

Energy, Infrastructure, Project and Asset Finance

# Summary of FERC Meeting Agenda

September 2014

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*Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's September 18, 2014 meeting, pursuant to the agenda as issued on September 11, 2014. Agenda Items E-13, E-15 and G-2 have not been summarized, as they were omitted from the agenda.*

## Administrative Items

### A-1: Docket No. AD02-7-000

This administrative docket addresses Customer Matters, Reliability, Security and Market Operations.

### A-2: Docket No. AD02-1-000

This administrative docket addresses Agency Business Matters.

### A-3: Docket No. AD14-17-000

This docket addresses an update on the MISO 2016 Resource Adequacy Forecast.

## Electric Items

**E-1: Avista Corporation (Docket Nos. ER13-93-001, ER13-94-001, ER13-94-002, ER13-94-003); Puget Sound Energy, Inc. (Docket Nos. ER13-98-001, ER13-99-001, ER13-99-002); MATL LLP (Docket Nos. ER13-836-001, ER13-836-002); Bonneville Power Administration (Docket No. NJ13-1-001)**

On June 20, 2013, FERC issued an Order on Compliance Filings and Petition for Declaratory Order addressing, among other filings, the Order No. 1000 compliance filings of Avista Corporation (Avista), Puget Sound Energy, Inc. (PSE) and MATL LLP (MATL). The order also addressed Bonneville Power Administration's (BPA) filing arguing that its proposed revisions to its Open Access Transmission Tariff (OATT) substantially conform, or are superior to the pro forma OATT as it has been modified by Order No. 1000. Avista, PSE and MATL submitted a joint request for rehearing and clarification, arguing that FERC erred regarding the imposition of certain binding cost allocation obligations and mandated revisions to the ColumbiaGrid Planning and Expansion Functional Agreement. BPA and the Northwest Governmental Utilities also filed requests for rehearing, and LS Power Transmission, LLC and LSP Transmission Holdings, LLC submitted a request for clarification. On December 17, 2013, Avista, PSE and MATL each submitted revised Attachment Ks to their respective OATTs in



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compliance with the June 20, 2013 order. Numerous parties have filed comments in response to the compliance filings. Agenda item E-1 may be an order on the requests for rehearing and/or clarification and/or the compliance filings.

**E-2: Public Service Company of Colorado (Docket Nos. ER13-75-001, ER13-75-003, ER13-75-005); Tucson Electric Power Company (Docket Nos. ER13-77-001, ER13-77-002, ER13-77-003); UNS Electric, Inc. (Docket Nos. ER13-78-001, ER13-78-002, ER13-78-003); Public Service Company of New Mexico (Docket Nos. ER13-79-001, ER13-79-002, ER13-79-003); Arizona Public Service Company (Docket Nos. ER13-82-001, ER13-82-002, ER13-82-003), El Paso Electric Company (Docket Nos. ER13-91-001, ER13-91-002, ER13-91-003); Black Hills Power, Inc. (Docket Nos. ER13-96-001, ER13-96-002, ER13-96-003); Black Hills Colorado Electric Utility Company, LP (Docket Nos. ER13-97-001, ER13-97-002, ER13-97-003); NV Energy, Inc. (Docket Nos. ER13-105-001, ER13-105-002, ER13-105-003); Cheyenne Light, Fuel & Power Company (Docket Nos. ER13-120-001, ER13-120-002, ER13-120-003)**

On March 22, 2013, FERC issued an Order on Compliance Filings addressing the Order No. 1000 compliance filings of Public Service Company of Colorado, Tucson Electric Power Company, UNS Electric, Inc., Public Service Company of New Mexico, Arizona Public Service Company, El Paso Electric Company, Black Hills Power, Inc., Black Hills Colorado Electric Utility Company, LP, NV Energy, Inc. and Cheyenne Light, Fuel & Power Company (collectively, the WestConnect Filing Parties). The compliance filings sought to establish new transmission planning responsibilities for WestConnect, a regional entity that oversees certain planning for the Western wholesale electricity market. Numerous parties filed requests for rehearing and/or clarification of the March 22, 2013 order. On September 20, 2013, as amended on July 31, 2014, the WestConnect Filing Parties submitted revisions to their respective OATTs in compliance with the March 22, 2013 order. Numerous parties have filed comments in response to these compliance filings. Agenda item E-2 may be an order on the requests for rehearing and/or clarifications and/or the WestConnect Filing Parties compliance filings.

