142 FERC ¶ 61,236
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony Clark.

Midwest Independent Transmission System Operator, Inc. — Docket No. ER13-665-000

ORDER ON TARIFF REVISIONS

(Issued March 28, 2013)

1. On December 28, 2012, Midwest Independent Transmission System Operator, Inc. (MISO) filed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). The filing proposes to amend Tariff provisions related to the allocation of Long-Term Transmission Rights (LTTR) and Auction Revenue Rights (ARR). As noted in the filing, these revisions are intended to address the anticipated integration of the Entergy Operating Companies (Entergy), as well as other load-serving entities (LSE) and transmission-owning utilities, into the MISO region. We accept MISO's revisions, subject to a compliance filing, to be effective March 29, 2013, as set forth below.

I. Background

2. The Energy Policy Act of 2005 added section 217(b)(4)[1] to the Federal Power Act, requiring the Commission to, *inter alia*, enable LSEs to secure firm transmission rights (or equivalent tradable or financial rights) on a long-term basis for long-term power supply arrangements made, or planned to meet, such needs. The Commission implemented these legislative requirements in Order Nos. 681 and 681-A[2], allowing flexibility to transmission organizations to propose designs for long-term firm

[1] 16 U.S.C. § 824q(b)(4) (2006).

[2] *Long-Term Firm Transmission Rights in Organized Electricity Markets*, Order No. 681, FERC Stats. & Regs. ¶ 31,226 (2006), *order on reh'g*, Order No. 681-A, 117 FERC ¶ 61,201 (2006), *order on reh'g and clarification*, Order No. 681-B, 126 FERC ¶ 61,254 (2009).

transmission rights that reflect regional preferences and accommodate regional market designs.[3]

3. On May 17, 2007, the Commission conditionally accepted MISO's Tariff provisions implementing Order No. 681 by establishing entitlements to, and the nomination and allocation of, LTTRs in the form of ARRs.[4] ARRs are financial instruments establishing entitlements to a share of the revenues generated in MISO's annual auction of Financial Transmission Rights. LTTRs are long-term variants of ARRs, with annual rollover rights of at least 10 years.[5] The entitlements, called ARR Entitlements, are predicated on historical firm transmission usage, including transmission service pertaining to non-carved-out Grandfathered Agreements (GFA), and rights to eligible generation resources, which are denominated Reserved Source Points.

4. MISO's Tariff currently requires long-term supply arrangements for a resource to qualify as a Reserved Source Point that can be the basis for an entitlement to LTTRs. The supply arrangement must take the form of resource ownership, or contractual right to the resource's output for at least five years and a minimum historical capacity factor of 50 percent.[6] As required by Order No. 681, LTTRs can also be allocated in MISO based on direct participant funding of network upgrades that add incremental transmission capacity.[7] In addition, LTTR nominations that are not allocated (i.e., that are curtailed) in Stage 1A of the MISO ARR allocation process can be allocated in a restoration phase if made possible by the expiration or requested termination of other LTTRs, or by the assignment of non-nominated LTTR entitlements. Such "counterflow" LTTRs are used

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[3] *Id.* PP 2 and 323.

[4] *Midwest Indep. Transmission Sys. Operator, Inc.*, 119 FERC ¶ 61,143 at P 50 (LTTR Order), *order on reh'g*, 121 FERC ¶ 61,063 (2007).

[5] The Tariff defines "Long Term Transmission Rights (LTTR)" as "ARRs allocated in Stage 1A of the Annual ARR Allocation process" carrying "annual rollover rights lasting ten (10) years or more." Tariff, Module A, § 1.368 (0.0.0).

[6] *See* Tariff, Module C, § 43.2.1 (0.0.0). This is for resources with firm transmission usage. The level of reasonable need for LTTRs is linked to Baseload Usage, which the Tariff defines as 50 percent of Peak Usage. The Reserved Source Points comprise a Peak Reserved Source Set, which includes a subset called the Baseload Reserved Source Set, consisting of Reserved Source Points with a minimum capacity factor of fifty percent, and in each of which a Market Participant has a minimum 5-year ownership or contractual interest at any point of an appropriate reference period, called the reference year.

