

FERC

Meeting Agenda Summary

In this issue...

- Electric Items
 - Miscellaneous
 - Gas Items
 - Hydro Items
 - Certificates
-

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's September 17, 2015 meeting, pursuant to the agenda as issued on September 10, 2015. Agenda Item H-1 has not been summarized it was omitted from the agenda.

Electric

E-1 – Settlement Intervals and Shortage Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators (Docket No. RM15-24-000): This is a new rulemaking docket. Agenda item E-1 may be a FERC Notice of Inquiry or Notice of Proposed Rulemaking.

E-2 – Collection of Connected Entity Data from Regional Transmission Organizations and Independent System Operators (Docket No. RM15-23-000): This is a new rulemaking docket. Agenda item E-2 may be a FERC Notice of Inquiry or Notice of Proposed Rulemaking.

E-3 – Availability of Certain North American Electric Reliability Corporation Databases to the Commission (Docket No. RM15-25-000): This is a new rulemaking docket. Agenda item E-3 may be a FERC Notice of Inquiry or Notice of Proposed Rulemaking.

E-4 – Disturbance Monitoring and Reporting Requirements Reliability Standard (Docket No. RM15-4-000): On April 16, 2015, FERC issued a Notice of Proposed Rulemaking (NOPR) in which it proposed to approve Reliability Standard PRC-002-2 (Disturbance Monitoring and Reporting Requirements), as submitted by the North American Electric Reliability Corporation (NERC). The proposed Reliability Standard is intended to ensure that adequate data is available to facilitate analysis of bulk electric system disturbances. A number of parties filed comments in response to the proposed Reliability Standard. Agenda item E-4 may be an order on the NOPR.

E-5 – Protection System, Automatic Reclosing, and Sudden Pressure Relaying Maintenance Reliability Standard (Docket No. RM15-9-000): On April 16, 2015, FERC issued an NOPR in which it proposed to approve a revised Reliability Standard PRC-005-4 (Protection System, Automatic Reclosing and Sudden

Pressure Relaying Maintenance), as submitted by NERC. Under the proposed Reliability Standard, applicable entities would be required to test and maintain certain sudden pressure relays as a part of a protection system maintenance program. A number of parties filed comments in response to the proposed Reliability Standard. Agenda item E-5 may be an order on the NOPR.

E-6 – Relay Performance During Stable Power Swings Reliability Standard (Docket No. RM15-8-000):

On December 31, 2014, in response to FERC's directive to address undesirable relay operation due to stable power swings, NERC submitted a petition for approval of proposed Reliability Standard PRC-026-1 (Relay Performance During Stable Power Swings). According to NERC, the proposed Reliability Standard is designed to improve reliability by ensuring that relays are expected to not trip in response to a stable power swing during non-Fault conditions. Agenda item E-6 may be an NOPR on the proposed Reliability Standard.

E-7 – Midcontinent Independent System Operator, Inc. (Docket Nos. ER14-2952-003; ER14-2952-004; ER14-1243-004; ER14-1725-001; ER14-2180-001):

On February 19, 2015, the Commission issued an order on rehearing addressing several proceedings related to the allocation of costs associated with the operation of System Support Resource (SSR) Units under the Midcontinent Independent System Operator, Inc.'s (MISO) Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). The Commission's February order on rehearing, inter alia, held that it is unjust, unreasonable, unduly discriminatory, or preferential for MISO to allocate SSR costs on a pro rata basis to all load-serving entities (LSEs) in the footprint of the American Transmission Company LLC. The Commission also granted clarification and found MISO's current practice of allocating SSR costs (which relies upon Local Balancing Authority boundaries) can produce results that are not consistent with MISO's Tariff or cost causation principles by failing to allocate SSR costs to the LSEs that benefit from those SSR Units. The Commission also required further compliance filings and directed MISO to file a new method to allocate the costs associated with specific SSR Units directly to benefitting LSEs. Several entities requested rehearing of the Commission's February order, and in March and April 2015, numerous parties petitioned the US Court of Appeals for the District of Columbia Circuit (DC Circuit) for review of the Commission's February order. The consolidated DC Circuit cases are presently being held in abeyance pending resolution of the ongoing Commission proceedings on this matter. Agenda item E-7 may be an order on the ongoing Commission proceedings.

