

FERC

Meeting Agenda Summary

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's January 17, 2019 meeting, pursuant to the agenda as issued on January 10, 2019. Items G-1, G-2, G-3, G-4, H-4, and C-1 have not been summarized due to omission from the agenda.

Electric

E-1 – Southwest Power Pool, Inc. (Docket No. ER16-204-004). On October 30, 2015, Southwest Power Pool, Inc. (SPP) submitted, pursuant to section 205 of the Federal Power Act (FPA), proposed revisions to its Tariff to implement a formula rate template and implementation protocols, and adding Tri-State Generation and Transmission Association, Inc.'s (Tri-State) transmission facilities to SPP Pricing Zone 17. On November 20, 2015, the Nebraska Public Power District (NPPD) submitted a protest objecting to the inclusion of Tri-State's facilities in SPP Zone 17, arguing that acceptance of the proposed revisions would shift more than 60 percent of the costs of Tri-State's facilities to NPPD and other Zone 17 customers. On December 30, 2015, the Commission issued an order finding that the proposed revisions had not been shown to be just and reasonable, accepting SPP's proposed revisions subject to refund, and setting the matter for Hearing and Settlement Judge Procedures. On November 7-9, 2016, an evidentiary hearing was held. The Presiding Judge issued the Initial Decision on February 23, 2017, finding the proposed revisions to be just and reasonable. On May 17, 2018, the Commission issued Opinion No. 562 affirming the Presiding Judge's Initial Decisions. On June 15, 2018, the NPPD filed a request for rehearing arguing, inter alia, that the inclusion of Tri-State's facilities in Zone 17 results in a cost shift that is unaccompanied by roughly commensurate benefits. Agenda item E-1 may be an order addressing the request for rehearing submitted by the NPPD.

E-2 – East Texas Electric Cooperative, Inc. v. Public Service Company of Oklahoma, et. al (Docket No. EL18-199-000). On September 6, 2018, East Texas Electric Cooperative, Inc. (ETEC) filed, pursuant to section

206 of the FPA, its second successive complaint against the Public Service Company of Oklahoma, Southwestern Electric Power Company, AEP Oklahoma Transmission Company, and AEP Southwestern Transmission Company seeking to reduce the 10.7 percent base return on equity (ROE) used in the companies' formula rates to 8.71 percent. This second complaint submitted by ETEC recommends a different ROE for a different time period, based on a different study period, a different proxy group, and a different zone of reasonableness than the first complaint submitted June 5, 2017. Agenda item E-2 may be an order addressing the complaint submitted by ETEC.

E-3 – Louisiana Public Service Commission v. Energy Services, Inc. (Docket No. EL01-88-020). On May 17, 2018, the Commission issued an Order on Initial Decision, Opinion No. 561, detailing the appropriate methodology for calculating the bandwidth formula, used to normalize costs between the Entergy Operating Companies, for a seven month period in 2005. On June 18, 2018, the Louisiana Public Service Commission (LPSC) submitted a request for rehearing of two of the findings in Opinion No. 561: 1) the Commission's decision to deny interest for the period from June 1, 2005 to June 1, 2006, and 2) the Commission's decision to exclude a portion of the Net Operating Loss Accumulated Deferred Income Taxes of Entergy Louisiana LLC. Agenda item E-3 may be an order addressing the request for rehearing submitted by the LPSC.

E-4 – Louisiana Public Service Commission v. System Energy Resources, Inc. and Entergy Services, Inc. (Docket No. EL18-204-000). On April 27, 2018, in Docket No. EL18-142-000, the Louisiana Public Service Commission (LPSC) submitted a complaint against System Energy Resources, Inc. (SERI) and Entergy Services, Inc. alleging that SERI's return on equity is excessive and that SERI's Unit Power Sales Agreement with certain Energy operating companies is unjust and unreasonable because it provides for billings using an actual capital structure that is unduly rich in equity. The Commission set the return on equity issue for hearing and dismissed the complaint regarding SERI's capital structure, finding that the LPSC had not presented evidence that SERI fails the Commission's three-part test to use an operating company's actual capital structure for ratemaking purposes. On September 24, 2018, in Docket No. EL18-204-000, the LPSC submitted an amended complaint, arguing that evidence contained in the amended complaint shows that SERI fails the three-part test and that the Commission should adopt the capital structure of SERI's parent or reset the equity ratio. On October 15, 2018, SERI submitted a motion to dismiss, arguing that the doctrines of res judicata and collateral estoppel bar the LPSC's amended complaint, and that the LPSC has not presented evidence showing failure of the three-part test. Agenda item E-4 may be an order in the proceeding.

