

144 FERC ¶ 61,020  
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 Nos. ER12-480-003  
ER12-480-004  
ER12-480-005

ORDER ON REHEARING AND COMPLIANCE

(Issued July 11, 2013)

1. On May 21, 2012, Midwest Independent Transmission System Operator, Inc. (MISO)<sup>1</sup> and the transmission owners of MISO (MISO TOs)<sup>2</sup> (collectively, Filing

---

<sup>1</sup> Effective April 26, 2013, MISO changed its name from “Midwest Independent Transmission System Operator, Inc.” to “Midcontinent Independent System Operator, Inc.”

<sup>2</sup> For the purposes of the filings addressed in this order, MISO TOs include: Ameren Services Company, as agent for Union Electric Company, Ameren Illinois Company, and Ameren Transmission Company of Illinois; American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Indiana, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; Michigan Public Power Agency; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

Parties) submitted a filing (May 21 Compliance Filing) to comply with the Commission's April 19 Order,<sup>3</sup> which conditionally accepted proposed revisions to MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) regarding the planning and cost allocation of network upgrades<sup>4</sup> in order to establish transition procedures for the integration of the transmission facilities currently owned by Entergy Corporation and its operating companies<sup>5</sup> (collectively, Entergy) into MISO to provide transmission service pursuant to Module B (Transmission Service) of the Tariff. In an order issued November 15, 2012, the Commission conditionally accepted Filing Parties' May 21 Compliance Filing, subject to a further compliance filing.<sup>6</sup> Filing Parties sought clarification or rehearing of the Commission's November 15 Order, as detailed below (Request for Clarification or Rehearing).

2. On December 17, 2012, Filing Parties filed proposed revisions to MISO's Tariff (December 17 Compliance Filing), to which they filed an errata on January 18, 2013 (January 18 Filing), to comply with the Commission's November 15 Order.

3. In this order, as discussed below, we grant in part and deny in part Filing Parties' Request for Clarification or Rehearing of the November 15 Order. We also conditionally accept Filing Parties' December 17 Compliance Filing, as amended, subject to a further compliance filing due within 30 days of the date of this order.

---

<sup>3</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 139 FERC ¶ 61,056 (2012) (April 19 Order).

<sup>4</sup> Network upgrades include Baseline Reliability Projects, Generator Interconnection Projects, Transmission Delivery Service Projects, Market Efficiency Projects, and Multi-Value Projects (MVP). *See* Filing Parties November 28, 2011 Filing, Docket No. ER12-480-000, Transmittal Letter at 14 (November 28 Filing).

<sup>5</sup> Entergy Corporation's operating companies are Entergy Arkansas, Inc.; Entergy Gulf States Louisiana, LLC; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc. (collectively, Entergy Operating Companies). By orders issued June 20, 2013, the Commission conditionally approved a request by Entergy and ITC Holdings Corporation to merge Entergy Operating Companies' transmission facilities into ITC Midsouth LLC, a newly created subsidiary of ITC Holdings Corporation, and to integrate these transmission facilities, as well as the load and generation in Entergy's footprint, into MISO. *See, e.g., ITC Holdings Corp. and Entergy Corporation*, 143 FERC 61,256 (2013).

<sup>6</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 141 FERC ¶ 61,128 (2012) (November 15 Order).

## I. Background

### A. November 28 Filing

4. In their November 28 Filing in Docket No. ER12-480-000, Filing Parties<sup>7</sup> proposed revisions to the Tariff to provide a five-year transition period for integrating Entergy and any adjacent utilities into MISO's transmission planning and cost allocation process, during which MISO will review and compare the current states of the transmission systems in two areas: 1) MISO as it existed before the entry of the first Entergy Operating Company, as modified by the entry or withdrawal of transmission-owning members in the Midwest (the First Planning Area); and 2) the area consisting of the states where Entergy owns and/or operates transmission facilities and any adjacent areas where transmission facilities are conveyed to MISO's functional control (the Second Planning Area) (jointly, Planning Areas). Filing Parties proposed that MISO will apply its existing transmission planning processes to the Second Planning Area during the five-year transition period to identify the Baseline Reliability Projects,<sup>8</sup> Market Efficiency Projects,<sup>9</sup> and MVPs<sup>10</sup> needed in the Second Planning Area.<sup>11</sup>

5. Filing Parties proposed Tariff revisions regarding the allocation of the cost of network upgrades approved in either Planning Area before, during, and after the five-year transition period in a new Attachment FF-6 (Transmission Expansion Planning and Cost Allocation for Second Planning Area's Transition). In particular, Filing Parties proposed

---

<sup>7</sup> For the purposes of this filing, MISO TOs also include: Duke Energy Ohio, Inc.; Duke Energy Kentucky, Inc.; and Southern Indiana Gas & Electric Company.

<sup>8</sup> See generally *Midwest Indep. Transmission Sys. Operator, Inc.*, 114 FERC ¶ 61,106, *order on reh'g*, 117 FERC ¶ 61,241 (2006).

<sup>9</sup> See generally *Midwest Indep. Transmission Sys. Operator, Inc.*, 139 FERC ¶ 61,261 (2012); *Midwest Indep. Transmission Sys. Operator, Inc.*, 118 FERC ¶ 61,209, *order on reh'g*, 120 FERC ¶ 61,080 (2007), *order on reh'g*, 122 FERC ¶ 61,127 (2008). These orders, among other things, approved a class of projects originally referred to as Regionally Beneficial Projects. MISO has since renamed this class of projects Market Efficiency Projects.

<sup>10</sup> See generally *Midwest Indep. Transmission Sys. Operator, Inc.*, 133 FERC ¶ 61,221 (2010) (MVP Order), *order on reh'g*, 137 FERC ¶ 61,074 (2011) (MVP Rehearing Order).

<sup>11</sup> Filing Parties November 28 Filing, Transmittal Letter at 11.

that for network upgrades approved before the five-year transition period in the First Planning Area, costs will be allocated only within the First Planning Area during the five-year transition period, pursuant to the Tariff's cost allocation rules for the particular category of network upgrade. For network upgrades approved during the five-year transition period that terminate exclusively in either Planning Area, costs will be allocated solely within that Planning Area during the five-year transition period pursuant to the applicable cost allocation rules for the particular category of network upgrade under Attachment FF (Transmission Planning Expansion Protocol), as modified by Attachment FF-6.<sup>12</sup> For network upgrades that terminate in both Planning Areas and that are approved during the transition period, costs will be allocated to both Planning Areas during and after the five-year transition period, in accordance with the Tariff's cost allocation rules for the particular category of network upgrade under Attachment FF.<sup>13</sup>

6. Filing Parties asserted that, during the five-year transition period, MISO will attempt to develop a portfolio of MVPs approved before or during the transition period for the combined Planning Areas (Combined MVP Portfolio) that satisfies a cost-benefit test. Filing Parties proposed that if MISO has identified a Combined MVP Portfolio that satisfies the cost-benefit test by the end of the five-year transition period, then the cost of MVPs approved before or during the five-year transition period that terminate exclusively in either Planning Area will be shared across both Planning Areas after the five-year transition period. Filing Parties stated that such regional cost allocation will be phased in over eight years at gradually increasing annual percentages of 12.5 percent.<sup>14</sup>

7. Filing Parties proposed that the cost of network upgrades other than MVPs (i.e., non-MVPs) that were approved before the five-year transition period and that terminate exclusively in either Planning Area will not be shared between the Planning Areas after the five-year transition period. Filing Parties proposed that, after the five-year transition period, the cost of non-MVPs approved during the five-year transition period that terminate exclusively in either Planning Area will be allocated within that Planning Area,

---

<sup>12</sup> MISO, FERC Electric Tariff, [ATTACHMENT FF-6, Transmission Expansion Planning and Cost Allocation for Seco, 0.0.0](#) (Attachment FF-6, Transmission Expansion Planning and Cost Allocation for Second Planning Area's Transition).

