

Energy, Infrastructure, Project and Asset Finance

Summary of FERC Meeting Agenda

February 2015

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's February 19, 2015 meeting, pursuant to the agenda as issued on February 12, 2015. Agenda Items E-1, E-9, C-1 and C-3 have not been summarized, as they were 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-2: Third-Party Provision of Primary Frequency Response Service (Docket No. RM15-2-000):

Agenda item may relate to rulemaking on the Third-Party Provision of Frequency Response Service.

E-3: Public Service Commission of Wisconsin v. Midcontinent Independent System Operator, Inc. (Docket No. EL14-34-001); Midcontinent Independent System Operator, Inc. (Docket Nos. ER14-1242-002; ER14-1242-003; ER14-1243-002; ER14-1243-004; ER14-1243-005; ER14-1724-001; ER14-1724-002; ER14-1725-001; ER14-1725-002; ER14-2176-001; ER14-2176-002; ER14-2180-001; ER14-2180-002; ER14-2860-001; ER14-2862-001; ER14-2952-000; ER14-2952-001); Michigan Public Service Commission v. Midcontinent Independent System Operator, Inc. (Docket No. EL15-7-000):

On January 31, 2014, in Docket No. ER14-1242-000, Midcontinent Independent System Operator, Inc. (MISO) submitted a proposed System Support Resource (SSR) Agreement between Wisconsin Electric Power Company (WEPCO) and MISO, designated as Original Service Agreement No. 6502 (Presque Isle SSR Agreement). On January 31, 2014, in Docket No. ER14-1243-000, pursuant to section 205 of the FPA, MISO submitted proposed Rate Schedule 43G under its Tariff. On April 1, 2014, the Commission issued an order accepting the Presque Isle SSR Agreement and associated Rate Schedule 43G and suspending them



Each month, White & Case provides brief summaries of the agenda items for the Federal Energy Regulatory Commission's monthly meeting.

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for a nominal period, subject to refund. On April 3, 2014, in Docket No. EL14-34-000, the Public Service Commission of Wisconsin (Wisconsin Commission) submitted a complaint alleging that the SSR cost allocation provision in section 38.2.7k of MISO's Tariff, and the provision's implementation in Rate Schedule 43G violated FPA Section 206.

On July 29, 2014, FERC issued an order establishing hearing and settlement judge procedures in Docket No. ER14-1242-000 on the issue of SSR compensation under the Presque Isle SSR Agreement and requiring a compliance filing in Docket No. ER14-1243-000 to revise Rate Schedule 43G. In the July 29, 2014 order, FERC also granted the Wisconsin Commission's complaint and found that the Tariff is unjust, unreasonable, unduly discriminatory or preferential. On September 29, 2014, FERC granted rehearing of its July 29 order for further consideration. On June 13, 2014, MISO submitted an Amended and Restated SSR Agreement between the City of Escanaba, Michigan and MISO, designated as Third Revised Service Agreement No. 6500 for the continued provision of SSR service by the generating facilities known as Escanaba Units 1 and 2 (Escanaba SSR Units). Also on June 13, 2014, pursuant to section 205 of the FPA, MISO submitted revisions to Rate Schedule 43 (Allocation of SSR Costs Associated with the Escanaba SSR Units) under its Tariff (Second Revised Rate Schedule 43). On August 12, 2014, FERC conditionally accepted both the Second Restated Escanaba SSR Agreement and the Second Revised Rate Schedule 43, to be effective June 15, 2014, as requested, subject to compliance filings. On October 14, 2014, FERC granted rehearing of its August 12 order for further consideration.

On October 17, 2014, Michigan Public Service Commission (Michigan PSC) filed a complaint against MISO seeking a determination from the Commission that the provisions of MISO's OATT governing the allocation of SSR costs within the American Transmission Company (ATC) footprint are unjust and unreasonable and to implement a just and reasonable allocation of SSR costs. Agenda Item E-3 may be an order pertaining to these MISO SSR Agreements.

E-4: Tilden Mining Company, L.C. and Empire Iron Mining Partnership v. Midcontinent Independent System Operator, Inc. and Wisconsin Electric Power Company; Michigan Public Service Commission v. North American Electric Reliability Corporation and Wisconsin Electric Power Company (Docket Nos. EL14-103-000 and EL14-104-000).

