

November 2010 Meeting Summaries

These are summaries of orders voted on by the Federal Energy Regulatory Commission at its November 18, 2010, public meeting. They are produced by the FERC Office of External Affairs and are intended to provide only a general synopsis of the orders. They are not intended as a substitute for the Commission's orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary.

E-1, News Release

E-2, E-3 and E-8, News Release

E-4, E-5, E-6 and E-7, News Release

FERC accepts modified Reliability Standards relating to blackstart planning, testing and training

E-9, *System Restoration Reliability Standards*, Docket No. RM10-16-000. The Commission approved three Emergency Preparedness and Operations Reliability Standards: EOP-001-1 (Emergency Operations Planning), EOP-005-2 (System Restoration from Blackstart), and EOP-006-2 (System Restoration Coordination). These Reliability Standards are modifications of existing standards relating to blackstart planning, testing and training.

FERC approves Great River Energy's proposed reactive power revenue requirement

E-10, *Great River Energy*, Docket No. EL10-87-000. The Commission accepted for rate recovery purposes Great River Energy's proposed revenue requirement for providing reactive power to Midwest Independent Transmission System Operator, Inc.

FERC accepts SPP's compliance filing regarding its Large Generator Interconnection Procedures

E-11, *Southwest Power Pool, Inc.*, Docket No. ER09-1254-002. The Commission conditionally accepted the Southwest Power Pool, Inc.'s (SPP) second compliance filing in this proceeding regarding SPP's reformed Large Generator Interconnection Procedures (LGIP). The Commission previously directed SPP to submit a compliance filing revising SPP's reformed LGIP to (1) specify criteria for alternative demonstrations of site control, (2) include the URL for SPP's interconnection business practices within the LGIP, and (3) clarify the term "site adequacy." The Commission accepted SPP's compliance filing subject to SPP submitting a further compliance filing clarifying the impact on the interconnection process of facility design changes made by an interconnection customer.

FERC grants complaint regarding long-term firm point-to-point transmission service

E-12, *Southern Montana Electric Generation & Transmission Cooperative, Inc. v. Northwestern Corporation*, Docket No. EL10-82-000. The Commission granted Southern Montana Electric Generation & Transmission Cooperative, Inc.'s (Southern Montana) complaint against NorthWestern Corporation (NorthWestern). Southern Montana alleged that NorthWestern is violating Commission orders and NorthWestern's Open Access Transmission Tariff (OATT) by billing Southern Montana for long-term firm point-to-point transmission service without a valid service agreement. The Commission determined that NorthWestern's contracting procedures for firm long-term point to point transmission service do not override the requirements of its OATT and Commission policy, which require a complete agreement for long-term firm service to be effective. Accordingly, the Commission found that Southern Montana was not obligated for the transmission service in dispute.

FERC denies petition requesting confirmation of priority rights to use generator lead lines

E-14, *Puget Sound Energy, Inc.*, Docket No. EL10-72-000. The Commission denied a petition for declaratory order filed by Puget Sound Energy, Inc. (Puget) seeking confirmation of priority rights to use capacity on generator lead lines it is constructing in connection with a planned, multi-phased wind generation project. The Commission concluded that because the power from the wind units ultimately will serve Puget's native load, the lead lines are governed by the terms and conditions of Puget's open access transmission tariff (OATT). The OATT

establishes the process by which Puget may reserve transmission capacity in order to serve forecasted native load, so FERC found it unnecessary for Puget to seek Commission confirmation.

FERC denies rehearing concerning Kern River's Period One Rates and provides guidance on Period Two Rate hearing

G-1, *Kern River Gas Transmission Company*, Docket No. RP04-274-020, *et al.* The Commission generally denied rehearing and accepted compliance tariff sheets related to Kern River Gas Transmission Company's Period One rates (covering the period of the firm shippers' initial contracts). The Commission also denied requests that it reject *pro forma* tariff sheets related to Period Two rates (covering the period following the expiration of the firm shippers' initial contracts to the end of the depreciable life) and instead determined that issues related to such Period Two *pro forma* tariffs shall be examined in a hearing proceeding. Furthermore, the order gives the parties to the Period Two hearing proceeding additional guidance on the outstanding Period Two rate issues.

FERC denies complaint concerning termination of Interruptible Transportation Service Agreement

G-2, *Arena Energy, LP v. Sea Robin Pipeline Company, LLC*, Docket No. RP10-1045-000. The Commission dismissed a complaint by Arena Energy, LP (Arena) against Sea Robin Pipeline Company, LLC (Sea Robin) alleging that Sea Robin impermissibly terminated an interruptible transportation service (ITS) agreement, Service Agreement No. 1545. ITS Agreement No. 1545 provides interruptible service with a term of one month subject to termination after two consecutive months of non-use pursuant to Rate Schedule ITS in Sea Robin's tariff and termination on 30 days' notice pursuant to that agreement and consistent with the *pro forma* service agreement. The Commission determined that Sea Robin's action was consistent with its tariff.

