

Energy, Infrastructure, Project and Asset Finance

# Summary of FERC Meeting Agenda

February 2014

## In This Issue...

- Administrative Items
- Electric Items
- Gas Item
- Hydro Items
- Certificate Item

*Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's February 20, 2014, meeting, pursuant to the agenda as issued on February 12, 2014. Agenda item E-6 has not been summarized, as it was omitted from the agenda.*

## Administrative Items

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

This administrative docket addresses Agency Business Matters.

### A-2: Docket No. AD02-7-000

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

## Electric Items

### E-1: Third-Party Provision of Ancillary Services, Docket No. RM11-24-001; Accounting and Financial Reporting for Electric Storage Technologies, Docket No. AD10-13-001

On July 18, 2013, the Commission issued Order No. 784 amended July 25, 2013, which revised Part 35 of its regulations to change its *Avista* policy governing the sale of ancillary services to a public utility transmission provider purchasing the ancillary services in order to satisfy its own Open Access Transmission Tariff (OATT) requirements to offer ancillary services to its own customers. In addition, Order No. 784 requires each public utility transmission provider to add to its OATT Schedule 3 a statement that the transmission provider will take into account the speed and accuracy of regulation resources in its determination of reserve requirements for Regulation and Frequency Response services, including as it reviews whether a self-supplying customer has made "alternative comparable arrangements" as required in Schedule 3. Further, Order No. 784 requires that every public utility transmission provider must post certain Area Control Error data. Finally, Order No. 784 revised certain accounting and reporting requirements set forth in the Uniform System of Accounts under FERC Forms No. 1, No. 1-F and No. 3-Q. Parties requested clarification on certain accounting-related reporting requirements, Federal Power Act (FPA) section 205 filing requirements, the timing of intra-hour scheduling, certain date and deadline requirements, and whether there are caps or limits on a customer's ability to



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self-supply ancillary services. One party further requested that the Commission clarify that its *Avista* restrictions do not apply to third-party ancillary services sales to non-public utility transmission providers. Agenda item E-1 may be an Order on Clarification.

#### **E-2: Payment of Dividends from Funds Included in Capital Accounts, Docket No. PL14-1-000**

This is a new docket.

#### **E-3: PJM Interconnection, L.L.C., Docket No. ER14-623-000**

This docket involves the proposal by PJM Interconnection, L.L.C. (PJM) to implement Coordinated Transaction Scheduling (CTS) between PJM and the New York Independent System Operator, Inc. (NYISO). PJM's filing was submitted on December 12, 2013, and NYISO submitted its filing on December 6, 2013 (Agenda item E-4 below). NYISO and PJM report that CTS is a set of Real-Time Market rules allowing Imports/Exports to be scheduled based upon a bidder buying energy at a source in either the PJM or NYISO Control Area and then selling that energy at a sink in the other Control Area if the forecasted price at the sink less the forecasted price at the corresponding source is greater than or equal to the dollar value specified in the CTS Interface Bid. CTS is expected to increase efficiency with respect to price convergence, utilization and flow direction. Expected benefits are the addition of a new scheduling option for those Transmission Customers doing business across the NYISO/PJM border, the ability of Transmission Customers to bid different MW quantities at different prices every 15 minutes, the ability to incorporate projected price differences between the Control Areas into scheduling decisions, and intra-hour schedules will be 15 minutes closer to actual, real-time operations. CTS is expected to be implemented in November 2014. Agenda item E-3 may be an order on PJM's filing.

#### **E-4: New York Independent System Operation, Inc., Docket No. ER14-552-000**

This docket is the associated filing submitted by NYISO, on December 6, 2013, to implement CTS between NYISO and PJM as discussed above in Agenda item E-3. Agenda item E-4 may be an order on NYISO's filing.

#### **E-5: Southwest Power Pool, Inc., Docket No. ER12-2292-004**

On October 10, 2013, Southwest Power Pool, Inc. (SPP) submitted a compliance filing in accordance with a September 20, 2013, order denying rehearing, granting limited tariff waivers and conditionally accepting compliance amendments to Attachment AE of SPP's OATT. SPP initially filed the proposed tariff revisions on July 23, 2012, to permit the systematic curtailment of Non-Dispatchable Resources in the SPP Energy Imbalance

Service (EIS) Market during periods of congestion. Also in the October 10 compliance filing, SPP requested that the Commission grant a temporary limited tariff waiver to allow for a delay in the implementation of the systematic curtailment of certain existing Non-Dispatchable Resources needed to accommodate required software system changes. Agenda item E-5 may be an order on SPP's compliance filing and waiver request.

