

**DEPARTMENT OF ENERGY****Federal Energy Regulatory Commission**

[Docket No. CP11-333-000]

**Eastern Shore Natural Gas Company; Notice of Request Under Blanket Authorization**

Take notice that on April 28, 2011, Eastern Shore Natural Gas Company (Eastern Shore), 1110 Forrest Avenue, Dover, Delaware 19904, pursuant to its blanket certificate issued in Docket No. CP96-128-000,<sup>1</sup> filed an application in accordance to sections 157.205(b), 157.208(c), and 157.210 of the Commission's Regulations under the Natural Gas Act (NGA) as amended, for the construction, ownership, and operation of new mainline facilities and new delivery point measurement and regulating stations in Sussex County, Delaware and Worcester County, Maryland, all as more fully set forth in the application, which is on file with the Commission and open to public inspection.

In order to provide additional firm natural gas transportation service to Chesapeake Utilities Corporation—Delaware Division, Chesapeake Utilities Corporation—Maryland Division, and Eastern Shore Gas Company (Shippers), Eastern Shore proposes to construct, own, operate, and maintain about 2.3 miles of new ten-inch steel pipeline looping along Route 13 near Seaford in Sussex County, Delaware and 19.4 miles of six-inch mainline extension from Millsboro, Delaware to Berlin, Worcester County, Maryland. Eastern Shore also proposes to install new delivery point facilities in the towns of Frankford, Dagsboro, and Selbyville, Delaware, and Bishop, Showell, and Berlin, Maryland. Eastern Shore has entered into binding Precedent Agreements with the Shippers in which the Shippers have agreed to execute fifteen-year FT Service Agreements with Eastern Shore to provide additional natural gas transportation service for the total of 6,250 dts/day<sup>2</sup> under Eastern Shore's maximum FT Zone One and Zone Two Tariff Rates on file with the Commission. Eastern Shore will recover its project costs entirely from the Shippers, with no subsidy from Eastern Shore's other firm service customers. The total estimate cost of the proposed facilities is \$13,018,853. Eastern Shore

proposes the facilities to be completed and placed into service by November 1, 2011.

Any questions concerning this application may be directed to Glen DiEleuterio, Project Manager, at (302) 734-6710, ext. 6723 or via fax (302) 734-6745, or e-mail at [GDIEleuterio@esng.com](mailto:GDIEleuterio@esng.com).

This filing is available for review at the Commission or may be viewed on the Commission's Web site at <http://www.ferc.gov>, using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or call toll-free at (866) 206-3676, or, for TTY, contact (202) 502-8659. Comments, protests and interventions may be filed electronically via the Internet in lieu of paper. See, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site under the "e-Filing" link. The Commission strongly encourages intervenors to file electronically.

Any person or the Commission's staff may, within 60 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to section 157.205 of the regulations under the NGA (18 CFR 157.205), a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the allowed time for filing a protest, the instant request shall be treated as an application for authorization pursuant to section 7 of the NGA.

Dated: May 12, 2011.

**Kimberly D. Bose,**  
Secretary.

[FR Doc. 2011-12298 Filed 5-18-11; 8:45 am]

**BILLING CODE 6717-01-P**

**DEPARTMENT OF ENERGY****Federal Energy Regulatory Commission**

[Docket No. CP11-303-000]

**Eastern Shore Natural Gas Company; Notice of Request Under Blanket Authorization**

Take notice that on April 28, 2011, Eastern Shore Natural Gas Company

(Eastern Shore), 1110 Forrest Avenue, Dover, Delaware, 19904, pursuant to its blanket certificate issued in Docket No. CP96-128-000,<sup>1</sup> filed an application in accordance to sections 157.205(b), 157.208(c), and 157.210 of the Commission's Regulations under the Natural Gas Act (NGA) as amended, for the construction, ownership, and operation of new mainline facilities and a new delivery point measurement and regulating station from Glasgow, Delaware to Elkton, Maryland, all as more fully set forth in the application, which is on file with the Commission and open to public inspection.

