

# December 2015

## Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its December 17, 2015 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These summaries are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at [www.ferc.gov](http://www.ferc.gov).

**E-1 – Press Release**

**G-1 – Press Release**

### **FERC accepts revised tariff filing**

**E-3**, *California Independent System Operator Corporation*, Docket No. ER15-861-006. This order accepts CAISO's proposed tariff revisions, filed in compliance with the Commission's July 20, 2015 order in this proceeding, to enhance the Energy Imbalance Market (EIM) functionality so that the EIM will automatically recognize and account for capacity an entity participating in the EIM has available to maintain reliable operations in its own balancing authority area, but has not bid into the EIM (Available Balancing Capacity). The order also directs monthly informational reports on EIM performance for each EIM balancing authority's six-month transition period, quarterly informational reports on the performance of CAISO's Available Balancing Capacity proposal, and the collection of information regarding EIM Entities' use of load biasing and adjustments to load forecasts.

### **FERC denies requests for rehearing**

**E-4**, *Nevada Power Company*, Docket No. ER15-1196-002. This order denies requests for rehearing of the Commission's May 14, 2015 order in this proceeding. The order also grants in part and dismisses in part as moot requests for clarification of the May 2015 order which conditionally accepted, subject to modification, NV Energy's tariff revisions in order for NV Energy to participate in the CAISO Energy Imbalance Market.

## **FERC grants petition for a declaratory order**

**E-5, *DCR Transmission, L.L.C.***, Docket No. EL15-102-000. The order grants DCR Transmission's petition for a declaratory order that seeks four transmission rate incentives, in accordance with section 219 of the Federal Power Act and Order No. 679. DCR Transmission seeks these incentives following its selection through CAISO's Order No. 1000 competitive solicitation process to build a new 500 kV transmission line connecting the Delaney substation in Arizona to the existing Colorado River substation in California.

## **FERC accepts a compliance filing**

**E-6, *California Independent System Operator Corporation***, Docket No. EL14-22-000. The order accepts CAISO's compliance filing submitted in response to the Commission's March 20, 2014 inquiry to ensure that CAISO's scheduling, particularly its day-ahead scheduling practices, correlate with revisions to the natural gas scheduling practices ultimately adopted by the Commission in Order No. 809. The order finds that CAISO has shown cause why its existing day-ahead scheduling practices need not be changed.

## **FERC accepts a compliance filing**

**E-7, *Southwest Power Pool, Inc.***, Docket Nos. ER15-2377-000 and EL14-27-000. This order accepts SPP's compliance filing submitted in response to the Commission's March 20, 2014 inquiry to ensure that SPP's scheduling, particularly its day-ahead scheduling practices, correlate with revisions to the natural gas scheduling practices ultimately adopted by the Commission in Order No. 809. The order finds that SPP has shown cause why further tariff changes are not necessary.

## **FERC rejects a compliance filing; directs a further compliance filing**

**E-8, *Midcontinent Independent System Operator, Inc.***, Docket Nos. ER15-2256-000 and EL14-25-000. This order rejects MISO's compliance filing submitted in response to the Commission's March 20, 2014 inquiry to ensure that MISO's scheduling, particularly its day-ahead scheduling practices, correlate with revisions to the natural gas scheduling practices ultimately adopted by the Commission in Order No. 809. The order finds that MISO has failed to show cause why tariff changes are not necessary and directs MISO to make a further compliance filing.

## **FERC accepts tariff revisions, subject to conditions**

**E-9, *Midcontinent Independent System Operator, Inc.* and *ALLETE, Inc.***, Docket No. ER16-118-000. This order grants ALLETE's requested incentive rate treatments, subject to condition, and also accepts ALLETE's revised Attachment O to the MISO tariff.

ALLETE filed a request for certain Order No. 679 transmission incentive rate treatments to facilitate construction of the Great Northern Transmission Line as follows: (1) authorization to recover 100 percent of construction work in progress, and (2) authorization to recover 100 percent of prudently incurred costs if the project is abandoned or cancelled due to factors beyond ALLETE's control.

### **FERC denies request for clarification and rehearing**

**E-10**, *Midcontinent Independent System Operator, Inc.*, Docket No. ER15-548-001. This order denies MISO's request for clarification and denies its request for rehearing of the Commission's May 18, 2015 order concerning MISO's request for waivers in response to the compliance requirements of Order No. 676-H. Order No. 676-H revised the Commission's regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board as mandatory enforceable requirements. In the May 18, 2015 order, the Commission granted certain waivers and dismissed in part and denied in part MISO's waiver request, and directed a compliance filing.

