

November Meeting Summaries

E-1, E-2, E-4 and E-5, Media Alert

FERC addresses NYISO's long-term firm transmission rights compliance filing

E-7, *New York Independent System Operator*, Docket Nos. ER07-521-003 and ER07-521-004. The Commission accepted, in part, the New York Independent System Operator's (NYISO) compliance filing to adopt changes to its long-term firm transmission rights procedures that were directed in an earlier order. The Commission accepted changes that complied with its earlier order, but directed to reinstate 10-year transmission congestion contracts that NYISO's compliance filing proposed deleting from its tariff; because the Commission had not directed NYISO to remove 10-year transmission congestion contracts, the Commission found NYISO's actions inappropriate. The Commission also directed NYISO to provide load serving entities that had opted for 5-year contracts (or that had declined 5-year contracts because they desired 10-year contracts) an opportunity to obtain 10-year contracts. The Commission also directed clarification of the inflation factor that would be used, in the pricing formula in the tariff to account for inflation in the prior auction prices that would be used to determine the base price of transmission congestion contracts, to adjust historical prices to present value, and rejected changes that were not directed by its earlier order, and that it found were not needed to implement NYISO's long-term firm transmission rights procedures.

FERC grants ISO-NE's request for a waiver from certain business practice standards

E-8, *ISO New England*, Docket No. ER08-1606-000. The Commission granted ISO-New England's (ISO-NE) request for a waiver from certain business practice standards promulgated by the Wholesale Electric Quadrant of the North American Energy Standards Board and adopted by the Commission in Order No. 676-C. The Commission approved the requested waiver because these standards – involving redirects on a nonfirm basis, resales and transfers of point-to-point transmission service, and transmission loading relief procedures – are inapplicable to ISO-NE's business model which uses Regional Network Service and Through or Out Service (as well as its own congestion management system) rather than the Commission's *pro forma* open access transmission services.

FERC addresses rehearing of order vacating California refund orders as they

pertain to government entities and non-public utilities

E-9, *San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange*, Docket Nos. EL00-95-164, EL00-95-200, EL00-98-184, and EL00-98-185. The Commission granted in part and denied in part requests for rehearing and a motion for clarification of an order, which vacated the Commission's California refund orders to the extent that they subjected governmental entities and other non-public utilities who participated in the California Independent System Operator Corporation and California Power Exchange Corporation markets for the period of October 2, 2000 to June 20, 2001 to the Commission's Federal Power Act section 206 refund authority. On appeal, the Court of Appeals for the Ninth Circuit found that the Commission had no authority under the Federal Power Act to order non-public utilities to pay refunds and remanded the case to the Commission for proceedings consistent with its findings. The Commission also denied a motion for an accounting.

FERC denies rehearing of order dismissing NSTAR's complaint against ISO-New England

E-11, *NSTAR Electric Co. v. ISO New England*, Docket No. EL07-81-001. The Commission denied rehearing of an order dismissing a complaint concerning the interrelationship of Hydro Québec Interconnection capability credits and capacity imports that may bid into the Forward Capacity Market (the latter, i.e., actual capacity imports, may effectively reduce the former, i.e., the capability credits, in certain circumstances) during the transition period from the current installed capacity market to the Forward Capacity Market. The Hydro Quebec Interconnection is a direct current transmission line that connects Québec, Canada and the New England region. The owners of the Interconnection are entitled to use a share of the Interconnection in direct proportion to their financial support, and are allocated capability credits accordingly. The settlement of New England's Forward Capacity Market, which the Commission approved, fixed the transfer capability and the capability credits for the Interconnection, and provided for the treatment of these amounts during the transition period, including the effective reduction of the capability credits by actual capacity imports in certain circumstances. The Commission affirmed its prior determination that NSTAR Electric Co's (NSTAR) complaint was a collateral attack on the prior Commission orders approving the settlement of New England's Forward Capacity Market and that NSTAR had not met its burden to justify the modification of the relevant tariff provision at issue in this proceeding.

FERC approves uncontested settlement agreements concerning SECA charges

E-12, *Midwest Independent Transmission System Operator, et al.*, Docket Nos. ER05-6-

089, *et al.* The Commission approved five separate uncontested settlement agreements that resolve the respective parties' Seams Elimination Cost/Charge Adjustment/Assignment charge claims against each other. The Commission concluded that each settlement is fair and reasonable and in the public interest.

FERC conditionally approves SoCal Edison's amendment to reform its large generator interconnection process

E-14, *Southern California Edison Co.*, Docket No. ER08-1567-000. The Commission conditionally approved Southern California Edison Co.'s (SoCal Edison) amendments to its Wholesale Distribution Access Tariff to implement reforms to its large generator interconnection process. The reforms are intended to improve efficiency in SoCal Edison's interconnection process to its distribution system, and coordinate with changes recently implemented by the California Independent System Operator to its large generator interconnection process.

FERC approves SUEZ Energy's acquisition of FirstLight Enterprises

E-16, *SUEZ Energy North America, Inc., et al.* Docket No. EC08-124-000. The Commission granted SUEZ Energy North America and Energy Capital Partners GP I's joint request for section 203 approval of a transaction in which SUEZ Energy will acquire a 100 percent ownership interest in FirstLight Enterprises. The Commission determined that the transaction is consistent with the public interest because it does not harm competition, will not have an adverse effect on rates or regulation, nor result in cross-subsidization.

FERC issues notification to revoke market-based authority for Flat Earth Energy

E-17, *Electric Quarterly Reports; Flat Earth Energy, et al.*, Docket Nos. ER02-2001-009 and ER07-559-000. The Commission identified a public utility with authority to sell power at market-based rates that failed to file its required Electric Quarterly Reports for the second and third quarters of 2008. The Commission notified this company that the Commission intends to revoke its market-based rate authorization unless it complies with the Commission's requirements within 15 days of the issuance of the order.