In order to provide additional firm natural gas transportation service to Chesapeake Utilities Corporation—Maryland Division (Chesapeake), Eastern Shore proposes to construct, own, operate, and maintain about 5 miles of new six-inch steel pipeline running westward from Route 40 in Glasgow, Delaware to Elkton, Maryland, and install a new delivery point measurement and regulating station near the intersection of US 40 and Maryland 279 in Elkton, Maryland. Eastern Shore has entered into a binding Precedent Agreement with Chesapeake in which Chesapeake has agreed to execute a fifteen-year FT Service Agreement with Eastern Shore to provide additional natural gas transportation service of 4,070 dts/day under Eastern Shore's maximum FT Zone One Tariff Rate on file with the Commission. Eastern Shore will recover its project costs entirely from Chesapeake, with no subsidy from Eastern Shore's other firm service customers. The total estimate cost of the proposed facilities is \$5,850,450. Eastern Shore proposes the facilities to be completed and placed into service by November 1, 2011.

Any questions concerning this application may be directed to Glen DiEleuterio, Project Manager, at (302) 734-6710, ext. 6723 or via fax (302) 734-6745, or e-mail at [GDIEleuterio@esng.com](mailto:GDIEleuterio@esng.com).

This filing is available for review at the Commission or may be viewed on the Commission's Web site at <http://www.ferc.gov>, using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or call toll-free at (866)206-3676, or, for TTY, contact (202)502-8659. Comments, protests and interventions may be filed electronically via the Internet in lieu of paper. See, 18

<sup>1</sup> 81 FERC ¶ 61,013 (1997).

<sup>1</sup> 81 FERC ¶ 61,013 (1997).

<sup>2</sup> 4,050 dts/day to Chesapeake Utilities Corporation—Delaware Division, 1,700 dts/day to Chesapeake Utilities Corporation—Maryland Division, and 500 dts/day to Eastern Shore Gas Company.

CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site under the "e-Filing" link. The Commission strongly encourages intervenors to file electronically.

Any person or the Commission's staff may, within 60 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to section 157.205 of the regulations under the NGA (18 CFR 157.205), a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the allowed time for filing a protest, the instant request shall be treated as an application for authorization pursuant to section 7 of the NGA.

Dated: May 12, 2011.

**Kimberly D. Bose,**  
Secretary.

[FR Doc. 2011-12297 Filed 5-18-11; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket Nos. ER11-2127-001, ER11-2127-002, EL11-37-000]

#### **Terra-Gen Dixie Valley, LLC; Order on Rehearing and Accepting Tariff Filing, Subject to Modification, Establishing Hearing Procedures and Directing Further Compliance Filing**

*Before Commissioners:* Marc Spitzer, Philip D. Moeller, John R. Norris, and Cheryl A. LaFleur.

1. In this order, the Commission addresses an open access transmission tariff (OATT) submitted by Terra-Gen Dixie Valley, LLC (Terra-Gen), in response to a Commission order issued in this proceeding on January 14, 2011.<sup>1</sup> The Commission will accept Terra-Gen's OATT, to be effective May 14, 2011, and order modifications to Terra-Gen's OATT and require a further compliance filing. We will also establish hearing and settlement procedures. Finally, as discussed below, we will grant in part and deny in part Terra-Gen's request for rehearing of the January 14 Order.

<sup>1</sup> See *Terra-Gen Dixie Valley, LLC*, 134 FERC ¶ 61,027 (2011) (January 14 Order).

#### **I. Background**

2. Terra-Gen is the owner of a 60 MW geothermal plant (Plant), located in northern Nevada, and an associated 214-mile, 230 kV radial generator tie-line (Dixie Valley Line) (collectively, Dixie Valley QF). Both the Plant and the Dixie Valley Line were certified as a single QF under the Commission's regulations. Terra-Gen currently utilizes the Dixie Valley Line by selling the 60 MW output of the Plant to Southern California Edison (SoCal Edison) under a pre-existing power purchase agreement.

