

FERC

Meeting Agenda Summary

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Authors: Daniel A. Hagan, Earle H. O'Donnell

Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's July 16, 2015 meeting, pursuant to the agenda as issued on July 9, 2015. Agenda Items E-10 and E-11 have not been summarized as they were omitted from the agenda.

Electric

E-1 Revised Critical Infrastructure Protection Reliability Standards (Docket No. RM15-14-000):

On February 13, 2015, the North American Electric Reliability Corporation (NERC) submitted revised Critical Infrastructure Protection (CIP) Reliability Standards to FERC for approval. According to NERC, the proposed Reliability Standards are intended to improve cybersecurity protections and address FERC's directives from Order No. 791 (which approved the CIP Version 5 Standards) involving "identify, assess, and correct" language, security controls for assets containing low impact Bulk Electric System (BES) cyber systems, protection of transient devices and protection of communication networks. Agenda item E-1 may be an order on the proposed Reliability Standards.

E-2 Midcontinent Independent System Operator, Inc. (Docket No. ER15-1745-000): On May 19, 2015, the Midcontinent Independent System Operator, Inc. (MISO) and the MISO Transmission Owners submitted proposed revisions to the MISO Tariff to address circumstances in which a Network Customer serves Network Load that is not physically interconnected with a Transmission Owner or Independent Transmission Company in MISO. The proposed changes are intended to provide a non-discriminatory Tariff solution to an issue that has to-date been handled on case-by-case basis. Agenda item E-2 may be an order on the proposed MISO Tariff changes.

E-3 International Transmission Company (Docket No. ER12-2170-000): On August 28, 2012, FERC issued an order conditionally accepting the late-filed Belle River Transmission Ownership and Operating Agreement (the Belle River Agreement) between International Transmission Company (ITC) and Michigan Public Power Agency (MPPA) and ordering refunds from 2001 forward. ITC submitted a compliance filing with an updated refund report detailing its actual variable out-of-pocket costs incurred and payments made under

the Belle River Agreement. According to the refund report, since ITC had only billed MPPA its cost of service under the Belle River Agreement, ITC would have provided service at a loss if it is required to pay time-value refunds and therefore requested that FERC find that it does not owe any time-value refunds to MPPA under the Belle River Agreement. MPPA filed a protest to ITC's refund report. Agenda item E-3 may be an order on the compliance filing.

E-4 International Transmission Company (Docket No. ER12-2170-001): In response to the August 28, 2012 order conditionally accepting the Belle River Agreement, the Detroit Edison Company filed a request for rehearing, arguing that FERC erred in finding that ITC provides jurisdictional service under the Belle River Agreement. ITC also filed a request for clarification or, in the alternative, rehearing regarding the meaning of "variable out-of-pocket" costs and the date it should use for calculating time-value refunds. Agenda item E-4 may be an order on the requests for rehearing and/or clarification.

E-5 Revisions to Public Utility Filing Requirements (Docket No. RM15-3-000): On December 18, 2014, FERC issued a Notice of Proposed Rulemaking (NOPR) in which FERC proposed to eliminate the requirement to submit a FERC-566 (Annual Report of a Utility's 20 Largest Customers) for certain utilities. Under the proposal, regional transmission organizations (RTOs), independent system operators (ISOs), exempt wholesale generators (EWGs), public utilities that have not made any FERC-566 reportable sales in the three preceding years, and public utilities that would only identify individual residential customers by name and address would no longer have to report the purchasers (or lack thereof) of the largest annual amounts of electric energy sold by the public utility for purposes other than resale. Agenda item E-5 may be an order on the NOPR.

E-6 Midwest Independent Transmission System Operator, Inc. (Docket No. OA08-53-005), Midcontinent Independent System Operator, Inc. (Docket No. ER15-133-000): On September 18, 2014, FERC issued an order conditionally accepting a MISO compliance filing regarding proposed changes to MISO's transmission planning process to address the comparability principle, stakeholder involvement, and the updating of posted models, criteria and assumptions at the local transmission planning level. DTE Electric Company submitted a request for rehearing of the September 18, 2014 order, arguing that the MISO Tariff changes placed generators at a disadvantage as an alternative to transmission projects. In addition, in response to the September 18, 2014 order, MISO submitted a compliance filing containing clarifying language in regards to demand-side resources. Agenda item E-6 may be an order on the request for rehearing and/or the compliance filing.

