

151 FERC ¶ 61,050
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
and Tony Clark.

Midcontinent Independent System Operator, Inc.

Docket No. ER15-1067-000

ORDER CONDITIONALLY ACCEPTING TARIFF REVISIONS

(Issued April 17, 2015)

1. On February 18, 2015, pursuant to sections 205 and 219 of the Federal Power Act (FPA)¹ and section 35.13 of the Commission's regulations,² Midcontinent Independent System Operator, Inc. (MISO) on behalf of the Municipal Transmission Owners³ submitted revisions to the Attachment O formula rate templates of MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) to implement a 50-basis point adder (RTO Adder) to the authorized rate of return on equity (ROE) based

¹ 16 U.S.C. §§ 824e, 824s (2012).

² 18 C.F.R. § 35.13 (2014).

³ The Municipal Transmission Owners consist of the following entities and their member cities, boards, and agencies: Midwest Municipal Transmission Group (MMTG); Municipal Energy Agency of Nebraska (MEAN); Central Minnesota Municipal Power Agency (CMMPA); and Cedar Falls Utilities (Cedar Falls). The Municipal Transmission Owners state that they are governmental entities and, as such, are non-jurisdictional. We note that the Commission has the statutory authority to consider whether the rates of a non-jurisdictional entity are just and reasonable to the extent necessary to determine that jurisdictional rates are just and reasonable. *Transmission Agency of N. Cal.*, 495 F.3d 663, 671-672 (D.C. Cir. 2007) (citing *Pacific Gas & Elec. Co. v. FERC*, 306 F.3d 1112, 1114 (D.C. Cir. 2002)).

on the Municipal Transmission Owners' participation as members in a regional transmission organization (RTO) (February 18 Filing).⁴

2. In this order, we conditionally accept the Municipal Transmission Owners' request to implement the RTO Adder, subject to it being applied to a base ROE that has been shown to be just and reasonable based on an updated discounted cash-flow analysis, and subject to the resulting ROE being within the zone of reasonableness determined by that updated discounted cash-flow analysis, as those may be determined in the pending complaint proceeding in Docket No. EL14-12-000 (Complaint Proceeding), as discussed below. We accept the proposed Tariff revisions for filing to become effective 60 days after the date of this order, subject to the outcome of the Complaint Proceeding, and subject to MISO submitting a compliance filing within 30 days of the date of this order, as discussed below. We also accept the Municipal Transmission Owners' request to defer collection of the RTO Adder pending the outcome of the Complaint Proceeding, as discussed below.

I. Background

3. In the Complaint Proceeding, the Commission issued an order granting in part a complaint that alleged that the current 12.38 percent base ROE allowed for MISO transmission owners is unjust and unreasonable.⁵ The Commission established hearing and settlement judge procedures with respect to the MISO transmission owners' base ROE,⁶ and set a refund effective date of November 12, 2013, for the MISO transmission owners' base ROE.

4. On November 6, 2014, pursuant to sections 205 and 219 of the FPA and section 35.13 of the Commission's regulations,⁷ the MISO Transmission Owners⁸

⁴ MISO states that it joins the filing solely as the administrator of its Tariff.

⁵ *Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,049 (2014) (Complaint Hearing Order).

⁶ Complaint Hearing Order, 149 FERC ¶ 61,049 at P 183.

⁷ 18 C.F.R. § 35.13 (2014).

⁸ The MISO Transmission Owners for the November 6, 2014 filing consisted of the following: ALLETE, Inc. for its operating division Minnesota Power (and its

(continued...)

submitted revisions to the Attachment O formula rate templates of the Tariff to implement a 50-basis point RTO Adder to the authorized ROE based on the MISO Transmission Owners' participation as members in an RTO.

5. On January 5, 2015, the Commission accepted and nominally suspended the MISO Transmission Owners' proposed RTO Adder, subject to it being applied to a base ROE that has been shown to be just and reasonable based on an updated discounted cash-flow analysis and subject to the resulting ROE being within the zone of reasonableness determined by that updated discounted cash-flow analysis, as those may be determined in the pending Complaint Proceeding.⁹ The January 5 Order accepted the proposed revisions for filing and suspended them for a nominal period, to become effective January 6, 2015, subject to refund, and subject to the outcome of the Complaint Proceeding. The Commission also accepted the MISO Transmission Owners' request to defer collection of the RTO Adder pending the outcome of the Complaint Proceeding.

