

FERC

Meeting Agenda Summary

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's September 20, 2018 meeting, pursuant to the agenda as issued on September 13, 2018. Items G-1 and G-2 have not been summarized due to omission from the agenda.

Electric

E-1 – Louisiana Public Service Commission v. System Energy Resources, Inc. and Entergy Services, Inc. (Docket No. EL18-152-000). On May 18, 2018, pursuant to sections 206, 306, and 309 of the Federal Power Act (FPA), the Louisiana Public Service Commission (LPSC) filed a complaint against System Energy Resources, Inc. (SERI) and Entergy Services, Inc. (Entergy) seeking a finding, *inter alia*, that SERI violated the filed rate and the Commission's ratemaking and accounting requirements by billing costs associated with Grand Gulf Sale-Leaseback renewals through the formula rate that is part of a Unit Power Sales Agreement between SERI and four affiliated companies of Entergy. Agenda item E-1 may be an order on the LPSC's complaint.

E-2 – New England Power Generators Association, Inc. v. ISO New England Inc., ISO New England, Inc. (Docket Nos. EL16-120-002, ER17-2153-002, ER18-1153-000). On February 20, 2018, the Commission issued an order approving an offer of settlement regarding ISO New England Inc.'s (ISO-NE) Peak Energy Rent (PER) mechanism (February Order). On March 1, 2018, the New England States Committee on Electricity (NESCOE) requested clarification of the February Order. Specifically, NESCOE requested clarification, *inter alia*, that the February 2018 Order requires ISO-NE to submit tariff language that limits the Adjusted PER Strike Price to capacity payments through May 31, 2018, and that will have no effect on such payments thereafter. Agenda item E-2 may be an order on NESCOE's request for clarification.

E-3 – Midwest Independent Transmission System Operator, Inc. (Docket No. ER10-1791-004). On July 13, 2016, the Commission issued an order on remand (Remand Order) in response to a remand by the United States Court of Appeals for the Seventh Circuit to determine whether limitations on export pricing to PJM Interconnection, L.L.C. (PJM) for Multi-Value Projects (MVPs) by Midcontinent Independent Transmission

System Operator, Inc. (MISO) are justified. The Remand Order determined that in light of current conditions, the limitation on export pricing to PJM for MVPs by MISO is no longer justified and directed MISO to submit a compliance filing consistent with the Commission's determination. On August 12, 2016, Indicated PJM Transmission Owners requested rehearing and clarification of the Remand Order, American Municipal Power, Inc. requested rehearing of the Remand Order, and PJM requested clarification or, in the alternative, rehearing of the Remand Order. Agenda item E-3 may be an order on the requests for rehearing and/or clarification.

E-4 – PJM Interconnection, L.L.C. (Docket No. ER17-2073-001). On July 10, 2017, at the request of Hudson Transmission Partners, L.L.C. (HTP), and pursuant to section 205 of the FPA, PJM filed an unexecuted, amended interconnection service agreement among PJM, HTP, and Public Service Electric and Gas Company (PSEG), to modify an existing service agreement by converting HTP's existing 320 MW of Firm Transmission Withdrawal Rights to Non-Firm Transmission Withdrawal Rights. On September 8, 2017, the Commission issued an order rejecting PJM's section 205 filing and instituting a proceeding under section 206 of the FPA to examine the justness and reasonableness of HTP being unable to convert its Firm Transmission Withdrawal Rights to Non-Firm Transmission Withdrawal Rights. On October 10, 2017, Linden VFT, LLC filed a request for rehearing of the Commission's September 8 order. Agenda item E-4 may be an order regarding the request for rehearing of the Commission's September 8 order.

E-5 – PJM Interconnection, L.L.C. (Docket No. ER17-2267-001). On August 9, 2017, at the request of Linden VFT, LLC (Linden), and pursuant to section 205 of the FPA, PJM filed an unexecuted, amended interconnection service agreement among PJM, Linden, and PSEG, to modify an existing service agreement by converting HTP's existing 330 MW of Firm Transmission Withdrawal Rights to Non-Firm Transmission Withdrawal Rights. On October 5, 2017, the Commission issued an order rejecting PJM's section 205 filing. On November 6, 2017, Linden filed a request for rehearing of the Commission's October 5 order. Agenda item E-5 may be an order regarding the request for rehearing of the Commission's October 5 order.