E-7: Chehalis Power Generating, L.P. (Docket No. ER05-1056-008): In May 2005, Chehalis Power Generating, L.P. (now TNA Merchant Projects, Inc., (TNA)) filed a proposed rate schedule seeking financial compensation for the reactive power service it provided to the Bonneville Power Administration (BPA), spawning lengthy litigation over whether the rate was an initial or changed rate under section 205 of the Federal Power Act (FPA). In 2010, following remand from the Court of Appeals for the D.C. Circuit (D.C. Circuit), the Commission issued an order that the rate was a changed rate under section 205 of the FPA. After rehearing, Chehalis/TNA again appealed to the D.C. Circuit but in June 2013 the Commission filed a motion with the court for a voluntary remand, explaining it wanted to further consider arguments raised by Chehalis/TNA in its brief to the court. Then, on October 17, 2013, the Commission issued its Voluntary Remand Order, affirming its finding that the rate was a changed rate and clarified its existing policy that generators providing jurisdictional reactive power service without compensation must file rate schedules. In light of the policy clarification, the Commission also ordered that Chehalis/TNA be permitted to recover amounts previously refunded to BPA. On November 18, 2013, BPA and TNA requested rehearing of the Voluntary Remand Order. Agenda item E-7 may be an order on the requests for rehearing of the Voluntary Remand Order.

E-8: Southwest Power Pool, Inc. (Docket Nos. ER14-2553-001 & -002): On July 31, 2014, Southwest Power Pool, Inc. (SPP) submitted for Commission review proposed revisions to its Open Access Transmission Tariff (OATT) for its Long-Term Congestion Right (LTCR) design. On October 28, 2014, the Commission conditionally accepted the filing, subject to a compliance filing addressing deficiencies in SPP's proposal with respect to Guideline (3), Guideline (5), and general planning considerations as outlined in Order No. 681. On November 28, 2014, SPP filed a request for rehearing of the October 28 order. In addition, on January 30, 2015, SPP submitted the compliance filing to address the issues identified in the October 28 order. Agenda item E-8 may be an order on the request for rehearing and/or the compliance filing.

E-9: PJM Interconnection, L.L.C. (Docket No. ER14-1469-002): On March 12, 2015, PJM Interconnection, L.L.C. (PJM) submitted for Commission approval revisions to its Operating Agreement to permit PJM to share non-public, operational information with natural gas pipeline operators for the purposes of promoting reliable service and operational planning as permitted by the Commission's regulations adopted in Order No. 787. On May 9, 2014, the Commission accepted PJM's proposed revisions subject to the condition that PJM clarify how the revisions would apply to Local Distribution Companies (LDCs) and directed PJM to file revisions addressing how PJM will prevent the potential sharing of non-public, operational information in a manner that could be used in an unduly discriminatory or preferential manner by the recipient or to the detriment of the market. On May 27, 2014, PJM made the requested compliance filing and the Commission subsequently issued an order accepting it on July 16, 2014. On August 15, 2014, the National Fuel Gas Distribution Corporation filed a request for rehearing or clarification of the July 16 and May 9 orders. Agenda item E-9 may be an order the request for rehearing or clarification.

E-12: DTE Electric Company and DTE East China, LLC (Docket No. EC15-138-000): On May 11, 2015, DTE Electric Company (DTE Electric) and DTE East China, LLC (East China, and collectively with DTE Electric, the Applicants) submitted an application for the disposition of jurisdictional facilities pursuant to section 203 of the FPA for a proposed transaction in which DTE Electric would acquire an approximately 320 MW gas-fired peaking facility from East China. The Applicants also requested confidential treatment and expedited consideration. As both DTE Electric and East China are wholly owned subsidiaries of DTE Energy Company, the proposed transaction constitutes an affiliate transaction. Agenda item E-12 may be an order on the application for disposition of jurisdictional facilities.

E-13: Navopache Electric Cooperative, Inc. (Docket No. EL15-59-000): On April 8, 2015, Navopache Electric Cooperative, Inc. (Navopache) filed a petition for a declaratory order affirming its right to engage in a competitive solicitation process to acquire power and energy to service its load from third parties. Presently, Navopache has a power sale agreement with the Public Service Company of New Mexico (PNM) and Navopache maintains it is permitted to conduct the competitive solicitation under the terms of this agreement. However, according to the petition, PNM intends to impede this process and engage in litigation to prevent Navopache from shifting supply to another supplier. As such, Navopache requests the Commission issue a declaratory order affirming its rights under the PSA to conduct the competitive solicitation and obtain energy and power from third parties. Agenda item E-13 may be an order on the petition for a declaratory order.

