

Energy, Infrastructure, Project and Asset Finance

# Summary of FERC Meeting Agenda

July 2014

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*Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's July 17, 2014, meeting, pursuant to the agenda as issued on July 10, 2014.*

## 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: New York Independent System Operator, Inc., Docket Nos. ER13-102-001, -002

These dockets involve the New York Independent System Operator, Inc.'s (NYISO) Order No. 1000 (Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities) Regional Compliance Filing and requests for rehearing of an April 18, 2013 Order on Compliance Filing regarding NYISO's initial proposal to comply with Order No. 1000. Agenda item E-1 may be an order on rehearing and/or NYISO's October 15, 2013 compliance filing submitted pursuant to the April 2013 order.

### E-2: The Empire District Electric Company, Docket No. EL14-73-000

This is a new docket.

### E-3: Louisville Gas and Electric Company and Kentucky Utilities Company, Docket No. EL14-76-000

This is a new docket.

### E-4: UNS Electric, Inc., Docket No. EL14-72-000

This is a new docket.



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

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**E-5: Westar Energy, Inc., Docket No. EL14-77-000**

This is a new docket.

**E-6: Kansas City Power & Light Company, Docket No. EL14-74-000; KCP&L Greater Missouri Operations Company, Docket No. EL14-75-000**

This is a new docket.

**E-7: Black Hills Power, Inc., Docket No. EL14-71-000**

This is a new docket.

**E-8: Physical Security Reliability Standard, Docket No. RM14-15-000**

On May 23, 2014, the North American Reliability Corporation (NERC) submitted a petition requesting Commission approval of proposed Reliability Standard CIP-014-1—Physical Security—as just, reasonable, not unduly discriminatory or preferential, and in the public interest. The petition also requests approval of the associated Implementation Plan, Violation Risk Factors (VRFs), and Violation Severity Levels (VSLs). The petition states that the proposed Reliability Standard will enhance physical security efforts and help ensure that owners and operators of the Bulk Power System (BPS) are using precautionary measures to protect the BPS from physical attacks. Agenda item E-8 may be a Notice of Proposed Rulemaking (NOPR) stemming from NERC’s proposed Reliability Standard.

**E-9: Protection System Maintenance Reliability Standard, Docket No. RM14-8-000**

On February 14, 2014, NERC submitted a petition (amended June 4, 2014) requesting Commission approval of proposed Reliability Standard PRC-005-3—Protection System Maintenance—as just, reasonable, not unduly discriminatory or preferential, and in the public interest. The petition also requests approval of the associated Implementation Plan, VRFs, and VSLs and retirement of the existing standard, PRC-005-2. The petition states that the proposed Reliability Standard adds reclosing relays that can affect the reliable operation of the BPS in satisfaction of directives set forth in Order No. 758 *Interpretation of Protection System Reliability Standard*). The proposed Reliability Standard includes maintenance and testing schedules for the added relays. Agenda item E-9 may be a NOPR stemming from NERC’s proposed Reliability Standard.

**E-10: Generator Relay Loadability and Revised Transmission Relay Loadability Reliability Standards, Docket Nos. RM13-19-000, RM14-3-000**

On March 20, 2014, the Commission issued a NOPR stemming from an earlier petition by NERC for approval of a new Reliability Standard, PRC-025-1 – Generator Relay Loadability and revised Reliability Standard, PRC-023-3—Transmission Relay Loadability. According to the NOPR, the proposed PRC-025-1 standard was created to prevent relay tripping during system disturbances and was developed in accordance with directives to develop standards for protective relay loadability. The NOPR further states that the revised PRC-023-3 Reliability Standard is needed to clarify the applicability of the two standards and prevent the possibility of compliance overlap due to inconsistencies. In addition, the NOPR proposes to approve the associated Implementation Plan, VRFs, and VSLs. Agenda item E-10 may be a final order on the proposed Reliability Standards.

**E-11: Payment of Dividends from Funds Included in Capital Account, Docket No. PL14-1-000**

On February 20, 2014, the Commission issued a proposed policy statement which would affirm that section 305(a) of the Federal Power Act (FPA) does not prohibit the payment of dividends from funds included in capital accounts by any public utility that has a market-based rate tariff on file with the Commission, does not have captive customers, and does not provide transmission or local distribution services. According to the Commission, the proposal is intended to eliminate a regulatory burden otherwise applicable under FPA section 305(a) to such public utilities. Agenda item E-11 may be a final policy statement.

**E-12: Southwest Power Pool, Inc., Docket No. ER14-1175-001**

This docket involves a rehearing request by Sunflower Electric Power Corporation (SEPC) of a Letter Order issued March 10, 2014, that accepted a Network Integration Transmission Service Agreement (NITSA) between Southwest Power Pool, Inc. (SPP) and Kansas Municipal Energy Agency (KMEA), and a Network Operating Agreement (NOA) among SPP, KMEA, and SEPC. SEPC’s rehearing request states that new information provided to it by SPP has subsequently shown that “the [accepted] NITSA is an essential piece of a defective supply arrangement which rests upon multiple violations of the SPP [Open Access Transmission Tariff], other SPP rules and the Commission’s rules and regulations under the [FPA].” Agenda item E-12 may be an order on rehearing.

### **E-13: Sunflower Electric Power Corporation v. Kansas Municipal Energy Agency and Southwest Power Pool, Inc., Docket No. EL14-38-000**

This docket involves a complaint filed by SEPC against SPP and KMEA alleging that SPP and KMEA have violated the SPP OATT, other SPP rules and the Commission's rules and regulations by effectuating and providing service to the city of Garden City, Kansas, under an unjust, unreasonable and unduly discriminatory power supply arrangement (see agenda item E-12 above). SEPC states that the complaint is necessary in order to "ensure that it is properly compensated for providing KMEA with imbalance energy, ancillary services associated with the imbalance energy, and firm capacity." Agenda item E-13 may be an order on SEPC's complaint.

