

November 2012 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its November 15, 2012 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These summaries are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at www.ferc.gov.

A-4, Press Release

E-3, Press Release

E-5, G-3, Press Release

G-1, G-2, Press Release

M-1, Press Release

FERC denies rehearing and conditionally accepts MISO's proposed compliance filing

E-1, *Midwest Independent Transmission System Operator, Inc.*, Docket Nos. ER12-480-001 and ER12-480-002. The order addresses rehearing of, and compliance with, the Commission's order issued on April 19, 2012, conditionally accepting a proposed five-year transition period and cost allocation proposal for the integration of Entergy into MISO as a transmission-owning member. The order denies requests for rehearing of the April 19th order and conditionally accepts MISO's compliance filing.

FERC denies rehearing, accepts PacifiCorp's refund report

E-8, *PacifiCorp*, Docket Nos. ER11-4214-000 and ER11-4214-001. The order denies Sierra Pacific Power Company d/b/a NV Energy's (NV Energy) request for rehearing of the Commission's September 30, 2011 order, finding that such order, which required PacifiCorp to refund power purchase and sale charges to NV Energy under a 1971 agreement, while leaving in place the interconnection and transmission portions of the 1971 agreement, closely approximated the intent of the parties, where the entire

agreement had been mistakenly cancelled. The order also accepts PacifiCorp's refund report.

FERC accepts uncontested settlement

E-9, *PJM Interconnection, L.L.C.*, Docket No. ER12-469-000, *et al.* The letter order accepts an uncontested settlement addressing a limited, locked-in period billing dispute. The case originated in a filing in which PJM notified the Commission that its computer software for calculating operating reserve payments to be paid to generators had calculated these payments in a manner not authorized by PJM's tariff. The Commission's initial order set the issue of whether and how much should be repaid for hearing and settlement. The resulting settlement establishes the amount of the repayment due from generators for the prior two-year period for which PJM is authorized, under its tariff, to correct billing errors. The repayments will then be flowed, as billing credits, through to PJM market participants who originally paid the charges.

FERC denies rehearing

E-10, *Chehalis Power Generating, L.P.*, Docket No. ER05-1056-006. The order denies rehearing of the Commission's order (*Chehalis Power Generating, L.P.*, 134 FERC ¶ 61,112 (2011)) on remand from the U.S. Court of Appeals for the D.C. Circuit and reaffirms that recent proposed reactive power rate by TNA Merchant Projects, Inc. (formerly known as Chehalis) is, in fact, a change in rates rather than an initial rate. The order explains that it previously should have filed a rate for reactive power with the Commission when it first began providing such service.

FERC denies complaint on market manipulation and illegal exercise of market power

E-12, *Incorporated Village of Port Jefferson v. National Grid Generation LLC*, Docket No. EL12-89-000. The order denies a complaint by the Incorporated Village of Port Jefferson alleging that National Grid Generation (GENCO) and its affiliates engaged in market manipulation and the illegal exercise of market power in violation of sections 206 and 222 of the Federal Power Act and NYISO's market power mitigation rules. Complainant asserts that GENCO is a monopoly supplier of energy and capacity within the Long Island Control Area and it is able to insulate itself from competition by not retiring existing generation and simultaneously avoiding repowering that existing generation, and thus forestalling opportunities for new entry into the energy and capacity markets. The order finds that, with respect to its section 222 allegations, Complainant has not adequately pled facts in support of manipulation, nor shown *scienter*. The order

also finds that Complainant has failed to meet its burden with respect to its section 206 allegations.

FERC affirms and adopts Initial Decision

G-4, *Texas Gas Service Company, a Division of ONEOK, Inc. v. El Paso Natural Gas Company*, Docket No. RP10-951-000. This order affirms and adopts the Initial Decision, which dismissed a complaint filed by Texas Gas Service Company (Texas Gas), which contends that El Paso Natural Gas Company's (El Paso) existing postage stamp rate design for fuel rates is unjust and unreasonable. Specifically, Texas Gas and its supporters argued that El Paso's fuel rate does not comply with the Commission's regulations because it ignores the distance of haul, which they assert is the predominant cost factor affecting fuel usage. The order finds that Texas Gas and its supporters, having the burden of proof in this section 5 proceeding, failed to show by a preponderance of the evidence that the impact of the distance of haul is so substantial that El Paso's postage stamp fuel rate is unjust and unreasonable. In this regard, the order adopts the Initial Decision's conclusion that the methodologies relied on by Texas Gas and its supporters had too many flaws to be considered sufficient evidence to satisfy their burden of proof. As a result, the order concludes that there is no need to address issues related to any of the alternatives proposed to replace El Paso's postage stamp fuel rate.

FERC denies rehearing on new license order issued to Alabama Power

H-1, *Alabama Power Company*, Project No. 2165-030. The order denies the Smith Lake Improvement Stakeholders Association's request for rehearing of the March 31, 2010 Commission staff order issuing a new license to Alabama Power Company for the 211.485-megawatt Warrior River Hydroelectric Project, located on the Black Warrior River and on the Sipsey Fork of the Black Warrior River, in Cullman, Walker, Winston, and Tuscaloosa Counties, Alabama. The order finds that Commission staff's analysis of resource issues and potential environmental impacts of relicensing the project was adequate and the underlying order was supported by substantial evidence. The order also clarifies Article 404 of the license.

FERC denies request for rehearing and stay

H-2, *Pacific Gas and Electric Company*, Project No. 2479-012. The order denies Pacific Gas and Electric Company's request for rehearing and stay of the order issuing it a subsequent transmission line license for the French Meadows Transmission Line Project, located in the American River drainage in Placer County, California. The order finds that the Commission is not required to delay issuance of an otherwise complete license order

until a mandatory conditioning agency makes a determination regarding modified Federal Power Act section 4(e) conditions. The order amends ordering paragraph D in the license to make clear that the Commission has reserved authority to take appropriate action to include in the license any modified section 4(e) conditions that may be filed by the Forest Service. In addition, the order denies Placer County Water Authority's rehearing request to amend Article 401 of the license order, and to receive special notification and party status for any post-licensing proceedings.

FERC approves order to abandon Adams Compressor Station

C-1, *Panhandle Eastern Pipe Line Company, LP*, Docket No. CP11-546-000. The order approves an application filed by Panhandle Eastern Pipe Line Company, LP, for authority to abandon its Adams Compressor Station in Texas County, Oklahoma. The order finds that the facilities are no longer needed to provide service to Panhandle's firm and interruptible customers. It rejects the argument of certain intervenors (gas producers and aggregators who do not pay a rate to Panhandle for the compression service) that their gas reserves will be shut in, stating that there are other receipt points through which they can deliver their gas into Panhandle's mainline, or that they may construct compression facilities at their own expense. No firm or interruptible shipper protested the application for abandonment authority.