

FERC

Meeting Agenda Summary

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's February 18, 2016 meeting, pursuant to the agenda as issued on February 11, 2016.

Electric

E-1 – Pennsylvania Electric Company, Metropolitan Edison Company, Jersey Central Power & Light Company, FirstEnergy Transmission, LLC and Mid-Atlantic Interstate Transmission, LLC (Docket No. EC15-157-000). On June 15, 2015, FirstEnergy East Operating Companies, FirstEnergy Transmission, LLC (FET), and Mid-Atlantic Interstate Transmission, LLC (MAIT) filed an application pursuant to sections 203(a)(1)(A) and 203(a)(2) of the Federal Power Act (FPA) requesting Commission authorization for a transaction whereby: (i) FET will make a cash investment in MAIT in exchange for the Class A membership interest in and sole operational control and management of MAIT; and (ii) the FirstEnergy East Operating Companies will contribute their transmission assets to MAIT in a tax-free contribution in exchange for passive, Class B membership interests in MAIT (the Transaction). On August 14, 2015, the Pennsylvania Public Utility Commission (PAPUC) filed a motion for stay of the FERC proceeding pending the conclusion of a related PAPUC proceeding on the Transaction. Agenda item E-1 may be an order on the application or motion for stay.

E-2 – Essential Reliability Services and the Evolving Bulk-Power System--Primary Frequency Response (Docket No. RM16-6-000). Agenda item E-2 may initiate a new proceeding for a notice of proposed rulemaking on essential reliability services and the evolving Bulk-Power System.

E-3 – West-Wide Must-Offer Requirements (Docket No. EL16-27-000). Agenda item E-3 may initiate a new proceeding on west-wide must-offer requirements.

E-4 – City of Osceola, Arkansas v. Entergy Arkansas, Inc. and Entergy Services, Inc. (Docket No. EL16-7-000). On October 29, 2015, pursuant to sections 206 and 306 of the FPA, City of Osceola Arkansas (Osceola or Complainant) filed a complaint against Entergy Arkansas, Inc. (EAI) and Entergy Services, Inc.

(collectively Respondents). In the Complaint, Osceola seeks an order and asserts that the Commission should compel Respondents to adhere to the rates, terms and conditions of the Power Coordination,

Interchange and Transmission Service Agreement between EAI and Osceola. Complainant contends that EAI charged Osceola in violation of that agreement and in violation of the filed rate doctrine. Agenda item E-4 may be an order on Osceola's complaint.

E-5 – Public Service Company of Colorado and Black Hills/Colorado Electric Utility Company, LP (Docket Nos. ER16-178-000, ER16-180-000, ER16-180-001, ER16-212-000, ER16-212-001, ER16-217-000 & ER16-217-001). On October 30, 2015, Public Service Company of Colorado (PSCo) filed in Docket No. ER16-180-000 a revised Joint Dispatch Agreement (JDA) among PSCo, Black Hills/Colorado Electric Utility Company, LP (Black Hills Colorado) and Platte River Power Authority. Black Hills Colorado submitted a concurrence filing to the revised JDA on the same day in Docket No. ER16-217-000. PSCo and Black Hills Colorado also filed revisions to their respective Open Access Transmission Tariffs in order to implement Joint Dispatch Transmission Service, the transmission service associated with transactions under the JDA, in Docket Nos. ER16-178-000 and ER16-212-000, respectively. Agenda item E-5 may be an order on the JDA and related filings.

E-6 – New York Independent System Operator, Inc. (Docket Nos. ER16-168-000 & ER16-168-001). On October 29, 2015, New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to the market power mitigation measures set forth in section 23 of NYISO's Market Administration and Control Area Services Tariff (Services Tariff) to give NYISO authority to prohibit generators from including unauthorized natural gas costs and penalties in reference levels and to reject ex-post requests to recover costs associated with unauthorized natural gas use. On December 28, 2015, Commission Staff issued a deficiency letter on the NYISO's October filing. The NYISO issued an answer to the December deficiency letter on January 7, 2016. Agenda item E-6 may be an order on NYISO's proposed Services Tariff revisions.