<sup>13</sup> This would also apply to network upgrades that terminate in both Planning Areas and that are determined during the five-year transition period to be solutions for identified needs with a forecast in-service date no more than five years after the end of the five-year transition period. Filing Parties November 28 Filing, Transmittal Letter at 14.

<sup>14</sup> *Id.* at 16.

pursuant to the cost allocation rules for the particular category of network upgrade under Attachment FF.<sup>15</sup>

8. Filing Parties proposed to allocate the cost of all network upgrades approved after the end of the five-year transition period across the combined Planning Areas pursuant to Attachment FF.<sup>16</sup>

**B. April 19 Order**

9. In the April 19 Order, the Commission conditionally accepted Filing Parties' proposal in their November 28 Filing for transmission planning in the two Planning Areas during the five-year transition period,<sup>17</sup> subject to Tariff revisions to clarify MISO's transmission planning process under Attachment FF-6.

10. The Commission required MISO to ensure that Attachment FF-6 does not indicate that Attachment FF requires a comparison of the two Planning Areas, because the existing provisions of Attachment FF do not require any such comparison. The Commission also required Filing Parties to revise the Tariff to consistently refer to projects in terms of whether they have been "planned and approved by the MISO Board of Directors for inclusion in Appendix A of the M[ISO] T[ransmission] E[xpansion] P[lan (MTEP)]" or "identified or planned but not yet approved by the MISO Board of Directors."<sup>18</sup>

11. With regard to cost allocation, the Commission conditionally accepted the proposed allocation of the costs of network upgrades during and after the five-year transition period, given the unique circumstances surrounding Entergy's proposed integration into MISO.<sup>19</sup> Among other things, the Commission found that it was

---

<sup>15</sup> *Id.* at 15-16.

<sup>16</sup> The First Planning Area would not share the cost of non-MVPs identified during the five-year transition period as a solution to meet an identified need that terminate exclusively in the Second Planning Area and have a forecast in-service date no more than five years after the end of the Second Planning Area's transition period. *Id.* at 17.

<sup>17</sup> April 19 Order, 139 FERC ¶ 61,056 at P 115. We note that the Commission accepted Filing Parties' proposal to submit annual reports regarding its progress in comparably planning network upgrades for the Planning Areas. *Id.*

<sup>18</sup> *Id.* P 118.

<sup>19</sup> *Id.* P 181.

reasonable not to allocate to the Second Planning Area any costs of network upgrades approved for the First Planning Area before the five-year transition period, absent a demonstration of net benefits, since those upgrades were not planned for the Second Planning Area. The Commission stated that until both Planning Areas use common processes and criteria, there is no basis to conclude that the Planning Areas will mutually derive benefits from projects that terminate exclusively in either Planning Area.<sup>20</sup> The Commission also conditionally accepted Filing Parties' proposal to share after the five-year transition period the cost of MVPs approved before or during the five-year transition period that terminate solely in either Planning Area across both Planning Areas if the Combined MVP Portfolio satisfies the cost-benefit test. In the event that the Combined MVP Portfolio does not satisfy the cost-benefit test, the Commission required Filing Parties to reflect in the Tariff that after the transition period MISO will allocate to the First Planning Area the costs of MVPs approved before the transition period that terminate exclusively in the First Planning Area and apply the existing provisions of Attachment FF to determine whether the costs of MVPs approved during the transition period will be shared across the Planning Areas.<sup>21</sup> The Commission also required Filing Parties to revise the definitions of the two MVP Portfolios that comprise the Combined MVP Portfolio and that are compared as part of the cost-benefit test, so that all MVPs approved before the transition period will be in MVP Portfolio<sub>1</sub> and all MVPs approved during the transition period, or at the conclusion of the next MTEP cycle following the end of the transition period, will be in MVP Portfolio<sub>2</sub>.<sup>22</sup> Similarly, the Commission required Filing Parties to revise the Tariff to reflect their clarification that during the transition period benefits in the Second Planning Area will not be used to justify projects terminating exclusively in the First Planning Area, and vice versa.<sup>23</sup>

12. The Commission required Filing Parties to submit a compliance filing with Tariff revisions addressing issues raised in the April 19 Order.

### **C. November 15 Order**

13. Several parties sought rehearing and/or clarification of the April 19 Order, and Filing Parties submitted the May 21 Compliance Filing to comply with the Commission's April 19 Order.

---

<sup>20</sup> *Id.* P 182.

<sup>21</sup> *Id.* PP 189-190.

<sup>22</sup> *Id.* P 183.

<sup>23</sup> *Id.* P 119 (citing Filing Parties January 10, 2012 Answer at 22).

14. In the November 15 Order, the Commission denied the rehearing requests or found them outside the scope of this proceeding. With respect to the May 21 Compliance Filing, the Commission found that MISO had made certain Tariff revisions that were not required by the April 19 Order and rejected them as outside the scope of the compliance proceeding. With respect to revisions that responded to the April 19 Order, the Commission conditionally accepted them, subject to a number of compliance requirements, discussed below, to better comply with the April 19 Order, to clarify or make provisions consistent, and to make corrections.

**D. December 17 Compliance Filing and January 18 Filing**

15. In their December 17 Compliance Filing, Filing Parties state that they make the changes required by the November 15 Order, and also refer to their Request for Clarification or Rehearing to challenge some of the compliance requirements. In the January 18 Filing, Filing Parties submit an errata to their December 17 Compliance Filing to correct a formatting problem and an “inadvertent change” to a formula in Attachment FF-6, where a reference to MVP Portfolio<sub>1</sub> in section II.B.3 was changed to MVP Portfolio<sub>2</sub>.

**II. Request for Clarification or Rehearing, Notices of Filings, and Responsive Pleadings**

16. Filing Parties filed a timely Request for Clarification or Rehearing of the November 15 Order.

17. Notice of Filing Parties’ December 17 Compliance Filing was published in the *Federal Register*, 77 Fed. Reg. 76,021 (2012), with interventions and protests due on or before January 21, 2013, as extended by the Commission’s Secretary.<sup>24</sup> Notice of Filing Parties’ January 18 Filing was published in the *Federal Register*, 78 Fed. Reg. 8508 (2013), with interventions and protests due on or before February 8, 2013.

18. On January 22, 2013, Indicated Members of the Organization of MISO States (OMS)<sup>25</sup> moved for leave to submit comments in response to Filing Parties’ Request for

---

<sup>24</sup> *Notice of Extension of Time*, Docket No. ER12-480-003, issued January 4, 2013.

