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Before the  
FEDERAL ENERGY REGULATORY COMMISSION  
976th Open Commission Meeting  
Thursday, December 15, 2011  
Hearing room 2C  
888 First Street, N.E.  
Washington, D.C. 20426

The Commission met, pursuant to notice, at 10:09  
a.m., when were present:

COMMISSIONERS:

- JON WELLINGHOFF, Chairman
- PHILIP MOELLER, Commissioner
- JOHN NORRIS, Commissioner
- CHERYL A. LaFLEUR, Commissioner

FERC STAFF:

- KIMBERLY BOSE, Secretary
- JAMES PEDERSON, Chief of Staff
- MIKE BARDEE, OGC
- DAVID MORENOFF, OGC
- JEFF WRIGHT, OEP
- MICHAEL McLAUGHLIN, OEMR
- JOSEPH McCLELLAND, OER
- JAMIE SIMLER, OEPI
- NORMAN BAY

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

(10:09 a.m.)

CHAIRMAN WELLINGHOFF: Good morning. My volume seems to be up a little bit today. This is the time and place that has been noticed for the Open Meeting of the Federal Energy Regulatory Commission to consider matters that have been duly posted in accordance with the Government in the Sunshine Act.

Please join me for the Pledge of Allegiance.

(Pledge of allegiance recited.)

CHAIRMAN WELLINGHOFF: Well since the November 15th open meeting, we have issued 45 notationals. We are on par with what we did the previous month.

We have a number of announcements before we get going--in fact, the announcements are probably going to take up more time on our agenda this morning than the Consent Agenda. But in any case:

The first thing I would like to do is to bid farewell to our former colleague, Marc Spitzer, who officially left the Commission yesterday after more than five years of service.

During the time that Marc served here at FERC, he set a standard I believe for what is a public servant. In each and every decision in which he participated, I know his foremost consideration was doing what was best for the

1 public interest, and I want to thank Marc for his  
2 incisiveness, his service to the country, and for his  
3 contribution to the work of the Commission. I will miss him  
4 here at the Commission, and I wish him the best in his new  
5 endeavors.

6 Colleagues, comments?

7 COMMISSIONER MOELLER: Thank you, Mr. Chairman.

8 I think that Commissioner Spitzer was both too  
9 confident and too humble to want to have much of a farewell  
10 ceremony, but I will say that his integrity was never  
11 questioned. His intelligence was always valued. His  
12 camaraderie was always appreciated. And his humor was  
13 always also valued and appreciated. I will miss him very  
14 much. He embodies the greatest of attributes of public  
15 service, and I hope that our friendship will continue, and I  
16 wish him nothing but good things in the future with his  
17 wife, Jackie, and son, Matt.

18 Thank you for recognizing his outstanding public  
19 service.

20 CHAIRMAN WELLINGHOFF: Thank you, Phil.

21 COMMISSIONER NORRIS: I'm going to echo what you  
22 said. I am glad we have a common theme here, which is that  
23 I think Marc truly is a public service and took that job  
24 seriously. I really am going to miss him.

25 I think his perspective brought us to better

1 policy decisions and regulatory decisions. I also want to  
2 note his staff, too, who I think did a great job. I enjoyed  
3 working with them. They may not be leaving the building,  
4 but they are certainly leaving Marc's office. But I want to  
5 commend them for a great job in support of his efforts, as  
6 well.

7 And, Marc, if you are listening out there  
8 online--

9 (Laughter.)

10 COMMISSIONER NORRIS: I am going to miss you.  
11 Not just your intellect and your insight, but your humor. I  
12 won't miss one more three-legged stool story.

13 (Laughter.)

14 COMMISSIONER NORRIS: But I will miss your humor.  
15 Marc and I had a--you know, it was always fun when I went  
16 down to Marc's office, or he would come to mine. We also  
17 enjoyed talking politics, and I'll miss giving him my Iowa  
18 updates on the caucuses. So you're welcome to fill in--

19 (Laughter.)