**E-3: Midwest Independent Transmission System Operator, Inc. (Docket No. ER12-1194-000)**

On March 1, 2012, in compliance with a previous FERC order, the Midwest Independent Transmission System Operator, Inc. (MISO) filed proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff in order to implement Multi-Value Projects (MVP) Auction Revenue Rights. According to

MISO, its proposal is designed to use MVP incremental capacity to increase the feasibility of long-term transmission rights (LTTRs), and Transmission Owners that have withdrawn from MISO are not entitled to LTTRs based on MVP incremental capacity. Numerous parties filed motions to intervene and submitted comments in response to MISO's proposal. Agenda item E-3 may be an order on MISO's compliance filing.

**E-4: Demand and Energy Data Reliability Standard (Docket No. RM14-12-000)**

On May 13, 2014, the North American Electric Reliability Corporation (NERC) submitted proposed Reliability Standard MOD-031-1 – Demand and Energy Data along with a proposed Implementation plan; Violation Risk Factors and Violation Severity Levels; and glossary definitions for the Demand-Side Management and total Internal Demand. The purpose of NERC's proposed standard is to provide data requirements and reporting procedures for reliability assessments. NERC is proposing to retire Reliability Standards MOD-0161.1, MOD-017-0.1, MOD-018-0, MOD-019-1 and MOD-021-1. Agenda Item E-4 may be an order regarding NERC's petition.

**E-5: Standards for Business Practices and Communication Protocols for Public Utilities (Docket No. RM05-5-022)**

On July 18, 2013, FERC issued a Notice of Proposed Rulemaking (NOPR) in which it proposed to amend its regulations to incorporate by reference Version 003 of the Standards for Business Practices and Communication Protocols for Public Utilities that have been adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB). These standards would modify NAESB's WEQ Version 002 and Version 002.1 Standards that are currently incorporated by reference in FERC's regulations. Numerous parties filed comments in response to the NOPR. Agenda item E-5 may be an order on the NOPR.

**E-6: North American Electric Reliability Corporation (Docket No. RC11-6-004)**

On June 20, 2014, NERC submitted a compliance filing and annual report on the Find, Fix, Track and Report Program in which NERC and the Regional Entities dispose of certain Reliability Standard noncompliance incidents that constitute lesser risks to bulk power system reliability via an abbreviated method and without imposing any monetary penalty. Agenda item E-6 may be an order on NERC's compliance filing and annual report.

**E-7: PPL Electric Utilities Corporation (Docket No. QM13-2-002)**

On October 17, 2013, FERC issued an order denying PPL Electric Utilities Corporation's (PPL Electric) application pursuant to section 210(m) of the Public Utility Regulatory Policies Act (PURPA) to terminate its obligation to purchase the output of IPS Power Engineering Inc.'s Souderton LLC cogeneration qualifying facility (QF), which is expected to have a net capacity of 18.1 MWs. FERC found that PPL Electric had not made the showings required to rebut the presumption that QFs with a net capacity of 20 MWs or below do not have nondiscriminatory access to markets sufficient to warrant termination of the mandatory purchase obligation. PPL Electric filed a request for rehearing of the October 17, 2013 order, arguing that the standard of proof established by FERC is impractical. The Pennsylvania Public Utility Commission also filed a request for clarification regarding the applicable standard to rebut the presumption for QFs with a net capacity of 20 MWs or below. Agenda item E-7 may be an order on the request for rehearing and/or the request for clarification.

**E-8: Western Area Power Administration (Docket No. EF14-4-000)**

On February 27, 2014, the Western Area Power Administration (WAPA) submitted a tariff filing, to be effective October 1, 2013, concerning extension of the Parker-Davis Project Firm Electric and Transmission Service Formula Rates. Mohave Electric Cooperative, Inc. submitted a protest in response to the filing, arguing that it will result in a dramatic increase in costs for service on the Parker-Davis Project. The Southwest Transmission Dependent Utility Group Agenda also submitted comments. Agenda item E-8 may be an order on the WAPA tariff filing.

**E-9: East Texas Electric Cooperative, Inc., Sam Rayburn Electric Cooperative, Inc. and Tex-La Electric Cooperative of Texas, Inc. v. Energy Texas, Inc. (Docket No. EL14-43) Energy Texas, Inc. v. East Texas Electric Cooperative, Inc., Sam Rayburn Electric Cooperative, Inc. and Tex-La Electric Cooperative of Texas, Inc. (Docket No. EL14-69)**

On April 30, 2014, East Texas Electric Cooperative, Inc., Sam Rayburn Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc. (collectively, ETEC) filed a complaint against Entergy Texas, Inc. (Entergy Texas) alleging violations of the Second Amended and Restated Agreement for Partial Requirements Wholesale Electric Service between ETEC and Entergy Texas (Partial Requirements Agreement). The ETEC complaint argues that Entergy Texas calculated ETEC's share of the Entergy Texas 2013 rough production cost equalization (bandwidth) payments in a manner inconsistent with the Partial Requirements Agreement, which resulted in ETEC paying too high

a percentage of Entergy Texas's overall 2013 bandwidth payment. On June 20, 2014, Entergy filed a complaint against ETEC, arguing that if ETEC's complaint is granted, FERC should find that Entergy Texas's allocation of its 2005 bandwidth receipts to ETEC was unjust and unreasonable. Agenda item E-9 may be an order on the ETEC complaint and/or the Entergy Texas complaint.

