

Summaries for the October 18 Commission Meeting

E-1, Media Alert

E-2 and E-14, News Release

E-3, E-4, and E-6, News Release

E-5, Media Alert

FERC addresses Midwest ISO's long-term transmission rights proposal

E-7, *The Midwest Independent Transmission System Operator*, Docket Nos. ER07-478-001 and ER07-478-003. The Commission accepted in part and rejected in part the Midwest Independent Transmission System Operator's (Midwest ISO) compliance filings in response to the Commission's order on long-term transmission rights, and required further compliance. In **E-8**, Docket No. ER07-478-002, the Commission granted in part and denied in part rehearing of the order that accepted Midwest ISO's long-term transmission rights proposal.

FERC accepted NERC's compliance filing regarding its Sanction Guidelines

E-9, *North American Electric Reliability Corp.*, Docket No. RR06-1-010. The Commission largely accepted a North American Electric Reliability Co. (NERC) compliance filing revising its information disclosure procedures, compliance and certification committee charter and Sanction Guidelines, and directed NERC to file additional minor clarifications to its Sanction Guidelines penalty calculation methodology in a subsequent compliance filing. The filing relates to orders that directed NERC to modify its rules to be consistent with prior orders reviewing NERC's certification as the Electric Reliability Organization for the United States.

FERC conditionally accepted PJM's tariff amendments to reflect the assignments of cost responsibility for baseline upgrades

E-11, *PJM Interconnection*, Docket No. ER07-1186-000. The Commission conditionally accepted PJM Interconnection's (PJM) tariff amendments to reflect the assignments of cost responsibility for five baseline upgrades that will operate at or above 500 kV included in the most recent update to the Regional Transmission Expansion Plan approved by the PJM Board of Managers. The Commission conditionally accepted PJM's revised tariff sheets for filing, suspended them for a nominal period to become effective October 21, 2007, subject to refund and to the outcome of a separate proceeding (Docket No. EL05-121), and directed a compliance filing.

E-12, Media Alert

E-13, News Release

FERC grants NYISO's waiver request as to WEQ business practice requirements

E-15, *New York Independent System Operator*, Docket Nos. ER07-995-000 and ER07-995-001. The Commission granted the New York Independent System Operator's (NYISO) request for waiver of limited portions of the revised Coordinate Interchange business practice standard developed by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board. The Commission granted the waiver request because the revised WEQ business practice standards at issue continue to pertain to systems that employ physical transmission reservations, a feature that not applicable to NYISO's bid-based locational marginal pricing market.

FERC accepts Forward Capacity Market compliance filings

E-16, *ISO New England*, Docket No. ER07-546-002 *et al.* The Commission accepted two compliance filings to comply with the Commission's prior directives regarding New England's Forward Capacity Market (FCM). Among other things, the Commission accepted the order of priority of issues relating to the FCM determined by ISO-New England and its stakeholders, and found that revisions to the Market Monitor's coordination with the Commission in the case of possible attempts at physical withholding or manipulation are consistent with previous Commission orders.

FERC concludes that DTE Pontiac North is a EWG under PUHCA 2005

E-17, *DTE Pontiac North*, Docket No. EL07-31-000. The Commission granted the applicant's request for a declaratory ruling that it will be an exempt wholesale generator (EWG) under the Public Utility Holding Company Act of 2005 based on the facts and circumstances described in the request. The Commission concluded that DTE Pontiac's ownership and operation of certain auxiliary gas-fired boilers and its sales of steam both from its generation facility and, at certain times, from the auxiliary gas-fired boilers are consistent with EWG status.

FERC provides clarification on allocation of administrative costs to Scheduling Coordinators

E-19, *California Independent System Operator Corp.*, Docket Nos. ER07-805-001, ER07-805-002, ER07-1304-000. The Commission provided clarification on how costs

should be allocated among Scheduling Coordinators stemming from an order that approved (with modifications) a proposal by the California Independent System Operator to collect North American Electric Reliability Corp. and the Western Electric Coordinating Council's administrative costs from Scheduling Coordinators.

FERC denies rehearing of an order on Southern's delivered price test

E-20, *Southern Companies Energy Marketing and Southern Companies Services*, Docket Nos. ER97-4166-024, ER96-780-017, and EL04-124-005. The Commission denied rehearing on Southern Companies' use of total transfer capacity in place of simultaneous import limits within the framework of a properly constructed delivered price test. The Commission affirmed that Southern Companies did not provide adequate support for the claim that their total transfer capability values accounted for simultaneity.

FERC denies rehearing of an order accepting NYISO's proposal to compensate dual fuel generators for variable operating costs

E-21, *New York Independent System Operator*, Docket No. ER07-748-001. The Commission denied rehearing of an order that accepted tariff provisions proposed by the New York Independent System Operator (NYISO) to compensate dual fuel generators for variable operating costs when they are required to burn oil under a local reliability rule, the Minimum Oil Burn Rule. The Commission concluded that the NYISO's proposed tariff provisions are just and reasonable even though they do not also include compensation for fixed oil storage and delivery infrastructure costs that are incurred in order to respond to the Minimum Oil Burn Rule.

