

# FERC

## Meeting Agenda Summary

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**19 May 2016**

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's May 19, 2016 meeting, pursuant to the agenda as issued on May 12, 2016. Agenda items E-2 and E-3 have not been summarized due to omission from the agenda.

### Electric

**E-1 – Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities (Docket No. RM14-14-001).** On October 16, 2015, the Commission issued a final rule (Order No. 816) to clarify and streamline certain aspects of its market-based rate program for wholesale sales of electric energy, capacity and ancillary services. Among other things, the final rule defines the default relevant geographic market for an independent power producer located in a generation-only balancing authority area as the balancing authority area of each transmission provider to which the IPP's generation-only balancing authority area is directly interconnected. Order No. 816 also requires a market-based rate seller to report in its indicative screens and asset appendices all long-term firm purchases of capacity and/or energy that have an associated long-term firm transmission reservation, regardless of whether that seller has operational control of the generation capacity supplying the purchased power. In November 2015, numerous entities requested rehearing and or clarification of Order No. 816. Agenda item E-1 may be an order on the requests for rehearing and or clarification.

**E-2 – Omitted**

**E-3 – Omitted**

**E-4 – Disturbance Control Standard--Contingency Reserve for Recovery from a Balancing Contingency Event Reliability Standard (Docket No. RM16-7-000).** On January 29, 2016, pursuant to section 215(d)(1) of the Federal Power Act (FPA) and section 39.5 of the Commission's regulations, the North American Electric Reliability Corporation (NERC) requested Commission approval of proposed Reliability

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Standard BAL-002-2 (Disturbance Control Performance—Contingency Reserve for Recovery from a Balancing Contingency Event), related NERC Glossary definitions, the associated Implementation Plan, retirement of currently-effective Reliability Standard BAL-002-1 (Disturbance Control Performance), and the Violation Risk Factors or Violation Severity Levels. The proposed revisions address and supersede the proposed interpretation under pending Reliability Standard BAL-002-1.a. in Docket No. RM13-6-000. Agenda item E-4 may be an order on NERC's proposed reliability standard.

**E-5 – Policy Statement on Hold Harmless Commitments (Docket No. PL15-3-000).** On January 22, 2015, the Commission proposed a policy statement clarifying several aspects of hold harmless commitments offered by applicants to mitigate adverse rate impacts from certain transactions under section 203 of the Federal Power Act. Under the proposed policy statement, the Commission proposes to clarify the scope and definition of the costs that should be subject to hold harmless commitments. Second, the Commission proposes to clarify that applicants offering hold harmless commitments must implement controls and procedures to track the costs from which customers will be held harmless. The Commission also proposes to clarify the types of controls and procedures that applicants offering hold harmless commitments must implement. Third, the Commission proposes to no longer accept hold harmless commitments that are limited in duration. Fourth, the Commission proposes to clarify that applicants may demonstrate that, under certain circumstances, transactions will not have an adverse effect on rates without relying on hold harmless commitments or other ratepayer protection mechanisms. Agenda item E-5 may be an order on the proposed policy statement.

**E-6 – Constellation Power Source Generation, LLC (Docket Nos. ER16-746-001, EL16-57-000).** On January 19, 2016, Constellation Power Source Generation, LLC (CPSG) submitted for filing its FERC Rate Schedule No. 2, which revises CPSG's cost-based annual revenue requirement for providing Reactive Supply and Voltage Control from Generation Sources Service to PJM Interconnection, L.L.C. On February 18, 2016, Commission staff issued a deficiency letter advising CPSG that additional information was required to process the January filing. On March 21, 2016, CPSG filed its response to the February deficiency letter. Agenda item E-6 may be an order on CPSG's January reactive supply and voltage control filing.

**E-7 – Kanstar Transmission, LLC (Docket No. ER15-2237-002).** On September 17, 2015, the Commission issued an order conditionally accepting Kanstar Transmission, LLC's (Kanstar) proposed transmission formula rate template and formula rate protocols (together, Formula Rate) to establish a mechanism under which it would recover its costs associated with transmission projects that it intends to own and develop as part of Southwest Power Pool, Inc.'s (SPP) Order No. 1000 competitive transmission owner selection process. The Commission accepted the Formula Rate, to be effective once the template and protocols are filed with the Commission to become part of SPP's Open Access Transmission Tariff (Tariff), consistent with the effective date established in that future proceeding, subject to a further compliance filing. Further, the Commission also accepted Kanstar's proposed base return on equity (ROE) for filing, subject to refund, and set it for hearing and settlement judge procedures. Among other things, the Commission also accepted Kanstar's request that its existing three affiliates and other yet-to-be-formed affiliates within SPP be authorized to utilize the same Formula Rate and requested incentives. On October 19, 2015, the Kansas Corporation Commission (KCC) requested rehearing of the Commission's September Order asserting that the Commission erred in finding that new, yet-to-be-formed SPP Entities will each be: (1) subject to the ROE that is determined through the hearing and settlement judge procedures that were established in the September Order and (2) entitled to use the formula rate that is identical to that accepted in the September Order without regard to, or consideration of what entity will be using that formula and what facilities are underlying the costs recovered thereby. Agenda item E-7 may be an order on KCC's request for rehearing.

