

# October 2019

## Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its October 17, 2019 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 & E-2 – Press Release

#### **FERC initiates section 206 Federal Power Act investigations and directs certain regional transmission operators to respond to questions about immediate-need reliability projects**

**E-3, *ISO New England Inc., et al.***, Docket No. EL19-90-000, *et al.* The order institutes proceedings under section 206 of the Federal Power Act to consider how certain regional transmission operators are implementing the exemption for immediate-need reliability projects, which are projects the Commission allowed to be exempt from Order No. 1000's requirement to eliminate provisions in Commission-jurisdictional tariffs and agreements that establish a federal right of first refusal for an incumbent transmission developer with respect to transmission facilities selected in a regional transmission plan for purposes of cost allocation. The order directs ISO New England Inc., PJM Interconnection, L.L.C., and Southwest Power Pool, Inc. to respond to the questions outlined in the order no later than 60 days after the publication of the notice in the *Federal Register* of the initiation of the section 206 proceedings.

#### **FERC accepts NERC's 2020 business plans and budget**

**E-4, *North American Electric Reliability Corporation***, Docket No. RR19-8-000. This order accepts the 2020 business plans and budgets of the North American Electric Reliability Corporation (NERC), the Regional Entities, and the Western Interconnection Regional Advisory Body as reasonable and that the associated costs are allocated among end users in the United States equitably. The order also grants NERC's request for the Midwest Reliability Organization and the SERC Reliability Corporation to receive an exception under section 1107 of the NERC Rules of Procedure that requires penalty

monies collected during the 12 months prior to July 1 of a given year be used to reduce assessments in the following year.

### **FERC authorizes the disposition of jurisdictional facilities**

**E-6, *Empire Generating Co., LLC***, Docket No. EC19-99-000. The order grants approval under section 203 of the Federal Power Act for the sale of Empire Generating Co. LLC's upstream owner to Black Diamond Capital Holdings, L.L.C., AEIF Trade, LLC and ASSF IV AIV B Holdings III, L.P., and SPTIF Parent, LLC.

### **FERC accepts proposed tariff provisions**

**E-7, *PJM Interconnection, L.L.C. and Virginia Electric and Power Company***, Docket Nos. ER19-1661-000 and ER19-1661-001. The order accepts proposed revisions by Virginia Electric and Power Co., d/b/a Dominion Energy Virginia (Dominion) to the PJM Interconnection, L.L.C. Open Access Transmission Tariff to change the calculation of the Network Service Peak Load (NSPL) for transmission customers within the Dominion Zone. The order accepts a new 12-month coincident peak allocation feature, that determines the network customer's NSPL based on loads during the Dominion Zone's 12 monthly transmission peaks in the 12-month period ending September 30.

### **FERC establishes hearing and settlement judge procedures**

**E-8, *GridLiance High Plains LLC and Southwest Power Pool, Inc.***, Docket Nos. ER19-1357-000 and ER18-2358-001. The order sets Xcel Energy Services Inc.'s formal challenge to GridLiance High Plains' 2019 annual update for hearing and settlement judge procedures, and consolidates this proceeding (Docket No. ER19-1357-000) with the pending hearing and settlement judge procedures in Docket No. ER18-2358-001.

### **FERC accepts updated market power analysis and terminates a Federal Power Act section 206 proceeding**

**E-9, *Tucson Electric Power Co.***, Docket No. ER10-2564-009, *et al.* The order addresses an updated market power analysis filed by Tucson Electric, UNS Electric, Inc., and UniSource Energy Development Company (Applicants). On March 8, 2019, the Commission issued an order instituting a proceeding under section 206 of the Federal Power Act to determine whether Applicants' market-based rate authority in the Tucson Electric balancing authority area remains just and reasonable. The order finds that Applicants satisfy the Commission's standards for market-based rate authority and accepts the updated market power analysis. The order also terminates the section 206 proceeding.

### **FERC accepts an uncontested settlement offer**

**E-10**, *Gulf Power Co.*, Docket No. ER18-1953-003. The order approves an uncontested offer of settlement filed by Gulf Power. The settlement addresses Gulf Power's new stand-alone Open Access Transmission Tariff that will take effect following the consummation of NextEra Energy, Inc.'s acquisition of Gulf Power from the Southern Companies.

### **FERC approves a contested settlement offer**

**E-11**, *Westar Energy, Inc.*, Docket No. ER18-1418-001. The order approves a contested offer of settlement submitted by Westar Energy, updating loss factors contained in its tariff.

### **FERC approves an uncontested settlement offer**

**E-12**, *Constellation Power Source Generation, LLC*, Docket No. ER17-801-004, *et al.* The letter order approves an uncontested settlement concerning the revenue requirements for reactive service by Constellation Power Source Generation, LLC, Exelon Generation Company, LLC, and Handsome Lake Energy, LLC from their facilities in PJM Interconnection, L.L.C.

### **FERC approves an uncontested settlement offer**

**E-13**, *NTE Ohio, LLC*, Docket No. ER18-2362-001. The letter order approves an uncontested settlement concerning the revenue requirement for reactive service by NTE Ohio from its natural gas-fired electric generating facility in the PJM Interconnection, L.L.C. region.