<sup>25</sup> For the purposes of this filing, OMS includes: Indiana Utility Regulatory Commission, Iowa Utilities Board, Kentucky Public Service Commission, Michigan Public Service Commission, Minnesota Public Utilities Commission, Missouri Public Service Commission, North Dakota Public Service Commission, and Wisconsin Public Service Commission. OMS states that this filing did not obtain a majority of the OMS membership, noting that the four retail regulators of the Entergy Operating Companies

(continued...)

Clarification or Rehearing and submitted comments on Filing Parties' December 17 Compliance Filing and Request for Clarification or Rehearing.

### **III. Procedural Matters**

19. We will accept OMS' comments, because although OMS is correct that our regulations do not permit answers to requests for rehearing,<sup>26</sup> their comments address issues common to both the December 17 Compliance Filing, to which they are entitled to respond, and the Request for Clarification or Rehearing. No other responsive pleadings were filed.

### **IV. Discussion**

#### **A. Benefits Used to Justify Network Upgrades**

##### **1. November 15 Order**

20. In the November 15 Order, the Commission noted that Filing Parties proposed to insert language in Attachment FF-6 providing that MISO will not use benefits in the Second Planning Area to justify Market Efficiency Projects terminating exclusively in the First Planning Area, or vice versa. The Commission directed Filing Parties to include similar language with regard to Baseline Reliability Projects and MVPs,<sup>27</sup> as required in the April 19 Order.<sup>28</sup>

##### **2. Request for Clarification or Rehearing**

21. Filing Parties oppose the Commission's requirement that MISO not use benefits in one Planning Area to justify MVPs terminating solely in the other Planning Area during the five-year transition period. Filing Parties maintain that considering benefits within a single Planning Area for Market Efficiency Projects is reasonable because these projects predominantly involve local benefits and are primarily allocated (80 percent) on a local basis.<sup>29</sup> They state, however, that the Commission-approved Tariff provides that MVPs

---

abstained from voting on this filing. OMS adds that the Minnesota Department of Commerce generally supports this filing. OMS Comments at 1, 7.

<sup>26</sup> 18 C.F.R. § 385.213(a)(2).

<sup>27</sup> November 15 Order, 141 FERC ¶ 61,128 at P 55.

<sup>28</sup> *Id.* P 49 (citing April 19 Order, 139 FERC ¶ 61,056 at P 119).

<sup>29</sup> Filing Parties Request for Clarification or Rehearing at 12.

are based upon benefits that are regional in nature and should be evaluated on a portfolio basis to further ensure the broad geographic dispersion of MVP benefits.<sup>30</sup> According to Filing Parties, after Entergy's integration into MISO, MVPs will be planned for both Planning Areas, and therefore "an MVP planned *during*, as well as after, the transition period located in one Planning Area can also benefit the other Planning Area."<sup>31</sup> Filing Parties contend that, given that MVPs are regional "and their planning is supposed to take both Planning Areas into account after Entergy's integration," excluding from the justification of an MVP located in one Planning Area the potential benefits to the other Planning Area is inappropriate and inconsistent with previously-accepted Tariff provisions.<sup>32</sup>

22. Filing Parties request that the Commission clarify that its requirement regarding the benefits that may be considered when planning MVPs that terminate solely in either Planning Area during the five-year transition period apply only to MVPs that are "intended to be justified based only on benefits to the Planning Area where it is located," so that "if an MVP is being planned and justified based on broader regional benefits in both Planning Areas, MISO's consideration of benefits need not be limited to the Planning Area where the MVP will be located."<sup>33</sup> In the alternative, Filing Parties request rehearing of the Commission's directive.<sup>34</sup>

### **3. December 17 Compliance Filing**

23. Filing Parties propose revisions to section II.B.1 of Attachment FF-6 indicating that, for a Baseline Reliability Project planned during the five-year transition period that terminates exclusively in one Planning Area, MISO's benefit assessment will consider only benefits in the Planning Area where the project terminates. Filing Parties state that these revisions are similar to the revisions for Market Efficiency Projects.<sup>35</sup>

---

<sup>30</sup> *Id.* at 11-12 (citing, *e.g.*, MVP Order, 133 FERC ¶ 61,221 at PP 3, 208, 213, 215, 221, 387, and 435; MVP Rehearing Order, 137 FERC ¶ 61,074 at P 148).

<sup>31</sup> *Id.* at 12 (emphasis added).

<sup>32</sup> *Id.*

<sup>33</sup> *Id.* at 12-13.

<sup>34</sup> *Id.* at 13.

<sup>35</sup> Filing Parties December 17 Compliance Filing, Transmittal Letter at 3.

24. Filing Parties propose revisions to section II.B.3 of Attachment FF-6 indicating that, for an MVP planned during the five-year transition period that terminates exclusively in one Planning Area “and is only being planned for the Planning Area where the MVP Portfolio terminates,” MISO’s benefit assessment will consider only benefits in the Planning Area where the project terminates.<sup>36</sup> Filing Parties state that MISO interprets the Commission’s directive that the benefit limitation for Market Efficiency Projects also be applied to MVPs as being applicable “only to an MVP intended to be justified based solely on benefits to the Planning Area where it is located,” consistent with their Request for Clarification or Rehearing of the November 15 Order.<sup>37</sup>

#### 4. Comments

25. OMS is concerned that in performing a cost-benefit analysis to justify Baseline Reliability Projects, Market Efficiency Projects, or MVPs in the First Planning Area, benefits should not be counted from the Second Planning Area, if any associated cost sharing would be borne entirely by the First Planning Area. OMS argues that benefits in the Second Planning Area should not be used to justify MVPs in the First Planning Area if customers in the Second Planning Area will never pay for the associated MVP portfolio.<sup>38</sup> OMS requests clarification that MVPs planned before, and approved during, the five-year transition period would only be justified using benefits from the First Planning Area.<sup>39</sup> OMS further requests that, if the December 17 Compliance Filing suggests that the MVP planning process would consider benefits across both Planning Areas without sharing the corresponding costs, then the Commission should reject the filing and direct Filing Parties to revise the Tariff.<sup>40</sup> OMS states that, in the alternative, the Commission could deny Filing Parties’ Request for Clarification and Rehearing and order MISO to conduct a more thorough stakeholder process to clarify what benefits should be used to justify which MVPs in the MISO region.<sup>41</sup>

---

<sup>36</sup> *Id.* at 4.

<sup>37</sup> *Id.* at 3-4.

<sup>38</sup> OMS Comments at 3-4. In addition, OMS maintains that Filing Parties use inconsistent language, such as the terms “MVP Portfolio 2” and “Portfolio 2,” and requests that MISO provide clarification. *Id.* at 6.

<sup>39</sup> *Id.* at 4-5.

<sup>40</sup> *Id.* at 2.

<sup>41</sup> OMS notes that, since no MVPs are expected to be included in MTEP 13,

(continued...)