**E-8 – Southwest Power Pool, Inc. (Docket Nos. ER14-2850-006, ER14-2851-006).** On December 10, 2015, SPP filed a Joint Offer of Partial Settlement to resolve all issues raised by Montana-Dakota Utilities Co. (MDU) in this proceeding regarding Western Area Power Administration-Upper Great Plains, Basin Electric Power Cooperative, and Heartland Consumers Power District's integration into SPP as transmission owners (December Partial Settlement). After Commission settlement judge certification of the December Partial Settlement, two errors were identified regarding: (i) the formula used to calculate the value of MDU's SPP

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Open Access Transmission Tariff (SPP Tariff) Section 30.9 Credit; and (ii) the SPP Tariff language (in Attachment 8 to the December 10 Partial Settlement) that describes how the credit to MDU will be applied. On April 12, 2016, SPP filed an errata to the December Partial Settlement to correct the identified errors and requested that the Commission accept the errata filing and substitute an attached corrected partial settlement for the December Partial Settlement without further comments. Agenda item E-8 may be an order on the errata filing to the December Partial Settlement.

**E-9 – Southern California Edison Company (Docket No. ER16-1025-000).** On February 26, 2016, Southern California Edison Company (SoCal Edison) submitted a request for authorization to recover US\$37.069 million of costs that SoCal Edison alleged were prudently incurred in the development of the Coolwater-Lugo Transmission Project (Project) through its formula rate. SoCal Edison claimed that the Project's abandonment was necessary after the California Public Utility Commission dismissed SoCal Edison's application for a Certificate of Public Convenience and Necessity for the Project following a restudy of need. Agenda item E-9 may be an order on SoCal Edison's request.

**E-10 – Nevada Power Company (Docket No. ER15-2281-001); Sierra Pacific Power Company (Docket No. ER15-2282-002); PacifiCorp (Docket No. ER15-2283-001).** On May 14, 2015, the Commission issued an order authorizing Nevada Power Company and Sierra Pacific Power Company (collectively, NV Energy, and together with PacifiCorp, the Berkshire EIM Sellers) to join the Energy Imbalance Market (EIM) administered by the California Independent System Operator Corporation (CAISO). PacifiCorp's two balancing authority areas were the initial participants in the EIM. The Commission conditioned NV Energy's participation in the EIM at market-rates on NV Energy's demonstration that it lacks market-power in the EIM footprint. The Commission also required PacifiCorp to submit a market-power analysis to demonstrate that it does not have market-power in the EIM, if PacifiCorp sought to make sales at market-based rates in the EIM following the NV Energy integration. On July 27, 2015, Berkshire EIM Sellers submitted the requested market-power studies and related revisions to their market-based rate tariffs to reflect participation in the EIM. On November 19, 2015, the Commission issued an order accepting in part, subject to condition, and rejecting in part the Berkshire EIM Sellers' market-based rate tariff revisions. Acceptance was based on the conditions that: the Berkshire EIM Sellers (1) offer their units that are participating in the EIM into the EIM at or below each unit's Default Energy Bid, and (2) facilitate CAISO's enforcement of all internal transmission constraints in the PacifiCorp and NV Energy balancing authority areas. On December 21, 2015, the Truckee Donner Public Utility District and the Berkshire EIM Sellers separately filed requests for rehearing of the November 19, 2015 order. Agenda item E-10 may be an order on rehearing of the November 19, 2015 order.

**E-11 – City of West Memphis, Arkansas (Docket No. EL16-17-000).** On November 19, 2015, City of West Memphis, Arkansas filed an application for a proposed rate for reactive supply and voltage control from generation or other sources service under Schedule 2 to the Midcontinent Independent Transmission System Operator Tariff. Agenda item E-11 may be an order on the City of West Memphis' application.

**E-12 – Conway Corporation (Docket No. EL16-18-000).** On November 19, 2015, Conway Corporation filed an application for a proposed rate for reactive supply and voltage control from generation or other sources service under Schedule 2 to the Midcontinent Independent Transmission System Operator Tariff. Agenda item E-12 may be an order on Conway Corporation's application.