E-7 – Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC (ELL), and Entergy New Orleans, Inc. (ENO) (Docket No. ER15-1922-000). On June 15, 2015, Entergy submitted a request for limited waiver of certain provisions of the Entergy System Agreement related to the one-time reset of the Operating Company Responsibility Ratio resulting from a Commission-approved transaction involving the restructuring of two operating companies. Specifically, Entergy requested a limited waiver of Article II (Definitions) Section 2.18 (Responsibility Ratio) of the System Agreement for a one-time reset of ENO's and ELL's Responsibility Ratio following the closing of the transaction by which ELL's Algiers assets were transferred to ENO. Entergy stated that the resetting of the Responsibility Ratio through the ordinary operation of the System Agreement would create a mismatch between operating company load responsibility and operating company capability. Agenda item E-7 may be an order on Entergy's waiver request.

E-8 – PJM Interconnection, L.L.C. and Public Service Electric and Gas Company (Docket No. ER16-619-000). On December 22, 2015, Public Service Electric and Gas Company (PSE&G) submitted for filing revised tariff sheets for the Tariff administered by PJM to implement a transmission rate incentive in accordance with FPA Section 219 and Order No. 679. PSE&G claimed that the revised tariff sheets will implement the requested abandonment incentive rate treatment for PSE&G's portion of the complex baseline transmission project called the Artificial Island Project (AI Project). Specifically, PSE&G requested authorization to recover 100% of its "prudently incurred development, design, engineering and construction costs for the AI Project if the AI Project is abandoned or cancelled, in whole or in part, for reasons beyond the control of PSE&G." Agenda item E-8 may be an order addressing PSE&G's filing.

E-9 – Pacific Gas and Electric Company (Docket No. ER15-2294-001). On July 29, 2015, Pacific Gas and Electric Company (PG&E) submitted a proposed rate increase under its Transmission Owner Tariff. PG&E stated that the proposed rate increase will allow it to recover the costs associated with significant electric transmission infrastructure expansion and replacement that have occurred in 2015 to date and the costs expected to occur during the balance of 2015 and 2016. On September 30, 2015, the Commission accepted the proposal for filing, suspended it for five months to become effective on March 1, 2016, subject to refund, and established hearing and settlement judge procedures. The California Public Utilities Commission and,

separately, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California, sought rehearing of the September 30, 2015 order. Agenda item E-9 may be an order on rehearing of the September 30, 2015 order.

E-10 – Pacific Gas and Electric Company (Docket No. ER14-2529-001). On July 30, 2014, PG&E submitted a proposed rate increase under its Transmission Owner Tariff. PG&E stated that the proposed rate increase will allow it to recover the costs associated with significant electric transmission infrastructure expansion and replacement that have occurred in 2014 to date and the costs expected to occur during the balance of 2014 and in 2015. On September 30, 2014, the Commission accepted the proposal for filing, suspended it for five months to become effective on March 1, 2015, subject to refund, and established hearing and settlement judge procedures. On October 30, 2014, the California Public Utilities Commission requested rehearing of the September 30, 2014 order. Agenda item E-10 may be an order on rehearing of the September 30, 2014 order.