20 COMMISSIONER NORRIS: --anything you want to know  
21 about that. But he was a great colleague, and I enjoyed--  
22 and I'm glad he's going to--as I was talking to Cheryl  
23 earlier this morning--and I apologize, Cheryl, if I'm taking  
24 this from you--but I understand he stepped down in time so  
25 that he could be here next year in time for the Christmas

1 party.

2 (Laughter.)

3 COMMISSIONER NORRIS: That sounds like Marc.

4 CHAIRMAN WELLINGHOFF: Very well timed. Cheryl.

5 COMMISSIONER LaFLEUR: Well of course I can't  
6 resist. Hello, Marc, out there.

7 I was reflecting back the first time I met Marc  
8 in March 2010 when I walked into his office for the first  
9 time and introduced myself. He looked at me very warily and  
10 he said: Well, you're not who I expected to see in this  
11 job. And I don't even know you.

12 (Laughter.)

13 COMMISSIONER LaFLEUR: Which is probably what  
14 everyone was thinking, but no-nonsense Marc was the only one  
15 that said it.

16 (Laughter.)

17 COMMISSIONER LaFLEUR: And I said something like,  
18 well, I don't know you, either.

19 (Laughter.)

20 COMMISSIONER LaFLEUR: But, you know, over the  
21 past almost two years I have certainly come to know Marc and  
22 have enormous respect and affection for him. In my mind,  
23 Marc was a lawyer's lawyer. He was always precise and  
24 meticulous in his reading of the record and his attention to  
25 the contours of our authority.

1           He had an endless trove of war stories from his  
2 days as an Arizona regulatory and legislator and tax lawyer  
3 that he could use to persuade you on anything you were  
4 talking about, but he always had an open mind and would  
5 listen to anyone with an alternate point of view, and be  
6 persuaded if he changed his mind.

7           Marc had a great team. Marc and his team were  
8 very, very attentive to the small details of the cases, but  
9 they never lost sight of the big picture. And I think he  
10 made enormous contributions to the policies and rulemakings  
11 that happened on his watch, especially most recently Order  
12 1000.

13           Marc used to always say: Hey, what do I know?  
14 I'm just a guy from Philadelphia.

15           But he knew an awful lot, and I'm also going to  
16 miss him enormously. Thank you.

17           CHAIRMAN WELLINGHOFF: Thank you, Cheryl.

18           Moving from Marc to members of Marc's former  
19 staff, I failed to make the announcement last time at the  
20 somewhat abbreviated agenda meeting we had.

21           The second announcement I have relates to  
22 Commission staff. In November, Martin Kirkgord (phonetic),  
23 who most of you know was the legal adviser to Commissioner  
24 Spitzer, started in a new position of Principal Reliability  
25 Counsel in FERC's Office of General Counsel. Martin was, as

1 I mentioned previously, Legal Adviser to Commissioner  
2 Spitzer. Before joining FERC, he was in private practice  
3 in Washington, D.C., in the office of Jones Day.

4 In his new position, Martin will oversee OGC's  
5 work on Reliability issues and will coordinate with the  
6 Office of Electric Reliability, advising the Commissioners,  
7 and their assistants and other Commission staff. We are  
8 very lucky to have retained Martin and I am glad that he is  
9 going to be in that position.

10 The final announcement I've got, before we go to  
11 our Consent Agenda, is I do want to just make a statement on  
12 a Notational that we issued. We issued one yesterday that  
13 was an Order where the Commission accepted an agreement  
14 filed by the California ISO that sets for the procedures for  
15 transitioning Valley Electric Association Electric  
16 Cooperative, primarily located in Nevada, into the Electric  
17 ISO Balancing Area in California.