E-6 – Midcontinent Independent System Operator, Inc. (Docket Nos. ER14-2154-006 and ER15-277-005). On June 9, 2014, MISO submitted in Docket No. ER14-2154-000 pursuant to section 205 of the FPA proposed revisions to the MISO Open Access Transmission Tariff (Tariff) to incorporate Rochester Public Utilities as a transmission owner in MISO pricing zone 16. By order dated November 28, 2014, the Commission conditionally accepted the proposed revisions and set the justness and reasonableness of the proposed revisions for hearing and settlement judge procedures. On October 31, 2014, MISO and RPU submitted a filing in Docket No. ER15-277-000 proposing modifications to the MISO Tariff to add RPU as a transmission owner and thereby allocating for RPU's annual transmission revenue requirement for the H-NR Line Segment located in Minnesota. On May 22, 2017, after a hearing on the merits, the presiding administrative law judge (ALJ) issued an initial decision. Agenda item E-6 may be an Opinion or order on the initial decision issued by the presiding ALJ in this matter.

E-7 – Northern States Power Company, Minnesota (Docket No. EL17-44-000). On November 28, 2014, in Docket No. ER14-2154, the Commission issued an Order Conditionally Accepting Tariff Revisions and Establishing Hearing and Settlement Judge Procedures (November Order) that: 1) allowed for regional cost sharing of the Rochester Public Utility Board's (RPU) ownership stake in the Hampton-Rochester-La Crosse transmission project, 2) conditionally accepted tariff revisions that would incorporate RPU's existing facilities in Pricing Zone 20 (the Southern Minnesota Municipal Power Agency pricing zone), and 3) established hearing and settlement judge procedures to resolve issues of material fact related to the zone in which RPU's facilities are located (Pricing Zone 20 (345 kV facilities) v. Pricing Zone 16 (161 kV facilities)) and the proper method and timing for allocating costs. On December 30, 2014, in Docket No. ER15-277, the Commission issued an Order Conditionally Accepting Tariff Revisions, Establishing Hearing and Settlement Judge Procedures, and Consolidating Proceedings (December Order) that: 1) conditionally approved proposed revisions to the MISO OATT that converted RPU's formula rate to a forward-looking formula rate template and that added RPU to Pricing Zone 16, 2) conditionally accepted the formula rate protocols associated with the formula rate template, subject to the outcome of a separate proceeding, 3) established hearing and settlement judge procedures to resolve issues of material fact related to the zone in which RPU's facilities are located (Pricing Zone 20 v. Pricing Zone 16) and the proper method for allocating costs and sharing revenues, and 4)

consolidated the proceeding with ER14-2154 to facilitate the resolution of related issues of material fact. On January 29, 2015, Xcel filed a request for rehearing of the December Order challenging the rights under Section 205 of the FPA of MISO and/or RPU to submit the proposed revisions to the MISO OATT because of the MISO TOA. On January 6, 2016, Xcel filed a motion requesting a limited stay of the December Order, intended to limit its effects on transmission rates in Pricing Zone 16 through September 30, 2016, or in the alternative requesting the establishment of an escrow account for RPU's Pricing Zone 16 revenue requirement pending the resolution of the dispute over which facilities costs should be included in Pricing Zone 16. On February 3, 2017, the Commission issued an Order Denying Request for Rehearing, Granting Clarification, Denying Motion for Stay, Instituting Section 206 Proceeding, Commencing Paper Hearing Procedures, and Establishing Refund Effective Date that: 1) clarified that RPU's ROE is subject to the outcome of the complaint proceeding in EL14-12 and is subject to refund back to December 1, 2014, 2) denied Xcel's motion for stay and its alternative request for the establishment of an escrow account for RPU's share of Pricing Zone 16 transmission revenues, 3) instituted a proceeding, in Docket No. E117-44, to examine the Zone 16 Joint Pricing Zone Agreement (JPZ Agreement) to determine whether Zone 16 revenues are appropriately distributed to all transmission owners included in the zone, and 4) establish a paper hearing to determine whether revisions to the MISO OATT or TOA may be necessary to prevent denial, through exclusion from a JPZ Agreement, of recovery of Commission-approved transmission rates. The parties subsequently exchanged initial and reply briefs consistent with the Commission directive. Agenda item E-7 may be an order addressing the proposed tariff revisions in the consolidated dockets and the paper hearing.

