

July 2016

Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its July 21, 2016 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.

E-7, E-13, & E-14 – Press Release

E-8 & E-10 – Press Release

FERC addresses a rate issue on remand

E-1, *Southwest Power Pool, Inc.*, Docket No. ER12-959-007. The order addresses an issue remanded to the Commission by the U.S. Court of Appeals for the District of Columbia Circuit. The order directs SPP to bill Tri-County Electric Cooperative Inc. (Tri-County) for the amounts of Tri-County's annual transmission revenue requirement that SPP collected from ratepayers, with interest. The order also directs SPP to make refunds to ratepayers of the funds recouped from Tri-County.

FERC grants, in part, and denies, in part, a motion for clarification

E-2, *Southwest Power Pool, Inc.*, Docket No. ER16-791-000. The order grants, in part, and denies, in part, SPP's motion for clarification of the Commission's March 25, 2016 order on SPP's proposed tariff revisions to distribute settlement revenues from the settlement that resolved a Midcontinent Independent System Operator -SPP seams dispute. SPP seeks clarification that it can withhold the settlement revenues, without interest, from non-public utility transmission owning members of SPP that did not commit to payment of refunds. The order grants clarification to allow SPP to withhold the settlement revenues, but does not allow SPP to withhold the settlement revenues without interest.

FERC initiates a Federal Power Act section 206 proceeding

E-3, *Southwest Power Pool, Inc.*, Docket No. EL16-91-000. The order institutes a Federal Power Act section 206 proceeding to examine the SPP tariff. The order finds that SPP's tariff may be unjust and unreasonable because it does not include a refund

commitment requiring non-public utility transmission owners to refund revenues that they may receive associated with service provided due to their status as transmission-owning RTO members, in the same manner that public utility transmission owners could be required to provide refunds of such revenues.

FERC denies, in part, and grants, in part, rehearing requests

E-4, *Association of Businesses Advocating Tariff Equity v. Midcontinent Independent System Operator, Inc.*, Docket No. EL14-12-001. This order denies, in part, and grants, in part, requests for rehearing and clarification of the Commission's October 26, 2014 order on a complaint that established hearing and settlement judge procedures and a refund effective date with respect to the base return on equity for MISO transmission owners.

FERC denies, in part, and grants, in part, rehearing requests; initiates a Federal Power Act section 206 proceeding

E-5, *Arkansas Electric Cooperative Corporation v. ALLETE, Inc.*, Docket Nos. EL15-45-001; EL16-99-000. This order denies, in part, and grants, in part, requests for hearing and clarification of the Commission's June 28, 2015 order on a complaint that established hearing and settlement judge procedures and a refund effective date with respect to the base return on equity for Midcontinent Independent System Operator (MISO) transmission owners. The order also institutes a Federal Power Act section 206 proceeding to examine the MISO tariff. The order finds that MISO's tariff may be unjust and unreasonable because it does not include a refund commitment requiring non-public utility transmission owners to refund revenues that they may receive associated with service provided due to their status as transmission-owning RTO members, in the same manner that public utility transmission owners could be required to provide refunds of such revenues.

FERC denies rehearing

E-9, *Revised Critical Infrastructure Protection Reliability Standards*, Docket No. RM15-14-001. The order denies rehearing of Order No. 822, that approved seven modified critical infrastructure protection (CIP) Reliability Standards and directed the North American Electric Reliability Corporation to develop additional modifications to the CIP Reliability Standards.

FERC approves a final rule

E-11, *Requirements for Frequency and Voltage Ride Through Capability of Small Generating Facilities*, Docket No. RM16-8-000. The final rule revises the *pro forma*

Small Generator Interconnection Agreement to include a requirement that small generating facilities be able to ride through frequency and voltage disturbances.

FERC proposes a rule

E-12, *Standards for Business Practices and Communication Protocols for Public Utilities*, Docket No. RM05-5-025. In this notice of proposed rulemaking, the Commission proposes to incorporate by reference the latest version (Version 003.1) of certain Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board and also identifies standards it does not propose to incorporate.

FERC accepts proposed tariff revisions, establishes hearing and settlement judge procedures

E-15, *Southwest Power Pool, Inc.*, Docket No. ER16-1774-000. This order accepts SPP's proposed revisions to its Open Access Transmission Tariff to adopt a formula rate for transmission service for Western Farmers Electric Cooperative (Western Farmers), subject to refund, and sets the filing for hearing and settlement judge procedures. The order approves Western Farmers' request for a 50-basis-point adder to its base return on equity for participation in SPP, but finds that the other aspects of the filing raise issues of material fact that are more appropriately addressed in hearing and settlement judge procedures.

