

FERC

Meeting Agenda Summary

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's February 21, 2019 meeting, pursuant to the agenda as issued on February 14, 2019.

Electric

E-1 – Reform of Generator Interconnection Procedures and Agreements (Docket No. RM17-8-001). On April 18, 2018, the Commission issued Order No. 845, a final rule adopting reforms to the *pro forma* large generator interconnection procedures and large interconnection agreements. Many requests for clarification and rehearing were filed concerning various aspects of the rule. On June 18, 2018, the Commission issued an order granting rehearing for further consideration. Agenda item E-1 may be an order on rehearing.

E-2 – Interlocking Officers and Directors; Requirements for Applicants and Holders (Docket No. RM18-15-000). On July 19, 2018, the Commission proposed revisions to parts 45 and 46 of its regulations to clarify and update requirements related to interlocking officers and directors. The proposed revisions include changes concerning the circumstances in which an applicant must request authorization to hold an interlocking position and the circumstances in which an applicant must file a notice of change. Comments were due October 1, 2018, and various entities submitted comments. Agenda item E-2 may be an order concerning the proposed revisions.

E-3 – Implementation of Amended Section 203(a)(1)(B) of the Federal Power Act (Docket No. RM19-4-000). On November 29, 2018, the Commission issued a notice of proposed rulemaking to implement amended section 203(a) of the Federal Power Act (FPA). The proposed revisions include a \$10 million threshold for mergers and consolidations subject to Commission authorization and a notice requirement for mergers and consolidations involving certain public utility facilities subject to Commission jurisdiction. Numerous entities filed substantive comments prior to the December 31, 2018 deadline. Agenda item E-3 may be an order concerning the proposed rulemaking.

E-4 – Cheyenne Light, Fuel and Power Company (Docket Nos. ER19-697-000; EL19-41-000). On December 27, 2018, Cheyenne Light, Fuel, and Power Company (Cheyenne Light) submitted a tariff filing amending its Open Access Transmission Tariff to move from fixed transmission rates to a formula rate. Cheyenne Light requested that the Commission accept the formula rate and associated tariff changes with an effective date of January 1, 2019. Agenda item E-4 may be an order in the proceeding.

E-5 – New York Independent System Operator, Inc. and Central Hudson Gas & Electric Corporation (Docket Nos. ER18-1598-001; EL18-99-000). On May 14, 2018, Central Hudson Gas & Electric Corporation (Central Hudson) submitted an amended transmission revenue requirement to reflect an adjustment for the Tax Cut and Jobs Act of 2017. On November 15, 2018, Commission staff requested additional information from Central Hudson. On December 17, 2018, on Central Hudson's behalf in its role as Tariff Administrator, the New York Independent System Operator, Inc. submitted a letter and amendment in response to Commission staff's request for additional information. Agenda item E-5 may be an order in the proceeding.

E-6 – New York Independent System Operator, Inc. (Docket Nos. ER17-1561-002; ER17-1561-003). On December 4, 2018, the New York Independent System Operator, Inc. (NYISO) submitting a compliance filing reflecting tariff amendments in accordance with Order No. 831. NYISO indicated its intent to implement software updates for the offer cap requirements for the Day-Ahead Market on December 18, 2018, thereby incorporating the new rules by December 20, 2018. On December 17, 2018, NYISO filed a supplemental notice stating the delay of the requested effective date to December 19, 2018, as well as a request for limited waiver of certain provisions of Order No. 831 due to a software issue. On February 5, 2019, NYISO submitted a notification indicating the software issue for offer cap requirements was resolved on January 27, 2019. Agenda item E-6 may be an order on the compliance filing and the request for limited waiver.

E-7 – California Independent System Operator Corporation (Docket No. ER19-538-000). On December 12, 2018, the California Independent System Operator Corporation (CAISO) filed proposed tariff revisions regarding practices for conformance of load forecasts in CAISO market balancing authority areas. The revisions aim to enhance the tariff by describing the load forecasting in the real-time market as well as the residual unit commitment process in the day-ahead market. A number of parties submitted motions to intervene, substantive comments, and protests. These subsequent filings commonly alleged that CAISO, by implementing the load conformance limiter prior to authorization, had been suppressing market clearing prices and preventing scarcity pricing. Agenda item E-7 may be an order on the proposed CAISO tariff revisions.