6. The Commission affirmed that the RTO Adder would be available for use by any transmission-owning members of MISO that have turned operational control of their transmission system over to MISO and use the generally applicable MISO ROE, subject to the conditions concerning the base ROE and zone of reasonableness discussed above.¹⁰

subsidiary Superior Water, L&P); Ameren Services Company, as agent for Ameren Missouri, Ameren Illinois, and Ameren Transmission Company of Illinois; American Transmission Company LLC (ATC); Cleco Power LLC; Duke Energy Corporation for Duke Energy Indiana, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Indianapolis Power & Light Company; ITC Transmission (ITC); ITC Midwest LLC; Michigan Electric Transmission Company, LLC (METC); MidAmerican Energy Company; 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; Vectren Energy Delivery of Indiana; and Wolverine Power Supply Cooperative, Inc.

⁹ *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,004 (2015) (January 5 Order).

¹⁰ *Id.* P 48 (citing *DATC Midwest Holdings, LLC*, 139 FERC ¶ 61,224, at P 83 (2012) (explaining that transmission-owning members of MISO are currently authorized to use a 12.38 percent ROE for calculating their annual transmission revenue requirement, and that if DATC becomes a transmission-owning member of MISO, it will

(continued...)

However, the Commission determined that those entities utilizing an Attachment O formula that has not been revised to reflect the RTO Adder in that proceeding would need to make a filing under section 205 of the FPA to reflect the RTO Adder in their formula in order to be able to include the RTO Adder in rates that are calculated pursuant to their formula.¹¹

II. The February 18 Filing

7. The Municipal Transmission Owners state that the instant filing is modeled after the MISO Transmission Owners' November 6, 2014 filing to implement an RTO Adder. The Municipal Transmission Owners each seek the same relief as the MISO Transmission Owners. Specifically, they request the following: (1) approval of their ability to apply the RTO Adder in their MISO Tariff Attachment O filings in accordance with the January 5 Order; (2) authorization to defer collection of the RTO Adder until after the issuance of a final order in the Complaint Proceeding; (3) an effective date of January 6, 2015, the same effective date established by the Commission in the January 5 Order, or, alternatively, "an effective date 60 days after Commission acceptance of this filing plus a nominal suspension;"¹² and (4) waivers of certain Commission regulations as necessary to permit acceptance of the filing.

8. The Municipal Transmission Owners state that they qualify for the RTO Adder under the January 5 Order, in which the Commission held that "transmission-owning members of MISO that have turned operational control of their transmission systems over to MISO and use the generally applicable MISO ROE" are entitled to the RTO Adder.¹³ They state that each of them have qualified their applicable transmission for inclusion in MISO and use the generally applicable MISO ROE. They state that all of their covered transmission qualifies under the same measures as the MISO Transmission Owners' transmission in the January 5 Order. They further state that they are all "either MISO transmission owners, include their [transmission] through [MISO transmission owners], or qualify their transmission and receive section 30.9 MISO credits through [MISO

also be entitled to receive the then-current ROE that the Commission has approved for MISO transmission owners, as long as it remains a member of MISO)).

¹¹ *Id.*

¹² February 18 Filing, Transmittal Letter at 3, n.4.

