

# February 2013 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its February 21, 2013 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 approves a final rule on business practice standards**

**E-3, *Standards for Business Practices and Communication Protocols for Public Utilities***, Docket No. RM05-5-020. This final rule amends 18 C.F.R. § 38.2 to incorporate by reference the business practice standards adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board (NAESB) that pertain to the measurement and verification of demand response and energy efficiency resources participating in organized wholesale electricity markets (Phase II Demand Response Measurement and Verification standards and Wholesale Energy Efficiency Measurement and Verification standards).

### **FERC approves a final rule**

**E-4, *Regional Reliability Standard PRC-006-NPCC-1 — Automatic Underfrequency Load Shedding***, Docket No. RM12-12-000. This final rule approves regional Reliability Standard PRC-006-NPCC-1 — Automatic Underfrequency Load Shedding. The regional Reliability Standard applies to generator owners, planning coordinators, distribution providers, and transmission owners in the Northeast Power Coordinating Council Region and is designed to ensure the development of an effective automatic underfrequency load shedding (UFLS) program to preserve the security and integrity of the Bulk-Power System during declining system frequency events, in coordination with the NERC continent-wide UFLS Reliability Standard PRC-006-1.

## **FERC dismisses complaint**

**E-6**, *J. William Foley Incorporated v. United Illuminating Company*, Docket No. EL12-106-000. The order dismisses, without prejudice, a complaint filed by J. William Foley Incorporated that challenged allegedly imprudent and “excess costs” incurred by United Illuminating Company (United Illuminating) related to an underground, six-mile portion of the larger Middletown-Norwalk 345 kV Transmission Line Project. The order dismisses the complaint without prejudice, finding that the complaint presents no evidence demonstrating imprudence, and that the only substantive evidence in the complaint concerns issues currently being litigated in a state court proceeding. The complaint further fails to demonstrate that excessive costs were currently included in United Illuminating’s rate base.

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

**E-8**, *Southwest Power Pool, Inc.*, Docket No. ER12-959-001. The order grants, in part, and denies, in part, requests for rehearing of the Commission’s March 30, 2012 order that accepted for filing, and set for hearing and settlement judge procedures, proposed tariff revisions filed by Southwest Power Pool, Inc. (SPP) to SPP’s Open Access Transmission Tariff, on behalf of Tri-County Electric Cooperative, Inc. (Tri-County), to implement Tri-County’s formula rate for transmission service. The order determines that it would not be just and reasonable to allow SPP to continue to pass through Tri-County’s proposed rate prior to the Commission’s order establishing a just and reasonable rate following hearing and settlement judge proceedings, without refund protection in place to ensure that ratepayers are ultimately paying only a just and reasonable rate.

## **FERC sets a complaint for hearing and settlement judge procedures**

**E-9**, *Southwestern Public Service Company v. Southwest Power Pool, Inc.*, Docket No. EL13-15-000. This order sets a complaint for hearing and settlement judge procedures. The complaint asserts that SPP’s transmission rates for SPP Zone 11 are unjust and unreasonable due to the inclusion of the costs of Tri-County facilities that are not Transmission Facilities as defined by Attachment AI of SPP’s Open Access Transmission Tariff and SPP’s Membership Agreement.

## **FERC sets a complaint for hearing and settlement judge procedures**

**E-10**, *Southwestern Public Service Company v. Southwest Power Pool, Inc.*, Docket No. EL13-35-000. This order sets a complaint for hearing and settlement judge procedures. The complaint alleges that SPP violated the Federal Power Act by implementing a 40 percent increase in Tri-County’s Annual Transmission

Revenue Requirement through an annual update under SPP's transmission formula rate protocols in its Open Access Transmission Tariff.