[7] Tariff, Module C, § 46.1 (0.0.0).

to enable the nomination of LTTR entitlements.[8] MISO notes that its Commission-approved approach prioritizes long-term supply arrangements in determining eligibility for LTTRs.

II. MISO Filing

5. MISO states that, since 2011, MISO and interested stakeholders have worked to review and propose Tariff revisions to integrate Entergy, as well as other transmission-owning utilities and LSEs, into MISO. MISO explains that, as part of this review process, MISO has evaluated transmission service and related characteristics of the affected LSEs in the Entergy region to determine whether such entities would be able to obtain sufficient ARRs and/or LTTRs under MISO's Tariff. MISO states that the evaluation included extensive consultations and discussions with Entergy, other LSEs, and other affected entities in that region, as well as MISO's existing stakeholders. MISO concluded that certain fundamental differences exist between MISO's current footprint and the Entergy region, and that LTTR "entitlement gaps" might arise as a result of those differences following the integration of Entergy into MISO. This required the development and implementation of supplemental rules and other Tariff revisions to ensure that the requirements of Order Nos. 681 and 681-A would be satisfied.[9]

6. MISO avers that several unique characteristics of the Entergy region would reduce the availability of LTTRs for LSEs in that region. One is a reliance on qualifying facility (QF) puts and short-term economic purchases to serve load. MISO explains that QF puts supply as much as 2,700 MW of Entergy's energy needs, but these are unscheduled and lack firm transmission service. With respect to short-term economic purchases, MISO states that Entergy-region market participants can procure firm network transmission service on a short-term basis using Entergy's Weekly Procurement Process, and that LSEs have relied upon short-term economic purchases generally, reducing the need for long-term power supply service. Both QF puts and short-term purchases displace the output of the Entergy Operating Companies, and potentially other LSEs' baseload units, which reduces capacity factors below the 50 percent threshold. As a result, there is an insufficient amount of long-term supply resources that can qualify for LTTRs to cover baseload needs.

[8] *See* Tariff, Module C, § 43.2.5 (0.0.0).

[9] MISO notes that the extent to which Entergy's congestion hedging needs will be met following its integration into MISO was also addressed, and is being monitored, in the state regulatory proceedings that approved the integration of each Entergy Operating Company into MISO.

7. In addition, MISO notes that there is also a limited number of potential counterflow resources to supplement the number of LTTRs in the Entergy region because of a displacement of output by QF puts. It explains that this lowers the capacity factors of reliability must run units in the Entergy region below the 50 percent minimum, rendering them unavailable to provide counterflow LTTRs under the existing MISO Tariff. With respect to LTTR availability for entities that previously funded transmission network upgrades in the Entergy region under Entergy's existing Open Access Transmission Tariff (Entergy Tariff), MISO states that an integration issue is whether and how such entities should receive LTTR entitlements upon integration in recognition of those network upgrades.

8. MISO states that it determined that unless it made modifications to its Tariff, the special factors described above might cause Entergy region LSEs to not qualify for sufficient LTTRs upon their integration into MISO.

9. MISO states that in stakeholder discussions to address the particular Entergy region LTTR challenges, stakeholders expressed a preference that LTTR entitlements continue to be based upon long-term firm transmission service, none of which is associated with QF puts. For this reason, MISO and its stakeholders focused on solutions that predicate LTTR entitlements on long-term transmission service and related supply arrangements.

10. MISO proposes two supplemental rules to enable entities that identify LTTR entitlement gaps during the first Annual ARR Registration process following their integration into MISO to qualify for more LTTRs by easing existing Tariff eligibility requirements.[10] MISO proposes to apply the supplemental rules, as well as proposed Tariff revisions relating to counterflow LTTRs tied to highly utilized generation units described further below, only as necessary after application of MISO's existing rules to remedy LTTR entitlement gaps.

