

December 2018

Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its December 20, 2018 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-1 – Press Release

FERC accepts a market-based rate tariff

E-2, *Gulf Power Company*, Docket No. ER18-1952-001, *et al.* This order grants Gulf Power Company's request for authorization to make limited market-based rate sales of capacity and energy so that, following the sale of Gulf Power Company from the Southern Company to 700 Universe, LLC, a subsidiary of NextEra Energy, Inc., Gulf Power Company may continue to make wholesale sales of excess capacity and energy from resources that are committed to the Southern Company System Intercompany Interchange Contract for a certain time period.

FERC authorizes a proposed transaction

E-3, *NextEra Energy, Inc.*, *et al.*, Docket No. EC18-117-000. The order authorizes, under section 203 of the Federal Power Act, a proposed transaction whereby NextEra Energy will indirectly acquire from the Southern Company 100 percent of the ownership interests in Gulf Power Company, a franchised public utility located in the Florida Panhandle.

FERC addresses formula rate calculations

E-4, 5, 6, 7, 8, 9, 10, 11, and 12, *Midcontinent Independent System Operator, Inc., et al.*, Docket No. EL18-138-000, *et al.* These orders address responses (that include related filings under section 205 of the Federal Power Act) by public utilities to Commission orders pursuant to section 206 of the Federal Power Act in which the Commission stated that the use of the “two-step” averaging methodology used in the calculation of Accumulated Deferred Income Tax balances in the projected test year calculations and/or annual true-up calculations for the transmission formula rates of certain transmission owners may be unjust and unreasonable.

FERC accepts proposed tariff revisions

E-13, *Southwest Power Pool, Inc.*, Docket No. ER19-166-000. The order accepts tariff revisions to streamline the process by which Frequently Constrained Areas are designated.

FERC accepts a Generator Interconnection Agreement

E-14, *Midcontinent Independent System Operator, Inc.*, Docket No. ER18-2340-001. This order accepts a Generator Interconnection Agreement among MISO, Crescent Wind LLC as the interconnection customer, and Michigan Electric Transmission Company, LLC as the transmission owner, subject to the outcome of certain pending proceedings.

FERC accepts tariff revisions

E-15, *ISO New England, Inc.*, Docket No. ER19-169-000. The order accepts revisions to the ISO-NE Transmission, Markets and Services Tariff (1) to remove provisions requiring ISO-NE to submit a demand bid into the third annual reconfiguration auction on a Forward Capacity Market resource’s behalf when ISO-NE expects the resource will not achieve commercial operation before the capacity commitment period and (2) to replace them with provisions that levy a monthly Failure to Cover Charge Rate on resources that do not demonstrate the ability to meet their full capacity supply obligation during the capacity commitment period.

FERC accepts tariff revisions

E-16, *Gulf Power Company*, Docket Nos. ER18-1953-000 and 001. The order accepts Gulf Power’s new, stand-alone Open Access Transmission Tariff (OATT), filed as a result of the pending sale of Gulf Power by the Southern Company to 700 Universe, LLC, a wholly-owned subsidiary of NextEra Energy, Inc. The order accepts Gulf Power’s OATT for filing, suspends it for a nominal period, to become effective as of the

closing date of the pending sale of Gulf Power, subject to refund and a compliance filing apprising the Commission of the effective date. The order also establishes hearing and settlement judge procedures to address Gulf Power's proposed base return on equity and OATT Attachment N protocols.

FERC approves an uncontested settlement agreement

E-17, *Pacific Gas and Electric Company*, Docket No. ER17-2154-002. The letter order approves an uncontested offer of settlement filed by PG&E resolving all issues set for hearing and settlement judge procedures in Docket Nos. ER17-2154-000 and EL17-95-000.

FERC accepts an informational filing, institutes section 206 proceeding

E-18, *Exelon Generation Company, LLC*, Docket No. ER17-802-002, *et al.* This order accepts Exelon Generation's informational filing concerning the planned deactivation of its Oyster Creek Generating Station, and institutes a proceeding, in accordance with section 206 of the Federal Power Act, regarding the continued justness and reasonableness of Exelon Generation's rate for providing Reactive Supply and Voltage Control Service in the PJM Interconnection, L.L.C. region.