E-8 – Tilton Energy LLC v. PJM Interconnection, L.L.C. (Docket No. EL18-145-000). On May 11, 2018, Tilton Energy, LLC (Tilton) filed, pursuant to Section 206 of the FPA, a complaint (May Complaint) alleging that PJM's determination that Tilton's 176 MW natural gas-fired generation facility, located in the MISO balancing authority, will no longer be permitted to pseudo-tie into the PJM balancing authority following the 2021/2022 Delivery Year violates the PJM tariff and is unduly discriminatory and unjust and unreasonable. Tilton's existing pseudo-tie arrangement has not required the establishment of coordinated flowgates with MISO. Tilton argued, *inter alia*, that PJM's determination that it failed to pass the market-to-market flowgate test (M2M Flowgate Test) violates the PJM tariff because the M2M Flowgate test is explicitly limited to coordinated flowgates by the PJM tariff. PJM argued that the Tilton facility was operating under previous RPM Auction rules and that the Tilton facility is not eligible to operate as an External Generation Capacity Resource under new rules designed to level the playing field between External and Internal Generation Capacity Resources. PJM, Tilton, and other interested parties subsequently exchanged Answers to the May Complaint. Agenda item E-8 may be an order addressing the May Complaint.

E-9 – ISO New England Inc. (Docket No. ER14-1409-000). On February 28, 2014, pursuant to Section 205 of the FPA, ISO New England, Inc. filed with the Commission the results of its eighth annual Forward Capacity Auction (FCA 8). The results of this particular auction were controversial because they appeared to be influenced by unmitigated market power. On June 27, 2014, Commission Staff issued a deficiency letter seeking additional information. On July 17, 2014, ISO-NE submitted a response to the deficiency letter. On September 16, 2014, the Secretary of the Commission, issued a letter providing notice that the results of FCA 8 went into effect by operation of law due to inaction on the part of the Commission. Although requests for rehearing were submitted, the Secretary of the Commission issued a notice dismissing the requests because they were not based on an order issued by the Commission. The Commission subsequently received and responded to numerous comments from members of the US House of Representatives in effected states. Agenda item E-9 may be an order addressing the results of FCA 8, the issues raised related to market power and mitigation because of the results of FCA 8, or the standard of review under which auction results are evaluated (currently just and reasonable pursuant to terms of settlement).

E-10 – Nevada Hydro Company, Inc. (Docket No. EL18-131-000). On March 9, 2018, Nevada Hydro Company, Inc. (Nevada Hydro) filed a Petition for Declaratory Order seeking a declaration that its proposed Lake Elsinore Advanced Pumped Storage project is a transmission facility and is entitled to cost recovery under CAISO's Transmission Control Agreement. Various parties have intervened and protested, including CAISO and the California Public Utilities Commission. These intervenors state that Nevada Hydro should be required to submit its proposal into CAISO's Transmission Planning Process and that a declaratory order is

unnecessary because storage projects can receive cost recovery as transmission projects when certain conditions are met. On April 24, 2018, Nevada Hydro filed an answer to the protests, stating that a declaratory order is necessary due to contradictory statements and treatment of storage projects by CAISO. Agenda item E-10 may be an order addressing Nevada Hydro's petition for a declaratory order.

E-11 – Pacific Gas and Electric Company (Docket No. ER17-1750-002). On June 1, 2017, Pacific Gas and Electric Company (PG&E) submitted an unexecuted Transmission Interconnection Agreement and two executed Transmission Facilities Agreements with the City of Santa Clara doing business as Silicon Valley Power (SVP) to replace a 2002 interconnection agreement. On June 22, 2017, SVP filed a protest and requested hearing and settlement procedures, raising issues with points of interconnection and certain other provisions of the proposed interconnection agreement. On July 28, 2017, FERC set the matter for hearing and settlement judge procedures, and on July 30, 2018, PG&E and SVP submitted a Joint Offer of Settlement. The settlement judge terminated settlement procedures on August 22, 2018. Agenda item E-11 may be an order accepting the July 30 Offer of Settlement.

