

149 FERC ¶ 61,066
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 22, 2014

In Reply Refer To:
Midwest Independent
Transmission System Operator,
Inc.
Docket No. ER12-480-006

Midcontinent Independent System Operator, Inc.
P.O. Box 4202
Carmel, IN 46082-4202

Attention: Michael L. Kessler, Assistant General Counsel

Dear Mr. Kessler:

1. On August 12, 2013, Midcontinent Independent System Operator, Inc. (MISO)¹ and the transmission owners of MISO (MISO TOs)² (collectively, Filing Parties) filed

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

² For the purposes of 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.

proposed revisions to MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) to comply with the Commission's July 11, 2013 order in this proceeding (August 12 Filing).³ The July 11 Order required certain revisions to Filing Parties' proposals regarding the planning and cost allocation of network upgrades⁴ during a five-year transition period for the integration of the transmission facilities owned by Entergy Corporation and its operating companies⁵ (collectively, Entergy) into MISO. We accept the proposed Tariff revisions, to become effective June 1, 2013, as requested, subject to the submission of further modifications, as discussed below.

2. Filing Parties propose several revisions to Attachment FF-6 of the Tariff with respect to MVP⁶ planning during the five-year transition period and the allocation of MVP costs after the transition period to comply with the July 11 Order. With regard to an MVP planned during the transition period that terminates exclusively in one Planning Area,⁷ Filing Parties propose to revise section II.B.3 of Attachment FF-6 to clarify that MISO's benefit assessment used to justify such an MVP will consider only benefits in the Planning Area in which the MVP terminates.⁸ With regard to the cost allocation after the

³ *Midwest Indep. Transmission Sys. Operator, Inc.*, 144 FERC ¶ 61,020 (2013) (July 11 Order).

⁴ "Network Upgrades" is a defined term under the Tariff, but Filing Parties have used both the capitalized and non-capitalized version of the term in this docket to refer to 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.

⁵ 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).

⁶ An MVP consists of one or more network upgrades that address a common set of transmission issues and satisfy the conditions listed in sections II.C.1, II.C.2, and II.C.3 of Attachment FF. MISO, FERC Electric Tariff, 1.M, Definitions – M (32.0.0).

⁷ The Planning Areas comprise 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). *See, e.g.*, July 11 Order, 144 FERC ¶ 61,020 at P 4.

⁸ MISO August 12 Filing at 3 (citing July 11 Order, 144 FERC ¶ 61,020 at P 29).

transition period for MVPs approved before or during the transition period for the combined Planning Areas when Attachment FF-6's cost-benefit test is not satisfied, Filing Parties propose to revise section III.C of Attachment FF-6 to reflect the Tariff revisions required by the July 11 Order and as shown in the Attachment thereto.⁹ Filing Parties further propose to revise section II.B.3 of Attachment FF-6 to ensure that the description of the MVP portfolios for the cost-benefit test is accurate.¹⁰

3. Filing Parties propose to revise what is now section 5 of Attachment MM of the Tariff to reflect that, in the event that the cost-benefit test is not satisfied, the cost of an MVP approved during the transition period that terminates solely in the Second Planning Area would be shared with the First Planning Area after the transition period only if the criteria in Attachment FF are met (e.g., if the MVP qualifies for regional cost allocation by being included in an MVP portfolio pursuant to Attachment FF).¹¹ Filing Parties also propose to revise sections 3(c) and 5 of Attachment MM to explain how MISO will determine the Applicable Total MVP Revenue Requirement for each MVP usage rate that may apply during and after the five-year transition period.¹² In addition, Filing Parties propose several miscellaneous Tariff corrections, as directed in the July 11 Order.¹³

4. Notice of the August 12 Filing was published in the *Federal Register*, 78 Fed. Reg. 50,408 (2013), with interventions and comments due on or before September 3, 2013. Arkansas Public Service Commission (Arkansas Commission) filed a notice of intervention. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), Arkansas Commission's notice of intervention serves to make it a party to this proceeding.

5. We find that Filing Parties' proposed revisions to Attachment FF-6 are consistent with the directives in the July 11 Order, and we will accept them for filing. However, we find that further revisions are needed in Attachment MM to fully satisfy the requirements of the July 11 Order.

6. First, one of Filing Parties' Tariff revisions contains an apparent typographical error. Section 5(a)vi of Attachment MM indicates that the MVP usage rate described

⁹ *Id.* (citing July 11 Order, 144 FERC ¶ 61,020 at P 41).

¹⁰ *Id.* at 3-4 (citing July 11 Order, 144 FERC ¶ 61,020 at P 42).

¹¹ *Id.* at 4-5 (citing July 11 Order, 144 FERC ¶ 61,020 at P 54).

¹² *Id.* at 5-6 (citing July 11 Order, 144 FERC ¶ 61,020 at P 57).

¹³ *Id.* at 6. *See also* July 11 Order, 144 FERC ¶ 61,020 at P 58.

therein will apply after the transition period for the allocation of certain MVP costs in the event that the cost-benefit test in Attachment FF-6 “and the MVP criteria in Attachment FF are not met to warrant allocating a share of the cost of such an MVP to the Second Planning Area.”¹⁴ This Tariff language should refer to the “First Planning Area” rather than the “Second Planning Area.”

7. Second, Filing Parties’ Tariff revisions to explain how MISO will determine the Applicable Total MVP Revenue Requirement in section 5(a) of Attachment MM should refer consistently to the “applicable Total MVP Annual Revenue Requirements,” and not to the “applicable MVP Annual Revenue Requirements.”

8. Filing Parties are hereby directed to submit, within 30 days of the date of this order, a compliance filing with the aforementioned revisions to Attachment MM of the Tariff.¹⁵

By direction of the Commission.

Kimberly D. Bose,
Secretary.

¹⁴ August 12 Filing, Tab A, Attachment MM, § 5(a)vi.

¹⁵ We note that, in its compliance filing, Filing Parties should ensure that their proposed Tariff revisions are reflected in more recent versions of Attachment MM that have been accepted by the Commission.