FERC grants in part, rejects in part, and dismisses in part a waiver

E-19, *Southwestern Public Service Company*, Docket No. ER18-2377-000. The order addresses Southwestern Public Service Company's request for waivers to allow it to issue refunds to certain wholesale power requirements customers. The order grants the requested waiver of section 35.14 of the Commission's regulations to allow the pass-through of refunds, dismisses the requested waiver of Southwestern's fuel cost adjustment protocols as unnecessary, and rejects the requested waiver of section 35.19a of the Commission's regulations as to interest.

FERC denies a waiver request, grants complaint in part, and convenes a paper hearing

E-21, *NRG Curtailment Solutions, Inc. v. New York Independent System Operator, Inc.*, Docket No. EL18-188-000. This order denies NRG Curtailment Solutions' request for waiver of those provisions of NYISO's Services Tariff that govern meter installation and meter reading for demand response participants in NYISO's installed capacity markets. However, the order also finds that the Services Tariff's provisions regarding this matter are unduly discriminatory. The order convenes a paper hearing to determine appropriate replacement provisions.

FERC denies a complaint

E-22, *Nebraska Public Power District v. Tri-State Generation and Transmission Association, Inc. and Southwest Power Pool, Inc.*, Docket No. EL18-194-000. The order denies a complaint by Nebraska Public Power District arguing that certain costs in Tri-State Generation and Transmission Association's Annual Transmission Revenue Requirement and the failure to credit certain revenues are unjust and unreasonable.

FERC denies a complaint and request for a declaratory order

E-23, *City of Oakland, California v. Pacific Gas and Electric Company*, Docket No. EL18-197-000. This order denies a complaint and a request for declaratory order filed by the City of Oakland, California, acting by and through its Board of Port Commissioners (Port), alleging that PG&E should have been providing Port wholesale (and not retail) service at Port's Cuthbertson substation since 1997 and that PG&E violated the Federal Power Act by failing to file a wholesale service agreement.

FERC denies a request for a declaratory order

E-24, *City of Falmouth, Kentucky*, Docket No. EL18-176-000. This order denies the petition for declaratory order filed by the City of Falmouth, Kentucky which requests that the Commission find that, when Falmouth changes energy suppliers it can continue to obtain transmission service over the facilities of East Kentucky Power Cooperative, Inc. at the same rates, terms and conditions as Falmouth currently pays.

FERC approves an uncontested settlement agreement

G-1, *Southwest Gas Transmission Company, A Limited Partnership*, Docket Nos. RP19-238-000 and 001. The order approves Southwest Gas Transmission Company's (SGTC) settlement agreement in lieu of filing FERC Form No. 501-G, resulting in a total rate reduction of 18.4 percent in SGTC's Rate Schedule T-1 monthly charge.

FERC approves an uncontested settlement agreement

G-2, *WestGas Interstate, Inc.*, Docket No. RP19-240-000. The order approves a settlement in which WestGas Interstate (WGI) agrees to provide its shipper Cheyenne Light Fuel and Power with a one-time 2018 rate credit of \$1,500 to account for the change in WGI's cost of service due to the federal corporate income tax rate reduction of the Tax Cuts and Jobs Act.

FERC accepts tariff records

G-3, *Southeast Supply Header, LLC*, Docket Nos. RP19-266-000 and RP19-267-000. The order accepts Southeast Supply Header's proposal to reduce its currently effective rates by 3.1 percent, as calculated in its FERC Form No. 501-G.

FERC approves a temporary waiver

G-4, *Black Hills Utility Holdings, Inc. and Black Hills Service Company, LLC*, Docket No. RP19-307-000. The order grants a temporary waiver requested by Black Hills Utility Holdings (BHUH) and Black Hills Service Company (BHSC). The petitioners requested a temporary and limited waiver of the Commission's capacity release regulations and policies, and related natural gas pipeline tariffs to facilitate the assignment and permanent release by BHUH to BHSC of certain long-term firm natural gas transportation agreements.