### **FERC denies a complaint**

**E-14**, *Nevada Hydro Company, Inc. v. California Independent System Operator Corporation*, Docket No. EL19-81-000. The order denies the complaint filed by Nevada Hydro alleging that CAISO violated its tariff in its study of the Lake Elsinore Advanced Pumped Storage (LEAPS) project during the 2018-2019 transmission planning process, and therefore produced unjust and unreasonable results. The order finds that CAISO adhered to its tariff in its study of LEAPS as a reliability-driven transmission project and found no reliability need for new transmission solutions in the San Diego area.

### **FERC denies rehearing**

**E-16**, *Exelon Fitzpatrick, LLC*, Docket No. ER17-2201-001. The order denies rehearing of the Commission's September 28, 2017 order that granted Exelon Fitzpatrick market-based authority.

### **FERC denies rehearing, directs a further compliance filing**

**E-17**, *Ameren Illinois Company*, Docket No. ER17-1198-002. The order denies rehearing of the Commission's June 20, 2019 order that granted in part, and denied in part, Southwestern Electric Cooperative, Inc.'s formal challenge to certain inputs to Ameren Illinois Company's formula rate. The order directs Ameren Illinois to make a compliance filing to ensure that Ameren Illinois is performing its accounting in a manner that is consistent with the explanation provided in the order.

### **FERC denies rehearing**

**E-18**, *Midcontinent Independent System Operator, Inc.*, Docket No. ER18-1899-004. The order denies rehearing of the Commission's November 30, 2018 order accepting, subject to condition, two *pro forma* pseudo-tie agreements as new attachments to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, as well as certain associated modifications to Tariff Modules A and C.

### **FERC denies rehearing**

**E-19**, *Midcontinent Independent System Operator, Inc.*, Docket No. ER18-136-004, *et al.* The order denies rehearing of the Commission's July 31, 2018 order accepting MISO and PJM Interconnection, L.L.C.'s (PJM) identical proposed revisions to their Joint Operating Agreement to provide for a phased resolution of certain issues involving overlapping congestion charges affecting pseudo-tied generation in MISO and PJM.

### **FERC denies rehearing**

**E-20**, *PJM Interconnection, L.L.C.*, Docket No. ER18-1730-001. The order denies rehearing of the Commission's July 31, 2018 order accepting proposed revisions to PJM's Open Access Transmission Tariff and the Amended and Restated Operating Agreement to address certain charges and credits for pseudo-tie transactions between PJM and Midcontinent Independent System Operator, Inc.

### **FERC denies rehearing**

**E-21**, *PJM Interconnection, L.L.C.*, Docket No. ER19-945-001. The order denies Vitol Inc.'s request for rehearing of the Commission's April 1, 2019 Order accepting PJM's revisions to its Open Access Transmission Tariff to incorporate Financial Transmission Right mark-to-auction provisions.

### **FERC denies rehearing**

**E-22**, *Owensboro Municipal Utilities v. Louisville Gas and Electric Company, et al.*, Docket No. EL18-203-001. The order denies Louisville Gas and Electric Company and Kentucky Utilities Company's (together, LG&E/KU) request for rehearing of the Commission's March 21, 2019 order which found that LG&E/KU violated Rate Schedule FERC No. 402 by failing to reimburse Owensboro Municipal Utilities for certain transmission charges.

### **FERC denies rehearing**

**E-24**, *CXA La Paloma, LLC v. California Independent System Operator Corp.*, Docket No. EL18-177-001. The order denies requests for rehearing of the Commission's November 19, 2018 order that denied CXA La Paloma's complaint against the CAISO alleging that the resource adequacy regime in California is unjust, unreasonable, and unduly discriminatory, and requesting that the Commission direct CAISO to implement centralized capacity procurement and a transitional payment mechanism.

### **FERC denies a complaint**

**E-25**, *Public Citizen, Inc. v. PJM Interconnection, L.L.C.*, Docket No. EL18-61-000. The order denies a complaint by Public Citizen filed in accordance with section 206 of the Federal Power Act. The complaint alleges that PJM recovered through its Commission-approved filed rate improper campaign contributions and lobbying expenses, and failed to disclose its spending on political activity. On the issue of whether PJM improperly recovered expenses in its stated rate, the order finds Public Citizen failed to put forward evidence showing that these expenditures do not represent an educational or informational function essential to PJM's core operations or do not support policies that the RTO determines to be in the collective best interests of its stakeholders. On the issue of whether to require PJM to itemize and disclose all political-related spending, the order finds that PJM's process ensures that the financial statements questioned by Public Citizen are subject to adequate independent review through PJM's Finance Committee, which reviewed the financial information establishing the rate.