11. The first supplemental rule would reduce the minimum Reserved Source Point ownership/contractual right term requirement from the existing five years to as little as one year, while maintaining the minimum 50 percent capacity factor requirement, thereby allowing the creation of additional LTTR entitlements to the extent necessary to fill the gap. LTTRs would be awarded to resources in order of longest contract term, beginning from that closest to five years running to that closest to or at one year. The second supplemental rule, which would be applied only if application of the first rule does not

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[10] MISO classifies an "entitlement gap" as LTTR entitlements of less than 50 percent of peak transmission usage following the application of existing rules. *See* Tariff, Module A, § 1.43 (Baseload Usage) (0.0.0), Tariff, Module A, 1.497 (Peak Usage) (0.0.0); LTTR Order, 119 FERC ¶ 61,143 at P 147.

yield sufficient LTTRs, provides that Reserved Source Points that meet the five-year minimum ownership or contractual right requirement but cannot meet the minimum capacity factor requirement of 50 percent may still be awarded LTTRs based upon average heat rate of the market participant's Reserved Source Points in the Peak Reserved Source Set collection of Reserved Source Points. MISO would award such Reserved Source Points LTTRs in order of lowest to highest heat rate resources. MISO proposes to apply these supplemental rules for integrating LSEs that identify LTTR entitlement gaps during the first Annual ARR Registration process following their integration into MISO and, for LSEs in the existing MISO footprint identifying entitlement gaps, during the first Annual ARR Allocation period after the effective date of these proposed Tariff amendments (i.e., for the Annual ARR Allocation period beginning June 1, 2013, following the proposed effective date of March 29, 2013).

12. To address a potential shortage of counterflows in the Entergy region to restore nominated LTTRs, MISO proposes that for the first Annual ARR Allocation process after integration, the Tariff would allow counterflow ARRs to be defined based on generation resources that: (1) are not eligible for consideration as baseload generation resources because they have capacity factors of less than 50 percent; and (2) have high utilization factors, i.e., are online for 70 percent or more of the hours in a year. Such resources, which MISO calls High Utilization Factor Units, would be idenitifed, and related LTTR entitlements defined, during the Annual ARR Registration.

13. With respect to treatment of LTTRs for the participant-funded network upgrades of Entergy-region market participants, MISO notes that section 46 of MISO's Tariff allows LTTRs to be allocated to market participants that directly fund network upgrades. MISO proposes to provide LTTRs for the previously participant-funded network upgrades by classifying qualifying funded upgrades in a newly-integrating region as network upgrades, and then allowing them to be used as the basis for allocating LTTRs during the first Annual ARR Allocation period after the integration of a new Transmission Owner; and, in case of mid-cycle integration (i.e., on a date other than June 1), to be used as the basis of eligibility for partial-year Financial Transmission Rights for the balance of the Annual ARR Allocation period. To qualify for LTTRs, network upgrades funded under the previous transmission provider's tariff must have been: (1) deemed ineligible for transmission rate recovery or transmission credits under the previous transmission provider's tariff; and (2) in-service before the end of the funding entity's initial (year one) participation in the Annual ARR Allocation process following the previous transmission provider's integration into MISO.

14. MISO proposes to separate LTTR infeasibility cost uplifts between MISO's existing footprint and that of the Entergy region, with uplift charges from each region to be allocated only to entities in each respective region during the five-year Entergy integration cost allocation transition period previously authorized by the Commission.[11]

15. MISO requests a proposed effective date of March 29, 2013. It states that the Tariff revisions need to be in place before April 1, 2013 to facilitate the data gathering process that is necessary to enable LSEs in the Entergy region to provide MISO information needed to identify their LTTR entitlement gaps and their participant-funded network upgrades, as a basis for requesting application of the supplemental rules, and to facilitate implementation of the provisions regarding counterflow LTTRs and LTTRs for network upgrades.

III. Notice of Filing and Responsive Pleadings

16. Notice of the filing was published in the *Federal Register*, 78 Fed. Reg. 2388 (2013), with interventions and protests due on or before January 18, 2013. The Commission subsequently issued an errata notice changing the comment due date to February 11, 2013.

17. Timely motions to intervene or notices of intervention were filed by Alliant Energy Corporate Services, Inc.; Arkansas Cities;[12] Arkansas Public Service Commission; American Electric Power Service Corp.; American Municipal Power, Inc.; Consumers Energy Co.; DTE Electric Co.; Duke Energy Corp.; East Texas Cooperatives;[13] Illinois Commerce Commission; Kansas City Power & Light Co./KCP&L Greater Missouri Operations Co.; City of North Little Rock, Arkansas; South Mississippi Electric Power Association; Union Power Partners, L.P.; Texas Industrial Energy Consumers; Wisconsin Electric Power Co.; and Wisconsin Public Service Corp./Upper Peninsula Power Co.

