

# July 2013

## Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its July 18, 2013 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](http://www.ferc.gov).

**E-1, E-2 & E-13 – Press Release**

**M-1 – Press Release**

**G-2 – Press Release**

### **FERC rejects filing, orders tariff amendments**

**E-3**, *Interstate Power and Light Co. v. ITC Midwest, LLC*, Docket No. EL12-104-000. The order finds that, as implemented within the zonal rate structure of the Midwest Independent Transmission System Operator, Inc. (MISO), ITC Midwest, LLC's (ITCM) 100% generator interconnection reimbursement policy does not provide for adequate contribution to the costs of network upgrades required to interconnect a generator in the ITCM zone from either the interconnecting generator or a transmission customer taking service to access the generator's output when the generator exports to another MISO pricing zone. The order directs MISO, on behalf of ITCM, to amend MISO's tariff to conform ITCM's generator reimbursement policy to the policy generally used in MISO's footprint.

### **FERC proposes a rule**

**E-4**, *Standards for Business Practices and Communication Protocols for Public Utilities*, Docket No. RM05-5-022. In this Notice of Proposed Rulemaking, the Commission proposes to incorporate by reference in the Commission's regulations, with certain enumerated exceptions, Version 003 of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) and filed with the Commission on September 18, 2012. These standards modify NAESB's WEQ Version 002 and Version 002.1 standards and include: (1) modifications to support Order Nos. 890, 890-A, 890-B and 890-C,

including the standards to support Network Integration Transmission Service on an Open Access Same-Time Information System (OASIS) and Service Across Multiple Transmission Systems, among others; (2) modifications to the OASIS-related standards to support Order Nos. 676, 676-A, 676-E and 717 and for consistency; and (3) other standards, such as the Coordinate Interchange standards, the Gas/Electric Coordination standards, Public Key Infrastructure standards, Smart Grid standards, standards related to Demand Side Management and Energy Efficiency, and revised definitions to create a standard set of terms, definitions and acronyms applicable to all NAESB WEQ standards.

### **FERC proposes to approve a reliability standard**

**E-5, *Frequency Response and Frequency Bias Setting Reliability Standard***, Docket No. RM13-11-000. This Notice of Proposed Rulemaking (NOPR) proposes to approve Reliability Standard BAL-003-1 (Frequency Response and Frequency Bias Setting), submitted by the North American Electric Reliability Corporation (NERC). The proposed reliability standard defines the necessary amount of frequency response needed for reliable operations for each balancing authority within an interconnection. While the order proposes to approve proposed Reliability Standard BAL-003-1, the Commission also has concerns about certain provisions of the proposed reliability standard. Therefore, the NOPR proposes that NERC submit a report and develop modifications to address the identified concerns.

### **FERC approves a final rule**

**E-6, *Revisions to Modeling, Data, and Analysis Reliability Standard***, Docket No. RM12-19-000. This final rule approves the Modeling, Data, and Analysis Reliability Standard MOD-028-2 which was submitted to the Commission for approval by the North American Electric Reliability Corporation.

### **FERC proposes a rule**

**E-7, *Protection System Maintenance Reliability Standard***, Docket No. RM13-7-000. This Notice of Proposed Rulemaking (NOPR) proposes to approve a revised Reliability Standard, PRC-005-2 – Protection System Maintenance, to supersede four existing reliability standards related to maintenance and testing of protection systems and of underfrequency and undervoltage load shedding equipment. In addition, the NOPR seeks clarification and comment on three aspects of the proposed reliability standard: (1) verification of operability and settings upon placement in-service of new or modified protection systems; (2) use of a four percent target for countable events in performance-based programs; and (3) the violation severity level for one type of Requirement R1 violation.

## **FERC proposes a rule**

**E-8**, *Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve*, Docket No. RM13-13-000. This Notice of Proposed Rulemaking (NOPR) proposes approval of WECC regional Reliability Standard BAL-002-WECC-2 (Contingency Reserve) submitted to the Commission by the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC). The NOPR also proposes to retire the currently-effective WECC regional Reliability Standard BAL-STD-002-0 (Operating Reserves) and to remove two WECC Regional Definitions, “Non-Spinning Reserve” and “Spinning Reserve,” from the NERC Glossary of Terms. In addition, the NOPR proposes to direct NERC to submit an informational filing after the first two years of implementation of regional Reliability Standard BAL-002-WECC-2 containing data that addresses the adequacy of contingency reserve in the Western Interconnection.

## **FERC grants an appeal**

**E-9**, *South Louisiana Electric Cooperative Association*, Docket No. RC13-4-000. In this order, the Commission grants the South Louisiana Electric Cooperative’s (SLECA) appeal of a registry decision by the North American Electric Reliability Corporation (NERC). The Commission finds that NERC has not adequately supported SLECA’s registration as a distribution provider and load-serving entity based on the registry thresholds contained in NERC’s Statement of Compliance Registry Criteria.