### **FERC denies rehearing, grants clarification**

**E-11**, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER12-2302-002 and -003. This order denies rehearing and grants clarification of the Commission's July 22, 2014 order that conditionally accepted MISO's tariff revisions regarding System Support Resource procedures, made in compliance with an order issued on September 21, 2012. This order also accepts, subject to condition, MISO's proposed tariff revisions made in compliance with the July 22, 2014 order.

### **FERC affirms prior decision**

**E-12**, *PJM Interconnection, L.L.C. and Potomac-Appalachian Transmission Highline, L.L.C.*, Docket Nos. ER12-2708-002 & ER09-1256-001. The order upholds the Commission's ruling in its November 30, 2012 order that denied PATH the continued application of an incentive to its return on equity for membership in PJM, effective as of the date of that order, on the grounds that PJM terminated PATH's only eligible project. The order finds that the underlying order was consistent with existing policy, and that the Commission did not act retroactively.

### **FERC affirms, in part, an Initial Decision**

**E-13**, *Entergy Services, Inc.*, Docket No. ER10-1350-001. The order affirms in part the Presiding Administrative Law Judge's findings with regard to Entergy's fourth annual

bandwidth filing. Specifically, the order affirms the Presiding Judge's finding that Entergy did not properly include the fuel inventory balance from the *FERC Form No. 1, Annual Report of Major Electric Utilities*, as an input to the bandwidth formula for the 2009 test year. The order affirms the Presiding Judge's findings regarding the transfer of casualty loss Accumulated Deferred Income Tax (ADIT) related to the Waterford 3 nuclear power plant from Account 283 to Account 282. Additionally, the order affirms the Presiding Judge's finding that there was an error in the accounting for the amortization period for the Waterford 3 sale/leaseback. The order also affirms the Presiding Judge's finding that Entergy should be required to include an entry in the bandwidth calculation for contra-securitization ADIT related to storm restoration costs, but, contrary to the Presiding Judge's finding, the order finds that the contra-securitization ADIT related to storm restoration costs should not be limited to liberalized depreciation.

### **FERC denies rehearing**

**E-15**, *Louisiana Public Service Commission v. Entergy Corp.*, Docket No. EL10-65-004. The order denies the Louisiana Commission's and Entergy's requests for rehearing of the Commission's December 18, 2014 order that lifted the abeyance and set for hearing and settlement judge procedures certain pending issues, including the issue of inclusion in the bandwidth remedy and functionalization of Accumulated Deferred Income Tax related to the Waterford 3 nuclear power plant.

### **FERC denies a complaint; grants a waiver**

**E-16**, *Shell Energy North America v. California Independent System Operator Corporation*, Docket No. EL15-94-000. The order denies Shell Energy's complaint but grants its requested waiver. Shell Energy filed a complaint against CAISO, requesting that the Commission require CAISO to correct Shell Energy's settlement statement for the August 2010 trade month and refund improper charges allegedly caused by CAISO's unilateral error. Shell Energy also requests that the Commission revise section 11.29.8.4.6 of the CAISO tariff, which limits the time for raising invoice disputes. Alternately, Shell Energy requests that, if the Commission finds that CAISO cannot correct the settlement statement under the terms of the CAISO tariff, the Commission grant Shell Energy waiver of the tariff provisions. The order denies the complaint, finding that Shell Energy did not show that the tariff was unjust and unreasonable; however, the order also finds that a waiver of the relevant tariff provision is warranted under the circumstances of this case.

### **FERC grants a new hydroelectric license**

**H-1**, *Alabama Power Company*, Project No. 349-173. This order grants Alabama Power a new license to continue operation and maintenance of the 182.5 megawatt Martin Dam

Hydroelectric Project. The project is located in Tallapoosa, Elmore, and Coosa counties, Alabama, near the cities of Alexander City and Dadeville.

### **FERC denies rehearing**

**H-2**, *Appalachian Power Company*, Project No. 2201-252. The order denies the rehearing request filed by William C. Brush, on behalf of Cut Unnecessary Regulatory Burden, Inc., in response to the July 10, 2015 Commission staff decision which found that Appalachian Power was not in violation of several of its license requirements for the Smith Mountain Pumped Storage Project.