#### **E-7: Ohio Power Company, Docket No. ER14-7-000**

On October 1, 2013, American Electric Power Service Corporation (AEP), on behalf of its affiliate, Ohio Power Company (Ohio Power), filed for a waiver of Section 35.14 of the Commission's regulations dealing with fuel adjustment clauses. AEP seeks a waiver in order to recover a coal contract buy-down payment through the fuel adjustment clause in an Interconnection Agreement dated February 24, 1949, between Ohio Power and Wheeling Power Company. The Commission issued a deficiency letter in November 2013, and AEP submitted its response in December 2013. Agenda item E-6 may be an order on the waiver request.

#### **E-8: Black Oak Energy, L.L.C., EPIC Merchant Energy, L.P. and SESCO Enterprises, L.L.C. v. PJM Interconnection, L.L.C., Docket No. EL08-14-010**

On August 8, 2013, the U. S. Court of Appeals for the District of Columbia Circuit issued a decision remanding this proceeding to the Commission for further action. The Court's order found that the Commission's decision in previous orders (the Recoupment Orders) to claw back refunds approximately two years after they were ordered was unreasonable. The Court held that the Recoupment Orders "were arbitrary and capricious because they were insufficiently justified." (*Black Oak Energy, LLC v. FERC*, 725 F.3d 230, 243 (D.C. Cir. 2013)). Agenda item E-8 may be an order on remand.

#### **E-9: Allco Renewable Energy Limited v. Massachusetts Electric Company, Docket No. EL12-12-000**

On November 30, 2011, Allco Renewable Energy Limited (Allco) filed a complaint against Massachusetts Electric Company d/b/a/ National Grid (National Grid) alleging that National Grid has failed to comply with certain requirements of the Public Utility Regulatory Policies Act (PURPA). Allco complained that National Grid has refused to purchase the generation output from its qualifying facilities (QFs) pursuant to a legally enforceable obligation at National Grid's long-term avoided cost rate as determined by the Massachusetts Department of Public Utilities. The complaint seeks to require National Grid to enter into purchase agreements and pay a purchase rate equal to those minimum avoided costs. Agenda item E-9 may be an order on the complaint.

**E-10: Interstate Power and Light Company v. ITC Midwest, LLC, Docket No. EL12-104-001; Midcontinent Independent System Operator, Inc., Docket No. ER13-2156-000**

On July 18, 2013, the Commission issued an Order Granting Complaint stemming from a September 14, 2012, complaint filed by Interstate Power and Light Company (IPL) against ITC Midwest, LLC (ITCM) seeking to change a provision of Attachment FF of the MISO OATT under which ITCM generator interconnection customers may be able to receive reimbursement from ITCM of 100 percent of their interconnection-related network upgrade costs. The Commission granted the complaint and directed MISO, on behalf of ITCM, to revise Attachment FF of the MISO OATT such that generator interconnection customers in the ITCM pricing zone may receive up to 10 percent reimbursement for the cost of their interconnection-related network upgrades on a prospective basis, in conformance with the generator interconnection cost recovery provisions applicable to most other MISO pricing zones. ITCM filed for rehearing of the order, and IPL filed for clarification of the order. On August 14, 2013, MISO submitted its compliance filing. Agenda item E-10 may be an order on rehearing and/or the compliance filing.