Gas

G-1 – Omitted

G-2 – Omitted

G-3 – Epsilon Trading, LLC, Chevron Products Company, and Valero Marketing and Supply Company v. Colonial Pipeline Company (Docket No. OR18-7-000). On November 22, 2017, Epsilon Trading, LLC, Chevron Products Company, and Valero Marketing and Supply Company submitted a complaint against Colonial Pipeline Company (Colonial) challenging rates charged for transportation of petroleum products under Colonial's Tariff F.E.R.C. No. 99.30.0 and Tariff F.E.R.C. No. 98.34.0. The complainants argued that transportation rates are unjust and unreasonable due to the size of Colonial's returns on its regulated rate base. On December 22, 2017, Colonial filed an answer to the complaint, arguing that its over-recovery of 2.5% does not warrant investigation, and on September 7, 2018, the complainants requested expedited action on the matter. Agenda item G-3 may be an order addressing the complainants' request to set the matter for hearing and discovery.

Hydro

H-1 – Utah Board of Water Resources (Docket No. EL18-56-000, P-12966-005). On December 27, 2017, the Utah Board of Water Resources (UBWR, the applicant) and Washington County Water Conservancy District (WCWCD, the principal beneficiary) filed a Petition for Declaratory Order on Jurisdiction, Motion for Expedited Action, and Motion for Suspension of Procedural Schedule. The petition relates to the Lake Powell Pipeline Project, whereupon UBWR requests affirmation that the Commission holds jurisdiction over all project facilities identified in the license application, particularly the penstock alignments. UBWR states that, on December 11, 2017, the Commission issued a notice stating that it has not determined if the penstock alignments are jurisdictional, a potential departure from the duration of this proceeding since 2008. In the hydroelectric docket (the license application for the project), the Commission issued a notice suspending the procedural schedule on January 11, 2018, citing the petition filed by UBWR. Following several interventions and subsequent answers, on August 22, 2018, UBWR requested that the Commission reinstate the procedural schedule, citing that uncertainty is more adverse than the benefits of clarification. Agenda item H-1 may be an order on the initial petition regarding jurisdiction or on the request to reinstate the procedural schedule for the license application.

H-2 – Hydro-Kennebec LLC (Docket No. P-2611-087). On April 12, 2018, the Atlantic Salmon Federation, Maine Rivers, Natural Resources Council of Maine, and the Kennebec Valley Chapter of Trout Unlimited (collectively, the Intervenor) filed a Request for Rehearing of the order approving an extension of the interim species protection plan issued by the Commission on March 14, 2018. Intervenor state that the March 14 order fails to resolve a dispute regarding fish passage measures and relevant scientific information for the

Hydro-Kennebec Project (as operated by Hydro-Kennebec LLC). Agenda item H-2 may be an order on the rehearing request by the Intervenors.

Certificates

C-1 – Northern Natural Gas Company (Docket No. CP09-465-002). On September 28, 2017, the Kansas Corporation Commission (KCC) filed a Motion to Show Cause requesting the Commission to order Northern Natural Gas Company (Northern) to demonstrate why it does not need to perform further remedial action at the Cunningham Storage Field. KCC states that, consistent with the certificate amendment issued in this docket on June 2, 2010, and pursuant to ongoing compliance obligations in a letter order issued on February 15, 2017, additional storage gas migration may trigger additional remedial action. KCC asserts that recent events provide evidence of such further migration, and as a result, that Northern should be required to conduct further remedial actions. Agenda item C-1 may be an order on the motion to show cause as filed by KCC.

C-2 – Southern Star Central Gas Pipeline, Inc. (Docket No. CP17-219-000). On April 21, 2017, Southern Star Central Gas Pipeline, Inc. (Southern Star) submitted an Abbreviated Application for a Certificate of Public Convenience and Necessity (CPCN) pursuant to Section 7(c) of the Natural Gas Act. The application pertains to the Webb Gas Storage Field located in Oklahoma, where Southern Star seeks authorization to expand the certificated storage field boundary. A number of stakeholders and interested parties filed protests and substantive comments during the intervening period. On July 25, 2017, the Commission issued the Environmental Assessment, finding that no environmental impacts would result from the expansion of the storage field. Agenda item C-2 may be an order on the CPCN application as submitted by Southern Star.

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