## 5. Commission Determination

26. Filing Parties have complied with the November 15 Order's requirement to revise the Tariff to provide that benefits in the Second Planning Area will not be used to justify Baseline Reliability Projects approved during the five-year transition period terminating exclusively in the First Planning Area, or vice versa. However, they have not complied with the Commission's requirement to revise the Tariff to include similar language with respect to MVPs approved during the five-year transition period terminating exclusively in a single Planning Area.<sup>42</sup> Rather, consistent with their Request for Clarification or Rehearing of the November 15 Order, Filing Parties propose language to apply this criterion to these MVPs only to the extent that an MVP was *planned* during the transition period for the Planning Area in which it terminates, and they requested clarification that this is what the Commission intended.

27. The determination of which benefits can be used to justify network upgrades approved during the five-year transition period was originally made in the April 19 Order.<sup>43</sup> In particular, the Commission required Filing Parties to revise the Tariff to reflect that "benefits in the Second Planning Area will not be used to justify *projects* terminating exclusively in the First Planning Area, and vice versa," consistent with Filing Parties' clarification in their January 10, 2012 Answer.<sup>44</sup> The Commission did not exclude MVPs from this requirement. The November 15 Order found that Filing Parties' May 21 Compliance Filing had not complied with this requirement because it had only been made applicable to Market Efficiency Projects, and directed them to include similar language for Baseline Reliability Projects and MVPs.<sup>45</sup>

28. We find that Filing Parties' Request for Clarification or Rehearing of the Commission's requirement in the November 15 Order constitutes an untimely request for

---

parties have time to address the issues surrounding the planning of MVPs and associated cost allocation. *Id.* at 6.

<sup>42</sup> November 15 Order, 141 FERC ¶ 61,128 at P 55.

<sup>43</sup> April 19 Order, 139 FERC ¶ 61,056 at P 119.

<sup>44</sup> *Id.* (citing Filing Parties January 10 Answer, Docket No. ER12-480-000, at 22 ("benefits in the Second Planning Area will not be used to justify projects (such as M[arket] E[fficiency] P[roject]s) terminating exclusively in the First Planning Area, and vice versa") (emphasis added)).

<sup>45</sup> November 15 Order, 141 FERC ¶ 61,128 at PP 49, 55.

rehearing of the benefits analysis requirement in the April 19 Order, which applied to all MVPs approved during the five-year transition period terminating exclusively in a single Planning Area, among other projects, and we therefore do not consider further Filing Parties' request for rehearing on that issue. We note, however, that Filing Parties may submit, in a subsequent filing under section 205 of the FPA, Tariff revisions regarding MISO's consideration of benefits when planning MVPs that terminate exclusively in a single Planning Area during the five-year transition period, as discussed in their Request for Clarification or Rehearing. In such a filing, Filing Parties should address how their proposal is just and reasonable in light of existing Tariff provisions providing that the cost of such projects should not be shared between the Planning Areas during and, in the event that the cost-benefit test and criteria of Attachment FF are not satisfied, after the five-year transition period,<sup>46</sup> as discussed by OMS.

29. With respect to Filing Parties' revisions to section II.B.3 regarding the treatment of MVPs in the December 17 Compliance Filing, Filing Parties propose language that is inconsistent with the requirements of the November 15 Order. In particular, Filing Parties propose that, during the five-year transition period, MISO will consider only the benefits in the Planning Area where an MVP terminates if the entire MVP "Portfolio," rather than an individual MVP, will terminate exclusively in a single Planning Area, and if the MVP portfolio is "planned" during the five-year transition period for the Planning Area where the MVP Portfolio terminates, consistent with Filing Parties Request for Clarification or Rehearing of this issue. Neither the April 19 Order nor the November 15 Order directed the proposed reference to "Portfolio," nor, as discussed in our denial of rehearing above, permitted Filing Parties to plan MVPs that terminate exclusively in one Planning Area based on benefits in the other Planning Area. We will require Filing Parties to submit, in the compliance filing directed below, Tariff revisions so that section II.B.3 of Attachment FF-6 reads, in relevant part:

When an MVP ~~Portfolio~~ planned during the Second Planning Area's Transition Period will terminate exclusively in one Planning Area ~~and is only being planned for the Planning Area where the MVP Portfolio terminates~~, the Transmission Provider's benefit assessment will consider only the MVP benefits in the Planning Area where it terminates.

---

<sup>46</sup> We note that in the April 19 Order, the Commission conditionally accepted Filing Parties' proposal to define the Planning Areas separately "for both cost allocation and planning purposes" during the five-year transition period, except with regard to projects that terminate in both Planning Areas. *See, e.g.*, April 19 Order, 139 FERC ¶ 61,056 at PP 30, 181, 184.

This compliance requirement should address OMS' concerns regarding whether MISO will consider MVP benefits across both Planning Areas absent a corresponding allocation of costs to both Planning Areas.

**B. Allocation of MVP Costs**

**1. November 15 Order**

30. The Commission found that Filing Parties did not comply with the requirements of the April 19 Order regarding the treatment of certain MVPs after the five-year transition period in the event that the Combined MVP Portfolio does not satisfy the cost-benefit test. The Commission required Filing Parties to revise sections III.C and IV.B.3 of Attachment FF-6 to reflect that, if the cost-benefit test is *not* satisfied: 1) Filing Parties must determine whether any MVPs approved during the five-year transition period satisfy the criteria of Attachment FF; and 2) the costs of an MVP approved during the five-year transition period will not be shared between the Planning Areas after the transition period, unless MISO determines that an MVP satisfies the criteria of Attachment FF.<sup>47</sup>

31. The Commission found that Filing Parties' proposal in their May 21 Compliance Filing to include in MVP Portfolio<sub>1</sub> MVPs "planned for and exclusively benefitting" the First Planning Area that are approved "before or *during*" the five-year transition period to be inconsistent with the Commission's requirement, in the April 19 Order, that all MVPs approved during the five-year transition period be included in MVP Portfolio<sub>2</sub>.<sup>48</sup> The Commission required Filing Parties to submit Tariff revisions to include all MVPs approved before the five-year transition period only in MVP Portfolio<sub>1</sub> and include all MVPs approved during the five-year transition period only in MVP Portfolio<sub>2</sub>.<sup>49</sup>

32. The Commission found that Filing Parties did not fully comply with the requirement in the April 19 Order to consistently refer to projects that have either been "planned and approved by the MISO Board of Directors for inclusion in Appendix A of the MTEP" or "identified or planned but not yet approved by the MISO Board of Directors."<sup>50</sup> The Commission required Filing Parties to modify the Tariff to address this

---

<sup>47</sup> November 15 Order, 141 FERC ¶ 61,128 at P 82 (citing April 19 Order, 139 FERC ¶ 61,056 at PP 189-190).

<sup>48</sup> *Id.* P 81 (citing April 19 Order, 139 FERC ¶ 61,056 at P 183 (emphasis added)).