E-8 – California Independent System Operator Corporation (Docket No. ER19-308-000). On November 11, 2018, CAISO submitted a petition for approval of disposition of penalty assessments proceeds and non-refundable interconnection financial security. Generally, CAISO seeks authorization from the Commission for the manner in which it will distribute the proceeds of penalties collected for violations of the CAISO Rules of Conduct during the 2017 calendar year. On December 3, 2018, Public Citizen, Inc. (Public Citizen) filed comments challenging the petition, alleging that two columns of information (entity name and penalty allocation) should not be treated as confidential and that the Commission should disclose the identification to the public. Agenda item E-8 may be an order on the CAISO petition.

E-9 – California Independent System Operator Corporation (Docket No. ER18-1169-002). On March 23, 2018, CAISO filed proposed tariff revisions in order to provide scheduling coordinators the flexibility to register alternative market values and physical design capability values for certain resource characteristics. The Commission rejected this proposed flexibility revision in an order issued on June 21, 2018, finding that allowing market values different than physical values may allow market participants to exercise market power through physical withholding. On July 23, 2018, CAISO submitted a request for rehearing, stating that the proposed tariff revisions would be subject to the existing resource adequacy program in CAISO, thereby ensuring sufficient resources would be offered and available in the market. Agenda item E-9 may be an order on the CAISO request for rehearing.

E-10 – Jacksonville Electric Authority (Docket No. EL18-200-000). On September 17, 2018, Jacksonville Electric Authority (JEA) filed a petition for declaratory order regarding the jurisdictional nature of a power purchase agreement (PPA) pursuant to the Federal Power Act (FPA). The transactions contemplated under the PPA between JEA and the Municipal Electric Authority of Georgia (MEAG) involve wholesale interstate commerce of

electricity, capacity, and ancillary services by MEAG to JEA; following the transportation in interstate commerce, JEA resells the electricity to customers located in Florida. The petition seeks Commission determination regarding a specific legal issue pertaining to section 201(b)(1) of the FPA, which would limit Commission jurisdiction to the sale of electricity and not over MEAG and JEA as public utilities. A number of entities and stakeholders submitted motions to intervene, substantive comments, and protests. On February 1, 2019, the US Department of Energy (DOE) issued a statement of position, requesting that the Commission deny the petition brought forward by JEA. DOE, along with other similar comments, finds that Commission jurisdiction over two municipal electric authorities is misconceived and not bolstered by precedent. Agenda item E-10 may be an order on the petition for declaratory order.

E-11 – Tucson Electric Power Company (Docket Nos. ER19-550-000; EL18-119-000). On November 15, 2018, the Commission issued an order directing Tucson Electric Power Company (Tucson Electric) to submit a compliance filing with revised tariff records to implement reductions to Tucson Electric's stated transmission rates. The rate reductions stem from the Commission's order to show cause proceeding related to the reduction in the federal corporate income tax rate under the Tax Cuts and Jobs Act. On December 13, 2018, Tucson Electric submitted its compliance filing including revised tariff records to implement the rate reductions effective March 21, 2018. Agenda item E-11 may be an order on Tucson Electric's compliance filing.

E-12 – Vermont Transco, LLC (Docket No. ER18-1259-001). On May 29, 2018, the Commission issued an order rejecting Vermont Transco, LLC's (through transmission rates) request for authorization to recover \$639,780 in property transfer taxes, closing fees, and advisory fees through transmission rates, related to VTransco's acquisition of ownership shares in the Highgate Transmission Facility (May Order). On June 28, 2018, VTransco requested clarification or, in the alternative, rehearing of the May Order. Agenda item E-12 may be an order on VTransco's request for clarification or rehearing.

E-13 – FirstEnergy Solutions Corp. (Docket No. ER18-810-000). On February 5, 2018, pursuant to section 205 of the Federal Power Act and section 35.39 of the Commission's regulations, FirstEnergy Solutions Corp. (FE Solutions) requested authorization to make wholesale power sales to its affiliate West Penn Power Company, beginning on June 1, 2018. Agenda item E-13 may be an order on FE Solutions' request.