E-11 – Midcontinent Independent System Operator, Inc. (Docket Nos. ER13-2157-004 & ER13-2157-005). On August 13, 2013, Midcontinent Independent System Operator, Inc. (MISO) submitted for filing an unexecuted amended and restated Generator Interconnect Agreement (GIA) between Hoopeston Wind, LLC (Hoopeston) and Ameren Illinois Company (Ameren). MISO filed the GIA because Hoopeston disputed Ameren's proposed cost recovery, in which Ameren elected to retain Option 1 self-funding for the cost of network upgrades. On November 8, 2013, the Commission found that Option 1 should remain in effect for the network upgrade charges, as it was included in the Hoopeston GIA executed on January 4, 2011, which was before March 22, 2011, the effective date of the Commission's decision in *E. ON* that required removal of Option 1 from the MISO GIA. However, the Commission found it unduly discriminatory for a transmission customer to recover more than the return of and on the capital costs and directed MISO to revise the agreement to preclude any over recovery. On October 31, 2014, the Commission issued an order on rehearing and clarification, denying Hoopeston's request for rehearing and granting in part its request for clarification. The Commission also accepted MISO's compliance filing, subject to a further compliance filing to ensure that the self-fund option does not include the recovery of costs other than the return of and on the capital costs of the network upgrades. On December 1, 2014, Ameren filed a request for clarification or, in the alternative, rehearing of the Commission's October 31 order. Also on December 1, 2014, MISO submitted the required compliance filing. Agenda item E-11 may be an order on Ameren's request for rehearing or clarification and/or the MISO compliance filing.

E-12 – Public Service Company of Colorado and Black Hills/Colorado Electric Utility Company, LP (Docket Nos. ER15-237-004, ER15-326-001, ER15-295-003 & ER15-348-003). On October 30, 2014 and November 1, 2014, Public Service Company of Colorado (PSCo) filed tariff revisions to implement Joint Dispatch Transmission Service and a Joint Dispatch Agreement. On October 31, 2014, and November 5, 2014, Black Hills/Colorado Electric Utility Company, LP (Black Hills) submitted tariff revisions to implement Joint Dispatch Transmission Service and a Joint Dispatch Concurrence Filing. Together, the filings seek authority to implement centralized energy dispatch to use pool generation to service the combined participating native load requirements. The Commission issued a deficiency letter and request for further information on December 16, 2014, and a second deficiency letter on March 16, 2015. On June 23, 2015, the Commission issued an order rejecting the proposal, finding that the Joint Dispatch Agreement's payment structure would result in unjust and unreasonable rates because the payment structure under the agreement may create conditions for PSCo to exercise market power. On June 23, 2015, PSCo filed a request for rehearing of the Commission's June 23 order. Agenda item E-12 may be an order on PSCo's rehearing request.

E-13 – GenOn Energy Management, LLC (Docket Nos. ER15-2571-001, ER15-2572-001 & ER15-2573-001). On August 31, 2015, GenOn Energy Management, LLC (GenOn) submitted proposed Reactive Power Tariffs setting forth its revenue requirements for Reactive Supply and Voltage Control from Generation or Other Sources by the Chalk Point, Dickerson, and Morgantown facilities. On October 30, 2015, the Commission issued an order accepting GenOn's proposed Reactive Power Tariffs for filing, establishing hearing and settlement judge procedures, and suspending the Reactive Power Tariffs for a five-month period, subject to refund, and subject to the outcome of to the proceedings in Docket No. EL13-48-000 in which the

Commission set for hearing a complaint regarding the return on equity of Baltimore Power & Gas and Pepco Holdings Inc. In addition, the October 30 order found that GenOn may have continued to receive payments for Reactive Service for units no longer capable of providing that service and referred this concern to the Commission's Office of Enforcement for further examination and inquiry. On November 30, 2015, GenOn submitted a request for rehearing or, in the alternative, clarification of the Commission's October 30 order. Agenda item E-13 may be an order on GenOn's request for rehearing or clarification of the Commission's October 30 order.

Gas

G-1 – Gulf South Pipeline Company, LP (Docket No. RP16-131-000). On October 30, 2015, Gulf South Pipeline Company, LP (Gulf South) submitted, pursuant to Section 4 of the Natural Gas Act (NGA), revisions to its FERC NGA Gas Tariff, including proposed revisions to Section 6.9.4 of its General Terms and Conditions to establish a fuel tracker to establish fuel rates on an annual basis. Gulf South's applications state that under the proposed fuel tracker structure, the fuel rates will be based upon projected fuel consumption as adjusted by a true-up mechanism to account for any over- or under-collections incurred during the prior period. Several parties filed comments and/or protests to Gulf South's proposed revisions. Agenda item G-1 may be an order on Gulf South's proposed revisions to its FERC NGA Gas Tariff.