E-8 – Kanstar Transmission, LLC (Docket No. ER15-2237-000):

On July 22, 2015, Kanstar Transmission, LLC (Kanstar) filed a request for the following Commission approvals: (1) acceptance pursuant to Section 205 of the Federal Power Act (FPA) and Part 35 of the Commission's Regulations of a Kanstar formula rate and implementation protocols (together, Formula Rate) to recover Kanstar's costs associated with investment in transmission facilities located within Southwest Power Pool, Inc. (SPP); (2) authorization for other state-specific affiliates of Kanstar that develop transmission facilities within SPP to replicate the Formula Rate; and (3) authorization pursuant to Order No. 679 or FPA Section 205 for Kanstar and other affiliate SPP entities to utilize certain incentive rate treatments for transmission projects that have been designated by SPP for competitive bidding. In July and August 2015, numerous entities filed motions to intervene and comments. Agenda item E-8 may be an order on Kanstar's Formula Rate proposal.

E-9 – Midwest Power Transmission Arkansas, LLC (Docket No. ER15-2236-000):

On July 22, 2015, Midwest Power Transmission Arkansas, LLC (MPTA) filed a request for the following Commission approvals: (1) acceptance pursuant to Section 205 of the FPA and Part 35 of the Commission's Regulations of an MPTA formula rate and implementation protocols (together, Formula Rate) to determine and recover MPTA's costs associated with investment in transmission facilities located within MISO; (2) authorization for other state-specific affiliates of MPTA that develop transmission facilities within MISO to replicate the Formula Rate; and (3) authorization pursuant to Order No. 679 or FPA Section 205 for MPTA and other affiliate MISO entities to utilize certain incentive rate treatments for transmission projects that have been designated in the MISO Transmission Expansion Plan for competitive bidding. Agenda item E-9 may be an order on MPTA's Formula Rate proposal.

E-10 – Southline Transmission, L.L.C. SU FERC, L.L.C. (Docket No. EL15-65-000):

On May 11, 2015, Southline Transmission, L.L.C. (Southline) and SU FERC, L.L.C. (SU FERC), filed a petition for declaratory order requesting that the Commission: (1) find that Southline is a passive entity and therefore not a public utility within the meaning of the FPA or an electric utility company under the Public Utility Holding Company Act of 2005; (2) grant SU FERC negotiated rate authority; (3) approve SU FERC's capacity allocation methodology; and (4) grant certain waivers of FERC's regulations. Numerous entities moved to intervene in, comment on, and protest the proceeding. Agenda item E-10 may be an order on Southline and SU FERC's petition for declaratory order.

E-11 – Northern States Power Company, a Minnesota corporation (Docket No. QM15-2-001): On May 14, 2015, the Commission issued an order denying Northern States Power Company's (NSPM) request, pursuant to section 210(m) of the Public Utility Regulatory Policies Act of 1978 (PURPA) and section 292.309(a) of the Commission's regulations, to terminate its obligation to purchase electric energy and capacity from an interconnecting run-of-the-river hydroelectric qualifying facility (QF) with a net capacity of 17.92 MW owned by Twin Cities Hydro LLC (Twin Cities). On June 15, 2015, Xcel Energy Services Inc. (XES), on behalf NSPM, requested rehearing of the Commission's May Order, arguing NSPM should be relieved of its obligation to purchase capacity from the Twin Cities QF. Agenda item E-11 may be an order on XES' request for rehearing.