FERC addresses rehearing of order approving TSA between Entergy and NRG Power Marketing

E-22, *Entergy Services*, Docket No. ER07-541-002. The Commission addressed rehearing requests of an order that accepted a Transmission Service Agreement between Entergy Services (Entergy) and NRG Power Marketing. The Commission denied Entergy's request that the Commission confirm that refunds for the time value of revenues collected continue to be inappropriate in this case.

FERC denies rehearing of a settlement agreement pertaining to PSEG's RMR agreement with ISO-NE

E-23, *PSEG Power Connecticut*, Docket Nos. ER05-231-005 and ER05-231-006. The Commission denied rehearing of an order approving a Settlement Agreement intended to

resolve all issues arising from Power Connecticut's two Reliability Must Run agreements with ISO-New England. The Commission also rejected a compliance filing and ordered an additional compliance filing.

FERC denies rehearing of settlement agreements pertaining to Milford's RMR agreement with ISO-NE

E-24, *Milford Power Co.*, Docket Nos. ER05-163-005 and ER05-163-006. The Commission denied rehearing of an order approving two Settlement Agreements intended to resolve all issues arising from Milford Power Company's Reliability Must Run agreements with ISO-New England. The Commission also accepted a compliance filing.

FERC denies rehearing of order on Power Supply Agreement for responsibility for reliability cost tracker charges

E-25, *The United Illuminating Co. v. Dominion Energy Marketing*, Docket No. EL05-76-002. The Commission denied rehearing of an Opinion on whether the Power Supply Agreement entered into between Virginia Electric and Power Co., a subsidiary of Dominion Resources, and The United Illuminating Co. allocates responsibility for reliability cost tracker charges to The United Illuminating Co. or to Dominion Energy Marketing. The Commission denied the rehearing argument that the Opinion did not provide substantial evidence for the findings it adopted or engage all the essential arguments and evidence.

FERC addresses rehearing of order approving TSA between Entergy and AEP

E-26, *Entergy Services*, Docket No. ER07-525-002. The Commission addressed rehearing requests of an order that accepted a Transmission Service Agreement between Entergy Services (Entergy) and American Electric Power Service Corp. The Commission denied Entergy's request that the Commission confirm that refunds for the time value of revenues collected continue to be inappropriate in this case.

FERC addresses rehearing requests concerning PJM's long-term transmission rights proposal

E-27, *PJM Interconnection*, Docket No. ER06-1218-005. The Commission addressed clarification and rehearing requests of an order involving PJM Interconnection's (PJM) long-term transmission rights proposal. In the previous order, the Commission denied rehearing and accepted a settlement agreement involving the long-term transmission rights proposal.

FERC accepts tariff sheets to revise Columbia Gulf's Form of Assignment Agreement

G-2, *Columbia Gulf Transmission Co.*, Docket Nos. RP07-500-000, RP07-500-001, RP07-500-002. The Commission granted waiver of notice requirements and accepted tariff sheets filed to revise the Form of Assignment Agreement of Columbia Gulf Transmission Co.'s tariff to coincide with the launch of its new "Navigates" Electronic Bulletin Board system, effective May 1, 2008, as requested.

FERC accepts tariff sheets to revise Columbia Gas' Form of Assignment Agreement

G-3, *Columbia Gas Transmission Co.*, Docket Nos. RP07-509-000, RP07-509-001, RP07-509-002. The Commission granted waiver of notice requirements and accepted tariff sheets filed to revise the Form of Assignment Agreement of Columbia Gas Transmission Co.'s tariff to coincide with the launch of its new "Navigates" Electronic Bulletin Board system, effective May 1, 2008, as requested.

FERC grants rehearing as to Gulf South's *pro forma* negotiated rate letter agreements

G-4, *Gulf South Pipeline Co.*, Docket Nos. RP07-179-002 and RP07-179-001. The Commission granted Gulf South Pipeline Co.'s (Gulf South) request for rehearing of an order and allowed Gulf South to include in its *pro forma* negotiated rate letter agreements a provision that, in the event of a conflict between the provisions of a shipper's master service agreement and its negotiated rate letter agreement, the provisions of the negotiated rate letter agreement will control.

FERC denies complaint regarding alleged tariff violations, market manipulation

G-5, *National Energy & Trade, LP v. Texas Gas Transmission and Gulf South Pipeline Co.*, Docket No. RP07-473-000. The Commission dismissed a complaint filed by National Energy & Trade against Texas Gas Transmission (Texas Gas) and its affiliate, Gulf South Pipeline (Gulf South), which alleged that Texas Gas awarded capacity to its affiliate, Gulf South, and Sequent Energy Management, in a capacity auction process in an unduly discriminatory and preferential manner, and failed to follow its tariff and Commission policy, and that in the process Texas Gas engaged in market manipulation in violation of the Energy Policy Act of 2005. The Commission concluded that Texas Gas acted in accordance with the procedures set forth in the bid postings, and the complaint did not allege any actions by Texas Gas that would constitute market manipulation. The

Commission also rejected a suggestion that it initiate a generic inquiry into pipeline capacity allocation mechanisms and the capacity marketplace as a whole.