## **FERC denies rehearing**

**E-18**, *PJM Interconnection, L.L.C.*, Docket No. ER12-1178-002. The order denies PSEG Companies’ request for rehearing of the Commission’s November 29, 2012 order accepting PJM’s revisions to schedule 6 of the PJM Operating Agreement to clarify broadly how sensitivity studies, modeling assumption variations, and scenario planning analyses will be utilized in the PJM Regional Transmission Expansion Planning process. The rehearing order declines to require PJM to provide further details in schedule 6 on how PJM will decide what scenarios to utilize, and if applicable, how such scenarios will be weighted. In addition, the order declines to require PJM to provide further details in schedule 6 on cost control.

## **FERC denies rehearing**

**E-20**, *Puget Sound Energy, Inc. v. All Jurisdictional Sellers, et al.*, Docket No. EL01-10-122. This order denies California Parties' request for rehearing of the Commission's April 3, 2013 order approving a contested settlement that resolved all issues in this proceeding between TransCanada Energy Ltd. and the City of Seattle, Washington. California Parties have requested that the Commission reverse its unconditional approval of the settlement by modifying and eliminating settlement provisions that provide for withdrawal of certain evidence submitted by the settling parties. The order denies rehearing, finding that the California Parties could have pursued this line of inquiry on their own instead of relying on the withdrawn evidence, but chose not to do so. Thus, they seek to undermine an essential provision of the settlement between Seattle and TransCanada in order to obtain a potential litigation benefit for themselves.

## **FERC approves a final rule**

**E-22**, *Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies*, Docket Nos. RM11-24-000 and AD10-13-000. The final rule revises the Commission's regulations to enhance the ability of ancillary service providers to compete for the sale of certain ancillary services to public utility transmission providers. The final rule also adopts reforms to provide greater transparency with regard to reserve requirements for Regulation and Frequency Response. In the final rule, the Commission requires each public utility transmission provider to add to its Open Access Transmission Tariff Schedule 3 a statement that it will take into account the speed and accuracy of regulation resources in its determination of reserve requirements for Regulation and Frequency Response service. Finally, the final rule adopts reforms to FERC's accounting and reporting regulations to add new electric plant and operation and maintenance expense accounts for energy storage devices.

## **FERC authorizes the disposition of jurisdictional facilities**

**E-23**, *Bangor Hydro Electric Company and Maine Public Service Company*, Docket No. EC13-81-000. The order authorizes Bangor Hydro's to acquire, among other things, all of the jurisdictional assets of its affiliate Maine Public Service Company.

## **FERC grants a waiver**

**E-24**, *Bangor Hydro Electric Company*, Docket No. ER13-1125-000. The order grants Bangor Hydro Electric Company's request for waiver of the Commission's regulations to permit it to maintain two Open Access Transmission Tariffs

following its merger with Maine Public Service Company because, following the merger, it will be operating two separate transmission systems that are not directly interconnected.

### **FERC conditionally accepts a compliance filing**

**E-25**, *Southwest Power Pool, Inc.* ER12-550-001. On October 18, 2012, the Commission issued an order that addressed SPP's ongoing efforts to comply with the Commission's requirements for demand response and pricing during periods of operating reserve shortage established in Order Nos. 719 and 719-A. SPP filed a compliance filing on December 17, 2012. In this order, the Commission conditionally accepts SPP's filing.

### **FERC reverses an Initial Decision, denies request for rehearing**

**E-26**, *Jeffers South LLC v. Midwest Independent System Operator, Inc.*, Docket No. EL10-86-002. The order reverses the recommendations of an Initial Decision and grants the relief requested in the complaint filed by Jeffers South against the Midwest Independent Transmission System Operator, Inc. (MISO). This case is before the Commission on exceptions to the April 16, 2012 Initial Decision issued in these proceedings. The central question presented is whether MISO violated its obligation with respect to the study of network upgrades that are required to accommodate the interconnection of the Jeffers South generation facility when it concluded that Jeffers South was obligated to fund construction of a facility referred as the Dotson-New Ulm Line. The order finds that there is no basis in the record for concluding that the Dotson-New Ulm Line would not be necessary but for the interconnection of the Jeffers South facility and therefore no basis for MISO to allocate to Jeffers South the cost of the Dotson-New Ulm Line. The order also denies MISO's request for rehearing of the earlier rehearing order in this proceeding

### **FERC denies rehearing, conditionally accepts a compliance filing**

**E-27**, *PJM Interconnection, L.L.C.*, Docket Nos. ER12-1204-003; ER12-1204-004; ER12-2391-002; and ER12-2391-003. The order addresses compensation issues related to the provision of frequency regulation service in PJM. The order denies PSEG Companies' request for rehearing of the Commission's November 16, 2012 order in this proceeding accepting an earlier compliance filing, finding that the request is effectively untimely and thus an impermissible challenge to an earlier order in this proceeding. The order also accepts PJM's January 15, 2013 compliance filing, subject to the submission of an additional compliance filing within 90 days of the date of this order.

