-002. In **E-34**, the Commission granted in part and denied in part rehearing of an order that conditionally accepted the Midwest Independent Transmission System Operator's proposed tariff revisions to its Open Access Transmission and Energy

Markets Tariff to revise its interim Module E to comprehensively address long-term resource adequacy requirements. In **E-35**, the Commission conditionally accepted a compliance filing on this matter subject to further compliance.

**FERC conditionally approves East Kentucky Power Coop.'s transmission planning process**

**E-36**, *East Kentucky Power Coop.*, Docket No. NJ08-4-000. The Commission conditionally granted the East Kentucky Power Coop.'s petition for declaratory order asking the Commission to determine that an updated Attachment M to its Open Access Transmission Tariff (OATT) allows its OATT to continue to be an acceptable safe harbor tariff under the requirements of Order No. 890. The Commission concluded that with revisions the transmission planning process satisfies the nine planning principles and other planning requirements in Order No. 890.

**M-1, M-2 and M-3**, News Release

**FERC denies rehearing of order accepting Columbia Gas' tariff sheets**

**G-1**, *Columbia Gas Transmission Corp.*, Docket No. RP07-655-001. The Commission denied rehearing of an earlier order accepting revised tariff sheets filed by Columbia Gas Transmission Corp., which among other things removed the requirement that a shipper holding capacity subject to a right of first refusal need only match a competing bid up to a term of five years in order to retain the capacity. The Commission found that it should not grandfather CNX Gas Co.'s existing contracts, citing Commission policy and an insufficient showing of a reliance interest.

**FERC denies rehearing of an order issuing a preliminary permit to study feasibility of a tidal energy project in Sagadahoc County, Maine**

**H-1**, *Maine Tidal Energy Company*, Project No. 12666-001. The Commission denied a request for rehearing of an order issuing a preliminary permit to Maine Tidal Energy Company to study the feasibility of the Kennebec Project, which is proposed to be located on the Kennebec River between Chops Point and West Chops Point in Sagadahoc County, Maine. The Commission determined that the concerns raised on rehearing are premature at the preliminary permit stage.

**H-2**, News Release

### **FERC addresses rehearing of licenses for three projects in Washington**

**H-3**, *PacifiCorp*, Project Nos. 2111-031, 2071-036 and 935-082. The Commission denied rehearing and granted clarification, in part, of orders issuing new licenses to PacifiCorp for the continued operation and maintenance of the 240-megawatt (MW) Swift No. 1 Project, the 134-MW Yale Project and the 136-MW Merwin Project located on the North Fork Lewis River in Clark, Cowlitz and Skamania Counties, Washington. PacifiCorp sought modification or clarification of the three licenses regarding dead tree removal, emergency telephone notification service, the filing of amendment applications, bull trout netting, evaluation of kokanee, lands for habitat management, the South Merwin Trail access, the Cougar Visitor Information Facility, cost caps, flood control, and flow releases.

### **FERC addresses rehearing of the license for a project in Cowlitz and Skamania Counties, Washington**

**H-4**, *Public Utility District No. 1 of Cowlitz County, Washington*, Project No. 2213-024. The Commission clarified and granted rehearing, in part, of an order issuing a new license to the Public Utility District No. 1 of Cowlitz County, Washington for the continued operation and maintenance of the 66.8-megawatt Swift No. 2 Project, located on the North Fork Lewis River in Cowlitz and Skamania Counties, Washington. The licensee sought modification or clarification of the project's water quality certification, license Articles 401, 402, and 405 and spending caps.

### **FERC approves City of Toccoa's application concerning a service area determination**

**C-1**, *City of Toccoa, Georgia*, Docket No. CP08-437-000. The Commission approved the City of Toccoa, Georgia's application requesting that the Commission determine a service area in Macon County, North Carolina within which the City of Toccoa may, without further authorization, construct, enlarge, and expand its facilities. The City of Toccoa owns and operates a natural gas distribution system that serves approximately 6,300 customers in Stephens, Elbert, Hart, Franklin, Habersham and Rabun Counties, Georgia and the Town of Franklin, North Carolina (which is in Macon County). The Commission also approved requests that the City of Toccoa be considered a local distribution company for purposes of section 311 of the Natural Gas Policy Act and a waiver of the reporting and accounting requirements, as well as other regulatory requirements ordinarily applicable to natural gas companies.