**E-11: Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California v. Trans Bay Cable LLC, Docket No. EL14-15-000, and Trans Bay Cable, LLC, Docket Nos. ER13-2412-001, -000 (consolidated)**

On December 17, 2013, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities) filed a complaint against Trans Bay Cable, LLC (Trans Bay) alleging that Trans Bay's transmission revenue requirement (TRR) is unjust and unreasonable and should be reduced below the currently effective level. Six Cities also requested that the complaint docket be consolidated with Trans Bay's TRR tariff filing in ER13-2412-000, which, on November 21, 2013, was accepted and suspended and set for hearing and settlement judge procedures, which are ongoing. In addition, Six Cities filed for rehearing of one aspect of the November order, which was granted for further consideration on January 22, 2014. On January 6, 2014, Trans Bay filed a motion to dismiss or deny Six Cities' complaint. Agenda item E-11 may be an order on the complaint and/or an order on rehearing on Trans Bay's TRR filing.

**E-12: ITC Holdings Corp., Entergy Corporation, Midwest Independent Transmission Operator, Inc., Docket Nos. ER12-2681-000, -001, -002; Entergy Services Inc., Docket No. ER13-948-001 and ITC Arkansas LLC, ITC Texas LLC, ITC Louisiana LLC, ITC Mississippi, LLC, Docket Nos. ER13-782-000, -001 (consolidated); Entergy Services Inc., Docket No. ER12-2683-001; Midcontinent Independent System Operator, Inc., Docket Nos. ER12-2682-000, -001, -002**

These dockets involve the proposed merger of Entergy Corporation's interstate transmission system with that owned by ITC Holdings Corp. (ITC). On January 7, 2014, the Chief Administrative Law Judge issued an order terminating Docket Nos. ER12-2681-000, ER12-2681-002 and ER13-782-000. Regarding Docket Nos. ER12-2681-001, ER13-948-001, and ER13-782-001, settlement proceedings are ongoing and rehearing is pending. In Docket No. ER12-2683-000, on June 20, 2013, the Commission issued a delegated letter order regarding the Energy Operating Companies' (EOCs') filing of an Ancillary Services Tariff. The EOCs are Entergy Arkansas, Inc., Entergy Gulf States Louisiana L.L.C., Entergy Louisiana LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc. The letter order determined to defer the eTariff filing until the necessary regulatory approvals have been obtained for Entergy Services, Inc.'s (ESI) integration into MISO or the transfer of ESI's transmission assets to ITCM (in December 2013, the Mississippi Public Service Commission denied the application for merger). Rehearing of the letter order is pending. Docket Nos. ER12-2682-000, -001 and -002 involve pro forma tariff sheets for a new Module-B-1 to MISO's OATT. On December 19, 2013, a motion to withdraw the filings was submitted and is pending. Agenda item E-12 may be orders on rehearing and/or the motion to withdraw.

**E-13: Entergy Arkansas, Inc., Entergy Gulf States Louisiana L.L.C., Entergy Louisiana LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., Docket No. ER12-2693-001**

This docket involves the cancellation of the EOCs' Service Schedule MSS-2 of the Entergy System Agreement (System Agreement) and related conforming changes to the body of the System Agreement. Service Schedule MSS-2 provides the basis for equalizing the ownership costs associated with transmission investment among the EOCs on a monthly basis. Because there will be no ownership costs associated with transmission investment to be allocated after the Entergy-ITC merger, the Commission found there is no purpose in retaining Service Schedule MSS-2, and on June 20, 2013, the Commission accepted the cancellation and conforming changes subject to, and with an effective date of, the closing of the Entergy-ITC merger. The Louisiana Public Service Commission filed for rehearing of the June 2013 order arguing that the cancellation of Service Schedule MSS-2 will cause undue discrimination and violates precedent. Agenda item E-13 may be an order on rehearing.

**E-14: Southwest Power Pool, Inc., Docket Nos. ER12-1179-008, -009, -011, ER13-1173-001**

These dockets involve filings by SPP to revise its OATT to transition from its current real-time EIS Market to the SPP Integrated Marketplace in March 2014. The Integrated Marketplace includes day-ahead and real-time energy and operating reserve markets and the distribution of Auction Revenue Rights (ARRs) and associated Transmission Congestion Rights (TCRs). In Docket No. ER12-1179-008, a Certification of Uncontested Settlement was offered by SPP on December 18, 2013, purporting to resolve issues regarding the treatment of Grandfathered Agreements. The Commission certified the uncontested settlement on January 23, 2014. Docket Nos. ER12-1179-009 and ER13-1173-001 involve rehearing of an Order on Compliance Filing and Proposed Tariff Revisions issued September 20, 2013, which accepted in part and rejected in part compliance filings submitted by SPP to modify the Integrated Marketplace pursuant to previous Commission orders. Agenda item E-14 may be an order on rehearing and/or the settlement agreement.