## **FERC denies rehearing**

**E-28**, *California Independent System Operator Corporation*, Docket No. ER11-4100-001. The order denies CAISO's request for rehearing of the Commission's December 15, 2011 order accepting in part and rejecting in part CAISO's tariff revisions regarding its demand response program, which were filed in response to the Commission's Order No. 745. The order confirms that CAISO's default load adjustment does not comply with the cost allocation requirements of Order No. 745.

## **FERC accepts in part and rejects in part a compliance filing**

**E-29**, *California Independent System Operator Corporation*, Docket No. ER11-4100-002. In this order, the Commission accepts in part and rejects in part CAISO's compliance filing to make CAISO's demand response program consistent with Commission Order No. 745. Also, in light of subsequent changes to CAISO's demand response program, the order grants rehearing of an earlier Commission order that had rejected CAISO's reliability demand response resource proposal, reconsiders CAISO's proposal, and directs a compliance filing.

## **FERC approves a final rule**

**G-1**, *Revisions to Procedural Regulations Governing Transportation by Intrastate Pipelines*, Docket No. RM12-17-000. This final rule revises the regulations governing section 284.123 filings by Natural Gas Policy Act section 311 and Hinshaw intrastate natural gas pipelines to allow an optional notice procedure to reduce regulatory burdens and provide regulatory certainty. Filings under those procedures would be approved without a Commission order if they are not protested. Those procedures also include a 30-day reconciliation period to resolve any protests that are filed. The final rule changes regulations proposed in a October 18, 2012 Notice of Proposed Rulemaking by: (1) revising the Commission's periodic rate review requirement policy to allow intrastate pipelines to certify that rates based on unchanged state-approved rates continue to comply with section 284.123(b)(1) of the Commission's regulations, (2) lengthening the deadline for interventions and initial comments to 21 days, and (3) making technical corrections.

## **FERC conditionally accepts proposed petroleum pipeline tariff records**

**G-3**, *Enbridge Energy, Limited Partnership*, Docket No. IS13-17-000. The order accepts, subject to conditions, Enbridge's proposed tariff records that revise the nomination verification procedures for Enbridge's Lakehead System. Under the proposal, the total volumes verified to each destination facility will be limited to

the capability of the destination facility to receive volumes from Enbridge. Although the order accepts Enbridge's proposal, it requires Enbridge to file revisions consistent with the changes proposed in Enbridge's comments following a technical conference held earlier in this proceeding.

### **FERC dismisses complaint**

**G-4**, *ExxonMobil Canada Energy, et al. v. Enbridge Energy, Limited Partnership*, Docket No. OR13-15-000. The order dismisses a complaint against Enbridge Energy concerning Enbridge's application of the nomination verification procedure set forth in its FERC Tariff No. 41.3.0. The order dismisses the complaint as moot given the Commission's acceptance of Enbridge's proposal in Docket No. IS13-17-000, which changes Enbridge's nomination verification procedure (Agenda Item G-3).

### **FERC grants a request for temporary waiver**

**G-5**, *ProLiance Energy, LLC*, Docket No. RP13-990-000. The order grants ProLiance's request for temporary waiver of certain capacity release regulations and policies so that it can exit the natural gas marketing business. ProLiance's natural gas marketing assets, including the jurisdictional capacity that is the subject of the waiver, are being transferred to its affiliate, ProLiance Energy Marketing, which is being sold to ETC Marketing. The order grants ProLiance's request that the waivers remain in effect for 90 days after the date of the order to facilitate the completion of various transactions.

### **FERC rejects filings, establishes hearing procedures, requires further filings**

**G-6**, *Algonquin Gas Transmission, LLC*, Docket No. RP13-238-000, *et al.* This order resolves issues discussed at a technical conference concerning Algonquin Gas Transmission's 2011 and 2012 filings to revise its fuel reimbursement percentages in accordance with its fuel tracking mechanism. Repsol Energy North America Corporation (Repsol) opposes Algonquin's proposal in both proceedings to no longer treat certain transactions as backhauls exempt from fuel charges. The order finds that the subject transactions do not satisfy the existing requirements in Algonquin's tariff for an exemption from fuel charges. Accordingly, the order denies Repsol's request for rehearing of the order accepting the 2011 Fuel Filing, and lifts the refund condition in the 2012 Fuel Filing. However, the order sets the case for hearings before an administrative law judge in accordance with Natural Gas Act section 5 in a new docket to consider the issue of whether the existing provisions of Algonquin's tariff concerning exemptions from fuel charges are unjust and unreasonable or unduly discriminatory.