G-2 – El Paso Natural Gas Company (Docket Nos. RP10-1398-003, RP10-1398-000 & RP10-1398-004). On September 30, 2010, El Paso Natural Gas Company (El Paso) filed a general NGA Section 4 rate case in which it proposed a rate increase for existing services and changes to certain terms and conditions of service. The Commission accepted the proposed primary tariff records subject to refund and hearing, and rejected the alternate tariff records, and suspended the effectiveness of the proposed rate increase and other tariff records until April 1, 2011. A hearing was conducted from October 25, 2011, through December 14, 2011, and the Presiding Judge issued an Initial Decision on June 18, 2012. On October 17, 2013, the Commission issued Opinion No. 528, affirming in part and modifying in part the Initial Decision. The Commission found, among other things, that El Paso's return on equity (ROE) should be 10.55% because its risk does not reflect highly unusual circumstances, but determined certain other issues required a supplemental hearing. On November 13, 2013, El Paso submitted a request for rehearing of Opinion No. 528. On September 17, 2014, the Presiding Judge issued the Initial Decision in the supplemental hearing proceedings. Agenda item G-2 may be an order on the Presiding Judge's September 17, 2014 Initial Decision and/or El Paso's request for rehearing of Opinion No. 528.

G-3 – Alliance Pipeline L.P. (Docket No. RP15-1022-003). On May 29, 2015, Alliance Pipeline L.P. (Alliance) filed revised tariff records to modify its service offerings amongst other changes. On June 30, 2015, the Commission issued an order accepting and suspending the tariff records, and set all issues related to the proposed tariff records for hearing and directed Alliance to submit cost and revenue information for the most recent 12-month period available. The order also denied Alliance's request for waiver of the Commission's policy requiring it to either credit revenues or allocate costs to Interruptible Transportation service. On November 11, 2015, the Commission issued an order on rehearing, granting rehearing with respect to its decision to set for hearing revisions to Alliance's proposals to remove Authorized Overrun Service (AOS) from its rate schedule, but found the proposed removal of AOS from the tariff was unjust and unreasonable on the basis that Alliance had negotiated rate agreements to provide AOS to certain shippers. On December 21, 2015, Alliance filed a request for rehearing of the Commission's November 11 order. Agenda item G-3 may be an order on Alliance's request for rehearing.

Hydro

H-1 – Western Minnesota Municipal Power Agency (Docket No. P-14491-002); FFP Qualified Hydro 14, LLC (Docket No. P-13579-004). On February 1, 2013, at 8:30 a.m., FFP Qualified Hydro 14, LLC (FFP) filed a preliminary permit application, pursuant to section 4(f) of the FPA, to study the feasibility of the Saylorville Dam Water Power Project No. 13579 to be located at the existing Saylorville Dam and Lake on the Des Moines River, in the City of Johnston in Polk County, Iowa. At the same time, Western Minnesota Municipal

Power Agency (Western Minnesota) filed, and revised on March 11, 2013, a competing preliminary permit application for the proposed Saylorville Hydroelectric Project No. 14491, to be located at the same site. Western Minnesota has claimed entitlement to municipal preference pursuant to section 7(a) of the FPA. On December 19, 2013, the Commission issued an order issuing a preliminary permit to FFP and denying Western Minnesota's application. On January 21, 2014, Western Minnesota filed a request for rehearing of the December 19, 2013 order. Agenda item H-1 may be an order on rehearing of the December 19, 2013 order.

Certificates

C-1 – Columbia Gas Transmission, LLC (Docket No. CP15-495-000). On May 20, 2015, Columbia Gas Transmission, LLC (Columbia Gas) submitted an application for a Certificate of Public Convenience and Necessity (CPCN) pursuant to Sections 7(b) and 7(c) of the Natural Gas Act (NGA) requesting Commission authorization for construction and abandonment of certain sections of its pipelines. Due to age and condition, Columbia Gas proposes to abandon 33 miles of pipeline and above-ground appurtenances located in Pennsylvania, West Virginia, and Maryland. As a result of the proposed abandonment, a pipeline must be constructed to maintain firm transportation service to an existing customer. On September 9, 2015, the Commission's Office of Energy Projects issued the Environmental Assessment for the proposed pipeline projects. Agenda item C-1 may be an order regarding Columbia Gas's application for a CPCN.