18. The following entities filed timely motions to intervene or notices of intervention and comments or protests related to the filing: Arkansas Electric Cooperative Corporation (AECC); Entergy Services, Inc. (ESI); Lafayette Utilities System and

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[11] *See Midwest Indep. Transmission Sys. Operator, Inc.*, 139 FERC ¶ 61,056, *reh'g denied*, 141 FERC ¶ 61,128 (2012).

[12] Arkansas Cities includes the Conway Corporation; the West Memphis Utilities Commission; the City of Osceola, Arkansas; the City of Benton, Arkansas; and the City of Prescott, Arkansas.

[13] East Texas Cooperatives include East Texas Electric Cooperative, Inc.; Sam Rayburn G&T Electric Cooperative; and Tex-La Electric Cooperative of Texas, Inc.

Louisiana Energy and Power Authority (collectively, LUS/LEPA); Louisiana Public Service Commission (Louisiana Commission); Madison Gas and Electric Co., Midwest Municipal Transmission Group, Missouri River Energy Services, Southern Minnesota Municipal Power Agency, and WPPI Energy (collectively, Midwest TDUs); Mississippi Delta Energy Agency, Clarksdale Public Utilities Commission, and the Public Service Commission of Yazoo City (collectively, MDEA); NRG Companies (NRG); and Xcel Energy Services Inc. (Xcel).

19. Untimely motions to intervene were filed by the Council of the City of New Orleans, Louisiana; the Public Utility Commission of Texas; and the Sam Rayburn Municipal Power Agency.

20. MISO and ESI filed answers to several of the comments and MISO filed an errata to its answer. LUS/LEPA filed an answer to MISO's answer.

IV. Commission Determination

A. Procedural Matters

21. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

22. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2012), the Commission will grant the late-filed motions to intervene submitted by the Council of City of New Orleans, the Public Utility Commission of Texas, and the Sam Rayburn Municipal Power Agency given their interest in the proceeding, the early stage of this proceeding, and the absence of any undue prejudice or delay.

23. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept MISO's, ESI's, and LUS/LEPA's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

1. Protests and Comments

24. Several parties filed comments supporting or taking no adverse position on MISO's proposal. ESI and Xcel, for instance, filed comments supporting the proposed Tariff amendments, stating that the amendments are necessary to address LTTR shortfalls that would otherwise occur upon the integration of Entergy region LSEs. Midwest TDUs

take no position on the proposed revisions but note that the Commission has recognized that Guideline 5 in Order No. 681 allows entities with long-term power supply arrangements to receive priority in allocating scarce capacity.[14]

25. The Louisiana Commission offers qualified support for the filing but expresses concerns that the revisions might not yield sufficient LTTRs in practice for the Entergy Operating Companies. It threatens to withdraw its conditional approvals for its jurisdictional Entergy Operating Companies to enter MISO if the revisions do not generate adequate LTTRs for those Operating Companies. It states the High Utilization Factor Unit proposal is unclear and could be unduly discriminatory in effect among the Entergy Operating Companies, but the Louisiana Commission takes no position on that proposal.

26. AECC, LUS/LEPA, and MDEA oppose the proposed revisions. They state that the proposed rules are unreasonably tailored to Entergy's benefit, rather than to the needs of other Entergy-region LSEs. AECC, for example, argues that the proposal may dilute its allocation of LTTRs or it may unfairly allocate costs to other LSEs; if the revisions are allowed, AECC requests that MISO be directed to hold other LSEs harmless from their effect. MDEA questions whether the proposal adequately addresses the LTTR needs of LSEs, like itself, that rely on long-term power supply contracts not tied to specific resources and short-term economic purchases. MDEA expresses concern that the revisions may underallocate LTTRs to some LSEs, and asks the Commission to direct MISO to ensure that all LSEs within the Entergy region receive LTTRs sufficient to cover the baseload needs of their customers on a comparable basis. LUS/LEPA makes a similar claim, noting that other LSEs may have different problems than Entergy in meeting their load based on the inadequacy of the Entergy transmission system and therefore may need different Tariff revisions to address their LTTR needs. Finally, LUS/LEPA and MDEA argue that MISO failed to submit sufficient data or studies to support the proposal.