<sup>49</sup> *Id.*

<sup>50</sup> *Id.* P 54 (quoting April 19 Order, 139 FERC ¶ 61,056 at P 118).

issue, including to modify “planned or” approved and “identified as needed” in the description of the cost-benefit test in section II.B.3 of Attachment FF-6.<sup>51</sup>

## 2. Request for Clarification or Rehearing

33. With regard to the Commission’s requirement that, if the cost-benefit test is not satisfied, Filing Parties should “determine whether any MVPs approved during the five-year transition period satisfy the criteria of Attachment FF,” and if so, “the associated costs could be shared with the Second Planning Area” after the five-year transition period, Filing Parties request that the Commission clarify that, for MVPs that terminate solely in the First Planning Area, this requirement would not apply to MVPs planned before, but approved during, the five-year transition period.<sup>52</sup> Filing Parties maintain that MVPs planned before the five-year transition period could, in theory, be approved after the start of the transition period because the end of a transmission planning cycle may not coincide with the beginning of the transition period. They contend that these projects should be included in MVP Portfolio<sub>1</sub> (and, thus, not be considered for regional cost sharing under Attachment FF if the cost-benefit test is not satisfied) because all MVPs planned before the five-year transition period would be solely for the benefit of, and would terminate exclusively in, the First Planning Area. Filing Parties contend that, in contrast, MVPs planned during the transition period, including those terminating exclusively in the First Planning Area, would have been planned in an integrated manner with both Planning Areas taken into account and should be included in MVP Portfolio<sub>2</sub>. Filing Parties add that, for this reason, the Commission should also reconsider its directive to “include all MVPs approved during the five-year transition period only in MVP Portfolio<sub>2</sub>.”<sup>53</sup> Filing Parties maintain that MVPs planned before, but approved during, the five-year transition period instead belong in MVP Portfolio<sub>1</sub>. In the alternative, Filing Parties request that the Commission grant rehearing of these directives because Filing Parties believe they are inconsistent with their original proposal.<sup>54</sup>

---

<sup>51</sup> *Id.*

<sup>52</sup> Filing Parties Request for Clarification or Rehearing at 10 (citing November 15 Order, 141 FERC ¶ 61,128 at PP 82, 98). Filing Parties note that it is “highly unlikely” that any MVPs planned before would still be pending approval when the five-year transition period begins. *Id.* at 11.

<sup>53</sup> *Id.* at 10 (citing November 15 Order, 141 FERC ¶ 61,128 at P 81).

<sup>54</sup> *Id.* at 7.

34. Filing Parties argue that the Commission erred by requiring Filing Parties to revise the Tariff to reflect that “Filing Parties” must determine whether certain MVPs satisfy the criteria of Attachment FF.”<sup>55</sup> They request that the Commission clarify that the required Tariff revisions should reflect that “MISO,” rather than “Filing Parties,” should determine whether certain MVPs satisfy the criteria of Attachment FF. Filing Parties maintain that this would be consistent with the Commission’s acceptance, in the April 19 Order, of Tariff provisions indicating that MISO should have sole responsibility for making such determinations.<sup>56</sup>

### 3. December 17 Compliance Filing

35. With regard to the allocation of MVP costs after the five-year transition period in the event that the cost-benefit test is *not* satisfied, Filing Parties propose several revisions in section III.C of Attachment FF-6. First, they propose to allocate to the First Planning Area the cost of MVPs approved by MISO’s Board of Directors before or *during* the five-year transition period that terminate exclusively in the First Planning Area and were planned exclusively for the benefit of the First Planning Area prior to the five-year transition period. Second, Filing Parties propose to apply Attachment FF to determine whether both Planning Areas should share the cost of MVPs that are approved or planned during the five-year transition period. Third, they propose to apply Attachment FF to determine whether both Planning Areas should share the cost of MVPs approved during the five-year transition period that terminate in the First Planning Area, with the Second Planning Area included in the planning process. Filing Parties also propose that the cost of MVPs approved during the five-year transition period, with the Second Planning Area included in the planning process, will only be shared across both Planning Areas if MISO determines that the applicable criteria of Attachment FF have been satisfied.<sup>57</sup>

36. In response to the Commission’s directives regarding the definition of the MVP Portfolios, Filing Parties propose to revise section II.B.3 of Attachment FF-6 to provide that MVP Portfolio<sub>1</sub> includes all MVP portfolios approved by MISO’s Board of Directors *before* the five-year transition period and MVP Portfolio<sub>2</sub> includes all MVP portfolios approved by MISO’s Board of Directors *during* the five-year transition period.<sup>58</sup>

---

<sup>55</sup> *Id.* at 13.

<sup>56</sup> *Id.* at 13-14 (citing April 19 Order, 139 FERC ¶ 61,056 at P 181).

<sup>57</sup> MISO, FERC Electric Tariff, [ATTACHMENT FF-6, Transmission Expansion Planning and Cost Allocation for Seco, 2.0.0](#), § III.C.

<sup>58</sup> Filing Parties December 17 Compliance Filing, Transmittal Letter at 4.

37. With regard to the Commission's requirement that Filing Parties modify the terms "planned or" approved and "identified as needed" in the description of the MVP Portfolios in section II.B.3 of Attachment FF-6, Filing Parties propose that section II.B.3 read, in relevant part, as follows:

The Transmission Provider shall assess the comparability of the MVP portfolios that have been ~~planned or~~ approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP, or identified, but not yet approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP, for the First Planning Area and the MVP Portfolios that, during the Second Planning Area's Transition Period, have been identified, or planned but not yet approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP, as needed pursuant to the Attachment FF MVP criteria.

#### 4. Commission Determination

38. The April 19 Order required that Filing Parties submit Tariff revisions to reflect that, in the event that the cost-benefit test is *not* satisfied, MISO apply the existing provisions of Attachment FF to determine whether the costs of MVPs *approved* during the five-year transition period will be shared across the Planning Areas after the five-year transition period, regardless of whether the MVPs were *planned* before or during the transition period.<sup>59</sup> The November 15 Order found that Filing Parties' proposed revisions to Attachments FF-6 and MM did not satisfy this requirement and directed them to do so.<sup>60</sup> Similarly, the Commission's requirement that Filing Parties include in MVP Portfolio<sub>2</sub> all MVPs *approved* during the five-year transition period, regardless of whether the MVPs were *planned* before or during the transition period, was originally made in the April 19 Order.<sup>61</sup> The subsequent November 15 Order found that Filing

---

<sup>59</sup> April 19 Order, 139 FERC ¶ 61,056 at PP 185, 189-190 (requiring Filing Parties to submit Tariff revisions to reflect that if the cost-benefit test is not satisfied, MISO will apply the existing provisions of Attachment FF to determine whether the costs of MVPs approved during the transition period will be shared across the Planning Areas); PP 199-201 (requiring Filing Parties to submit Tariff revisions to more fully describe the applicable MVP usage rate).

<sup>60</sup> November 15 Order, 141 FERC ¶ 61,128 at PP 82, 98.

<sup>61</sup> April 19 Order, 139 FERC ¶ 61,056 at P 183 (requiring Filing Parties to submit "revisions to include all projects approved during the transition period . . . in MVP Portfolio<sub>2</sub>").

Parties had not complied with this requirement and directed them to do so.<sup>62</sup> Accordingly, we find that Filing Parties' request for rehearing of these directives constitutes an untimely request for rehearing of the April 19 Order, and we will not consider it further. We note, however, that Filing Parties may submit Tariff revisions, in a subsequent filing under section 205 of the FPA.