**E-10: City of Hastings, Nebraska, Hastings Utilities, Electric Division and City of Grand Island, Nebraska, Grand Island Utilities, Electric Division v. Southwest Power Pool, Inc. (Docket No. EL14-57-000)**

On May 23, 2013, the City of Hastings, Nebraska (Hastings) and the City of Grand Island, Nebraska (Grand Island) filed a complaint against the Southwest Power Pool, Inc. (SPP), alleging that SPP requires Hastings and Grand Island to purchase transmission service that is not required by the SPP Tariff and imposes unreserved use penalties that are not permitted under the SPP Tariff if Hastings and Grand Island fail to purchase such transmission service. In the alternative, if FERC finds that such transmission purchase and penalties are required by the SPP Tariff, Hastings and Grand Island argue that FERC should find those provisions of the SPP Tariff to be unjust and unreasonable. SPP and the Nebraska Public Power District filed answers to the complaints. Agenda item E-10 may be an order on Hastings and Grand Island's complaint.

**E-11: Pacific Gas and Electric Company (Docket No. EL14-51)**

On May 12, 2014, Pacific Gas and Electric Company (PG&E) filed a Petition for Declaratory Order seeking transmission rate incentives for its investment in the 230 kV Central Valley Transmission Upgrade Project in Central California. PG&E and MidAmerican Central California Transco, LLC will each own 50 percent of the Project, which was identified as part of the California Independent System Operator Corporation (CAISO) transmission planning process. PG&E is requesting, pursuant to Order No. 679, recovery of prudently incurred costs in the event the Project must be abandoned for reasons outside of PG&E's reasonable control and that a 50 basis-point adder to the base return on equity for participation in CAISO applies to the Project. Agenda item E-11 may be an order on PG&E's Petition for Declaratory Order.

**E-12: Bloom Energy Corporation (Docket No. EL14-68-000)**

On June 19, 2014, Bloom Energy Corporation (Bloom) filed a Petition for Declaratory Order, requesting that FERC find Bloom and its subsidiaries that are engaged in the generating and selling of electric energy at negotiated rates to non-captive customers to be exempt from certain FERC regulations under the Public Utility Holding Company Act of 2005 (PUHCA 2005). According to Bloom, besides exempt wholesale generators, the Bloom subsidiaries that

are public utility companies under PUHCA 2005 only provide retail energy services to commercial and industrial customers pursuant to negotiated contracts. Bloom states that these subsidiaries do not have franchised service territories or captive customers and do not have any rates that are subject to the jurisdiction of FERC or any state public utility commission. Agenda item E-12 may be an order on Bloom's Petition for Declaratory Order.

#### **E-14: Entergy Services, Inc. (Docket No. ER13-1556-002)**

On December 18, 2013, FERC issued an order conditionally accepting revisions to four forms of service agreements pursuant to which Entergy Services, Inc. (Entergy Services), a centralized service company provides planning, operational support, administrative and general support services to the Entergy Operating Companies. The Council of the City of New Orleans submitted a request for rehearing and clarification, arguing that FERC failed to impose sufficient safeguards to protect the non-Arkansas Entergy Operating Companies from unjust and unreasonable and unduly preferential and discriminatory costs. The Louisiana Public Service Commission also filed a request for rehearing, arguing that FERC erred by failing to sufficiently protect customers of Entergy Louisiana, LLC and Entergy Gulf States Louisiana L.L.C. Agenda item E-14 may be an order on the request for rehearing and/or clarification.

#### **E-16: Communications Reliability Standards (Docket No. RM14-13-000)**

On May 14, 2014, NERC submitted a petition for FERC approval of proposed Reliability Standards COM-001-1 and COM-002-4. On May 15, 2014, NERC filed an Errata to their Petition to remove its request to retire EOP-008-1, which was mistakenly included in its May 14, 2014 Original Petition. Agenda item E-16 may be an order on NERC's filings.