**E-13 – Illinois Power Marketing Company (Docket Nos. ER14-2619-004, ER14-2619-000, ER15-948-000); AmerenEnergy Resources Generating Company v. Midcontinent Independent System Operator, Inc. (Docket No. EL13-76-000); Midcontinent Independent System Operator, Inc. (Docket Nos. ER13-1962-000, ER14-1210-000, ER15-346-000, ER15-368-000, ER15-943-000).** On December 31, 2015, Illinois Power Marketing Company (IPM) on behalf of (i) itself and Illinois Power Resources Generating, LLC, (ii) Midcontinent Independent System Operator, Inc. (MISO), (iii) the Illinois Municipal Electric Agency, Prairie Power, Inc., Hoosier Energy Rural Electric Cooperative, Inc., Southern Illinois Power Cooperative, Wabash Valley Power Association, Inc., and Southwestern Electric Cooperative, Inc., and (iv) Noble Americas Energy Solutions LLC submitted for filing a settlement agreement in the above-referenced documents. According to the December 31, 2015 filing, the Settlement Agreement, subject to a compliance filing, resolves all issues

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relating to the System Support Resource Service (SSR) Agreements between IPM and MISO. Agenda item E-13 may be an order on the proposed settlement agreement.

**E-14 – Xcel Energy Southwest Transmission Company, LLC (Docket Nos. ER14-2751-000, ER14-2751-001).** On August 29, 2014, Xcel Energy Southwest Transmission Company, LLC (XEST) submitted for filing under Section 205 of the FPA a proposed transmission formula rate template to recover costs associated with transmission projects it intends to own and develop as part of the Order No. 1000 competitive solicitation project. On November 26, 2014, the Commission issued an order accepting the filing and setting certain issues for hearing and settlement judge proceedings. On August 28, 2015, XEST submitted an offer of settlement, which was certified for Commission approval by the presiding Administrative Law Judge on December 7, 2015. Agenda item E-14 may be an order on the certified settlement.

**E-15 – ISO New England Inc. (Docket No. ER08-633-003).** ISO New England Inc. On March 3, 2008, ISO New England Inc. (ISO-NE) submitted auction results for the first Forward Capacity Auction (FCA) conducted pursuant to a 2006 settlement. PSEG Power Companies (PSEG) protested the filing, arguing that ISO-NE improperly interpreted the “Proration Rule,” which ISO-NE asserted prohibits certain suppliers needed for reliability from electing to prorate, or reduce, their quantity of megawatts offered into the FCA and also to require those suppliers to accept a prorated price. In its initial order and order on rehearing, the Commission sided with ISO-NE. On appeal, however, the United States Court of Appeals for the District of Columbia Circuit found that the Proration Rule is ambiguous and directed the Commission to determine whether it wishes to affirm its prior interpretation “knowing that other options are permissible.” On June 2, 2015, the Commission issued an order on remand reversing its prior determination in its previous orders a finds that, given that ISO-NE had prohibited resources needed for reliability from prorating quantity based on its interpretation of the Proration Rule, it is appropriate to consider resettlements to those resources that were not able to prorate quantity. The Commission further established a briefing schedule to develop a better record on the question of resettlements. Agenda item E-15 may be an order related to the Proration Rule and the question of resettlements.

**E-16 – Midwest Independent Transmission System Operator, Inc. (Docket No. ER12-715-004).** This proceeding concerns whether American Transmission Systems, Inc. (ATSI) and Duke Energy Ohio, Inc./Duke Energy Kentucky, Inc. (Duke Energy), after withdrawing from MISO, remain responsible for a share of the costs for Multi-Value Projects (MVPs) approved by the Board of Directors of MISO. On December 29, 2011, MISO and MISO Transmission Owners submitted new Schedule 39 ([MVP] Financial Obligations and Cost Recovery for Withdrawing Transmission Owners) to MISO’s Tariff that made Duke and ATI responsible for certain costs of approved MVPs. On February 12, 2012, the Commission issued an order conditionally accepting Schedule 39, effective January 1, 2012, concluding that “MISO cannot automatically apply [the Schedule 39] Tariff provisions to ATSI and Duke unless those provisions are consistent with the MVP-related withdrawal obligations in the Tariff at the time ATSI and Duke Energy withdrew from MISO, and set for hearing and settlement judge proceedings issues regarding the methodology of Schedule 39. On July 16, 2013, the Presiding Administrative Law Judge (ALJ) issued an Initial Decision. On October 29, 2015, the Commission issued Opinion No. 539, reversing the finding in the ALJ’s Initial Decision that Schedule 39 is consistent with the MISO Tariff that was in effect at the time ATSI and Duke Energy withdrew from MISO and reversed the finding that it would be just and reasonable to apply the MVP cost allocation methodology in Schedule 39 to Duke Energy and ATSI if Schedule 39 is inconsistent with the terms of the pre-withdrawal Tariff. On November 30, 2011, the MISO Transmission Owners filed a request for rehearing of Opinion No. 539. Agenda item E-16 may be an order on the request for rehearing of Opinion No. 539.

