

# April Meeting Summaries

## **FERC denies rehearing of order regarding Midwest ISO financial settlement provisions**

**E-2, *Midwest Independent Transmission System Operator***, Docket Nos. ER08-394-007 and 009. The Commission denied requests for rehearing of an October 20, 2008 order regarding the financial settlements provisions for the Midwest Independent Transmission System Operator's (Midwest ISO) resource adequacy program. Specifically, the Commission denied rehearing on the issues of: (1) the role of the Midwest ISO in procuring capacity on behalf of deficient load serving entities (LSEs); (2) the proposed annual cost of new entry value, its calculation and its assessment to deficient LSEs; (3) the need for a market power study of the Midwest ISO capacity market; (4) delaying the start of the resource adequacy program; and (5) load shedding penalties. In addition, the Commission accepted the Midwest ISO's filing submitted in compliance with the October 20, 2008 order subject to another compliance filing in which the Midwest ISO must propose Tariff provisions addressing the monitoring and mitigation of the monthly capacity auction and address the issue of deliverability of load modifying resources.

## **FERC accepts submission of Forward Capacity Auction results**

**E-5, *ISO New England***, Docket No. ER09-467-000. The Commission accepted ISO-New England's submission of the results of its second Forward Capacity Auction. The Commission dismissed the challenge to the auction because it was conducted according to the rules.

## **FERC accepts compliance filing related to SPP's Energy Imbalance Market**

**E-7, *Southwest Power Pool***, Docket No. ER09-149-002. The Commission accepted the Southwest Power Pool's (SPP) compliance with an order accepting SPP's plan to unilaterally register all loads and resources in its Energy Imbalance Market. The compliance filing removed any obligation for resources classified as Qualifying Facilities (under the Public Utility Regulatory Policies Act of 1978) to participate in the Energy Imbalance Market or to pay charges that stem from the registration.

## **FERC addresses rehearing of order on incentives for Southeastern Massachusetts Upgrade Projects**

**E-8**, *NSTAR Electric Co.*, Docket No. ER09-14-002. The Commission on rehearing affirmed its denial of incentives for NSTAR Electric Co.'s (NSTAR) 345 kV Transmission Reliability Project and for three separate transmission projects: Brook Street, Carver and Barnstable, collectively referred to as the Southeastern Massachusetts Upgrade Projects. This order involves the Commission's denial of the request for a 100 basis point return on equity (ROE) incentive for the Carver and the Barnstable Projects because these projects failed to meet the Commission's nexus test established in Order No. 679, and the earlier denial of the request for an ROE incentive for use of advanced transmission technologies for all four projects.

## **FERC denies rehearing of order on long-term transmission congestion contracts in NYISO**

**E-9**, *New York Independent System Operator*, Docket Nos. ER07-521-006, *et al.* The Commission denied rehearing and accepted two New York Independent System Operator compliance filings that reinstate long-term transmission congestion contracts featuring 10-year terms and update credit requirements to address long-term transmission congestion contract risk. The Commission concluded that the New York Municipals' request for rehearing did not support their claim that the exclusion of unusually high congestion costs is an issue related to the prior compliance filing that was under review.

## **FERC denies complaint regarding ITC Midwest's projected expenses**

**E-10**, *Interstate Power & Light Co. v. ITC Midwest*, Docket No. EL09-11-000. The Commission denied a complaint filed by Interstate Power & Light Co., (Interstate) against ITC Midwest seeking relief from ITC Midwest's alleged improper implementation of its formula rate for Commission-jurisdictional transmission service for 2009 and beyond. The Commission concluded that Interstate did not show that ITC Midwest's projected expenses for operations and maintenance and administrative and general (A&G) expenses for 2009, its 2008 true-up of these expenses, and its A&G allocation methodology for use in its formula transmission rate are unjust and unreasonable, nor did it show that an alternative rate proposal is just and reasonable.

## **FERC further clarifies capacity release rule**

**G-1**, *Promotion of a More Efficient Capacity Release Market*, (Order No. 712-B), Docket No. RM08-1-003, *et al.* The Commission addressed clarification of an order on rehearing of a final rule designed to enhance competition in secondary natural gas capacity release

markets. Order Nos. 712 and 712-A removed the price ceiling on short-term releases of capacity and increased flexibility afforded asset management agreements under FERC's capacity release rules. Today's order, Order No. 712-B, clarifies Order No. 712-A's holding that the asset manager's delivery/purchase obligation under an Asset Management Arrangement must apply to the full contract demand under each capacity release in a transportation chain, and that the delivery/purchase obligation for a chain of contracts is not cumulative. The Commission also said that the exemptions from bidding and the prohibition against tying granted by Order No. 712 for releases to marketers participating in state-regulated retail access programs apply to any release where the marketer replacement shipper is obligated to use the capacity to provide the gas supply requirement of retail consumers in the program.

### **FERC accepts 2007 TAPS rates and sets 2008 rates for hearing**

**G-2, *BP Pipelines (Alaska) Inc.*, IS07-75-001, et al.** The Commission accepted the tariff sheets containing the 2007 rate for the Trans Alaska Pipeline System (TAPS), and ordered the TAPS Carriers to issue refunds accordingly. The Commission also accepted on an interim basis the tariff sheets containing the 2008 TAPS rate, subject to refund, ordered preliminary refunds for 2008, and established hearing and settlement judge procedures.

### **FERC approves Termination Modification Project in Puerto Rico**

**C-1, *EcoElectrica***, Docket No. CP95-35-001. The Commission granted EcoEléctrica's request for approval of its Terminal Modification Project. This allows EcoEléctrica to install two additional vertical shell and tube heat exchange vaporizers at the EcoEléctrica LNG terminal in order to deliver a greater volume of natural gas to Puerto Rico Electric Power Authority's Aguirre Combined Cycle Power Plant.

### **FERC grants authorization to expand boundaries at Elkin Basin Storage Reservoir**

**C-2, *Williston Basin Interstate Pipeline Co.***, Docket No. CP08-158-000. The Commission granted Williston Basin Interstate Pipeline Co.'s application for authorization to expand the certificated boundaries of its Elk Basin Storage Reservoir, an underground gas storage facility in Park County, Wyoming, and Carbon County, Montana. The certificate authorization will ensure that Williston can acquire the necessary property interests to enlarge both the vertical and lateral boundaries of its underground storage facility to establish a buffer zone around the storage area.

**FERC issues certificate for Fayetteville Shale Compression Project in Arkansas and Mississippi**

**C-3, *Texas Gas Transmission***, Docket No. CP08-467-000. The Commission granted Texas Gas Transmission a certificate to construct and operate its Fayetteville Shale Compression Project. This includes the construction of two new compressor stations in White County, Arkansas, and Humphreys County, Mississippi, and certain modifications to Texas Gas' existing Greenville Compressor Station in Washington County, Mississippi. The project would provide additional take-away capacity for new gas supplies from the Fayetteville Shale production area in north central Arkansas and provide producers access to markets in the Midwest, Northeast, and Southeast.