On September 19, 2014, Tilden Mining Company L.C. (Tilden) and Empire Iron Mining Partnership (Empire) filed a complaint against MISO and WEPCO, pertaining to actions by WEPCO and MISO that allegedly effectuated the splitting of WEPCO's current single

local balancing authority (LBA) and the creation of a new LBA in the Michigan Upper Peninsula without Commission approval. Also on September 19, 2014, the Michigan Public Service Commission (Michigan PSC) filed a complaint against the North American Electric Reliability Corporation (NERC) and WEPCO seeking reversal of NERC's approval of the NERC Balancing Certification Final Report issued by ReliabilityFirst on August 28, 2014, which approved WEPCO's proposal to split its existing WEC Balancing Authority (BA) footprint into two new BAs: the Michigan Upper Peninsula Balancing Authority and the remaining portion of the existing WEC BA in Wisconsin. Agenda Item E-4 may be an order on the complaints pertaining to the new LBA.

E-5: Southwest Power Pool, Inc.; Midcontinent Independent System Operator, Inc.; Southwest Power Pool, Inc.; Midcontinent Independent System Operator, Inc.; Entergy Services, Inc.; Cleco Power LLC (Docket Nos. ER13-1937-000, ER13-1938-000, ER13-1939-000, ER13-1945-000, ER13-1955-000, ER13-1956-000 (not consolidated)).

On July 10, 2013, SPP and MISO separately submitted an Order No. 1000 Interregional Compliance Joint Operating Agreement and Order 1000 Interregional Compliance Filings. On July 10, 2013 Entergy Services, Inc. and Cleco Power LLC separately submitted their OATT Order No. 1000 Interregional Coordination Compliance Filings. Agenda item E-5 may be an order on the Joint Operating Agreement and compliance filings.

E-6: Dunkirk Power L.L.C. (Docket No. ER12-2237-002):

On July 12, 2012, Dunkirk Power LLC submitted a cost-of-service Agreement, designated as Dunkirk's FERC Electric Rate Schedule No. 1, pursuant to which Dunkirk will provide Niagara Mohawk Power Corporation d/b/a National Grid (National Grid) with reliability must-run (RMR) service from Dunkirk Unit Nos. 1 and 2. Agenda item E-6 may be an order on Dunkirk's cost-of-service agreement.

E-7: Cayuga Operating Company, LLC (Docket No. ER13-405-000):

On November 16, 2012, Cayuga Operating Company, LLC (Cayuga), filed for Commission review an unexecuted cost-of-service agreement, designated as Cayuga's Rate Schedule FERC No. 2, under which Cayuga proposed to provide reliability must-run (RMR) service to New York State Electric & Gas Corporation. On February 28, 2013, Cayuga filed a motion to withdraw, seeking to withdraw its request for Commission review of the RMR Agreement and to terminate the instant proceeding. Agenda item E-7 may be an order on the filing and/or the motion to withdraw.

E-8: New York Independent System Operator, Inc. (Docket No. EL15-26-000):

On December 4, 2014, Consolidated Edison Company of New York, Orange and Rockland Utilities, Inc., New York State Electric and Gas Corp., Rochester Gas and Electric Corp and Central Hudson Gas and Electric Corporation filed a complaint against New York Independent System Operator, Inc. (NYISO). The complaint seeks an order compelling NYISO to amend the buyer-side market mitigation rules of its Market Services Tariff to include a competitive entry exemption. Numerous parties have filed motions to intervene, protests and answers. Agenda item E-8 may be an order related to the complaint.

E-10: North American Electric Reliability Corporation (Docket No. RR15-2-000):

On November 3, 2014, the North American Electric Reliability Corporation (NERC) submitted an information filing describing processes and programs developed and deployed through the ERO Enterprise's Reliability Assurance Initiative (RAI). In its Notice, NERC outlined its plans to implement a risk-based approach to compliance monitoring and enforcement that includes, among other initiatives, enhancement of a feedback loop between compliance monitoring and enforcement, a compliance monitoring process, and a greater exercise of enforcement discretion that includes the use of compliance exceptions and self-logging of minimal risk issues. Motions to intervene and comments were filed by MISO, the Edison Electric Institute *et al.*, and the American Public Power Association *et al.* Agenda item E-10 may be an order relating to the informational filing.

E-11: Demand and Energy Data Reliability Standard (Docket No. RM14-12-000):

On May 13, 2014, the North American Electric Reliability Corporation (NERC) submitted for Commission approval proposed Reliability Standard MOD-031-1. FERC subsequently issued a Notice of Proposed Rulemaking on September 18, 2014 to modify the relevant sections of 18 C.F.R. Part 40. Reliability Standard MOD-031-1 will provide authority for applicable entities to collect demand, energy and related data to support reliability studies and assessments, and to detail the responsibilities and obligations imposed on the requestors and respondents of that data. In addition, the Commission proposed approval of the associated implementation plan, violation risk factors and violation severity levels, and retirement of certain currently effective Reliability Standards. Agenda item E-11 may be an order on NERC's request for approval and/or the Notice of Proposed Rulemaking.