FERC conditionally accepts compliance filing

E-16, *Southwest Power Pool, Inc.*, Docket No. ER16-13-002. The order accepts, subject to a further compliance filing, SPP's March 21, 2016 compliance filing regarding modifications to SPP's tariff related to the allocation of annual Auction Revenue Rights.

FERC approves an uncontested settlement

E-17, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER12-678-006. This order approves an uncontested settlement relating to the allocation of Voltage and Local Reliability (VLR) costs, that are a category of Revenue Sufficiency Guarantee costs, among MISO customers. In the settlement, MISO and its customers have agreed to a method of allocating VLR costs for pseudo-tied load.

FERC grants rehearing

E-18, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER12-678-004. This order grants rehearing of the Commission's June 30, 2014 order regarding

MISO's proposed allocation of Voltage and Local Reliability (VLR) costs, which are a category of Revenue Sufficiency Guarantee costs, among MISO customers. In the 2014 order, the Commission found that MISO had not supported its initial method of allocating the costs of VLR commitments, and in granting the request for rehearing on that question, the Commission instituted an investigation in accordance with Federal Power Act (FPA) section 206 as to the just and reasonable allocation of VLR costs to pseudo-tied load. The order grants WPPI Energy's request for rehearing and finds that, given the circumstances presented in the case, the Commission retains authority to act, and order refunds, in accordance with FPA section 205.

FERC declines to initiate an enforcement action, provides a declaratory statement

E-20, *Windham Solar LLC and Allco Finance Limited*, Docket Nos. EL16-69-000, *et al.* The Notice of Intent Not to Act gives notice that the Commission declines to initiate an enforcement action under section 210(h)(2)(A) of the Public Utility Regulatory Policies Act of 1978 and also provides a declaratory statement on the issues raised in the petition for enforcement. The declaratory statement explains (1) that a qualifying facility (QF), regardless of whether it has previously sold its renewable energy credits under a separate contract, has the right to sell its output in accordance with a legally enforceable obligation; and (2) that a state regulatory authority cannot condition a QF's ability to sell its output pursuant to a legally enforceable obligation on the QF's participation in a request-for-proposal process.

FERC grants, in part, and denies, in part, application to terminate mandatory purchase obligation

E-23, *Nebraska Public Power District*, Docket No. QM16-1-000. This order largely grants Nebraska Public Power District's application to terminate the requirement that it enter into new obligations or contracts with qualifying facilities (QF) with net capacity in excess of 20 megawatts. The order denies the application with respect to NextEra's Cottonwood QF that had earlier initiated a proceeding before the Nebraska Public Power District's Board of Directors that may result in a legally enforceable obligation.

FERC denies rehearing

H-1, *BOST1 Hydroelectric LLC*, Project No. 13458-003. This order denies BOST1's request for rehearing of a January 2016 order that denied BOST1's successive preliminary permit application for the Coon Rapids Dam Hydroelectric Project No. 13458. The project is proposed to be located at the Three Rivers Park District's Coon Rapids Dam on the Mississippi River in Hennepin and Anoka Counties, Minnesota. The order denies the rehearing request because BOST1 failed to demonstrate extraordinary circumstances prevented it from filing a final license application.

FERC authorizes, subject to conditions, new interstate natural gas facilities

C-1, *Eastern Shore Natural Gas Company*, Docket No. CP15-498-000. The order authorizes Eastern Shore to construct and operate its System Reliability Project, comprising a new compressor unit at its existing Bridgeville Compressor Station and two small looping segments, all located in Delaware. The order addresses a protest and comment questioning whether this system reliability project actually benefits all of Eastern Shore's customers. Finding that the proposed project will provide significant benefits to all shippers on Eastern Shore's integrated system, the order grants the requested certificate authority, subject to conditions.

FERC authorizes, subject to conditions, new interstate natural gas facilities

C-2, *Eastern Shore Natural Gas Company*, Docket Nos. CP15-18-000; CP15-18-001. The order grants Eastern Shore's request to construct and operate pipeline, compression, and auxiliary facilities in Pennsylvania and Delaware in order to increase firm transportation service on its mainline system by 45,000 dekatherms per day. The order also approves Eastern Shore's request to use its existing Rate Schedule OPT≤90 rates as its initial recourse rates, but denies its request for a predetermination that it may roll the costs associated with the project into its system rates in a future Natural Gas Act section 4 rate proceeding because the cost of service exceeds the projected revenues to be received. The order also denies Eastern Shore's request to roll its fuel costs into its system rates because rolling in the costs would result in an increase in the fuel rates of Eastern Shore's existing customers.