**E-17 – Puget Sound Energy, Inc. (Docket No. EL10-71-002).** On June 4, 2010, Puget Sound Energy, Inc. (Puget) filed a petition for declaratory order requesting that the Commission find that locational exchanges of electric power are permissible wholesale power transactions and not transmission transactions subject to an open access transmission tariff (OATT). On February 12, 2012, the Commission issued an order that denied in part, and granted in part, Puget’s petition, finding that when a simultaneous exchange transaction involves the marketing function of a public utility transmission provider, the public utility must seek prior approval from the Commission if the transaction involves its affiliated transmission provider’s system. On November 2, 2015, the Commission issued an order on rehearing, granting in part, and denying in part, requests for clarification

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and denying requests for rehearing and requests for a technical conference. On December 2, 2015, El Paso Electric Company submitted a request for clarification, or, in the alternative, rehearing of the November 2 order, concerning the Commission's order and its use of the term "marketing function" with respect to entering into a locational exchange for purposes of making bundled retail sales. Agenda item E-17 may be an order on the request for clarification, or, in the alternative, rehearing of the Commission's November 2, 2015 order.

**E-18 – LS Power Development, LLC and Cross Texas Transmission, LLC (Docket No. EL16-46-000).** On March 10, 2016, LS Power Development, LLC (LSP Development) and Cross Texas Transmission, LLC (Cross Texas) submitted a petition for declaratory order requesting the Commission issue an order confirming that certain market participants participating in the Electric Reliability Council of Texas (ERCOT) market that are not currently subject to the Commission's jurisdiction under Part II of the FPA will not become subject to the Commission's Part II FPA jurisdiction as a result of LSP Development's and/or Cross Texas' and/or their affiliates' employees providing certain corporate and operational services to affiliated transmission providers in other parts of the United States. Agenda item E-18 may be an order on LSP Development's and Cross Texas' petition for declaratory order.

## Gas

**G-1 – Gulf Shore Energy Partners, LP (Docket No. RP16-748-000).** On March 28, 2016, Gulf Shore Energy Partners, LP (Gulf Shore) submitted revised tariff records pursuant to the order issued by the Commission on October 16, 2015. The order, entitled *Standards of Business Practices for Interstate Natural Gas Pipelines* (153 FERC ¶ 61,061), approved Wholesale Gas Quadrant Standards adopted by the North American Energy Standards Board. The Commission requested interstate pipelines file tariff records by February 1, 2016 and to implement and comply with these standards by April 1, 2016. Gulf Shore submitted its revised tariff beyond the date specified by the Commission and is requesting the effective date remain April 1, 2016 in addition to reducing the notice and comment period. Agenda item G-1 may be an order on the request for a shortened comment period or an order on the revised tariff filing.

**G-2 – CHS Inc., Federal Express Corporation, GROWMARK, Inc., HWRT Oil Company LLC, MFA Oil Company, Southwest Airlines Co., United Airlines, Inc., UPS Fuel Services, Inc. v. Enterprise TE Products Pipeline Company, LLC (Docket No. OR13-25-001); Chevron Products Company v. Enterprise TE Products Pipeline Company, LLC (Docket No. OR13-26-001 (consolidated)).** In Docket No. IS12-13-000, Enterprise TE Products Pipeline Company, LLC (Enterprise TE) submitted revised rates for transportation of refined petroleum products and natural gas liquids across its systems. Several of the Complainants in the above dockets filed protests to the rate increases, leading to a Settlement Agreement filed on April 3, 2013 in order to resolve uncertainty for the shippers. However, in the interim, Enterprise TE inserted new language into its tariff, prompting renewed protests being filed by the Complainants. On May 31, 2013, the Commission approved the tariff revisions thereby effectuating the proposed rate changes for a period of two years. Consequently, the Complainants filed a complaint on June 14, 2013 requesting enforcement of the original terms set forth in the Settlement Agreement. On October 17, 2013, the Commission issued an order on the complaint, granting the complaints in part and deferring judgment in part due to a lack of authority or jurisdiction regarding the canceling of transportation of jet fuel and distillates. The Complainants filed a request for rehearing on November 18, 2013 in Docket Nos. OR13-25-000 and OR13-26-000. In the following years, all parties—with the exception of UPS and United Airlines—have withdrawn their complaints. On February 5, 2016, UPS and United Airlines filed a request for action on the request for rehearing. Agenda item G-2 may be an order on the request for rehearing.