#### **E-17: Entergy Services, Inc. (Docket Nos. ER05-1065-008, ER05-1065-014, OA07-32-015); Entergy Arkansas, Inc. (Docket No. ER12-1071-002)**

On May 16, 2013, FERC issued an Order on Rehearing and Compliance regarding Entergy Services' proposed revisions to Attachment C (Methodology to Assess Available Transfer Capability), Attachment D (Methodology for Completing a System Impact Study) and Attachment E (Transmission Service Request Criteria) to its OATT. Entergy Services submitted a request for rehearing, alleging that FERC's mandate that Entergy Services revise its business practices relating to redirect requests was unworkable and infeasible to complete prior to Entergy Services joining MISO. MISO submitted a motion to intervene out-of-time and a limited request for clarification or, in the alternative, rehearing. Agenda item E-17 may be an order on the request for rehearing and/or clarification.

#### **E-18: Midwest Independent Transmission System Operator, Inc. and Ameren Illinois Company (Docket Nos. ER11-2777-001, ER11-2779-001, ER11-2782-001, ER11-2786-001, ER11-2788-001, ER11-2789-001, ER11-2772-002, ER11-2778-002, ER11-2779-002, ER11-2782-002, ER11-2786-002, ER11-2788-002, ER11-2789-002, ER11-2790-002)**

On March 29, 2011, FERC accepted for filing eight unexecuted Wholesale Distribution Service Agreements between Ameren Illinois Company (Ameren) and eight different wholesale distribution service customers to become effective March 30, 2011, subject to refund, and established hearing and settlement judge procedures. A hearing was held on August 6, 7, 8, 9 and 13, 2012. Agenda item E-18 may be an order on Ameren's filing.

#### **E-19: Midwest Independent Transmission System Operator, Inc. (Docket No. OA08-53-003)**

On April 23, 2010, MISO filed a compliance filing revising its Open Access Transmission, Energy and Operating Reserve Markets Tariff (ASM Tariff) and Open Access Transmission and Energy Markets Tariff (EMT Tariff) in order to comply with a March 24, 2010 FERC directive that MISO revise its OATT to satisfy the transmission planning principles of Order No. 890 to clearly describe the RTO planning process. Specifically, FERC directed MISO to revise Section I.B.1.b of Attachment FF to clarify what contractual commitments apply to generation and demand-side solutions and the comparability of those commitments to transmission solutions. Agenda item E-19 may be an order on the compliance filing.

## **Gas Item**

#### **G-1: Shell Pipeline Company, LP (Docket No. IS14-106-000)**

On December 10, 2013, Shell filed three related tariffs in Docket Nos. IS14-104-000, IS14-105-000 and IS14-106-000 to establish initial rates for transportation of petroleum from markets in Houston, Texas to markets in Louisiana as a result of the reversal of its Houma, Louisiana to Houston, Texas pipeline system. On April 10, 2014, a Presiding ALJ issued a Partial Initial Decision (PID) that concluded that the Liquid Shippers Group (Anadarko Petroleum Corporation, ConocoPhillips Company, Marathon Oil Company and Pioneer Natural Resources USA, Inc.) (LSG) had standing to protest the rates. Shell filed a brief on exceptions requesting that the Commission reverse the PID. On June 2, 2014, the LSG filed a brief opposing exceptions requesting that the Commission affirm the PID. Agenda item G-1 may be an order on Shell's brief on exceptions.

## Hydro Items

### H-1: Revisions and Technical Corrections to Conform the Commission's Regulations to the Hydropower Regulatory Efficiency Act of 2013 (Docket No. RM14-22-000)

This is a new rulemaking docket.

### H-2: City of New York, New York (Docket No. P-13287-005)

On June 12, 2014, the City of New York submitted a Request for Clarification or, in the alternative, rehearing of certain aspects of FERC's May 13, 2014 Order Issuing Original License to the Cannonsville Hydroelectric Project. Agenda item H-2 could be an order on the City of New York's request for rehearing.

### H-3: City of Banning, California (Docket No. P-14520-001)

On June 30, 2013, the City of Banning filed a request for rehearing of FERC's June 5, 2013 Order Dismissing the City of Banning's License Application for the Whitewater Flume Water Power Project, FERC No. 14520, which proposed to operate and maintain project facilities currently under a license issued to Southern California Edison Company for the San Geronio Hydroelectric Project No. 344. Agenda Item H-3 could be an order on the City of Banning's request for rehearing.

## Certificate Item

### C-1: Sabine Pass Liquefaction, LLC and Sabine Pass LNG, LP (Docket No. CP14-12-001)

On March 24, 2014, the Sierra Club filed a request for rehearing of FERC's February 20, 2014 Order, which amended Sabine Pass Liquefaction, LLC's (Sabine Pass) NGA Section 3 authorization to site, construct and operate facilities for the liquefaction and export of domestically produced natural gas at Sabine Pass's existing liquefied natural gas (LNG) terminal (Project) to increase its LNG capacity from approximately 2.2 billion cubic feet per day (Bcf/d) to 2.7 Bcf/d. Agenda item C-1 may be an order on the Sierra Club's request for rehearing.

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