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Docket Nos. ER14-2869 and EL14-71; ER14-2875 and EL14-72; ER14-2882 and EL14-73; ER14-2884, EL14-74 and EL14-75; ER14-2866 and EL14-76; ER14-2852 and EL14-77
Item Nos. E-9, E-10, E-11, E-12, E-13, E-14

FERC Accepts New, Revised Formula Rate Protocols

The Federal Energy Regulatory Commission (FERC) today accepted transmission formula rate protocols proposed by six utilities that lacked or had deficient formula rate protocols in place. While accepting the filings, the orders require further compliance filings within 60 days from Black Hills Power Inc. (Black Hills), UNS Electric Inc. (UNS Electric), The Empire District Electric Co. (Empire), Kansas City Power & Light Co. and KCP&L Greater Missouri Operations Co. (KCP&L affiliates), Louisville Gas & Electric Co. and Kentucky Utilities Co. (LG&E/KU), and Westar Energy, Inc. (Westar).

In July 2014, the Commission posted on its website FERC staff's general guidance for electric utilities' annual formula rate updates to address common deficiencies that had impeded the ability to review and verify that rates are consistent with the formula. The integrity and transparency of transmission formula rates and their implementation are critical to ensuring just and reasonable rates for customers.

In separate orders issued at the same time, FERC directed these utilities to file new or revised formula rate protocols, or explain why they should not be required to do so. UNS Electric and LG&E/KU filed new protocols; the others proposed revisions to their existing protocols.

Today's orders find that proposed provisions related to rate challenge procedures and transparency in all of the filings generally comply with directives in the July 2014 orders, but require some additional modifications. The orders also find that the definitions of interested parties proposed by Empire, Black Hills, the KCP&L affiliates, UNS Electric, and Westar provide sufficient scope of participation for the protocols. FERC further directs the KCP&L affiliates, Empire and Westar to take all necessary steps to have Southwest Power Pool make compliance filings to incorporate the revisions to their protocols into its tariff.

R-15-27

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