E-14: GenOn Energy Management, LLC v. ISO New England, Inc. (Docket No. EL15-57-000): On April 6, 2015, GenOn Energy Management, LLC (GEM) filed a complaint pursuant to sections 206 and 306 of the FPA against ISO New England Inc. (ISO-NE) alleging that ISO-NE improperly submitted a demand bid on behalf of GEM in the annual reconfiguration auction for the 2015-2016 capacity commitment period. GEM alleges that ISO-NE submitted a bid that reflected a de-rating of GEM's Canal Generating Plant Unit 2 despite the fact that the unit was capable of fulfilling its full capacity requirement. GEM maintains this action violated the ISO-NE tariff. Agenda item E-14 may be an order on the complaint.

Miscellaneous

M-1: Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators (RM13-17-002): On July 18, 2013, the Commission, as part of a series of orders to revise its regulations in 18 C.F.R. §284 to better coordinate the scheduling of natural gas and electricity markets in light of increased reliance on natural gas for electric generation, issued a Notice of Proposed Rulemaking proposing to revise Parts 38 and 284 of the Commission's regulations to provide explicit authority to interstate natural gas pipelines and public utilities that own, operate or control facilities used for the transmission of electric energy in interstate commerce to share nonpublic, operational information with each other for the purpose of promoting reliable service or operational planning on either the public utility's or pipeline's system. Agenda item M-1 may be an order relating to the proposed revisions.

Gas

G-1: National Fuel Gas Supply Corporation and Empire Pipeline, Inc. (RP14-280-001): On January 21, 2014, National Fuel Gas Supply Corporation and Empire Pipeline, Inc. filed a request for limited waivers of the No-Conduit Rule announced in Order No. 7871 and codified at section 284.12(b)(4)(ii) of the Commission's regulations, effective December 23, 2013. On June 19, 2014, the Commission granted in part and denied in part the waiver requests. National Fuel sought rehearing of the Commission denial of the requested waiver of the no-conduit rule. Agenda item G-1 may be an order on rehearing of the June 19, 2014 order.

G-2: Standards for Business Practices of Interstate Natural Gas Pipelines (RM96-1-038): On July 6, 2015, North American Energy Standards Board (NAESB) submitted to FERC its report regarding errata to Versions 3.0 of the NAESB Wholesale Gas Quadrant standards to support FERC Order No. 809, Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities, issued by the Commission April 16, 2015. Agenda item G-2 may address the proposed NAESB standards.

G-3: Enable Gas Transmission, LLC formerly CenterPoint Energy Gas Transmission Company, LLC (RP12-498-003, RP12-498-004): On April 23, 2012, the Commission issued an order accepting and suspending revised fuel use and lost and unaccounted-for gas percentages and electric power costs filed by CenterPoint Energy Gas Transmission Company, LLC. On rehearing, the Commission found on September 11, 2013, that CenterPoint's liability and damages provisions, as well as its reservation charge crediting provisions are unjust and unreasonable. On November 12, 2013, the Commission granted rehearing of its September 11, 2013 order for reconsideration. Agenda item G-3 may be an order on rehearing of the September 11, 2013 order.

G-4: El Paso Natural Gas Company, L.L.C. (RP12-816-001, RP12-816-002): On July 20, 2012, the Commission accepted El Paso Natural Gas Company's revised tariff records to reduce the short-term firm service rates and interruptible service rates to the corresponding long-term rate levels in consideration of the Commission's recent ruling in El Paso's previous general system-wide rate proceeding. El Paso sought rehearing of the July 20, 2012 order arguing, among other things, that the Commission erred by finding that El Paso failed to comply fully with the previous order by not reducing its rates. On September 19, 2012, the Commission granted El Paso's request for rehearing of the July 20, 2012 order for further consideration. Agenda item G-4 may be an order on El Paso's rehearing request of the July 20, 2012 order.

G-5: El Paso Natural Gas Company, L.L.C. (RP08-426-017, RP12-806-000): On May 4, 2012, the Commission issued Order No. 517, which adopted the Initial Decision on four issues reserved for hearing in El Paso's 2008 rate case. Those issues concerned: (1) what acquisition costs are attributable to the Line No. 1903 expansion project; (2) whether El Paso's proposed capital structure is just and reasonable; (3) whether El Paso's proposed short-term firm and interruptible rates capped at 250 percent of the related long-term recourse rate are just and reasonable; and (4) whether the rate caps established by Article 11.2(a) of El Paso's 1996 Settlement remain just and reasonable and in the public interest, and whether El Paso can recover the Article 11.2(a)-related revenue shortfall from non-Article 11.2(a) shippers. On July 2, 2012, the Commission granted rehearing of Opinion No. 517 for further consideration. Agenda item G-5 may be an order on rehearing of Opinion No. 517.