39. We will grant Filing Parties' request for clarification that MISO's proposed revisions to Attachment FF-6 should reflect that MISO, rather than Filing Parties, should determine whether certain MVPs approved during the transition period satisfy the criteria of Attachment FF, in the event that the cost-benefit test is not satisfied.<sup>63</sup> Since Filing Parties' proposed revisions to Attachment FF-6 indicate that MISO will make this determination, we need not require further compliance regarding this issue.

40. With regard to the December 17 Compliance Filing, Filing Parties' revisions to section III.C of Attachment FF-6 do not satisfy the Commission's requirement to revise the Tariff to reflect that, if the cost-benefit test is not satisfied, Filing Parties must determine whether any MVPs *approved* during the five-year transition period satisfy the criteria of Attachment FF.<sup>64</sup> Section III.C(2) inappropriately expands this requirement, so that it would also apply to MVPs that were *identified or planned*, but not approved, during the five-year transition period. Section III.C(2) also inappropriately narrows this requirement, so that it would apply to MVPs approved during the five-year transition period only if the Second Planning Area was included in the planning process (i.e., to exclude MVPs planned before, but approved during, the transition period). Sections III.C(2) and III.C(3) also appear to be duplicative, as both sections discuss the application of the Attachment FF criteria in the event that the cost-benefit test is not satisfied.

41. Filing Parties' revisions to section III.C of Attachment FF-6 also do not satisfy the Commission's requirement to revise the Tariff to reflect that, if the cost-benefit test is not satisfied, the costs of an MVP approved during the five-year transition period will *not* be shared between the Planning Areas after the five-year transition period, unless MISO determines that an MVP satisfies the criteria of Attachment FF.<sup>65</sup> Contrary to this

---

<sup>62</sup> November 15 Order, 141 FERC ¶ 61,128 at P 81.

<sup>63</sup> In particular, the November 15 Order should have read, in part, “. . . 1) MISO Filing Parties must determine whether any MVPs approved during the five-year transition period satisfy the criteria of Attachment FF . . .” *Id.* P 82.

<sup>64</sup> *Id.* (emphasis added).

<sup>65</sup> *Id.*

requirement, section III.C(1) indicates that, if the cost-benefit test is not satisfied, MISO will allocate to the First Planning Area after the transition period the cost of MVPs approved before “or during” the five-year transition period that terminate exclusively in the First Planning Area and were planned exclusively for the benefit of the First Planning Area (i.e., regardless of whether an MVP approved during the transition period satisfies the criteria of Attachment FF).<sup>66</sup> Section III.C(4) incorrectly suggests that the cost of certain MVPs will be shared across both Planning Areas after the transition period only if the criteria of Attachment FF are met, regardless of whether the cost-benefit test is satisfied. Section III.C(4) inappropriately narrows the Commission’s requirement, so that it would apply only to MVPs approved during the five-year transition period if the Second Planning Area was included in the planning process (i.e., to exclude MVPs planned before, but approved after, the transition period). To address our concerns regarding section III.C, we will require Filing Parties to submit, in the compliance filing directed below, Tariff revisions that are consistent with Paragraphs 81 and 82 of the November 15 Order, as shown in the Attachment to this order.

42. As for the description of the MVP Portfolios in Attachment FF-6, we find that the definitions of the MVP Portfolios proposed in sections II.B.3.a and II.B.3.b of Attachment FF-6 in the December 17 Compliance Filing satisfy the applicable requirements of the November 15 Order. However, Filing Parties’ proposed revisions to the terms “planned or” approved and “identified as needed” in the description of the MVP Portfolios in section II.B.3 of Attachment FF-6 are inconsistent with the requirements of the November 15 Order. The proposed Tariff revisions indicate that MVP Portfolio<sub>1</sub> includes MVPs approved by MISO’s Board of Directors for the First Planning Area and identified, but not yet approved, for the First Planning Area. The proposed Tariff revisions also indicate that MVP Portfolio<sub>2</sub> includes MVPs identified, but not yet approved, during the five-year transition period. Both of these descriptions are inconsistent with the Commission’s finding that MVP Portfolio<sub>1</sub> should only include MVPs approved before the five-year transition period and MVP Portfolio<sub>2</sub> should include only MVPs approved during the five-year transition period.<sup>67</sup> We will require Filing

---

<sup>66</sup> MISO, FERC Electric Tariff, [ATTACHMENT FF-6, Transmission Expansion Planning and Cost Allocation for Seco, 2.0.0](#), § III.C(1).

<sup>67</sup> *See, e.g.*, November Order, 141 FERC ¶ 61,128 at P 81. For example, Filing Parties’ revisions incorrectly suggest that MVPs approved for the Second Planning Area during the five-year transition period would not be included in either MVP Portfolio, and that MVPs approved for the First Planning Area during the five-year transition period could be included in MVP Portfolio<sub>1</sub>, rather than MVP Portfolio<sub>2</sub>, if they were identified prior to the five-year transition period.

Parties to submit, in the compliance filing directed below, Tariff revisions to ensure that the description of the cost-benefit test in section II.B.3 of Attachment FF-6 is consistent with the Commission's directives to 1) consistently distinguish between projects that have been approved or identified, but not yet approved,<sup>68</sup> and 2) correctly describe the MVP Portfolios.<sup>69</sup>

### C. MVP Usage Rate

#### 1. November 15 Order

43. In the November 15 Order, the Commission found that, while sections IV.B.4 and IV.B.5 of Attachment MM (Multi-Value Project Charge (MVP Charge)) addressed the potential cost responsibility for load in the First Planning Area and Second Planning Area, respectively, in gradually increasing percentages during the eight-year phase-in period, they did not describe how individual MVP usage rate components attributable to these loads would be adjusted. The Commission required Filing Parties to submit Tariff revisions to provide how individual MVP usage rate components would be adjusted during the eight-year phase-in period.<sup>70</sup>

44. With regard to the allocation of MVP costs *after* the five-year transition period, the Commission required Filing Parties to submit Tariff revisions to reflect that for MVPs that terminate solely in the First Planning Area approved during the five-year transition period, the associated costs "could be shared with the Second Planning Area in the event

---

<sup>68</sup> *Id.* P 54.

<sup>69</sup> *Id.* P 81. Filing Parties should revise section II.B.3 of Attachment FF-6 as follows:

The Transmission Provider shall assess the comparability of the MVP portfolios that have been approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP before the Second Planning Area's Transition Period, ~~or identified, but not yet approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP,~~ for the First Planning Area and the MVP Portfolios that, during the Second Planning Area's Transition Period, have been ~~identified, or planned but not yet approved~~ by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP, as needed pursuant to the Attachment FF MVP criteria.