18 Valley Electric will be the first California ISO  
19 participating transmission owner that's located outside of  
20 the State of California in the California ISO. The larger  
21 California ISO footprint that will benefit from the addition  
22 of the Valley Electric will provide benefits to the  
23 California ISO participants, including access to additional  
24 renewable generation and expanded geographic scope that will  
25 lead to a more efficient transmission grid and enhanced

1 reliability.

2 The transition will also enhance market  
3 opportunities for generators in the Valley Electric service  
4 territory and present significant economic opportunities for  
5 the people of Nevada.

6 In summary--

7 (Microphone interference occurs here.)

8 CHAIRMAN WELLINGHOFF: Take that volume down a  
9 little bit, if we can, or I'm going to take this mike off.

10 In summary, I applaud Valley Electric's decision  
11 to join the California ISO and believe it will provide  
12 benefits for Valley Electric, the State of Nevada, and  
13 market participants in the California ISO.

14 And again, this decision is important to me  
15 because, being from Nevada, I think it is extremely  
16 important that we actually have the Nevada utility now in  
17 that California ISO footprint where it's expanding those  
18 markets in an efficient and effective way.

19 So I just wanted to make that statement. Thank  
20 you. And this mike is coming off.

21 Okay, so, Madam Secretary, if we could move to  
22 the Consent agenda, please.

23 SECRETARY BOSE: Before I begin, Mr. Chairman, I  
24 will remind the audience and staff that all electronic  
25 devices should be turned off. They will interfere with the

1 microphones if you're using those during the meeting. Thank  
2 you.

3 Good morning, Mr. Chairman, and good morning,  
4 Commissioners.

5 Since the issuance of the Sunshine Act Notice on  
6 December 8th, 2011, Item E-6, as well as Items E-1 and E-2  
7 have been struck from this morning's agenda.

8 CHAIRMAN WELLINGHOFF: Yes. And I have an  
9 announcement about E-1 and E-2 that were struck. Those were  
10 struck, but they were, as most of you know, issued by this  
11 Commission notationally last night. The reason for that was  
12 we felt that it was appropriate to issue them when the  
13 markets were closed, given their potential market impacts.  
14 And I want to thank Commissioner Spitzer for that  
15 suggestion.

16 Madam Secretary.

17 SECRETARY BOSE: Your Consent Agenda for this  
18 morning is as follows, beginning with:

19 Electric Items: E-3, E-4, E-5, E-7, E-9, E-11,  
20 E-12, E-13, E-14, E-16, E-17, E-18, E-20, E-21, and E-24.

21 Miscellaneous Items: M-1.

22 Gas Items: G-1, G-3, and G-4.

23 Hydro Items: H-1 and H-2.

24 Certificate Items: C-1.

25 As to Items E-4, E-5, E-7, E-9, and E-12,

1 Commissioner Moeller is dissenting with a separate  
2 statement.

3 We will now take a vote on this morning's agenda.  
4 The vote begins with Commissioner LaFleur.

5 COMMISSIONER LaFLEUR: Thank you, Kimberly. I  
6 vote aye on all the matters on the Consent Agenda, and I  
7 also wanted to say I am posting a statement on my website  
8 about E-1 and E-2 that we voted last night. Thank you.

9 SECRETARY BOSE: Commissioner Norris.

10 COMMISSIONER NORRIS: Vote aye.

11 SECRETARY BOSE: Commissioner Moeller.

12 COMMISSIONER MOELLER: I vote aye, noting my  
13 dissent in E-4, E-5, E-7, E-9, and E-12.

14 SECRETARY BOSE: And Chairman Wellinghoff.

15 CHAIRMAN WELLINGHOFF: I vote aye.

16 Is there anything else to come before the  
17 Commission?

18 (No response.)

19 CHAIRMAN WELLINGHOFF: If not, we are adjourned.

20 (Whereupon, at 10:19 a.m., Thursday, December 15,  
21 2011, the 976th opening meeting of the Federal Energy  
22 Regulatory Commission was adjourned.)

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