## Hydro

**H-1 – Merimil Limited Partnership, Brookfield White Pine Hydro, LLC (Docket Nos. P-2574-069, P-2574-075, P-2322-054, P-2325-077).** On August 27, 2015, the Commission issued notice that Brookfield White Pine Hydro LLC, licensee for the Shawmut (P-2322) and Weston Projects (P-2325), and Merimil Limited Partnership, licensee for the Lockwood Project (P-2574), requested Commission approval to amend the licenses for these hydroelectric projects, seeking to incorporate certain provisions of an Interim Species

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Protection Plan for Atlantic salmon in which (a) the licensees would identify and conduct studies of existing upstream and downstream fish passage facilities with the goal of identifying potential enhancement measures to improve fish passage facilities; and (b) an addendum to the handling procedures to protect the Atlantic and shortnose sturgeon at the Lockwood project. Agenda item H-1 may be an order on the request to approve the amendments to the licenses for the Shawmut, Weston, and Lockwood Projects.

## Certificates

**C-1 – Comanche Trail Pipeline, LLC (Docket No. CP15-503-000).** On May 29, 2015, Comanche Trail Pipeline, LLC (Comanche Trail) submitted an application pursuant to Section 3 of the Natural Gas Act (NGA) for authorization to construct and for a Presidential Permit certificate regarding the San Elizario Crossing Project, a natural gas pipeline facility at a point on the international boundary of the United States and Mexico. On June 26, 2015, the Commission distributed letters to John Kerry, Secretary of State, and Ashton Carter, Secretary of Defense, furnishing details on this application and the requested authorization. Following an extensive comment period with substantial information exchange from the public and political sectors, the Commission issued an Environmental Assessment (EA) on January 4, 2016. The EA found that no significant environmental impact would result from the project. On May 2, 2016, Comanche Trail filed a request for issuance of an order in this docket, citing a contractually-established service date of January 2017 for the San Elizario Crossing Project. Agenda item C-1 may be an order on the authorization of this project.

**C-2 – Crescent Point Energy U.S. Corp. and Eagle Rock Exploration Ltd. (Docket No. CP15-561-000).** On September 29, 2015, Crescent Point Energy U.S. Corp. (Crescent Point) and Eagle Rock Exploration Ltd. (Eagle Rock) submitted an application pursuant to Section 3 of the NGA in order to transfer the existing authorization and Presidential Permit from Eagle Rock to Crescent Point and amend the authorization and Permit to reflect Crescent Point as the current owner and operator of the border crossing facility located between Montana and the Province of Alberta, Canada. The facility has been non-operational since March 2012, and Crescent Point requests authorization to vacate the Section 3 authorization and Presidential Permit. As such, on December 7, 2015, the Commission determined that no EA would be necessary. On March 2, 2016, the Commission distributed letters to John Kerry and Ashton Carter furnishing details on this application and the requested authorization. The Department of State issued comments on April 1, 2016; the Department of Defense on April 21, 2016. Agenda item C-2 may be an order on the application to transfer and subsequently vacate the authorization of the border crossing facility.

**C-3 – Kinetica Deepwater Express, LLC (Docket No. CP11-544-004).** On April 7, 2016, Kinetica Deepwater Express, LLC filed a request to change the name of the company in existing dockets following the purchase of TC Offshore LLC on March 31, 2016. In sub-dockets 001 and 002 in this proceeding, previous requests for rehearing were denied by the Commission, in 2012 and 2013 respectively. Sub-docket 003 does not exist in the record. Agenda item C-3 may be an order granting the requested name change.

**C-4 – City of Clarksville, Tennessee (Docket No. CP13-508-001).** On June 26, 2013, the City of Clarksville Tennessee (Clarksville) submitted an abbreviated application for service area determinations within which it may expand natural gas distribution facilities. On August 9, 2013, the Commission determined that no EA would be necessary. Following an exchange of supplemental information and data as requested by the Commission, an order was issued on February 7, 2014, granting the service area determinations to Clarksville. On February 28, 2014, Clarksville submitted a limited request for rehearing of the order issued by the Commission on February 7, 2014, namely concerning two conclusions set forth in a footnote. Agenda item C-4 may be an order on the limited request for rehearing.

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