### **E-14: California Independent System Operator Corporation, Docket No. ER14-480-001**

On April 21, 2014, the California Independent System Operator Corporation (CAISO) submitted a compliance filing to amend its tariff in order to align its market structure with reforms mandated by the Commission in Order No. 764 (*Integration of Variable Energy Resources*), as well as implement further market enhancements. The compliance filing purports to (1) define a process for refunding protective measure payments made to resources that are ultimately found to be ineligible for protective measures; (2) remove the CAISO's authority to rescind a variable energy resource's ability to use its own forecast if the resource's forecast is significantly less accurate than the CAISO forecast over time; and (3) clarify terminology regarding the use of the term instructed imbalance energy. Agenda item E-14 may be an order on CAISO's compliance filing.

## **Gas Items**

### **G-1: Natural Gas Act Pipeline Maps, Docket No. RM14-21-000**

This is a new docket.

### **G-2: El Paso Natural Gas Company, L.L.C., Docket No. RP14-728-000; City of Las Cruces, New Mexico, City of Mesa, Arizona, ConocoPhillips Company, Freeport-McMoRan Corporation, Navajo Tribal Utility Authority, New Mexico Gas Company, Inc., and Southwest Gas Corporation v. El Paso Natural Gas Company, L.L.C., Docket No. RP14-773-000**

Docket No. RP14-728-000 involves a petition for declaratory order filed April 10, 2014, by El Paso Natural Gas Company, L.L.C. (EPNG) requesting Commission guidance on a contract interpretation and applicability issue. In particular, EPNG has asked for a determination on how it should evaluate competing

bids in a right-of-first refusal open season where the shipper currently holding the capacity is subject to a provision of an earlier settlement and other possible bidders are not. EPNG has existing Transportation Service Agreements (TSAs) with multiple shippers on its system. EPNG notified the shippers that it was terminating each TSA. EPNG expects those shippers to use their regulatory right-of-first refusal and has requested the Commission provide guidance on rate determination at that time.

Docket No. RP14-773-000 involves an April 25, 2014, complaint filed City of Las Cruces, New Mexico, City of Mesa, Arizona, ConocoPhillips Company, Freeport-McMoRan Corporation, Navajo Tribal Utility Authority, New Mexico Gas Company, Inc., and Southwest Gas Corporation (Complainants) against El Paso for the termination of TSAs that the Complainants allege violates the provisions of an earlier settlement. Complainants also requested the Commission hold the RP14-728-000 docket in abeyance until the issue of the legality of the cancellation of the TSAs is determined.

Agenda item G-2 may be an order on the petition and/or the complaint.

### **G-3: Panhandle Eastern Pipe Line Company, LP, Docket Nos. RP12-455-002, -003**

These dockets involve a rehearing request and a compliance tariff filing filed by Panhandle Eastern Pipe Line Company (Panhandle). On April 18, 2013, the Commission issued an order that found Panhandle's exiting tariff to be unjust and unreasonable due to its failure to have a reservation charge crediting provision. Panhandle requested rehearing of that find and the order to file a revised tariff. On May 20, 2013, Panhandle submitted its tariff filing in compliance with the April 2013 order that Panhandle states provides reservation charge credits when primary firm service is interrupted and modifies the definition of *force majeure*. Agenda item G-3 may be an order on rehearing and/or Panhandle's compliance filing.

## **Hydro Items**

### **H-1: Format and Dimensions of Maps and Drawings Required by the Commission's Hydropower Program, Docket No. RM14-20-000**

This is a new docket.

### **H-2: Appalachian Power Company, Docket No. P-2210-244**

This docket involves a request for reconsideration and/or rehearing filed by Automatic Boat Covers of VA & NC, LLC and Innovative Marine Technologies regarding an order issued April 17, 2014, that determined the updated definition of "structure" in Appalachian

Power Company's shoreline management plan for the Smith Mountain Pumped Storage Project No. 2210 should not be modified to exclude "automatic boat covers." The April order stated that automatic boat covers could impinge on safe navigation at the project's reservoirs. Agenda item H-2 may be an order on reconsideration and/or rehearing.

### **H-3: Pine Creek Mine, LLC, Docket No. P-12532-005**

On March 20, 2014, the Commission denied a request by Pine Creek Mine, LLC (PCM) for a two-year extension of its third preliminary permit for the PCM hydroelectric project. PCM request rehearing of the decision to deny the time extension. Agenda item H-3 may be an order on rehearing.

### **H-4: Eastern Hydroelectric Corporation, Docket No. P-7019-061**

On April 17, 2014, Commission staff issued an Order to Cease Generation at the East Juliette Project due to longstanding violations of several orders requiring fish passage at the project. Agenda item H-4 may be further action on the license for the project.

## **Certificate Items**

### **Gulf Oil Limited Partnership, Docket No. CP14-132-000**

This docket involves a Petition for Declaratory Order filed by Gulf Oil Limited Partnership (Gulf Oil) which requests a finding and conclusion that the construction and operation of a liquefied natural gas (LNG) production facility which Gulf Oil plans to construct in northeastern Pennsylvania to convert natural gas produced in the Marcellus Shale play into LNG that will be marketed as vehicular fuel, high horsepower engine fuel, and as a source of supply for certain local distribution company peak shaving facilities will not be subject to the Commission's jurisdiction under Section 7 of the Natural Gas Act (NGA) and will not make the owner or operator of the LNG facility a "natural-gas company" within the meaning of Section 1(b) of the NGA. Agenda item C-1 may be an order on the petition.

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