E-14 – FirstEnergy Solutions Corp. (Docket No. ER18-809-000). On February 5, 2018, pursuant to section 205 of the Federal Power Act and section 35.39 of the Commission's regulations, FE Solutions requested authorization to make wholesale power sales to its affiliate The Potomac Edison Company, pursuant to an agreement and transaction confirmations, which were to become effective June 1, 2018. Agenda item E-14 may be an order on FE Solutions' request.

E-15 – Sky River LLC (Docket Nos. ER18-1596-001; EL18-112-000). On November 15, 2018, the Commission issued an order directing Sky River LLC (Sky River), *inter alia*, to either (1) propose revisions to the Sky River Line's annual transmission revenue requirement to reflect the change in the federal corporate income tax rate and describe the methodology used for making those revisions, or (2) show cause why it should not be required to do so (November Order). On December 17, 2018, in response to the November Order, Sky River filed revisions to its stated point-to-point transmission rate to reflect the change in the federal corporate income tax rate under the Tax Cuts and Jobs Act and also requested that the Commission accept its revised annual transmission revenue requirement for point-to-point transmission service effective March 21, 2018. Agenda item E-15 may be an order on Sky River's revised annual transmission revenue requirement for point-to-point transmission service.

E-16 – Pacific Gas and Electric Company (Docket No. EL18-108-000). On March 15, 2018, the Commission issued several orders to address the effects of the Tax Cuts and Jobs Act of 2017, including an order issued pursuant to section 206 of the FPA to show cause to public utilities that use stated transmission rates under an open access transmission tariff (Stated Rate Order to Show Cause). On May 14, 2018, Pacific Gas & Electric Company (PG&E) filed its response to the Stated Rate Order to Show Cause, stating it should not be required to submit proposed revisions to its stated transmission rates or revenue requirements to reflect the reduction in the federal corporate income tax rate. On November 15, 2018, the Commission issued an order, approving PG&E's May 14 response and holding in abeyance the section 206 proceeding pending the outcome of PG&E's transmission rate proceeding pending in Docket Nos. ER17-2154-000 and EL17-95-000. On December 20, 2018, PG&E submitted a "Motion to Dismissing Section 206 Proceeding and Close Docket," notifying the Commission a

comprehensive settlement had been reached in the transmission rate proceedings and requesting the Commission dismiss the section 206 proceeding initiated in the Commission's Stated Rate Order to Show Cause. Agenda item E-16 may be an order related to PG&E's December 20 motion.

E-17 – Owensboro Municipal Utilities v. Louisville Gas and Electric Company and Kentucky Utilities Company (Docket No. EL18-203-000). On September 21, 2018, pursuant to section 206 of the FPA, the City Utility Commission of the City of Owensboro, Kentucky (OMU) filed a complaint against Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU) alleging certain rate schedule violations under the First Revised Rate Schedule No. 402. On October 11, 2018, LG&E and KU submitted an answer to the complaint. Agenda item E-17 may be an order related to OMU's complaint.

E-18 – Stuttgart Solar, LLC (Docket No. ER18-1704-001). On May 31, 2018, Stuttgart Solar (Stuggard) submitted for filing pursuant to section 205 of the FPA a rate schedule for Reactive Supply and Voltage Control from Generation Sources Service. On July 30, 2018, the Commission issued an order accepted for filing Stuggard's proposed rate schedule and suspending it for a nominal period, to become effective August 1, 2018, subject to refund, and instituting hearing and settlement judge procedures. On December 13, 2018, Stuttgart Solar filed an offer of settlement and settlement agreement resolving all issues set for hearing by the Commission. On January 17, 2019, the presiding administrative law judge certified the settlement as uncontested. Agenda item E-18 may be an order related to the uncontested settlement.