E-12 – Bonneville Power Administration (EF15-9-000): On July 29, 2015, BPA submitted its application for confirmation and approval of its Fiscal Year 2016-2017 wholesale power and transmission rates. Agenda item E-12 may be an order on BPA's application.

E-13 – Sunflower Electric Power Corporation v. Kansas Municipal Energy Agency and Southwest Power Pool, Inc. (EL14-38-001): On April 10, 2014, as amended April 11, 2014, Sunflower Electric Power Corporation (Sunflower) filed a complaint against Kansas Municipal Energy Agency and Southwest Power Pool, Inc. that alleged a power supply arrangement, between Kansas Municipal and Garden City, Kansas was unjust, unreasonable and unduly discriminatory and preferential, or otherwise in violation of Commission and SPP rules, and NERC reliability requirements. On July 17, 2014, the Commission denied the complaint and Sunflower sought rehearing of that decision. Agenda item E-13 may be an order on Sunflower's rehearing request of the July 17, 2014 order.

E-14 – Statement of Policy on Electric Transmission Rates of Return on Equity (RM13-18-000): On June 16, 2013, the Working group for Investment in Reliable and Economic Electric Systems (WIRES) filed a petition with the Commission to institute an expedited generic proceeding and to provide "policy and clarifications to provide transmission owners and operators, transmission customers, electricity consumers, and the investment community with greater stability and predictability regarding regulated rates of return on equity for existing and future investments in high voltage electric transmission infrastructure." Agenda item E-14 may address WIRES's petition.

E-15 – Midwest Independent Transmission System Operator, Inc. (ER05-6-118, ER10-2283-000, ER10-2283-001): Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, LLC (EL02-111-139, EL04-135-120); Ameren Services Company (EL03-212-134). On December 29, 2014, American Electric Power Service Corporation (AEP) moved to release an exhibit from the terms of the Protective Agreement in the above dockets to allow the exhibit to become part of the public record. The motion was unopposed by parties participating the pending appellate proceeding before the DC Circuit Court of Appeals where the exhibit is part of the Certified Record Index and the Joint Appendix, but has been submitted under seal due to its current status as Protected Material. Agenda item E-15 may be on order on AEP's motion.

E-16 – ATX Southwest, LLC (ER15-1809-000): On May 28, 2015, ATX Southwest submitted a request that the Commission approve its proposed formula transmission rate that consists of (1) a cost of service formula rate template; and (2) formula rate implementation protocols, which, according to ATX Southwest, have been modeled after proposed formula rates and protocols previously approved by the Commission. Agenda item E-16 may be an order on ATX Southwest's request.

Miscellaneous

M-1 – Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities (Docket No. RM14-2-001): On March 20, 2014, the Commission issued a Notice of Proposed Rulemaking (NOPR) proposing to revise Part 284 of its regulations to better coordinate the scheduling of natural gas and electricity markets in light of increased reliance on natural gas for electric generation and to provide additional flexibility to all shippers on interstate natural gas pipelines. On April 15, 2015, FERC issued its final rule, Order No. 809, changing the Timely Nomination Cycle nomination deadline and providing additional contracting flexibility to firm natural gas transportation customers through the use of multi-party transportation contracts. However, the Commission declined to adopt a proposed change to the start of the Gas Day, concluding that requiring the change would not provide sufficient benefits to outweigh the operational and safety impacts and costs of the change. On May 18, 2015, Desert Southwest Pipeline Stakeholders submitted a request for rehearing of Order No. 809. Agenda item M-1 may be an order on the request for rehearing.