E-12: Southwest Power Pool, Inc. (Docket No. ER15-714):

On December 23, 2014, Southwest Power Pool, Inc. (SPP) submitted proposed revisions to its OATT to clarify the circumstances under which mitigated offers may be adjusted during the course of an operating day. Specifically, SPP proposed revisions to make explicit (i) the circumstances under which a Market Participant has the ability to adjust its mitigated energy, start-up, no-load, or operating reserve offers; (ii) that Market Participants employing "Quick-Start" Resource logic may reflect their start-up and no-load costs in their mitigated energy offer curves; and (iii) to permit resources with differences between their regulating and economic capacity operating limits to reflect their "uncompensated costs" in the Real Time Balancing Market. Agenda item E-12 may be an order on SPP's proposed OATT revisions.

E-13: Bonneville Power Administration (Docket No. EF14-5-002):

On April 22, 2014 (as re-submitted on July 9, 2014), Bonneville Power Administration (Bonneville) filed its Oversupply Rate (OS-14). On October 16, 2014, the Commission confirmed and approved OS-14 in accordance with the Northwest Power Act (NPA) and Part 300 of the Commission's regulations. Requests for rehearing were timely filed. Agenda Item E-13 may be an order on rehearing.

E-14: Iberdrola Renewables, Inc., PacifiCorp, NextEra Energy Resources, LLC, Invenergy Wind North America LLC and Horizon Wind Energy LLC v. Bonneville Power Administration (Docket No. EL11-44-008):

On May 23, 2014, Bonneville filed a compliance filing in response to the Commission's orders issued December 12, 2012, and February 19, 2013, in which the Commission required Bonneville to make a compliance filing within 30 days after filing OS-14 with the Commission under the NPA. On October 16, 2014, the Commission accepted the compliance filing. Requests for clarification and rehearing were timely filed. Agenda Item E-14 may be an order on rehearing.

E-15: Alterna Springerville LLC, LDVF1 TEP LLC, Wilmington Trust Company and William J. Wade v. Tucson Electric Power Company (Docket No. EL15-17-000):

On November 7, 2014, Alterna Springerville LLC (Alterna), LDVF1 TEP LLC (LDVF1), Wilmington Trust Company, and William J. Wade (collectively, Complainants) filed a complaint against Tucson Electric Power Company (TEP) requesting that the Commission order TEP to transmit Alterna's and LDVF1's scheduled entitlement shares of energy available at discounted transmission service rates comparable to those being charged to Salt River Project. Agenda Item E-15 may be an order on the complaint.

E-16: InterAmerican Energy Sources LLC (Docket No. EL15-24-000):

On December 3, 2014, InterAmerican Energy Sources LLC (InterAmerican) filed its Petition for Declaratory Order requesting the Commission declare that (1) it qualifies for an exemption under the Federal Power Act (FPA) Section 201(f) as a wholly owned subsidiary of a state political subdivision and (2) that the reliability standards used by Puerto Rico Electric Power Authority and The Virgin Islands Water and Power Authority should apply rather than those imposed by FERC. Agenda item E-16 may be an order on InterAmerican's petition.

Gas Items

G-1: Portland Natural Gas Transmission System (Docket No. RP08-306-003):

On April 1, 2008, Portland Natural Gas Transmission System (PNGTS) filed a general Section 4 rate case under the Natural Gas Act (NGA) as required by PNGTS's 2002 Settlement in Docket No. RP02-13-000. The Commission accepted and suspended PNGTS's tariff sheets until September 1, 2008, subject to refund and hearing procedures. On February 11, 2011, the Commission issued Opinion 510, partially affirming and partially reversing the findings of an initial decision. On March 21, 2013, the Commission issued Opinion 510-A, directing PNGTS to refund amounts for the locked-in RP08-306 rate period within 60 days of the order. On May 20, 2013, PNGTS submitted its Refund Report reflecting refunds that were sent to customers in accordance with Opinion 510-A. Agenda Item G-1 may be an order on PNGTS' refund report.

G-2: Portland Natural Gas Transmission System (Docket Nos. RP10-729-001, RP10729-000):

On March 21, 2013, the Commission issued an order on initial decision, affirming in part and reversing in part, the initial decision concerning the general rate increase proposed by Portland Natural Gas Transmission System (PNGTS) pursuant to Section 4 of the Natural Gas Act. On April 22, 2013, PNGTS, Indicated PNGTS Shippers, and the Canadian Association of Petroleum Producers requested rehearing of the Commission's March order. Agenda item G-2 may be an order on the requests for rehearing.