E-19 – Kathryn E. Leonard v. Rhode Island Public Utilities Commission, Narragansett Electric Company, Inc., and Deepwater Wind Block Island, LLC (Docket No. EL18-171-000). On June 7, 2017, Ms. Kathryn E. Leonard filed with the Commission a "Complaint Relating to the Implementation of the Amended Power Purchase Agreement Approved by the Public Utility Commission of Rhode Island" against Deepwater Wind Block Island, LLC (Deepwater), the Narragansett Electric Company, Inc. d/b/a National Grid (National Grid) and the Rhode Island Public Utilities commission (RIPUC) alleging, amongst other things, that the RIPUC's approval of power purchase agreement between National Grid and Deepwater violated the FPA and the Public Utility Regulatory Policies Act of 1978 (PURPA). On July 13, 2018, the respondents submitted answers to the June 7 complaint. Agenda item E-19 may be an order related to the complaint.

Gas

G-1 – Trailblazer Pipeline Company LLC (Docket No. RP18-922-000). On June 29, 2018, pursuant to section 4 of the Natural Gas Act (NGA), Trailblazer Pipeline Company LLC (Trailblazer) submitted a general rate case filing proposing an increase to its overall cost of service. On July 21, 2018, the Commission issued an order accepting and suspending Trailblazer's proposed rates for service for five months, to be effective January 1, 2019, and instituting hearing and settlement judge proceedings. In addition, the Commission established a paper hearing to examine the extent to which Trailblazer is entitled an income tax allowance following the decision in 2016 by the US Court of Appeals for the D.C. Circuit in *United Airlines v. FERC* and related FERC proceedings on remand. On August 30, 2018, Trailblazer and certain shippers on the Trailblazer system filed requests for rehearing or, in the alternative, clarification of the Commission's July 21 order. Agenda item G-1 may be an order related to the requests for rehearing.

G-2 – SFPP, L.P. (Docket Nos. IS08-390-008; IS09-390-009). On June 30, 2008, SFPP submitted, pursuant to section 342.4(a) of the Commission's regulations, a cost-of-service rate for its West Line that resulted in an increase in rates. In response to numerous protests from shippers, the Commission accepted and suspended SFPP's proposed rates, subject to refund and set the issues surrounding the proposed rates for hearing. The Commission subsequently resolved all issues set for hearing in orders 511, 511-A, and 511-B resulting in a reduction of SFPP's proposed West Line rate increase. On April 11, 2011, SFPP requested rehearing of Opinion No. 511. On April 6, 2015, SFPP submitted a compliance filing to Opinion No. 511-B. On September 2015, SFPP and shippers filed petitions with the DC Circuit regarding the income tax allowance issue and data period for determining SFPP's DCF ROE. On July 1, 2016, the DC Circuit granted the petitions for review. In *United Airlines, Inc. v. FERC*, 827 F.3d 122 (2016), the DC Circuit remanded those issues back to the Commission holding that: 1) because both the partnership income tax allowance and the DCF ROE may include investor's tax costs, permitting both for an MLP may result in a double recovery, and 2) the Commission did not justify determining the ROE based on 2008 data and appears to have chosen a period with the smallest ROE. On March 15, 2018, the

Commission issued an Order on Remand and Compliance Filing, Opinion No. 511-C, 1) removing the income tax allowance from SFPP's cost of service and 2) continuing to determine SFPP's cost of service using the September 2008 nominal ROE, but reducing the inflation factor to 2.39 percent (based on an annualized average of monthly inflation from January 2007 to April 2009). Further, in response to the compliance filing, the Commission directed SFPP to recalculate its refunds and going forward rates to remove index increases that were not previously filed by SFPP or were previously rejected by the Commission within 60 days. On April 16, 2018, SFPP requested rehearing of Opinion Nos. 511-C and 522-B and included a Motion to Hold Proceeding in Abeyance pending the multiple rehearing requests filed in response to the Revised Policy Statement barring the income tax allowance for MLPs. Additionally, on May 11, 2018, SFPP submitted a petition for review to the DC Circuit of Opinions No. 511-A, 511-B, and 511-C. On May 14, 2018, SFPP submitted a compliance filing in response to the Commission's directives in Opinion No. 511-C. Agenda item G-2 may be an order addressing: 1) the request for rehearing submitted by SFPP, 2) the compliance filing submitted by SFPP, 2) the motion to hold proceeding in abeyance submitted by SFPP, or 3) the rehearing requests submitted to the revised policy statement.