E-18 and E-19, Media Alert

FERC addresses rehearing of order accepting large generator interconnection agreement

E-20, *Midwest Independent Transmission System Operator*, Docket No. ER08-209-001. The Commission granted in part requests for rehearing of an order accepting a revised large generator interconnection agreement among Prairie State Generating Co., Midwest Independent Transmission System Operator (Midwest ISO) and Illinois Power Co. The revised interconnection agreement included an increase in the capacity of Prairie State Generating Co.'s generating facility. In order to reach a just and reasonable result, the Commission granted rehearing, in part, and held that the Midwest ISO's 50-50 cost-sharing pricing regime be applied only to the upgrades associated with Prairie State's subsequent interconnection request to increase the capacity of the facility, not to the original upgrades. The Commission also addressed the issue of when a new Interconnection Agreement is required, in order to prevent misunderstandings in the future. The Commission said that requests to increase capacity of existing generators should be treated as new interconnection requests which require a new Interconnection Agreement.

G-1, G-5 and G-6, News Release
G-2, Media Alert

FERC approves Texas Gas' procedures for selling storage service at market-based rates

G-3, *Texas Gas Transmission*, Docket No. CP07-405-002. The Commission accepted, subject to further revision, a compliance filing involving Texas Gas Transmission's revised proposal for selling storage service at market-based rates. The Commission concluded that the revised auction process for selling firm and interruptible storage service using the Midland Field expansion capacity is properly designed and meets the customer protection requirements of section 4(f) of the Natural Gas Act with one exception.

FERC denies rehearing of TAPS order

G-4, *BP Pipelines (Alaska) Inc.*, Docket No. IS05-82-004, *et al.* The Commission generally denied rehearing of an order that affirmed an Administrative Law Judge ruling that interstate rates charged on the Trans-Alaska Pipeline System (TAPS) in 2005 and 2006 were not just and reasonable and ordered limited refunds to shippers who had overpaid. The Commission also accepted the TAPS Carriers' compliance filing establishing rates for 2005 and 2006, and required the TAPS Carriers to issue refunds of the difference between the TAPS Carriers' 2004 interstate rates and the TAPS Carriers' 2005 and 2006 filed interstate rates within 30 days of the order.

G-7, Media Alert

FERC affirms denial of late motion to intervene in the Kingsley Dam Project proceeding

H-1, *Central Nebraska Public Power and Irrigation District*, Project No. 1417-229. The Commission denied rehearing of the Secretary's denial of a late motion to intervene in a proceeding involving an application filed by Central Nebraska Public Power and Irrigation District to amend its Land and Shoreline Management Plan for the Kingsley Dam Project, with regard to certain lands at Plum Creek Reservoir. The project is located on the North Platte and Platte Rivers in Nebraska. The Commission also noted that the rehearing arguments were without merit.

FERC clarifies order on potential application to sell project lands along the Morris Shepherd Dam Project in Texas

H-2, *Brazos River Authority*, Project No. 1490-049. The Commission clarified an order responding to a petition for declaratory order regarding a potential application for authorization to sell project lands along the border of the reservoir of the Morris Shepherd Dam Project, in Texas. In that order, the Commission stated that it was unlikely to grant an application removing lands from the project boundary due to the previous conclusions regarding the significance of the lands.

FERC denies request to relocate a shoreline fishing and canoe portage area for a project in Connecticut

H-3, *McCallum Enterprises I, Limited Partnership*, Project No. 6066-033. The Commission granted rehearing and denied for lack of supporting evidence a licensee request to relocate a project shoreline fishing and canoe portage area to a new downstream location. The project is located on the Housatonic River in the cities of Shelton and Derby in New Haven and Fairfield Counties, Connecticut. The Commission concluded that the licensee failed to demonstrate that the new site would provide the same recreational opportunities as the existing site.

FERC affirms determination to terminate license for the Appleton Trust project in Massachusetts

H-4, *James Lichoulas, Jr.*, Project No. 9300-021. The Commission denied a request for rehearing of an order terminating by implied surrender the license for the Appleton Trust

Project, which is located on the Hamilton Canal in Middlesex County, Massachusetts. The Commission reaffirmed the finding in the previous order that the applicant's lack of efforts to rehabilitate the project and resume operations warrants a finding that he has impliedly surrendered his license.

FERC denies request to impose interim conditions on the Klamath Project in Oregon and California

H-5, *PacifiCorp*, Project No. 2082-049. The Commission denied a request to impose interim "rough and ready" conditions for the protection of resident trout in the J.C. Boyle development of the Klamath Project pending completion of the relicensing proceeding. The Klamath Project is located primarily on the Klamath River, in Klamath County, Oregon and Siskiyou County, California. The Commission denied the motion on the ground that the record does not demonstrate that existing project operations are causing such harm to the fishery that interim conditions would be needed to prevent irreversible environmental damage while the relicensing proceeding remains pending.

FERC approves expansion of storage project in Green County, Mississippi

C-1, *SG Resources Mississippi*, Docket No. CP02-229-004. The Commission granted SG Resources Mississippi's application for amendment of its certificate authorizing the Southern Pines Energy Center salt dome storage project in Green County, Mississippi. The amendment permits the further expansion of the working gas capacity of its three authorized caverns, the construction of a fourth storage cavern, two additional brine disposal wells, a 24-inch diameter Destin Lateral Loop pipeline, additional pipeline interconnecting the Destin Lateral Loop pipeline, and two additional 8,000 horsepower engine-driven compressors. The Commission concluded that the benefits of the expanded storage project will outweigh any residual adverse effects. The Commission also affirms market-based rate authority for the storage and hub services.