C-2 – Regency Field Services LLC (Docket Nos. CP15-272-000 & CP15-272-001). On April 27, 2015, Regency Field Services LLC (RFS) submitted an application for a CPCN pursuant to Sections 1(b) and 7(c) of the NGA requesting Commission authorization to continue to own, operate, and maintain the Coyanosa Residue Line, located in west Texas, to transport lean residue gas. In light of the Commission's current policy under NGA Section 1(b) deeming processing plant residue lines exceeding five miles in length to be performing jurisdictional transportation, RFS requests the Commission to dismiss this application and continue to recognize the Coyanosa line as a non-jurisdictional gathering and processing facility, as has been in effect for the 45 years of its operation. On October 15, 2015, the Commission issued an order authorizing a CPCN and requiring RFS to file all certificated transportation contracts within 30 days. On November 16, 2015, RFS filed a request for rehearing and clarification of the October 15 order. RFS filed for an extension of time to comply with the October 15 order on November 6, 2015, and again on January 13, 2016, in order to transfer ownership of the line and to vacate the certificates issued in the October 15 order, thereby eliminating the jurisdictional basis on which the certificates were issued. The Commission granted the request for an extension of time until and including April 1, 2016. Agenda item C-2 may be an order regarding the request for rehearing and/or motion to vacate the CPCNs issued by the Commission.

C-3 – DBM Pipeline, LLC (Docket No. CP15-104-001). On March 3, 2015, DBM Pipeline LLC (DBM Pipeline) submitted an application for a CPCN pursuant to Part 284, Subpart G of the Commission's regulations to provide open access transportation service by holding an open season any time a request for firm capacity is received. On July 24, 2015, the Commission issued an order precluding this provision from being effectuated in the *pro forma* tariff of DBM Pipeline. On August 24, 2015, DBM Pipeline submitted a request for rehearing or clarification, stating that the Commission erred in the July 24 order denying the proposal due to previous Commission rulings. Agenda item C-3 may be an order regarding the request for rehearing or clarification in this docket.

C-4 – Tres Palacios Gas Storage LLC (Docket No. CP14-27-001). On December 6, 2013, Tres Palacios Gas Storage LLC (Tres Palacios) requested the Commission authorize an abandonment of up to 22.9 Bcf of working gas storage capacity in the Tres Palacios Gas Storage Project pursuant to Section 7(b) of the NGA. Tres Palacios proposed the abandonment due to diminished economic viability of the cavern capacity required for storage and stated there would be no adverse impact on firm customers or existing contractual commitments. On March 19, 2015, the Commission denied the request for abandonment, citing insufficient information regarding facility-specific and technical parameters of the affected caverns. On April 20, 2015, Tres Palacios submitted a request for rehearing or clarification, stating that the Commission should clarify that the March 19 order does not require that the physical facilities providing storage services must change prior to altering the certificated capacity. Agenda item C-4 may be an order regarding the request for rehearing or clarification in this docket.

C-5 – Iroquois Gas Transmission System, L.P. (Docket No. CP16-58-000). On January 15, 2016, Iroquois Gas Transmission System, L.P. submitted an abbreviated application for authorization to abandon and transfer for a limited period to a state industrial development authority a passive leasehold interest in certain of its jurisdictional facilities, for a CPCN for authorization to lease back these facilities during the limited transfer period as part of a payment-in-lieu-of-taxes transaction, and to pre-grant authorization for Iroquois to reacquire the passive leasehold interests when the agreements expire by their own terms or are terminated. Agenda item C-5 may be an order regarding the application in the docket.

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