G-3 and G-4, news release

FERC denies rehearing of order dismissing application for small conduit exemption for a proposed project in Inyo County, California

H-1, *Bishop Tungsten Development LLC*, Project No. 13323-001. The Commission denied Bishop Tungsten Development LLC's request for rehearing

regarding a letter order dismissing Bishop Tungsten's application for a small conduit exemption for the proposed Pine Creek Mine Tailing Lines Small Conduit Hydroelectric Project in Inyo County, California. The Commission affirmed staff's finding that the project failed to conform to the requirements of section 30 of the Federal Power Act, in that the project would be located on federal lands.

FERC issues a preliminary permit for a hydroelectric project in Perry County, Indiana and Hancock County, Kentucky

H-2, *McGinnis, Inc.*, Project No. 13452-000. The Commission issued a preliminary permit to McGinnis, Inc. to study the feasibility of developing the 0.35 megawatt Cannelton Hydrokinetic Project on the Ohio River in Perry County, Indiana, and Hancock County, Kentucky, adjacent to, and downstream of, the U.S. Army Corps of Engineers' Cannelton Lock and Dam and the licensed Cannelton Hydroelectric Project No. 10228. The Commission concluded that the proposed project does not have such a clear potential conflict with the Cannelton Hydroelectric Project as to require denial of the permit application.

FERC issues preliminary permit for hydroelectric project in Warrick County, Indiana, and Henderson County, Kentucky

H-3, *McGinnis, Inc.*, Project No. 13445-000. The Commission issued a preliminary permit to McGinnis, Inc. for the Newburgh Hydrokinetic Project to be located on the Ohio River in Warrick County, Indiana, and Henderson County, Kentucky. The Commission rejected arguments that the project would interfere with another proposed project because it is possible that both projects could co-exist and therefore both should continue to be studied pursuant to a preliminary permit.

FERC issues preliminary permit for hydroelectric project in Posey County, Indiana, and Union County, Kentucky

H-4, *McGinnis, Inc.*, Project No. 13450-000. The Commission issued a preliminary permit to McGinnis, Inc. for the John T. Meyers Hydrokinetic Project to be located on the Ohio River in Posey County, Indiana, and Union County, Kentucky. The Commission rejected arguments that the project would interfere with another proposed project because it is possible that both projects could co-exist and therefore both should continue to be studied pursuant to a preliminary permit.

FERC dismisses request to transfer the license for the Swinging Bridge Project in Sullivan County, New York

H-5, *AER NY-Gen, LLC*, Project No. 10482-104. The Commission dismissed a request by AER NY-Gen, LLC (licensee), and Eagle Creek Hydro Power, LLC, Eagle Creek Water Resources, LLC, and Eagle Creek Land Resources, LLC (Eagle Creek Companies) to transfer the license for the Swinging Bridge Project, located on the Mongaup River in Sullivan County, New York. The Commission dismissed the transfer because the licensee has been in violation of its license from 2005 to the present due to its failure to provide public recreation access to the Toronto Dam Area, one of only two recreation areas on Toronto Reservoir. The Commission noted that, at such time as the access issue is resolved, AER NY-Gen may file a new transfer application.

FERC grants an exemption for drilling in Lincoln, Union and Ouachita Parishes, Louisiana

C-1, *Sawgrass Storage LLC*, Docket No. CP10-509-000. The Commission granted Sawgrass Storage LLC an exemption from certificate requirements to drill a test well to determine the feasibility of developing a depleted natural gas production reservoir as a natural gas storage facility in Lincoln, Union, and Ouachita Parishes, Louisiana. The activities will be used solely for discrete exploratory activities to obtain necessary geotechnical and drilling data.

FERC approves abandonment of pipeline in Arkansas

C-2, *CenterPoint Energy Gas Transmission Company*, Docket No. CP10-78-000. The Commission granted CenterPoint Energy Gas Transmission Company's request for authorization to abandon its Line L, consisting of approximately 90.7 miles of predominately 18-inch diameter pipeline located in Hot Spring, Clark, Nevada, and Columbia Counties, Arkansas. The abandonment will avoid costs associated with repairing an old pipeline and continuing maintenance with no adverse impacts.

FERC denies rehearing of order authorizing construction of facilities in Alabama and Mississippi

C-3, *Florida Gas Transmission Company, LLC and Transcontinental Gas Pipe Line Company, LLC*, Docket Nos. CP09-455-001 and CP09-456-001. The Commission denied rehearing of an order authorizing Florida Gas Transmission

Company, LLC and Transcontinental Gas Pipe Line Company, LLC to build and operate facilities in Alabama and Mississippi. The Commission denied the landowner's rehearing request because the landowner was not a party to the proceeding and, in any event, moving the pipeline to reduce impacts to the landowner's property would place the pipeline closer to residences to the south or to a populated area to the northeast.

FERC terminates sonar survey requirement for Petal Gas Storage facility

C-4, *Petal Gas Storage, L.L.C.*, Docket No. CP10-50-001. The Commission granted rehearing of an order authorizing Petal Gas Storage, L.L.C. (Petal Gas) to convert an existing salt-brine production cavern for use as a new salt dome natural gas storage cavern. The Commission removed the requirement that Petal Gas conduct sonar surveys every five years, finding that the company's proposed monitoring plan is a sufficient alternative.