<sup>70</sup> *Id.* P 100.

that the cost-benefit test is *not* satisfied pursuant to Attachment FF.”<sup>71</sup> The Commission also found that Filing Parties’ Tariff revisions failed to address the allocation of MVP costs after the five-year transition period for MVPs approved during the five-year transition period that terminate solely in the Second Planning Area in the event that the cost-benefit test is not satisfied, and required Filing Parties to submit corresponding Tariff revisions.<sup>72</sup>

45. The Commission expressed concern that the Tariff revisions concerning the Applicable Total MVP Annual Revenue Requirement component of the MVP usage rate did not explain how MISO will determine the applicable revenue requirement for each MVP usage rate determination method described in sections 4(a)i through 4(a)v of Attachment MM. The Commission required Filing Parties to revise “sections 4(a)i through 4(a)b” to explain how MISO will determine the Applicable Total MVP Revenue Requirement.<sup>73</sup>

## 2. Request for Clarification or Rehearing

46. Filing Parties request clarification that the Commission’s directive regarding the eight-year phase-in period requires only that, in Attachment MM, the description of the MVP usage rate for the eight-year phase-in period refer to the percentage increases required by Attachment FF-6.<sup>74</sup> To the extent that the November 15 Order required additional changes to the description of the MVP usage rate (i.e., beyond those changes proposed in Filing Parties’ December 17 Compliance Filing), Filing Parties request clarification, or in the alternative rehearing, of any such additional changes.<sup>75</sup>

47. With regard to the Commission’s requirement that Filing Parties submit Tariff revisions to reflect that certain MVP costs “could be shared with the Second Planning Area in the event that the cost-benefit test is not satisfied pursuant to Attachment FF,”

---

<sup>71</sup> *Id.* P 98.

<sup>72</sup> *Id.* P 97.

<sup>73</sup> *Id.* P 102.

<sup>74</sup> Filing Parties Request for Clarification or Rehearing at 15 (citing November 15 Order, 141 FERC ¶ 61,128 at P 100).

<sup>75</sup> *Id.* at 15-16.

Filing Parties request clarification that the phrase “pursuant to Attachment FF” applies to the phrase “could be shared,” not “cost benefit test is not satisfied.”<sup>76</sup>

48. Filing Parties request that the Commission clarify that the requirement for Filing Parties to revise sections 4(a)i through “4(a)b” of Attachment MM regarding the determination of the Applicable Total MVP Revenue Requirement intended to refer to sections 4(a)i through “4(a)v.” They note that Attachment MM contains a section 4(a)v, but not a section 4(a)b.<sup>77</sup>

### **3. December 17 Compliance Filing**

49. Filing Parties propose revisions in Attachment MM to describe how MISO will adjust individual MVP usage rate components during the eight-year phase-in period, including how MISO will adjust these rate components attributable to loads in both Planning Areas.<sup>78</sup>

50. With regard to the allocation after the five-year transition period of the cost of MVPs approved during the transition period, Filing Parties propose to add new section 4.a.i.2.A of Attachment MM to reflect that, if the cost-benefit test is not satisfied, the Second Planning Area could share the cost of MVPs approved during the five-year transition period that terminate exclusively in the First Planning Area if one or more of those MVPs are included in an MVP portfolio, pursuant to Attachment FF.<sup>79</sup> Filing Parties propose to add new section 4.a.vi to provide that, if the cost-benefit test is not satisfied, the First Planning Area will not share the cost of MVPs approved during the five-year transition period that terminate exclusively in the Second Planning Area.<sup>80</sup>

51. In response to the Commission’s requirement that Filing Parties revise sections 4(a)i through 4(a)b to explain how MISO will determine the Applicable Total MVP Revenue Requirement, Filing Parties propose to revise section 4(a) to read, in part, “[t]he MVP(s) included in the applicable Total MVP Annual Revenue Requirement shall be identified in accordance with the description included in Section 4.a.i to

---

<sup>76</sup> *Id.* at 14.

<sup>77</sup> *Id.* at 14-15.

<sup>78</sup> Filing Parties December 17 Compliance Filing, Transmittal Letter at 7-8.

<sup>79</sup> MISO, FERC Electric Tariff, [ATTACHMENT MM, Multi-Value Project Charge \(MVP Charge\), 5.0.0](#), § 4.a.i.2.A.

<sup>80</sup> Filing Parties December 17 Compliance Filing, Transmittal Letter at 6.

Section 4.a.vi.” Filing Parties state that, consistent with their request for clarification, they have also revised sections 4(a)i through 4(a)v of Attachment MM to explain how MISO will determine the Applicable Total MVP Revenue Requirement.<sup>81</sup>

#### **4. Comments**

52. OMS requests that the Commission clarify that if MISO is unable to identify a Combined MVP Portfolio that satisfies the cost-benefit test, then any MVP portfolio planned and approved during the five-year transition period should be justified using benefits in both Planning Areas with costs shared between the Planning Areas without an eight-year phase-in period.<sup>82</sup> OMS also contends that MISO should clarify how it intends to determine the cost allocation for MVP portfolios and the conditions under which those cost allocations will be made. According to OMS, the MISO Tariff remains unclear on this issue and further revisions are needed to eliminate possible difficulties in administering the Tariff.<sup>83</sup>

#### **5. Commission Determination**

53. We find that Filing Parties’ proposed revisions to Attachment MM satisfy the Commission’s directive to provide how individual MVP usage rate components would be adjusted during the eight-year phase-in period. As Filing Parties have correctly interpreted the Commission’s compliance directive, their request that we clarify or reconsider any additional adjustments to these rate components, to the extent that any such adjustments were required in the November 15 Order, is moot.

54. With regard to the allocation after the five-year transition period of the cost of MVPs approved during the transition period, Filing Parties’ proposal to add new section 4.a.i.2.A to Attachment MM regarding the cost allocation for MVPs that terminate solely in the *First* Planning Area satisfies the requirements of the November 15 Order. However, Filing Parties’ proposed Tariff revisions to add new section 4.a.vi to Attachment MM regarding the cost allocation after the five-year transition period for MVPs approved during the transition period that terminate solely in the *Second* Planning Area are incomplete. In particular, Filing Parties’ Tariff revisions do not reflect that, in the event that the cost-benefit test is not satisfied, the cost of these projects could be shared with the First Planning Area pursuant to Attachment FF, as required by the

---

<sup>81</sup> *Id.* at 8.

<sup>82</sup> OMS Comments at 5.

<sup>83</sup> *Id.*

Commission.<sup>84</sup> We will require Filing Parties to submit, in the compliance filing directed below, Tariff revisions to fully reflect the allocation after the five-year transition period for MVPs approved during the transition period that terminate solely in the Second Planning Area.

55. With regard to OMS' request for clarification of the allocation of MVP costs in the event that the cost-benefit test is not satisfied, we note that the Commission has addressed this issue in previous orders.<sup>85</sup> In particular, contrary to OMS' comments, we note that, in the event that the cost-benefit test is not satisfied, MISO should evaluate whether each MVP, rather than all MVPs in the Combined MVP Portfolio, satisfies the existing benefit criteria of Attachment FF and could be included in future MVP portfolios. We also note that, consistent with OMS' comments, this evaluation pursuant to Attachment FF would consider benefits across both Planning Areas and, in the event that an MVP is included in a future MVP portfolio, the eight-year phase-in period will not apply.<sup>86</sup> Otherwise, we note that OMS did not seek rehearing of the requirements of the November 15 Order regarding the description of the allocation of MVP costs, nor identify specific concerns with the Tariff revisions regarding the MVP usage rate contained in Filing Parties' December 17 Compliance Filing. To the extent that OMS believes that additional Tariff revisions are needed to clarify the allocation of MVP costs, we encourage OMS to work through the MISO stakeholder process.