## **FERC accepts a filing**

**G-7**, *Texas Eastern Transmission, LP*, Docket No. RP13-237-000. The order accepts Texas Eastern's applicable shrinkage assessment (fuel) filing, and its proposal to assess a fuel charge on all transactions in the access area of its system. The order finds that shifting flows on Texas Eastern's system due to the development of alternative supply sources, particularly the Marcellus Shale, have rendered transactions that may have historically been solely contrary to system flow to now be in the same direction as system flow. The order also finds that, based on Texas Eastern's data showing that flows in the Access Area of Texas Eastern's system are now bi-directional, such transactions no longer qualify for a fuel exemption under Texas Eastern's tariff.

## **FERC affirms an Initial Decision**

**G-8**, *Enbridge Pipelines (Southern Lights) LLC*, Docket Nos. IS10-399-003 and IS11-146-000. This order addresses briefs on and opposing exceptions to an Initial Decision issued on June 5, 2012, related to two contested oil pipeline rate filings made by Enbridge Pipelines (Southern Lights) LLC. The order affirms the Initial Decision. Generally, the Indicated Shippers argued that the Uncommitted Rate should be determined without regard to the Commission-approved two-to-one rate design methodology as established by declaratory order and reflected in the Transportation Services Agreement (TSA) entered into between Southern Lights and its committed shippers. The Initial Decision held that the approved methodology set the relationship between committed and uncommitted rates, and must be followed. On exceptions, Indicated Shippers contend that the Initial Decision erred in holding that the provisions of the TSA, including the two-to-one ratio, must be taken into account in determining the rate structure and rate design of Southern Lights' Uncommitted Rate. The order affirms and adopts the Presiding Judge's determination that the Commission-approved two-to-one rate design methodology embodied in the TSA must be used in determining the just and reasonable Uncommitted Rate for both 2010 and 2011.

## **FERC denies rehearing and request for a stay**

**H-1**, *Turlock Irrigation District and Modesto Irrigation District*, Docket No. UL11-1-001 and Project No. 2299-079. The order denies rehearing and a stay of Commission staff's December 19, 2012, order finding licensing required for the unlicensed 4.9-megawatt La Grange Hydroelectric Project, located on the Tuolumne River near the town of La Grange in Stanislaus and Tuolumne Counties, California. The owners of the La Grange Dam, Turlock Irrigation District and Modesto Irrigation District (the Districts), seek rehearing and a stay pending judicial review, arguing that the project does not require licensing.

Conservation Groups seek rehearing of staff's failure to find that the La Grange Project requires licensing as part of the Districts' upstream Don Pedro Project No. 2299. The order affirms that the La Grange Project requires licensing under the Federal Power Act based on its location on navigable waters and federal lands and, in the alternative, its post-1935 increase in installed capacity. The order further finds that, because licensing is required on other grounds, it is not necessary to determine now whether the La Grange Project might require licensing as part of the Don Pedro Project.

### **FERC denies rehearing**

**H-2**, *Alaska Energy Authority*, Project No. 14241-004. The order denies the rehearing request of the U.S. National Marine Fisheries Service (NMFS) from the April 26, 2013 Formal Study Dispute Determination by FERC's Director of the Office of Energy Projects. The order affirms the Director's determination not to require climate change studies proposed by Alaska Energy Authority (AEA) and requested by NMFS, on the basis that the studies would be very costly and the results may be too uncertain to rely on for the development of license requirements. In addition, the effects of the project on environmental resources of the project area can be effectively studied and evaluated using conventional hydrologic studies, monitoring techniques, and predictive models. Moreover, future potential changes in streamflow conditions from climate change could be addressed through flexibility built into operational rule curves or the Commission's standard reopener articles. AEA is not precluded from conducting the studies voluntarily. The order also rejects the rehearing request filed by the Center for Water Advocacy. The order finds the Center does not have standing to challenge the study dispute determination.

### **FERC grants authorization for abandonment of natural gas facilities**

**C-1**, *Transcontinental Gas Pipe Line Company, LLC*, Docket No. CP12-497-000. The order authorizes Transco to construct and operate a new 2,167-foot long, 42-inch-diameter replacement on Transco's mainline system (Mainline A) in East Brandywine and East Caln townships, Chester County, Pennsylvania in order to bring its facilities into compliance with federal pipeline safety regulations. The proposed replacement is not expected to add firm transportation capacity on Transco's system. Transco also requests, and the order grants, authority to abandon pressure control facilities at its Downingtown Meter Station and Compressor Station 200 in Chester County.