G-3: SFPP, L.P. (Docket Nos. IS08-390-004, IS08-390-006, IS08-390-007):

On December 16, 2011, the Commission issued an order on rehearing and compliance filing, concerning a cost of service rate case filed by SFPP, L.P. (SFPP) for its West Line rates. On January 17, 2012, SFPP requested rehearing of the Commission's December 2011 order. On December 18, 2014, BP West Coast Products LLC, Chevron Products Company, and several others

(collectively, Shippers) filed a motion requesting ruling on the pending SFPP rehearing request. Agenda item G-3 may be an order on the SFPP request for rehearing and an order on Shippers' motion for ruling on the pending request for rehearing.

G-4: SFPP, L.P. (Docket Nos. IS09-437-007, IS09-437-006, IS10-572-003, IS10-572-004):

On September 20, 2012, the Commission issued an order addressing filings to change SFPP East Line's rates. On October 22, 2012, several parties requested rehearing of the Commission's September order. On November 13, 2012, SFPP submitted a compliance filing in purported compliance with the Commission's September order. The compliance filing sets rates for transportation service of petroleum products for specific time periods, sets forth SFPP's estimate of refunds for overcharges during those time periods, and provides the basis for the prospective rates filed in Docket No. IS13-40-000. In December 2012, several parties protested and commented on the May compliance filing. Agenda item G-4 may be an order on the requests for rehearing and an order on the compliance filing.

Hydro Items

H-1: Boyce Hydro Power, LLC (Project No. P-2785-089):

On October 15, 2014, the Commission issued an order approving updated Exhibit G drawings pertaining to Sanford Project No. 2785. On November 11, 2014, Boyce Hydro Power, LLC (Boyce) filed for rehearing of the Commission's October order, taking issue with the Commission's classification of specific recreation facilities within the project boundary. Agenda item H-1 may be an order on Boyce's request for rehearing.

H-2: Eastern Hydroelectric Corporation (Project Nos. P-7019-069, P-7019-070):

On October 16, 2014, the Commission issued an order revoking the license for the 687-kilowatt East Juliette Hydroelectric Project No. 7019 pursuant to section 31(b) of the Federal Power Act, because licensee Eastern Hydro Electric Corporation (Eastern Hydro) failed to construct fish passage facilities, as required by its license and prior Commission orders. On November 17, 2014, Eastern Hydro filed for rehearing, clarification, and stay of the October order. Agenda item H-2 may be an order on Eastern Hydro's request for rehearing, clarification, and stay.

H-3: Trafalgar Power, Inc. (Docket No. P-9821-104):

On October 22, 2014, FERC rejected a request that Trafalgar Power's hydro license be amended pursuant to reserved authority under Section 18 of the Federal Power Act. Rehearing requests were timely filed. Agenda item H-3 may be an order on rehearing.

H-4: Cameron Gas and Electric Company (Docket No. P-11150-101):

On November 26, 2014, FERC issued an order requiring Cameron Gas and Electric Company (Cameron) to cease all generation at its Smithville and Mix Project No. 11150 because Cameron failed to operate the project to control fluctuations of the reservoir surface elevation as required by its project license. Rehearing requests were timely filed. Agenda item H-4 may be an order on rehearing.

Certificate Items

C-2: Tennessee Gas Pipeline Company, L.L.C. (Docket No. CP14-552-000):

On September 22, 2014, Tennessee Gas Pipeline Company, L.L.C. (Tennessee) filed an application for a certificate of public convenience and abandonment authority to replace compression horsepower at its Compressor Station 245 located in Herkimer County, New York, and to operate certain units on a stand-by basis. Agenda item C-2 may be an order on Tennessee's application.

C-4: Enbridge Offshore Facilities, LLC (Docket No. CP14-512-000):

On July 1, 2014, Enbridge Offshore Facilities (EOF) filed a petition for declaratory order relating to its proposed new approximately 100-mile, bi-directional natural gas pipeline connecting a new deepwater production platform located on the Outer Continental Shelf to the onshore Venice processing plant yard in Plaquemines Parish, Louisiana. EOF asked the Commission to confirm that its proposed facilities will not be found to be engaged in the transportation of natural gas subject to the Commission's jurisdiction under the Natural Gas Act. Agenda item C-4 may be an order responding to EOF's petition.

C-5: Carolina Gas Transmission Corporation (Docket No. CP14-97-000):

On February 28, 2014, Carolina Gas Transmission Corporation (CGT) filed a prior notice request seeking authorization to construct a new compressor station near Edgemoor, Chester County, South Carolina, and associated activities. Agenda item C-5 may be an order on CGT's request.

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