56. We will grant Filing Parties' request for clarification that, in the Commission's discussion of the required Tariff revisions to reflect that certain MVP costs "could be shared with the Second Planning Area in the event that the cost-benefit test is not satisfied pursuant to Attachment FF,"<sup>87</sup> the phrase "pursuant to Attachment FF" applies to the phrase "could be shared," not "cost benefit test is not satisfied." We will also grant Filing Parties' request for clarification that the Commission's requirement that Filing Parties revise sections 4(a)i through "4(a)b" of Attachment MM regarding the determination of the Applicable Total MVP Revenue Requirement intended to refer to

---

<sup>84</sup> November 15 Order, 141 FERC ¶ 61,128 at P 97.

<sup>85</sup> *See, e.g.*, April 19 Order, 139 FERC ¶ 61,056 at P 185.

<sup>86</sup> *See, e.g.*, MISO, FERC Electric Tariff, [ATTACHMENT MM, Multi-Value Project Charge \(MVP Charge\), 5.0.0](#), § 4.a.i.2.A.

<sup>87</sup> Filing Parties Request for Clarification or Rehearing at 14 (citing November Order, 141 FERC ¶ 61,128 at P 98).

sections 4(a)i through “4(a)v.”<sup>88</sup> As Filing Parties’ proposed Tariff revisions are consistent with these clarifications, no further Tariff revisions are needed.

57. Filing Parties’ proposed revisions to section 4(a) of Attachment MM do not satisfy the Commission’s requirement that Filing Parties revise sections 4(a)i through 4(a)v, as clarified above, to explain how MISO will determine the Applicable Total MVP Revenue Requirement.<sup>89</sup> While Filing Parties maintain that they have revised sections 4(a)i through 4(a)vi accordingly, the proposed Tariff revisions do not address how MISO will determine the Applicable Total MVP Revenue Requirement for each MVP usage rate determination methodology. The only Tariff revisions that appear to be responsive to this compliance requirement are in section 4(a), which provide that the Applicable Total MVP Annual Revenue Requirement will be identified in accordance with the description included in sections 4.a.i to 4.a.vi. These revisions are insufficient to address the concerns identified in the November 15 Order, including the relationship between the determinations of the Applicable Total MVP Annual Revenue Requirement and, in section 3(c), the Total MVP Annual Revenue Requirement,<sup>90</sup> as well as the circular definitions of the Applicable Total MVP Annual Revenue Requirement and Monthly MVP Revenue Requirement in section 4(a).<sup>91</sup> We will require Filing Parties to submit, in the compliance filing directed below, revisions to Attachment MM to explain how MISO will determine the Applicable Total MVP Revenue Requirement, including in each MVP usage rate determination method described in sections 4(a)i through 4(a)vi.

#### **D. Miscellaneous**

58. To the extent that any of Filing Parties’ proposed Tariff revisions to comply with the November 15 Order are not specifically discussed in this order, we accept them. In addition, we will require Filing Parties to submit, in the compliance filing directed below, further Tariff revisions to address the following issues:

---

<sup>88</sup> *Id.* at 14-15 (citing November Order, 141 FERC ¶ 61,128 at P 102).

<sup>89</sup> November 15 Order, 141 FERC ¶ 61,128 at P 102. As Filing Parties correctly note, the Commission’s compliance directive should also apply to the new MVP usage rate determination methodology given in section 4(a)vi.

<sup>90</sup> *Id.*

<sup>91</sup> *Id.* n.167.

- 1) The proposed revisions to the definition of the Second Planning Area in section 1.597a should refer to “adjacent” utilities, rather than “other” utilities, as required by the Commission.<sup>92</sup>
- 2) The proposed revisions in sections II.B.1 and II.B.2 of Attachment FF-6 to reflect that Attachment FF does not require a comparison of the Planning Areas, as required by the Commission,<sup>93</sup> inadvertently makes it unclear what the “B[aseline] R[eliability] P[roject] criteria” and M[arket] E[fficiency] P[roject] criteria” refer to. The Tariff should instead refer to the Baseline Reliability Project criteria or Market Efficiency Project criteria, as applicable, “identified in Attachment FF.”
- 3) To avoid confusion, new section “4.a.i.2.A” of Attachment MM should instead be numbered “4.a.i.3.”
- 4) The proposed revisions in section 4(a)iii.2 of Attachment MM addressing the potential phase-in of MVP costs after the transition period, as required by the Commission,<sup>94</sup> incorrectly refer to the “Fist” Planning Area,” rather than the “First” Planning Area.

The Commission orders:

(A) Filing Parties’ Request for Clarification or Rehearing is hereby granted in part and denied in part, as discussed in the body of this order.

(B) Filing Parties’ proposed Tariff revisions, as amended, are hereby conditionally accepted, as discussed in the body of this order.

---

<sup>92</sup> *Id.* P 42.

<sup>93</sup> *Id.* P 53.

<sup>94</sup> *Id.* P 100.

(C) Filing Parties are hereby required to submit a compliance filing within 30 days of 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.

### Attachment

Section III.C of Attachment FF-6 of the MISO Tariff should read:

If Transmission Provider has identified a Combined MVP Portfolio as defined in Section II.B.3 hereof, the transition period shall be followed by a phase-in period of eight years for the allocation of MVP costs as described in Sections IV.B.4 and IV.B.5 of this Attachment FF-6. In the event that a Combined MVP Portfolio as defined in Section II.B.3 cannot be identified by the conclusion of the Second Planning Area's Transition Period, the Transmission Provider shall: (1) allocate to the First Planning Area the cost of MVPs approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP before ~~or during~~ the Second Planning Area's Transition Period that terminate exclusively in the First Planning Area and were planned exclusively for the benefit of the First Planning Area prior to the Second Planning Area's Transition Period; (2) apply Attachment FF to determine whether the cost of MVPs that are either approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP, ~~or identified, or planned but have not yet been approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP during the Second Planning Area's Transition Period, with the Second Planning Area included in the planning process,~~ should be shared across the two Planning Areas; ~~(3) apply Attachment FF to determine whether the cost of MVPs approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP during the Second Planning Area's Transition Period and terminating in the First Planning Area, with the Second Planning Area included in the planning process, should be shared across the two Planning Areas;~~ and ~~(34)~~ (34) use the planning process and cost allocation procedures set forth in Attachment FF as it exists at the time of project approval by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP for all future project approvals by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP. In the event that a Combined MVP Portfolio as defined in Section II.B.3 cannot be identified by the conclusion of the Second Planning Area's Transition Period, ~~t~~he cost of MVPs approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP during the Second Planning Area's Transition Period, ~~with the Second Planning Area included in the planning process,~~ will only be shared across the two Planning Areas if the Transmission Provider determines that the applicable criteria of Attachment FF have been satisfied. The costs of projects other than MVPs that are approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP after the end of the Second Planning Area's Transition Period shall be allocated pursuant to Section IV.B.7 hereof.