



Overview of Commission's Order Establishing 206 Proceeding

GOFSTF

June 19, 2015

Steven Shparber

On June 9, 2015, FERC issued two orders related to gas balancing losses incurred by Market Participants in January 2014.

- Rejected Petition for Waiver Request of ODEC in Docket No. ER14-2242-000
 - Held that granting ODEC’s waiver request would constitute retroactive ratemaking under the Filed Rate doctrine.
- Rejected Complaint of Duke in Docket No. EL14-45-000
 - Held that PJM is not required to indemnify Duke for gas balancing losses under section 10.3 of the PJM Tariff
 - Rejected Duke’s alternative waiver request, holding that granting waiver request would constitute retroactive ratemaking under the Filed Rate doctrine.

- At the end of the Duke order, the Commission held that while it denied Duke's Complaint, it had examined PJM's governing document provisions, and determined that such provisions "may be unjust, unreasonable, unduly discriminatory or preferential because they do not appear to allow market participants to submit day-ahead offers that vary by hour and do not appear to allow market participants to update their offers in real time, including during emergency situations."
- The Commission accordingly established a FPA section 206 proceeding in Docket No. EL15-73-000.

- The Commission ordered PJM to file a report by July 10, 2015 either to:
 - (1) report whether it will propose tariff changes that
 - (a) allow market participants to submit day-ahead offers that vary by hour and to update their offers in real time, including during emergency situations, and
 - (b) make any associated modifications to its market power mitigation rules

Such report must include a proposed timeline from PJM explaining how it will implement such changes by November 1, 2015, or as soon as practicable thereafter;

or

- (2) explain why such changes are not necessary.