G-6: Cost Recovery Mechanisms for Modernization of Natural Gas Facilities (Docket No. PL15-1-001): On April 16, 2015, the Commission issued a policy statement intended to provide greater certainty regarding the ability of interstate natural gas pipelines to recover the costs of modernizing their facilities and infrastructure to enhance the efficient and safe operation of their systems. On May 15, 2015, the Process Gas Consumers Group and the American Forest and Paper Association (together, Joint Requesters) submitted a request for clarification of the Commission's April policy statement. In June 2015, multiple parties filed answers to the Joint Requesters' request for clarification. Agenda item G-6 may be an order on the Joint Requesters' request for clarification.

G-7: Enbridge Energy, Limited Partnership (Docket No. IS12-236-001): On May 18, 2012, the Commission issued an order accepting proposed revisions to Enbridge Energy, Limited Partnership's tariff which contained changes to its Nomination Verification Procedure. On June 8, 2012, High Prairie Pipeline, LLC (High Prairie) requested rehearing of the Commission's May 2012 order arguing in part that the order "erects a new and patently unlawful litmus test that a party must meet to protest an oil pipeline tariff filing: specifically, that the party must be a shipper or potential shipper on the pipeline making the tariff filing." Agenda item G-7 may be an order on High Prairie's request for rehearing.

Hydro

H-1: KC Hydro LLC of New Hampshire (Docket No. P-14245-001): On April 15, 2015, the Commission issued an order rejecting KC Hydro LLC of New Hampshire's (KC Hydro) request for a two-year extension of its preliminary permit for the proposed Pittsfield Mill Dam Hydropower Project No. 14245-000 in Pittsfield, Merrimack County, New Hampshire. On April 30, 2015, KC Hydro requested rehearing of the Commission's April order, seeking in part, that the Commission grant the two-year preliminary permit extension that was originally denied. Agenda item H-1 may be an order on KC Hydro's request for rehearing.

H-2: Alcoa Power Generating Inc. (Docket No. P-2197-107): On March 3, 2015, the Commission issued a notice rejecting New Energy Capital Partners, LLC's (NEC) motion to reopen the record in the relicensing proceeding for Alcoa Power Generating Inc.'s (APGI) Yadkin Hydroelectric Project No. 2197. On April 2, 2015, NEC requested rehearing of the Commission's March notice, asserting the notice fails to address the Commission's substantive responsibility to investigate facts about APGI's ongoing re-purposing of its Yadkin hydroelectric assets and its likely disposition of any new Commission-issued hydropower license. Agenda Item H-2 may be an order on NEC's request for rehearing.

Certificates

C-1: Floridian Natural Gas Storage Company, LLC (Docket No. CP13-541-000): On September 4, 2013, pursuant to Section 7(c) of the Natural Gas Act and Part 157 of the Commission's regulations, Floridian Natural Gas Storage Company, LLC (FGS) submitted an abbreviated application to amend a certificate of public convenience and necessity in order to construct and operate a new natural gas storage facility in Martin County, Florida. Agenda item C-1 may be an order on FGS's abbreviated application.

C-2: Southern Natural Gas Company, L.L.C. (Docket No. CP15-23-000): On December 3, 2014, pursuant to Sections 7(c) and 7(b) of the Natural Gas Act and Part 157 of the Commission's regulations, Southern Natural Gas Company, L.L.C. (SNG) submitted an application for a certificate of public convenience and necessity authorizing SNG to relocate a segment of each of its three North Main Lines and its Calera Branch Line and to abandon in place a segment of each of its existing North Main Lines and its Calera Branch Line, all in Jefferson County, Alabama. Agenda item C-2 may be an order on SNG's application.

C-3: Revisions to Auxiliary Installations, Replacement Facilities, and Siting and Maintenance Regulations (Docket No. RM12-11-003): On November 20, 2014, the Commission issued Order No. 790-A, a final rule, and order on rehearing and clarification regarding revisions to auxiliary installations, replacement facilities, and siting and maintenance regulations. On December 22, 2014, National Fuel Gas Supply Corporation and Empire Pipeline Inc. (collectively National Fuel) requested clarification, or in the alternative, rehearing of Order No. 790-A. In its request, National Fuel asks the Commission to make clarifying revisions to its regulations in connection with the abandonment of auxiliary installations and replacements. Agenda item C-3 may be an order on National Fuel's request for clarification or, in the alternative, rehearing.

White & Case LLP
701 Thirteenth Street, NW
Washington, District of Columbia 20005-3807
United States

T +1 202 626 3600

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