**G-1, *Kern River Gas Transmission Company*, Docket No. RP04-274-000, et al.** The order addresses rehearing requests of Opinion No. 486-E, in which the Commission acted under Natural Gas Act section 5 to require Kern River to include in its tariff the "step-down" Period Two rates to be offered to Period One shippers under Kern River's unique levelized rate methodology when their current contracts expire. The order generally denies rehearing of Opinion No. 486-E. In addition, the order addresses several other pending requests for rehearing and filings to comply with related orders in this proceeding. These include a general denial of requests for rehearing of the December 6, 2010 Clarification Order, and the August 29, 2011 Order on Kern River's filing to comply with Opinion No. 486-E, as well as an acceptance of Kern River's filing to comply with the August 29, 2011 Order and Kern River's October 13, 2012 filing to adjust its rates for 2003 Expansion Project Shippers. By these actions, the order seeks to act on all pending matters related to the instant rate case.

### **FERC terminates license by implied surrender**

**H-2, *American Hydro Power Company*, Project 5730-018.** The order terminates, by implied surrender, the exemption for the 1,500-kilowatt Oakland Hydroelectric Project No. 5730, located on the Susquehanna River in Susquehanna County, Pennsylvania. The project has been out of service for more than 12 years, and the exemptee, River Bounty, Inc., has been unable to make repairs to the deteriorating project facilities.

### **FERC approves contracts for the sale of hydro power**

**H-3, *Placer County Water Agency*, Project No. 2079-072.** The order grants an application filed by Placer County Water Agency for Commission approval of contracts for the sale of project power to Pacific Gas and Electric Company, beyond the term of its existing license for the Middle Fork American River Project No. 2079 which is located in Placer and El Dorado Counties, California.

### **FERC grants further stay**

**H-4, *City of Broken Bow*, Project No. 12646-013.** The order grants the City of Broken Bow's request for a further stay of the start-of-construction deadline for its Pine Creek Lake Hydroelectric Project No. 12646, to be located on the U.S. Army Corps of Engineers' Pine Creek Lake Dam on Little River near the City of Broken Bow, McCurtain County, Oklahoma. The Commission previously stayed the start-of-construction deadline for two years pending the Corps' completion of its

risk assessment and dam safety modification study. The Corps plans to complete its dam safety modification study in June 2013 and any repairs determined to be necessary within three to five years. Until the safety issues are resolved, the Corps will not approve the city's project plans.

### **FERC approves, with conditions, proposal to acquire natural gas facilities**

**C-1**, *Petal Gas Storage, L.L.C.*, Docket CP12-464-000. The order grants Petal's application under Natural Gas Act section 7 for authorization to acquire through merger the natural gas storage facilities and pipelines owned by Hattiesburg Industrial Gas Sales, L.L.C., a Hinshaw pipeline. Petal and Hattiesburg are affiliated entities and their storage facilities are located on the Petal Salt Dome in Forrest County, MS. They are independently operated by an affiliate pipeline, Gulf South. When combined, the facilities would consist of 10 natural gas storage facilities with approximately 64.058 Bcf total storage capacity, approximately 37.7 miles of storage headers with 9 pipeline interconnections, and 64.2 miles of transmission pipeline interconnecting with 5 interstate natural gas pipelines. The order concludes that the benefits of the proposal outweigh any adverse impacts on existing customers. The order also accepts the settlement among Petal, Hattiesburg, and Consolidated Edison, an existing Hattiesburg customer, subject to modification. The order rejects proposed provisions that would give unduly preferential treatment to existing Hattiesburg customers over other customers on Petal's system. The order further finds that Petal will continue to qualify for market-based rates for storage service after the merger. Finally, the order concludes that abandonment of Hattiesburg's certificate of limited jurisdiction under section 284.224 is required by the public convenience and necessity.

### **FERC denies rehearing and clarification**

**C-2**, *Questar Pipeline Company*, Docket No. CP12-40-001. This order denies the request for rehearing filed by QEP Field Services and EOG Resources, Inc. of the July 19, 2012 order authorizing Questar to construct and modify natural gas facilities in Duchesne and Uintah Counties, Utah (the Liquids Project).

