

149 FERC ¶ 61,288
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 31, 2014

In Reply Refer To:
Midcontinent Independent System
Operator, Inc.
Docket No. ER15-197-000

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

Attention: Corrie Bilke

Dear Ms. Bilke:

1. On October 27, 2014, Midcontinent Independent System Operator, Inc. (MISO) filed revisions to Section 34.2 (Determination of Network Customer's Monthly Network Load) of its Open Access Transmission, Energy, and Operating Reserve Markets Tariff (Tariff). MISO states that the proposed language clarifies how Network Load is adjusted for transmission line losses and reported for billing. The revision provides a description of transmission losses and specifies that, "[w]hen reporting monthly network coincident peak loads to MISO for billing purposes, load reporting entities will adjust Network Load to account for Transmission losses in accordance with MISO Business Practice Manual – 012."¹ MISO requests that the Commission accept the proposed changes to Section 34.2 of the MISO Tariff, effective January 1, 2015.

2. MISO states that the Tariff defines a Network Customer's monthly Network Load as "its hourly Load coincident with the monthly peak of the pricing zone where the Network Customer's Load is physically located."² MISO notes that it bills for Network

¹ MISO Transmittal Letter at 2-3.

² MISO Transmittal Letter at 2 (citing Tariff at Sec. 34.2).

Integration Transmission Service (NITS) based on Network Loads that Transmission Owners and Local Balancing Authorities report on a monthly basis.³

3. MISO states that, under its Tariff, “Network Load” includes “all Load served by the output of any Network Resources designated by the Network Customer.” MISO also states that the output of a Network Resource used to serve Network Load includes additional energy to account for transmission line losses, and that the Transmission System is designed and maintained to serve Network Load accounting for line losses.⁴ MISO explains that the instant filing clarifies the reporting methodology for Network Load to ensure that Network Load is consistently reported by all entities in the MISO footprint, because the Network Load reported for rates must be adjusted for transmission line losses to enable full recovery of the costs associated with providing NITS.⁵

4. Notice of the filing was published in the *Federal Register*, 79 Fed. Reg. 65,388 (2014), with interventions and protests due on or before November 17, 2014. Alliant Energy Corporate Services, Inc., Wisconsin Electric Power Company, Midcontinent Municipal-Cooperative Network, LLC, Wisconsin Electric Power Company, and American Municipal Power, Inc. filed timely motions to intervene. On November 17, 2014, the MISO Transmission Owners⁶ filed a motion to intervene and comments. On December 2, 2014, MISO filed a motion for leave to answer and answer.

³ MISO states that MISO Transmission Owners may elect to bill their Network Customers directly for Network Service (Schedule 9), in which case they have the ability to establish charging methodologies that may not coincide with the methodologies used by MISO.

⁴ Because some energy is lost in the transmission process, a generator must produce additional energy above the amount that is ultimately delivered.

⁵ MISO also notes that it and its stakeholders are still considering some issues related to behind the meter generation, in the context of measuring Network Load for transmission service, and may supplement the process described herein with further refinements.

⁶ The MISO Transmission Owners for this filing consist of: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; American Transmission Company LLC; Arkansas Electric Cooperative Corporation; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Cleco Power LLC; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, Inc.; East Texas Electric Cooperative; Entergy Arkansas, Inc.; Entergy Louisiana, LLC;
(continued...)

5. MISO Transmission Owners support MISO's filing, but request a clarification to MISO's Business Practice Manual (BPM) language concerning the filing's January 1, 2015 effective date. MISO Transmission Owners request that MISO clarify the BPM's language to provide that a reporting entity's obligation to update the Loss Percentage Calculation Method, as described in BPM-012, will occur coincident with its next annual Attachment O update following the January 1, 2015 effective date of the instant filing, and that the updated Loss Percentage calculation will become effective coincident with the beginning of the next Attachment O rate year.⁷ In its answer, MISO agreed to provide such clarification in its BPM.

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits answers to protests unless otherwise permitted by the decisional authority. We will accept MISO's answer because it provides information that assisted us in our decision-making process.

Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company d/b/a ITC*Transmission*; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

⁷ MISO Transmission Owners proposed the following language: "[e]ach reporting entity will update its Loss Percentage coincident with its Annual Attachment O update and will post its updated Loss Percentage on MISO's website." MISO Transmission Owners November 17, 2014 Motion to Intervene and Comments.

7. As the proposed Tariff revisions appear to be just and reasonable, and have not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful, we accept the proposed Tariff revisions, to be effective January 1, 2015, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.