Gas

G-1 – Enterprise Products Partners, L.P. and Enbridge Inc. (Docket No. OR12-4-001): On December 2, 2011, Enterprise Products Partners, L.P. and Enbridge Inc. filed an application for authority to charge market-based rates in connection with their joint ownership of the Seaway crude pipeline system. The Commission issued an order denying the request on May 7, 2012. On June 28, 2012, the Commission issued an order granting rehearing for the purpose of reconsideration, requesting comments from the parties on how to interpret the recent decision of the United States Court of Appeals for the DC Circuit in *Mobil Pipeline Co. v. FERC*, 676 F.3d 1098 (D.C. Cir. 2012). The Commission issued its order on rehearing (Rehearing Order) on February 20, 2014, again denying market-based rate authority. Suncor Energy Marketing Inc., Husky Marketing and Supply Co., and Airlines for America submitted requests for rehearing on March 24, 2014. In addition, the Liquids Shippers Group filed a motion for leave to file *amicus curiae* comments on April 23, 2014. Agenda item G-1 may be an order on the request for rehearing of the Rehearing Order.

G-2 – Seaway Crude Pipeline Company LLC (Docket No. OR15-6-000): On December 9, 2014, Seaway Crude Pipeline Company LLC (Seaway) filed an application for authority to charge market-based rates for the interstate transportation of crude oil on its pipeline at both its Cushing origin market and its Gulf Coast destination markets. The application stated Seaway should be permitted to charge market-based rates based on analyses showing it lacks significant market power at the origin and destination markets, substantial competition exists in these markets, it has modest market share, and there is excess capacity in these markets. Several parties intervened and filed protests, including Suncor Energy Marketing, Inc. and Phillips 66 Company (jointly), Airlines for American and Valero Marketing and Supply Company (jointly), Canadian Association of Petroleum Producers, and the Liquids Shippers Group. On February 24, 2015, Seaway submitted a response. Agenda item G-2 may be an order on the application for market-based rates and/or related protests.

Hydro

H-2 – Confederated Salish and Kootenai Tribes Energy Keepers, Incorporated (Docket No. P-5-100): On April 14, 2015, the Confederated Salish and Kootenai Tribes Energy and Energy Keepers (CSKT) filed an application for a partial transfer of license and co-license status of the Kerr Hydroelectric Project, FERC No. 5. On May 5, 2015, the Flathead, Mission and Jocko Valley Irrigation Districts and the Flathead Joint Board of Control of the Flathead, Mission and Jocko Irrigation Districts moved to intervene in the proceeding and comment on application for partial transfer of license and co-license status. The intervention also requested a formal hearing pursuant to Article 40(c) of the Kerr Hydroelectric Project License. On September 1, 2015, the Commission issued an order approving the application for partial transfer of license. Agenda item H-2 may be an order on the intervention and request for formal hearing.

Certificates

C-1 – Columbia Gas Transmission, LLC and Mountaineer Gas Company (Docket Nos. CP15-133-000, CP15-146-000): On March 27, 2015, Columbia Gas Transmission, LLC (Columbia) filed an application for abandonment authority pursuant to Section 7(b) of the Natural Gas Act (NGA) in relation to certain natural gas facilities located in Cabell and Putnam Counties, West Virginia, being acquired by Mountaineer Gas Company (Mountaineer). Contemporaneously, Mountaineer filed a petition for a declaratory order determining that the facilities it is acquiring are exempt from the Commission's jurisdiction, stating the facilities will be "local distribution" as defined in Section 1(b) of the NGA. Agenda item C-1 may be an order on the application for abandonment authority and related petition for declaratory order.

C-2 – Columbia Gulf Transmission, LLC (Docket No. CP15-109-000): On March 6, 2015, Columbia Gulf Transmission, LLC (Columbia Gulf) filed an application pursuant to Section 7(c) of the NGA for a certificate of public convenience and necessity (CPCN) authorizing Columbia Gulf to construct and operate pipeline compressor facilities to create additional capacity on its West Lateral interstate natural gas pipeline system. Specifically, Columbia Gulf proposed to construct approximately 34.1 miles of pipeline and a 12,260 horsepower compressor station, creating an additional 800,000 Dth/day of capacity. An environmental assessment was issued on July 21, 2015. Agenda item C-2 may be an order on the application for a CPCN.

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