### **FERC denies and dismisses requests for rehearing and motion to intervene out of time**

**C-3**, *Trunkline Gas Company, LLC and Sea Robin Pipeline Company LLC*, Docket No. CP12-5-001. The order denies the rehearing requests filed by the offshore producer protestors of the Commission's initial order: (1) granting Trunkline's Natural Gas Act section 7(b) request for approval of abandonment by sale to its affiliate, Sea Robin, of its facilities in the Gulf of Mexico, offshore Louisiana and Texas, and certain onshore pipeline facilities onshore in Louisiana;

and (2) granting Sea Robin's request for certificate authority to acquire the facilities and to continue to operate them as fully jurisdictional facilities.

### **FERC grants abandonment**

**C-4**, *Northern Natural Gas Company*, Docket No. CP12-469-000. This order grants authorization to Northern Natural Gas Company (Northern) to abandon by sale to DKM Enterprises, LLC (DKM) approximately 126 miles of 24-inch - diameter pipeline and appurtenant facilities extending through the panhandle of Texas and Oklahoma into south central Kansas (the A-Line). DKM intends to reclaim for salvage most of the A-Line facilities in accordance with a Purchase and Sale Agreement, which, among other things, requires that DKM follow certain procedures to minimize environmental impacts and to restore land affected by the removal to its pre-abandonment condition, as monitored by Northern.

### **FERC vacates authorization for a proposed LNG import project**

**C-5**, *Calhoun LNG, L.P. and Point Comfort Pipeline, LLC.*, Docket Nos. CP05-91-000, CP05-380-000, CP05-381-000, and CP05-382-000. The order vacates its September 20, 2007 order that granted Natural Gas Act (NGA) section 3 authorization to Calhoun and NGA section 7 certificate authorization to Point Comfort Pipeline, LLC. In the September 2007 order, FERC authorized Calhoun LNG under section 3 of the NGA, to site, construct, and operate a liquefied natural gas (LNG) import terminal and associated facilities at the Port of Port Lavaca-Point Comfort in Calhoun County, Texas. In the same order, the Commission authorized Point Comfort Pipeline under section 7(c) of the NGA to construct a pipeline from the tailgate of the LNG facility to interconnections with several interstate and intrastate pipelines. The Commission also issued Point Comfort Pipeline a blanket transportation certificate under Subpart G of Part 284 of the regulations and a blanket construction certificate under Subpart F of Part 157 of the regulations.

The September 2007 order required Calhoun LNG and Point Comfort Pipeline to place the proposed facilities in service within five years of the final order (by September 20, 2012). On December 14, 2012, Calhoun LNG and Point Comfort Pipeline filed a request to vacate the authorizations issued in the September 2007 order, stating that they had abandoned plans to construct and operate the proposed facilities. Since the prior authorization has lapsed and Calhoun LNG and Point Comfort Pipeline do not plan to construct and operate the projects, the order vacates the authorizations issued in the September 2007 order.

## **FERC approves new natural gas facilities**

**C-7**, *Cheniere Creole Trail Pipeline, L.P.*, Docket No. CP12-351-000. The order grants a certificate authorizing Cheniere Creole Trail Pipeline's construction of a new compressor station and additional facilities in Cameron and Beauregard Parishes, Louisiana to enable a reverse of natural gas flows on its system allowing it to make deliveries of gas to Sabine Pass LNG's terminal for eventual liquefaction and export.

## **FERC denies request for rehearing**

**C-9**, *ConocoPhillips Company v. Texas Eastern Transmission, LP.*, Docket No. RP13-128-001. The order denies ConocoPhillips' request for rehearing of the Commission's October 26, 2012 order that dismissed ConocoPhillips' complaint regarding Texas Eastern's yet-to-be-filed Appalachian to Market Expansion Project. ConocoPhillips had requested that FERC suspend the pre-filing process and initiate an evidentiary hearing to review issues related to the design and route of the planned project. FERC dismissed the complaint, finding that it was impractical to address issues related to the routing of Texas Eastern's contemplated project until Texas Eastern actually filed an application designating a proposed route.

The order denying rehearing points out that the issues ConocoPhillips seeks to have considered in an evidentiary hearing can be raised, and will be considered in full, in a subsequent certificate proceeding.