3. On September 16, 2010, the Commission acted on a petition by Terra-Gen, whereby Terra-Gen and two of its affiliates, TGP Dixie Development Company, LLC, and New York Canyon, LLC, sought a determination awarding priority to existing and future planned expansion transmission capacity on the Dixie Valley Line. In that Order, the Commission also addressed a complaint filed against Terra-Gen by Green Borders Geothermal, LLC (Green Borders). In relevant part, the Commission found that: (1) Terra-Gen must file an OATT as a result of Green Borders' valid transmission service request made on May 8, 2007; (2) Terra-Gen is entitled to continue its present use of its 60 MW of capacity; (3) Terra-Gen had not supported its request for 100 MW of priority transmission capacity for expansion of its generation resource; and (4) Terra-Gen had not supported the claim for priority of 200 MW of expansion capacity for the two Terra-Gen affiliates.<sup>2</sup> However, the Commission allowed Terra-Gen "to submit further evidence of pre-existing development plans that satisfy the criteria in *Aero Energy* and *Milford*." The Commission explained that Terra-Gen "must demonstrate the existence of specific pre-existing generation development plans, consistent material progress towards achieving such plans, and that such plans and initial progress pre-date Green Border's valid request for service."<sup>3</sup>

4. In compliance with the September 16 Order, Terra-Gen submitted its OATT to the Commission on November 15, 2010, in Docket No. ER11-2127-000. Terra-Gen also submitted additional materials to support its request for 300 MW of priority transmission capacity.<sup>4</sup> On January 14, 2010, the Commission rejected Terra-Gen's OATT because Terra-Gen had not demonstrated that its OATT was consistent with or superior

<sup>2</sup> *Terra-Gen Dixie Valley, LLC*, 132 FERC ¶ 61,215 (2010) (September 16 Order).

<sup>3</sup> *Id.* P 53.

<sup>4</sup> The additional materials were submitted in Docket No. EL10-29-002.

to the *pro forma* OATT. The Commission directed Terra Gen to resubmit an OATT that is consistent with the direction of the January 14 Order. On March 16, 2011, Terra-Gen submitted the instant filing in compliance with the January 14 Order. Subsequently, Terra-Gen requested rehearing of the January 14 Order.

#### *A. Request for Rehearing of January 14 Order*

5. On February 14, 2011, Terra-Gen filed a Request for Rehearing of the January 14 Order (Request for Rehearing). Terra-Gen alleges that the Commission departed from precedent, failed to engage in reasoned decision-making, and acted arbitrarily and capriciously "by finding that [Terra-Gen] had not justified an OATT exemption for its existing or future priority transmission services when the Commission had grandfathered [Terra-Gen's] priority transmission services in the September 16 Order."<sup>5</sup> Specifically, Terra-Gen argues that the Commission improperly departed from precedent established in *Sagebrush* by rejecting Terra-Gen's proposed OATT provisions that would provide "an OATT exemption for its existing and any future service rights confirmed by the Commission."<sup>6</sup> According to Terra-Gen, its proposed treatment of the 60 MW of existing capacity on the Dixie Valley Line is no different than *Sagebrush*'s "treatment of capacity to which it had pre-OATT grandfathered rights."<sup>7</sup>

#### *B. Terra-Gen OATT*

6. Terra-Gen asserts that its OATT complies with the directives in the January 14 Order. Specifically, Terra-Gen explains that its compliance OATT contains several deviations from the *pro forma* OATT due to the design of the Dixie Valley Line as a generator tie-line. Terra-Gen explains that its OATT has non-conforming provisions that include limiting the applicability of the OATT with regard to any priority transmission capacity granted to Terra-Gen and its affiliates, providing alternative creditworthiness requirements for transmission customers, clarifying how Terra-Gen will cluster transmission system impact studies, and modifying the large generator interconnection procedures.

7. In addition, as it did in its initial filing, Terra-Gen reaffirms its requests for waiver of the *pro forma* OATT provisions related to the provision of

<sup>5</sup> Request for Rehearing at 5.

<sup>6</sup> Request for Rehearing at 6 (citing *Sagebrush, a California Partnership*, 130 FERC ¶ 61,093 (2010) (*Sagebrush*)).

<sup>7</sup> *Id.* at 7.