### **FERC grants authorization, with conditions for an LNG export project**

**C-1**, *Trunkline Gas Company, Lake Charles LNG Export Company, LLC and Lake Charles LNG Company, LLC*, Docket Nos. CP14-119-000, CP14-120-000 and CP14-122-000. This order grants authorization, in accordance with section 3 of the Natural Gas Act (NGA), to site, construct, and operate new facilities for the liquefaction and export of natural gas, to be located adjacent to Lake Charles LNG's existing liquefied natural gas import terminal located in Calcasieu Parish, Louisiana. The order also grants Lake Charles LNG's request that the original terminal facilities and import services be converted from NGA section 7 authorization to NGA section 3 authorization, so that the entirety of Lake Charles LNG's terminal facilities and operations will be regulated solely under NGA section 3. The order also approves Trunkline's request, under NGA sections 7(b) and 7(c), to abandon, construct, modify, and operate certain pipeline facilities to meet the demand for additional transportation capacity to deliver natural gas to the liquefaction facilities, enable bi-directional flow on the pipeline system, and enable increased access to natural gas supplies.

### **FERC authorizes, with conditions, new interstate pipeline facilities**

**C-2**, *American Midstream (Midla), LLC*, Docket No. CP15-523-000. The order approves Midla's uncontested application to construct and operate the Natchez Pipeline, which consists of approximately 51.96 miles of 12-inch-diameter pipeline and approximately 0.5 mile of 4-inch-diameter lateral pipeline in Louisiana and Mississippi. The application is filed in accordance with section 2.1 of a Stipulation and Agreement (Settlement), approved by Commission order issued April 16, 2015, that resolved contested issues concerning Midla's proposal to abandon much of its aging Legacy System. Under the Settlement, Midla agreed to build the new Natchez Pipeline from near Winnsboro, Louisiana, to Natchez, Mississippi, so that Midla's existing customers would continue to be served either through the new pipeline, an alternate gas provider, or through conversion to propane service. The order grants the requested authorization and finds that construction of the Natchez Pipeline will allow Midla to replace its Legacy System, while continuing to serve its customers as contemplated by the settlement.

### **FERC authorizes the expansion of interstate natural gas storage facilities, with conditions**

**C-3, *National Fuel Gas Supply Corporation***, Docket No. CP14-501-000. This order issues a certificate in accordance with section 7(c) of the Natural Gas Act authorizing a portion of National Fuel's proposed reservoir and buffer boundary expansion for its Beech Hill, East Independence, and West Independence storage fields, located in Allegany and Steuben Counties, New York. The order denies National Fuel's request to convert Well 7451 from observation to withdrawal-only status because Commission staff believes that the active production or withdrawal state of Well 7451 previously caused storage gas to migrate through a geologic pathway to Well 7451, and National Fuel does not adequately demonstrate that additional gas migration would cease if the request were granted.

### **FERC authorizes upgrades to interstate natural gas infrastructure, with conditions**

**C-4, *Texas Eastern Transmission, LP***, Docket No. CP15-90-000. This order issues a certificate authorizing Texas Eastern to construct and operate the Gulf Markets Expansion Project, which consists of a new 5,280 horsepower compressor station in Provident City, Lavaca County, Texas; a new 12,500 horsepower compressor unit at the existing Opelousas Compressor Station in St. Landry Parish, Louisiana; and modifications to existing facilities in Kentucky, Louisiana, Mississippi, Ohio, and Tennessee. The project will create incremental pipeline capacity that will enable Texas Eastern to provide approximately 650,000 dekatherms per day of additional firm transportation service on its mainline system.

### **FERC authorizes upgrades to existing interstate natural gas infrastructure, with conditions**

**C-5, *Kern River Gas Transmission Company***, Docket No. CP15-132-000. This order issues a certificate to Kern River authorizing the Summerlin Pipe Replacement Project to be located in Clark County, Nevada. The proposed project consists of replacing a 1.56-mile-long segment of Kern River's 6-inch-diameter A-line with thicker walled pipe to comply with a class location change by the U.S. Department of Transportation (DOT) and DOT's Pipeline and Hazardous Materials Safety Administration. The order concludes that the proposed replacement project will provide benefits by allowing Kern River to meet DOT's safety requirements while maintaining current service levels without any identifiable adverse impacts on existing customers, other pipelines, landowners, or communities.