E-5 – Potomac-Appalachian Transmission Highline, LLC and PJM Interconnection, L.L.C. (Docket Nos. ER09-1256-004, ER12-2708-006). On March 20, 2017, the Potomac-Appalachian Transmission Highline, LLC (PATH) and its operating companies, PATH West Virginia Transmission Company, LLC and PATH Allegheny Transmission Company, LLC submitted a filing in compliance with an order issued by the Commission on January 19, 2017 in the dockets (Opinion No. 554). PATH's compliance filing states that it recalculates the recoverable cost of services for each rate year from 2008 to present under its approved formula rate and provides draft revised FERC Form 1s to reflect corrected accounting issues. On July 27, 2017, Commission staff requested additional information from PATH and its operating companies to complete the compliance filing, and PATH and its operating companies provided additional information on September 27, 2017. Agenda item E-5 may be an order accepting the compliance filing of PATH and its operating companies.

E-6 – York Haven Power Company, LLC (Docket No. ER17-2577-001). On September 29, 2017, York Haven Power Company, LLC (York Haven) requested acceptance of its market-based rate tariff (MBR Tariff). York Haven's hydroelectric generation facility was historically operated as a QF with capacity of 20 MW or less, but from November 19, 2015 to September 13, 2017, the facility operated under a filed Form 556 Certification of QF Status indicating a capacity greater than 20 MW. On February 26, 2018, the Commission accepted the MBR Tariff but found that York Haven's sales from November 19, 2015 to September 13, 2017 were unauthorized and are subject to refund. York Haven filed a refund report on April 12, 2018. Agenda item E-6 may be an order concerning York Haven's refund report.

E-7 – NorthWestern Corporation (Docket No. ER18-2324-000). On August 27, 2018, NorthWestern Corporation d/b/a NorthWestern Energy (Northwestern) filed a request for limited waivers of certain provisions of the Southwest Power Pool, Inc. (SPP) Open Access Transmission Tariff (OATT). Namely, the waiver requests pertain to a Large Generator Interconnection Agreement (LGIA) between NorthWestern and Rolling Thunder I

Power Partners, LLC (Titan Wind) and was made necessary following NorthWestern's move to SPP in 2015. Therefore, NorthWestern requests the Commission issue three limited waivers under the SPP OATT: Point of Interconnection, DVER Registration, and SPP Generator Interconnection Agreement. Titan Wind authorized NorthWestern to proceed with the request. Agenda item E-7 may be an order on the request for limited waivers under the SPP OATT by NorthWestern.

E-8 – ITC Midwest LLC (Docket No. ER19-355-000). On November 16, 2018, ITC Midwest LLC (ITC Midwest) filed an application for authorization of an abandoned plant incentive for its investment in the Cardinal-Hickory Creek Transmission Line Project (the Project). ITC Midwest pre-emptively seeks authorization to recover all prudently-incurred costs of the Project in the scenario of abandonment beyond its direct control, pursuant to Section 219 of the Federal Power Act (FPA). The recovery of costs of transmission facilities that are cancelled beyond the control of the public utility was also contemplated and affirmed in Order No. 679 issued by the Commission in 2006. ITC Midwest owns 45.5 percent of the Project, representing approximately \$224 to \$247 million in costs prior to construction commencing in October 2020. American Transmission Company LLC (45 percent) and Dairyland Power Cooperative (9 percent) own the Project as well. Agenda item E-8 may be an order on ITC Midwest's request for authorization of an abandoned plant incentive.

E-9 – American Transmission Company LLC (Docket No. ER19-360-000). On November 16, 2018, American Transmission Company LLC (ATC) filed an application for authorization of an abandoned plant incentive for its investment in the Cardinal-Hickory Creek Transmission Line Project (the Project). The request parallels the filing made by ITC in Docket No. ER19-355-000 (please refer to agenda item E-8). ATC alludes to the Commission granting this authorization for Dairyland Power Cooperative for the Project on December 28, 2017 in Docket No. ER18-193-000. Agenda item E-9 may be an order on ATC's request for authorization of an abandoned plant incentive.