27. AECC expresses concern that the MISO Tariff revisions do not sufficiently address the rights of entities that participant-funded network upgrades on the systems of newly integrating transmission owners, such as the Entergy Operating Companies. AECC notes that in order for such upgrades to qualify for LTTRs under proposed section 46.3 of the Tariff, MISO states that those upgrades must "be in-service prior to the end of the requesting market participant's year one of the Annual ARR Allocation."[15] AECC states that MISO has not explained the reasoning behind this requirement. It is

[14] Midwest TDUs Comments at 4-5 (citing Order No. 681-A, 117 FERC ¶ 61,201 at P 65).

[15] AECC Protest at 6-7 (quoting proposed Tariff section 46.3).

also concerned that the proposed language would leave some market participants ineligible for LTTRs, especially if they signed agreements related to the participant funded upgrades before MISO integration, but cannot meet the proposed in-service deadline for LTTR conversion. AECC asserts that such upgrades should be able to qualify for LTTRs irrespective of their in-service date.

28. NRG generally supports the proposed rules but files a limited protest stating that under the proposed revisions, market participants could deprive parties of High Utilization Factor Unit counterflow rights through early termination of contracts, despite existing MISO rules that require a five-year notice before termination of Counterflow ARRs. It requests that the Commission take action to prevent this.

2. <u>Answers</u>

29. In its answer, MISO states that the need for Tariff revisions to address LTTR entitlement gaps is uncontested and that such revisions reflect the stakeholder process and stakeholder input. MISO argues that its proposal reasonably addresses the concerns raised in the stakeholder process and complies with Order Nos. 681 and 681-A. To the extent that other parties, like MDEA, believe that they may be subject to an entitlement gap, MISO commits to work with them to assess their claims. It states that other concerns raised by commenters regarding access to LTTRs are conjectural and beyond the scope of the proceeding. MISO notes that this proceeding is intended to address LTTR eligibility, not to address the projected LTTR allocation based on nominations of such entitlements.

30. With respect to AECC's and MDEA's concerns that the proposed in-service deadline for Network Upgrades to qualify for LTTR entitlements based upon the Entergy region's existing participant-funding agreements could curtail access to LTTRs, MISO states that MISO's regular, existing rules will apply to participant-funded upgrades entering service after the deadline and thereby facilitate eligibility for LTTRs for such network upgrades.

31. Finally, with regard to NRG's concerns about potential elimination of High Utilization Factor Unit counterflow rights through power supply agreement terminations, MISO acknowledges that there is some confusion in its Tariff related to this issue. MISO therefore proposes to clarify that a five-year notice of termination is required for early termination of High Utilization Factor Unit Entitlements, generation resources, ARRs and counterflows and provides amended revisions to effect such clarification.

32. In its answer, ESI challenges LUS/LEPA's claim about the adequacy of the transmission system in the Entergy region, but states that it nonetheless believes that the issue is irrelevant to this proceeding. The issue here, according to ESI, is whether the methodology for assigning LTTRs is adequate for LSEs in the Entergy region and whether that methodology complies with Order No. 681 based on its system

characteristics. ESI also asserts that the Commission should accept MISO's proposed language addressing termination of High Utilization Factor Units as originally filed, rather than as revised, because NRG's concerns regarding possible termination of High Utilization Factor Units are speculative. It states that NRG and other parties can challenge applicability of the provisions at issue in the future if the factual scenario that concerns NRG comes to pass. ESI also agrees with MISO that MISO's existing tariff will, and rightfully should, ensure that a party that directly funds a supplemental upgrade under the current Entergy Tariff will have an opportunity to receive LTTRs, even if that upgrade is not in service prior to the end of the requesting party's year one of the Annual ARR Allocation.

33. LUS/LEPA's answer to MISO's answer disputes MISO's statements regarding the adequacy of its stakeholder process. LUS/LEPA contends that MISO, in its answer, concedes that its proposed supplemental rules address the needs of Entergy, not other LSEs in the Entergy region.