FERC issues limited stay of construction deadline for project in Chatham County, NC

H-1, *Hydro Matrix Limited Partnership*, Project No. 11437-022. The Commission granted a temporary stay of the commencement of construction deadline of the license for the Jordan Dam on the Haw River in Chatham County, North Carolina, to permit the licensee to conduct a flow/vibration test. To provide sufficient time to conduct the test during the next spring high-flow period and to permit the Army Corps of Engineers to evaluate the results of the test, the Commission stayed the construction deadline until the earlier of 40 days from completion of the flow/vibration test or June 30, 2008.

FERC denies rehearing of order terminating the integrated licensing process for the Metro Hydroelectric Project in Summit County, OH

H-2, *Metro Hydroelectric Co.*, Project No. 12484-002. The Commission denied rehearing of a letter order terminating the Integrated Licensing Process for the Metro Hydroelectric Project, proposed to be located on the Cuyahoga River in the Gorge Metro Park in Summit County, Ohio. The Commission concluded that it was reasonable to terminate the process because, regardless of fault, Metro Hydroelectric Co. has not been able to follow the prescribed process plan and schedule, and it is not clear whether, or when, it may be able to do so.

FERC denies rehearing of a waiver request and appeal of a Collection Notice for annual charges at the Mt. Hope Pumped Storage Project

H-3, *Mount Hope Waterpower Project*, Project No. 9401-066. The Commission denied rehearing of a waiver request and appeal of a Collection Notice seeking payment of the deferred annual charge obligations for the Mt. Hope Pumped Storage Project, which total \$5,830,203.54. The Commission denied rehearing because the licensee did not show good cause for a waiver or reason for the Commission to not turn over the collection of the debt. If Mt. Hope pays the principal amount within 60 days of the order, the interest will be waived.

FERC denies rehearing of request to use traditional licensing process for the Robert C. Byrd Project

H-4, *The Electric Plant Board of the City of Paducah, Kentucky*, Project No. 12911-001

and -002. The Commission denied the Electric Plant Board of the City of Paducah (Paducah), Kentucky's request for rehearing of a Commission staff letter denying Paducah's request to use the traditional licensing process and for other relief with respect to the City's effort to file an application for a license for the proposed new Robert C. Byrd Project, to be located on the Ohio River in West Virginia and Ohio. The Commission concluded that Paducah's requests are inconsistent with the regulations the Commission has put in place to ensure fair competition in hydropower development.

H-5, Media Alert

FERC denies rehearing of license for the Pit 3, 4, 5 Project in Shasta County, CA

H-6, *Pacific Gas and Electric Co.*, Project No. 233-105. The Commission denied the U.S. Department of Interior's request for rehearing of a new license issued to Pacific Gas and Electric Co. for the Pit 3, 4, 5 Hydroelectric Project, located on the Pit River in Shasta County, California. The Commission declined to require future compliance with the Eagle Act permit process because the Commission is not given responsibility for its licensees' actions under the provisions of that act and the Migratory Bird Treaty Act.

FERC authorizes expansion at Egan Hub Storage facility in Acadia Parish, LA

C-2, *Egan Hub Storage*, Docket No. CP07-88-000. The Commission issued a certificate authorizing Egan Hub Storage to expand its Acadia Parish, Louisiana storage facility by adding a fourth salt dome cavern and other facilities. The proposed project will increase the overall capacity of Egan Hub's storage complex to 10.5 billion cubic feet of natural gas and increase the maximum daily withdrawal rate by 200 million cubic feet. The Commission approved the proposal because the new storage facilities should benefit shippers by improving the flexibility and reliability of service with minimal adverse impacts.

FERC approves merger of Cheniere Creole Trail and Sabine Pass

C-3, *Cheniere Sabine Pass Pipeline and Cheniere Creole Trail Pipeline*, Docket Nos. CP07-426-000 and CP05-357-006. The Commission authorized Cheniere Creole Trail Pipeline (Creole Trail) and its affiliate, Cheniere Sabine Pass Pipeline (Sabine Pass) to merge Sabine Pass into Creole Trail. Upon completion of the merger, through Sabine Pass' abandonment and Creole Trail's acquisition of the Sabine Pass Segment, Creole Trail will operate an integrated 150.9-mile, 42-inch diameter pipeline system with a capacity of 2.0 Bcf per day. The Commission approved the proposal because it will provide significant benefits with a lack of adverse effects.

FERC issues certificate for compressor unit in Converse County, WY

C-4, Wyoming Interstate Co., Docket No. CP07-395-000. The Commission issued a certificate to Wyoming Interstate Co. (WIC) to construct and operate a 24,930 horsepower compressor unit at its existing Douglas compressor station in Converse County, Wyoming. The Commission issued the certificate because the compressor unit will add 330,000 Dth per day of additional capacity on WIC's Medicine Bow lateral, so that WIC can transport gas from the Powder River Basin in Wyoming with a minimal impact on landowners and communities.

C-5, News Release