E-10 – North Carolina Electric Membership Corporation v. Duke Energy Progress, LLC (Docket No. EL18-168-000). On May 31, 2018, North Carolina Electric Membership Corporation (NCEMC) filed a formal challenge and complaint against Duke Energy Progress, LLC (Duke). NCEMC alleges that, pursuant to sections 206, 306, and 309 of the FPA, Duke has violated its formula rate, Joint OATT, and Commission orders by failing to reflect the reduction in the federal corporate income tax rate beginning in 2018 in its Annual Updates of wholesale transmission charges and adjustments to Accumulated Deferred Income Tax (ADIT) balances. Additionally, NCEMC states that Duke has not adhered to necessary changes to its state corporate income tax rates following the state of North Carolina revising those rates beginning in 2014. In the formal challenge and complaint, NCEMC seeks Commission relief by directing Duke to revise the tax rates used in its Annual Updates from 2013 to 2018, thereby adjusting the alleged excessive transmission charges. NCEMC states that it would be owed approximately \$4.79 million upon adjustment. On June 7, 2018, Duke filed a motion for extension of time of period to answer; the Commission granted the request on June 14, 2018. Duke submitted its answer to the complaint on June 28, 2018, asserting that the claims brought forward by NCEMC are substantively without merit and should be dismissed without relief. Duke refers to its practice of utilizing a backward-looking, Historical Test Year formula rate in its Tariff, which had been consistent with FERC practice and formalized in various filed rate and settlement agreements. Further, Duke states that NCEMC has not demonstrated the existing rate at issue in the complaint contravenes the public interest. NCEMC and Duke have since filed respective motions for leave to answer and answer. Agenda item E-10 may be an order on the formal challenge and complaint made by NCEMC against Duke or an order establishing hearing proceedings.

E-11 – Public Citizen, Inc. v. PJM Interconnection, L.L.C. (Docket No. EL18-61-000). On February 20, 2018, pursuant to section 206 of the FPA, Public Citizen, Inc. (Public Citizen) filed a complaint against PJM alleging, inter alia, that PJM has not disclosed to its stakeholders or the Commission, millions of dollars in lobbying expenditures and campaign contributions, in violation of Commission precedent. Public Citizen argues in its complaint that if PJM is financing partisan political activities through its filed rate, then such funding is unjust and unreasonable. Agenda item E-11 may be an order on Public's Citizen's complaint.

Miscellaneous

M-1 – Revisions to the Filing Process for Commission Forms (Docket No. RM19-12-000). Agenda item M-1 may be an order establishing a new docket for a notice of proposed rulemaking regarding revisions to the filing process for Commission forms.

Gas

G-1 – Omitted

G-2 – Omitted

G-3 – Omitted

G-4 – Omitted

Hydro

H-1 – Sixth Report to Congress on Appropriateness of Statutory Limit on Government Dam Annual Charges under Section 10(e) of the Federal Power Act (Docket No. AD19-10-000). Agenda item H-1 may be an order relating to the Sixth Report to Congress on the appropriateness of the statutory limit on government dam annual charges under Section 10(e) of the Federal Power Act.

H-2 – Boyce Hydro Power, LLC (Docket No. P-10808-064). On September 10, 2018, the Commission issued an order revoking Boyce Hydro Power, LLC (BHPLLC) license for the Edenville Project No. 10808, effective September 25, 2018. On October 5, 2018, BHPLLC submitted pursuant to section 313(e) of the FPA a request for rehearing and renewed emergency motion for stay of the Commission's September 10 order revoking BHPLLC's license. On October 10, 2018, the Stafford Lake Preservation Association filed a request for rehearing of the Commission's September 10 order. Agenda item H-2 may be an order regarding the requests for rehearing of the Commission's September 25 order.

H-3 – Northern Indiana Public Service Company LLC (Docket No. P-12514-085). On June 21, 2018, the Commission issued an order amending the license, approving the revised operation and compliance plan, and terminating the temporary variance for Project No. 12514-074, the Norway-Oakdale Hydroelectric Project operated by Northern Indiana Public Service Commission (NIPSCO). On July 19, 2018, the Shafer & Freeman Lakes Environmental Conservative Corporation (SFLECC), Carrol County, Indiana, White County, Indiana, and the City of Monticello, Indiana filed a request for rehearing of the Commission's June 21 order. Agenda item H-3 may be an order regarding the request for rehearing of the Commission's June 21 order.

H-4 – Omitted

Certificates

C-1 – Omitted

C-2 – Columbia Gas Transmission, LLC (Docket No. CP18-13-000). On November 3, 2017, Columbia Gas Transmission, LLC (Columbia Gas) submitted an abbreviated application pursuant to sections 7(b) and 7(c) of the Natural Gas Act requesting authority to implement its proposed Line 8000 Replacement Project (Project). As proposed, Columbia Gas requests authorization to replace approximately 14 miles of steel pipeline and to abandon multiple taps, all located in Mineral County, West Virginia and Allegany County, Maryland. On August, 29, 2018, Commission staff issued an Environmental Assessment for the Project. Agenda item C-2 may be an order granting a certificate for the Project.

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