## Gas Item

**G-1: Dominion Transmission, Inc., Docket Nos. RP13-431-001, -002**

On February 27, 2013, the Commission issued an order accepting Dominion Transmission Inc.'s (DTI) revised tariff provisions regarding reservation charge credits subject to conditions. DTI proposed to use the previous year's quantities to calculate reservation charge credits, which the Commission found appropriate and a reasonable representation of the historical average for the calculation of reservation charge credits. Several shippers (the Indicated Shippers) jointly filed for rehearing of the February order. In compliance with the February order, DTI submitted its Reservation Charge Crediting tariff on March 28, 2013, which was protested by the Indicated Shippers. Agenda item G-1 may be an order on rehearing and DTI's compliance filing.

## Hydro Items

**H-1: KC Brighton LLC, Docket Nos. P-3633-040, CD14-9-001**

On November 5, 2013, KC Brighton LLC (KC Brighton) filed an Application to Characterize P-3633 Project as [a Small] Conduit [Hydroelectric Facility] and Surrender P-3633 License (Notice of Intent) for the license of the Brighton Dam Project No. 3633, located in Montgomery and Howard Counties, Maryland. On November 14, 2013, a delegated letter order was issued rejecting the request, finding that the facility does not satisfy the definition of "qualifying conduit hydropower facility" set forth in section 30(a) of the FPA, as amended by section 4 of the Hydropower Regulatory Efficiency Act of 2013 (HREA). In addition, the letter stated that the Notice of Intent does not meet the qualifying criteria under HREA because the Brighton Dam Project was licensed under Part 1 of the FPA at the time HREA was enacted. KC Brighton filed for rehearing of the letter order's findings. Agenda item H-1 may be an order on rehearing.

**H-2: Public Utility District No. 2 of Grant County, Washington,  
Docket No. P-2114-209**

On May 21, 2013, Public Utility District No. 2 of Grant County, Washington (Grant PUD) filed recreation site locational data in response to an April 10, 2013, Commission order amending the Recreation Resource Management Plan for the Wanapum Dam Heritage Center. On June 3, 2013, a Notice of Application Accepted for Filing and Soliciting Comments, Motions to Intervene, and Protests was published regarding a Recreation Resource Management Plan Amendment for the Priest Rapids Hydroelectric Project, which pertains to relocating proposed camping and fishing amenities planned at the Priest Rapid Dams, one of the project's two developments. Lastly, pursuant to a previous order, on August 29, 2013, Grant PUD filed a plan for an alternative water trail outside the Crab Creek Corridor. Agenda item H-2 may be an order on Grant PUD's filings.

**Certificate Items**

**C-1: Columbia Gas Transmission, LLC, Docket No. CP13-8-001**

On November 21, 2013, the Commission issued an Order Issuing Certificate granting the request of Columbia Gas Transmission, LLC (Columbia) to construct and operate pipeline and appurtenant facilities in Baltimore and Harford Counties, Maryland (the Line MB Extension Project). Columbia states that the proposed Line MB Expansion Project is part of a system-wide, approximately \$2 billion, five-year modernization project designed to improve its existing infrastructure. Several parties filed for rehearing of the certificate order. Agenda item C-1 may be an order on rehearing.

**C-2: Sabine Pass Liquefaction, LLC, Sabine Pass LNG, L.P.,  
Docket No. CP14-12-000**

On October 25, 2013, Sabine Pass Liquefaction, LLC and Sabine Pass LNG, L.P. filed an application to increase the total LNG production capacity of the Sabine Pass Liquefaction Project currently being constructed in Cameron Parish, Louisiana, from the currently authorized 2.2 billion cubic feet (Bcf) per day (or 803 billion cubic feet per year (Bcf/y)) to 2.76 Bcf per day (or 1006 Bcf/y). On January 24, 2014, an Environmental Assessment was issued for the project. The Sierra Club filed a protest and comments in the proceeding. Agenda item C-2 may be an order on the application.

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