G-3 – Young Gas Storage Company, Ltd. (Docket No. RP19-276-000). On November 8, 2018, Young Gas Storage Company, Ltd. (Young Gas) submitted, in compliance with Order No. 849, its FERC Form No. 501-G. In its compliance filing, Young Gas informed the Commission that it had negotiated an agreement in principle with its shippers and intended to file a prepackaged uncontested settlement. On December 28, 2018, Young Gas submitted the negotiated settlement containing pro forma tariff records. Young Gas represents that all shippers support the negotiated settlement. Agenda item G-3 may be an order addressing the settlement agreement.

Hydro

H-1 – Revisions and Technical Corrections to Conform the Commission's Regulations to the America's Water Infrastructure Act of 2018 (Docket No. RM19-13-000). On October 23, 2018, the 115th United States Congress enacted America's Water Infrastructure Act of 2018. The act provides for infrastructure improvements of dams and reservoirs, and hydropower facilities. Agenda item H-1 may be an order conforming the Commission's regulations to America's Water Infrastructure Act of 2018.

Certificates

C-1 – Portland Natural Gas Transmission System, Maritimes & Northeast Pipeline, L.L.C. (Docket Nos. CP18-506-000; CP18-539-000). On June 18, 2018, Portland Natural Gas Transmission System (PNGTS) filed, pursuant to Sections 7(b) and 7(c) of the Natural Gas Act (NGA), an abbreviated application for a Certificate of Public Convenience and Necessity and Abandonment Authority requesting authority to implement Phase III of its Portland Xpress Project. The Project includes, *inter alia*, the addition of a 6,300 hp compressor unit in Maine and modifications to compressor and metering stations in Massachusetts. The project is intended to increase capacity on PNGTS' wholly-owned north system by 24,375 Mcf/d and PNGTS' capacity on the system it jointly owns with Maritimes & Northeast Pipeline (M&NP) by 22,339 Mcf/d. On August 10, 2018, M&NP filed, pursuant to Sections 7(b) and 7(c) of the NGA, an abbreviated application for authorization to reacquire the 7,214 Dth/d of firm capacity leased to PNGTS and to abandon a portion of its ownership interest in a compressor unit in Maine to PNGTS. On September 4, 2018, Commission Staff issued an Environmental Assessment Report in Docket No. CP18-539 concluding that the proposed M&NP project does not require ground disturbing activities and qualifies as a categorical exclusion. On November 27, 2018, Commission Staff issued an Environmental Assessment concluding that the PNGTS project, with appropriate mitigating measures, would not constitute a major federal action significantly affecting the quality of the human environment. Agenda item C-1 may be an order addressing the applications submitted by both PNGTS and M&NP.

C-2 – Northern Natural Gas Company (Docket Nos. CP18-506-000; CP18-539-000). On July 27, 2018, Northern Natural Gas Company (Northern) filed, pursuant to Section 7 of the Natural Gas Act (NGA), an abbreviated application for a Certificate of Public Convenience and Necessity requesting authority to: 1) construct and operate certain compressor, pipeline and town border station facilities, including approximately 12.6 miles of new 16-inch diameter pipeline, 10 miles of approximately 24-inch diameter pipeline, and approximately 4.3 miles of new 8-inch diameter pipeline; 2) uprate the maximum allowable operating pressure (MAOP) on a segment of

an existing branch line and relocate a MAOP regulator; and 3) abandon short segments of pipeline to accommodate tie-ins located in Minnesota. The application seeks authorizations for the Northern Lights 2019 Expansion Project and the Rochester Project. The projects would enable Northern to provide 138,504 Dth/d of new firm gas transportation service. On November 21, 2018, Commission Staff, with participation of the Minnesota Pollution Control Agency as a cooperating agency, issued an Environmental Assessment concluding that the projects, with appropriate mitigating measures, would not constitute a major federal action significantly affecting the quality of the human environment. Agenda item C-2 may be an order addressing the application submitted by Northern.

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