## **FERC seeks to update record in a Federal Power Act investigation**

**E-26**, *PJM Interconnection, L.L.C.*, Docket No. EL14-37-000. The order seeks to update the record of the pending Federal Power Act section 206 investigation regarding how uplift is, or should be, allocated to virtual transactions in PJM Interconnection, L.L.C., including consideration of PJM's different treatment of Up-to Congestion transactions as compared to Incremental Offers and Decrement Bids for purposes of allocating uplift. The order states that, in light of the potential changed circumstances since the time that pleadings were last submitted in this proceeding, the order provides opportunity for further briefing. The order requires PJM to submit its brief answering questions outlined in the order within 30 days of issuance of the order and permits other parties to file reply briefs within 30 days of PJM's filing.

## **FERC grants continuation of certain tariff waivers**

**G-1**, *Arkansas Oklahoma Gas Corporation*, Docket No. PR19-42-000. The order grants AOG's request for continuation of previously granted waivers, which allows AOG to continue charging its existing rates for its interstate transportation.

### **FERC terminates FERC Form No. 501-G proceeding**

**G-2**, *Wyoming Interstate Company, L.L.C.*, Docket No. RP19-420-000. The order reviews WIC's FERC Form No. 501-G, comments filed in the docket, and other publicly available information on file with the Commission, and finds that WIC has complied with the reporting requirements of Order No. 849.

### **FERC terminates FERC Form No. 501-G proceeding**

**G-3**, *Natural Gas Pipeline Company of America LLC*, Docket No. RP19-395-000. The order reviews Natural's FERC Form No. 501-G, comments filed in the docket, and publicly available information on file with the Commission and finds that Natural has complied with the reporting requirements of Order No. 849.

## **FERC accepts settlement offer**

**G-4**, *Sea Robin Pipeline Company*, Docket No. RP19-352-004. The order accepts a settlement that resolves all outstanding issues in a general rate case under section 4 of the Natural Gas Act. The settlement results in substantially lower rates than those initially filed.

## **FERC dismisses rehearing request**

**G-5**, *RRI Energy Services; Morgan Stanley Capital Group Inc., LLC*, Docket No. RP19-872-001. The order denies RRI Energy Services' and Morgan Stanley Capital Group's

request for rehearing of the Commission's April 2019 order that rejected a request for waiver of the Commission's capacity-release regulations.

### **FERC denies rehearing**

**G-6**, *Epsilon Trading, LLC, et al. v. Colonial Pipeline Co.*, Docket No. OR18-7-001, *et al.* The order denies rehearing of the Commission's September 20, 2018 order that consolidated various complaints concerning Colonial Pipeline Company's rates and set certain issues raised in the complaints for hearing and settlement judge procedures.

### **FERC revises policy statement**

**H-1**, *Revision to Policy Statement on Consultation with Indian Tribes in Commission Proceedings*, Docket No. PL20-1-000. The order revises the Commission's Policy Statement on Consultation with Indian Tribes in Commission Proceedings by adding a specific reference to treaty rights; a statement that the Commission addresses tribal input in its NEPA documents and orders, and consultation with Alaska Native Corporations.

### **FERC grants a preliminary permit and priority to file a license application**

**H-2**, *Tomlin Energy LLC*, Project No. 14983-000. The order issues a preliminary permit to Tomlin Energy and grants priority to file a license application for the Closed Loop Pumped Storage Project to be located on the Kiamichi River in Pushmataha County, Oklahoma.

### **FERC denies rehearing**

**H-3**, *Placer County Water Agency*, Project No. 2079-081. This order reaffirms the conclusion in the Commission's April 18, 2019 declaratory order that the California Water Resources Control Board waived its Clean Water Act section 401 authority over the Middle Fork American River Hydro Project.

### **FERC conditionally grants a certificate of public convenience and necessity**

**C-1**, *Natural Gas Pipeline Company of America, LLC*, Docket No. CP19-52-000. The order authorizes Natural Gas Pipeline Company of America to construct and operate the Lockridge Extension Pipeline Project, a new 16.84-mile-long, 30-inch-diameter pipeline extension in Ward, Reeves, and Pecos counties, Texas. The project is designed to support up to 500,000 dekatherms per day of firm transportation service for two customers. Natural states that the proposed project will address the need for new pipeline infrastructure to transport natural gas production in the Permian Basin area to a new bi-directional interconnection with Trans-Pecos Pipeline, LLC at Trans-Pecos Pipeline's Waha Hub in Pecos County, Texas.

## **FERC conditionally authorizes an interstate natural gas pipeline**

**C-2, *Transcontinental Gas Pipe Line Company, LLC*, Docket No. CP18-186-000.**

This order authorizes Transco to construct, operate, and modify pipeline, compression, and auxiliary facilities proposed for its Southeastern Trail Project. The proposed project will be constructed and operated in Virginia, South Carolina, Georgia, and Louisiana. The order also authorizes Transco to abandon certain compression facilities. The project is designed to enable Transco to provide an additional 296,375 dekatherms per day of incremental firm transportation service to serve five project shippers. The order also addresses arguments raised in protests filed by the North Carolina Public Utilities Commission and the New York State Public Service Commission regarding concerns about the proposed rates for the project. The order approves, among other things, Transco's proposal to design its recourse rates using the approved pre-tax rate of return from Transco's most recent general Natural Gas Act section 4 rate case in which a return was specified, adjusted for the current 21 percent corporate tax rate.