3. Commission Determination

34. We accept MISO's proposed revisions related to LTTRs and ARRs, but we will require MISO to submit a compliance filing that implements the proposed revisions related to the early termination of High Utilization Factor Unit Entitlements, generation resources, ARRs and counterflows as set forth in MISO's answer.

35. In Order No. 681, the Commission emphasized that it would neither compel transmission organizations to provide rights that are infeasible based on the existing system, nor guarantee that an LSE will be able to obtain long-term firm transmission rights sufficient to hedge its entire resource portfolio or be able to obtain all of its requested long-term firm transmission rights.[16] Rather, the Commission concluded that transmission organizations and their stakeholders should have flexibility to determine the level at which an LSE may nominate long-term firm transmission rights, as long as that level does not fall below the entity's "reasonable needs."[17] By "reasonable needs," the Commission generally meant that long-term firm transmission rights should be sufficient to allow an LSE to hedge the congestion associated with its long-term power supply arrangements at a baseload level.[18] In Order No. 681-A, the Commission further clarified that Order No. 681 allows awards of long-term firm transmission rights to be conditioned

[16] Order No. 681, FERC Stats. & Regs. ¶ 31,226 at PP 17-18.

[17] *Id.* P 323.

[18] *Id.*; Order No. 681-A, 117 FERC ¶ 61,201 at P 88.

upon the length of power supply contracts, but does not require that they be so conditioned.[19]

36. There is no dispute, as noted by MISO, that the current Tariff provisions related to LTTR eligibility will create entitlement gaps in the Entergy region. Those gaps are the result of basic differences between the MISO system and the Entergy system. Whereas LSEs in the MISO system rely primarily on long-term power supply arrangements, LSEs in the Entergy region have relied upon QFs and short-term purchases, including purchases made in the Weekly Procurement Process. These differences, as noted by MISO, will make it difficult for many LSEs in the Entergy region to the meet the 50 percent threshold for LTTR eligibility.

37. We find that MISO's proposed revisions will help all LSEs—both those in the existing MISO footprint and the Entergy region—meet their reasonable needs for LTTRs sufficient to hedge the congestion associated with providing baseload service. They do so in a manner that remains consistent with MISO's approach of limiting eligibility to market participants with long-term firm transmission service and associated long-term power supply arrangements and consistent with the requirements of Order No. 681. Therefore, we find the proposed Tariff provisions to be just and reasonable, and we will accept them subject to the proposed revisions set forth in MISO's answer.

38. Contrary to protestors' assertions, the proposed revisions do not deprive LSEs in the Entergy region of their rights to LTTRs. Rather, the MISO proposal expands LSEs' ability to qualify for, and potentially to receive, LTTR entitlements. To the extent that parties have concerns regarding their allocation of LTTRs to cover their baseload needs, MISO makes clear that it will work with these parties to assess their concerns regarding LTTR entitlement gaps. We note that MISO remains bound by the Commission's statements in Order Nos. 681 and 681-A regarding its obligations to meet the reasonable LTTR needs of eligible LSEs and we accept MISO's Tariff revisions as a means toward that end.

39. We disagree with protestors' claims that the proposed revisions are unduly discriminatory against them and in Entergy's favor. To the contrary, this proposal works to address the needs of any newly integrating or existing LSE that experiences an entitlement gap after application of MISO's existing rules. In the absence of specific arguments concerning undue discrimination, we find protestors' arguments to be speculative.

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[19] Order No. 681-A, 117 FERC ¶ 61,201 at P 65.

40. We do not find that numerical data is necessary to support the filing, given that MISO's proposal will incrementally relax existing LTTR entitlement rules, as necessary to address demonstrated entitlement gaps that exist following application of MISO's existing rules, in a manner that will clearly increase LTTR availability.

41. Finally, the MISO answer addresses the concerns raised by AECC and MDEA regarding LTTR entitlement for participant-funded upgrades. In particular, MISO confirmed that its existing rules will apply even if the upgrades enter service after the in-service deadline and, thus, will ensure that such upgrades are eligible for LTTRs.

<u>The Commission orders</u>:

(A) MISO's proposed Tariff revisions are hereby conditionally accepted, to be effective March 29, 2013, as discussed in the body of this order.

(B) MISO is directed to submit a compliance filing within 30 days from the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.