FERC denies petitions for rehearing

G-5, *Peregrine Oil & Gas II, LLC*, Docket No. RP17-811-003, *et al.* This order denies two rehearing requests filed by Texas Eastern Transmission LP (Texas Eastern), each relating to complaints filed by Peregrine regarding outages on Texas Eastern's natural gas pipeline: (1) Texas Eastern's May 2, 2018 request for rehearing of an April 2, 2018 order, wherein Texas Eastern argues that the Commission erred by, among other issues, not finding as a matter of law that Peregrine had failed to state a claim; and (2) Texas Eastern's August 29, 2018 request for clarification or, alternatively, rehearing of a July 30, 2018 order, wherein Texas Eastern argues that the Commission erred by not finding as a matter of law that it lacks jurisdiction over an essential facility at issue in this proceeding.

FERC approves a final rule

H-1, *Elimination of Form 80 and Revision of Regulations on Recreational Opportunities and Development at Licensed Hydropower Projects*, Docket No. RM18-14-000. This final rule revises the Commission's regulations to eliminate the Licensed Hydropower Development Recreation Report, designated as FERC Form No. 80. Form 80 solicits information on the use and development of recreation facilities at hydropower projects licensed by the Commission under the Federal Power Act. The elimination of Form 80 will reduce burden on licensees and Commission staff alike. In addition, the Commission revises sections 8.1 and 8.2 of its regulations, related to recreational use and development at licensed projects, in order to modernize licensee public notice practices, clarify recreational signage requirements, and provide flexibility to assist licensees' compliance efforts.

FERC denies request for rehearing

H-2, *Covington Mountain Hydro, LLC*, Docket No. DI18-1-001. The order denies Covington's request for rehearing of Commission staff's August 1, 2018 order finding that the proposed Bison Peak Pumped Storage Project in California must be licensed if it uses water from the local water district, which obtains water from the State Water Project by way of the California Aqueduct. The order affirms the Commission's longstanding interpretation that projects using waters diverted from navigable streams must be licensed. The order also finds that the diversion is a non-navigable "part" of the stream within the meaning of Federal Power Act section 23(b)(1).

FERC grants rehearing and reinstates a hydro permit

H-3, *Columbia Basin Hydropower*, Project No. 14329-005. The order grants Columbia Basin's request for rehearing of Commission staff's order denying Columbia Basin's request for a successive preliminary permit for the Banks Lake Pumped Storage Project No. 14329. The proposed project would be located on Banks Lake and Franklin D. Roosevelt Lake, near the town of Grand Coulee in Grant County, Washington. The order finds that, in accordance with the new America's Water Infrastructure Act of 2018, Columbia Basin's permit should be reinstated and extended an additional two years, for a total permit term of seven years.

FERC grants, in part, and denies, in part, request for rehearing

H-4, *North East Wisconsin Hydro, LLC*, Project No. 2744-046. This order grants, in part, and denies, in part, North East Wisconsin Hydro's (NEW Hydro) request for rehearing of the Commission's June 29, 2018 new license issued for the Menominee and Park Mill Hydroelectric Project No. 2744, located on the Menominee River, between Menominee County, Michigan, and Marinette County, Wisconsin. The rehearing order grants NEW Hydro's request for a 45-year license term on the grounds of its comprehensive settlement and rejects NEW Hydro's challenge to the reservoir surface elevation levels because the Commission is not bound by NEW Hydro's off-license agreement and the prescribed levels are supported by the relicensing record.

FERC authorizes a gas export pipeline project

C-1, *Puget Sound Energy, Inc., SOCCO, Inc., Sumas Pipeline Company, Sumas Dry Kilns, Inc.*, Docket No. CP18-532-000. The order grants the applicants' July 20, 2018 request to amend its Natural Gas Act section 3 authorization and Presidential Permit issued July 23, 2008 (Docket No. CP08-48-000) to permit SOCCO to transfer its ownership interest in a border-crossing facility and natural gas pipeline located in Whatcom County, Washington, to Sumas Dry Kilns, Inc. No construction or modification to the previously approved facilities is proposed.

FERC approves transfer of certain LNG export facilities

C-2, *Golden Pass LNG Terminal LLC and Golden Pass Products LLC*, Docket No. CP19-20-000. The order grants a November 16, 2018 request by affiliates Golden Pass LNG and Golden Pass Products to transfer Golden Pass Products' existing Natural Gas Act section 3 authorization for LNG terminal export facilities to Golden Pass LNG, which owns and operates an LNG import terminal at Sabine Pass, Texas. The requested transfer of authority will have no environmental impacts because there will be no changes to previously authorized facilities and services. The order finds the proposed transfer to be consistent with the public interest and approves it.