¹³ *Id.* at 4 (citing January 5 Order, 150 FERC ¶ 61,004 at P 48).

transmission owners].”¹⁴ They also state that except for MEAN, all of the Municipal Transmission Owners are members of MMTG. They state that MMTG and MEAN members own transmission within the MISO footprint over which MISO has functional control, MMTG’s transmission owning members have given MISO functional control of their transmission directly and through CMMPA and Cedar Falls or another MISO transmission owner, and MEAN’s transmission owning members have given MISO functional control of their transmission.¹⁵

9. The Municipal Transmission Owners state that the proposed RTO Adder is consistent with the intent of section 219 of the FPA that incentive-based rate treatments are to be applied regardless of the ownership of the facilities and with Order Nos. 679 and 679-A in which the Commission indicated it would look favorably on incentive requests that encouraged public power participation in transmission projects.¹⁶

10. The Municipal Transmission Owners state that, to reflect the addition of the RTO Adder to the base ROE, the MISO Transmission Owners proposed a revision to Note P of Attachment O of the Tariff, which describes how the base ROE is established. The Municipal Transmission Owners assert that the revision provides for the 50-basis point RTO Adder and is designed to provide notice that the RTO Adder may be added to the base ROE up to the upper end of the zone of reasonableness approved by the Commission. The Municipal Transmission Owners state that they request the exact same procedures as the MISO Transmission Owners and agree that they should be subject to the same requirements. Thus, the Municipal Transmission Owners state that they rely on the same or an almost identical revision to each applicable municipal MISO Tariff Attachment O.¹⁷

¹⁴ *Id.*; MISO, FERC Electric Tariff, Module B, § 30.9 (30.0.0).

¹⁵ *Id.* at 11, 15.

¹⁶ February 18 Filing, Transmittal Letter at 5 (citing *Promoting Transmission Investment through Pricing Reform*, Order No. 679, FERC Stats. & Regs. ¶ 31,222, *order on reh’g*, Order No. 679-A, FERC Stats. & Regs. ¶ 31,236 (2006), *order on reh’g*, 119 FERC ¶ 61,062 (2007)).

¹⁷ *Id.* at 8.

11. Specifically, to implement the proposed RTO Adder, the Municipal Transmission Owners propose a revision to the EIA Non-Levelized Generic Rate Formula Template (Municipal Generic Template) that adds after Note P the following language:

A 50 basis point adder for RTO participation may be added to the ROE or Proprietary Capital Cost up to the upper end of the zone of reasonableness established by FERC.

They state that this proposed revision differs from the MISO Transmission Owners' proposed and accepted revision only in the inclusion of the language "or Proprietary Capital Cost," which reflects the terminology used in Note P of the Municipal Generic Template.¹⁸

12. Additionally, the Municipal Transmission Owners propose the same revision to Note P of system-specific Attachment O templates used by Cedar Falls members Montezuma Municipal Light & Power and Tipton Municipal Utilities. In addition, the Municipal Transmission Owners propose a revision to CMMPA's system-specific Attachment O at Note P that is identical to the MISO Transmission Owners' proposed and accepted revision, i.e., "A 50 basis point adder for RTO participation may be added to the ROE up to the upper end of the zone of reasonableness established by FERC."¹⁹

13. The Municipal Transmission Owners request that the Commission grant waiver of the Commission's prior notice requirement, 18 C.F.R. § 35.3 (2014), and make the RTO Adder effective January 6, 2015, the same effective date that the Commission established in the January 5 Order for the MISO Transmission Owners' RTO Adder. They contend that good cause exists to grant waiver of notice, i.e., to avoid transmission settlement billing adjustments and also to keep the effective date consistent with the MISO Transmission Owners' filing. However, as noted above, alternatively, they request an effective date of 60 days after Commission acceptance of the instant filing plus a nominal suspension period.²⁰

14. The Municipal Transmission Owners request deferred collection of the RTO Adder until the Commission issues an order in the Complaint Proceeding in which the Commission will establish a zone of reasonableness for the MISO Transmission Owners'

¹⁸ *Id.*

¹⁹ *Id.* at 8-9.

²⁰ *Id.* at 9 (citing *id.* at 3, n.4).

and the Municipal Transmission Owners' ROEs. The Municipal Transmission Owners state that this treatment will protect against charging rates above the upper end of the range of reasonable returns.²¹

15. The Municipal Transmission Owners also request the same waivers that were granted to the MISO Transmission Owners in the January 5 Order, i.e., waiver of portions of section 35.13 of the Commission's regulations that require the submission of cost of service information, statements, testimony, and exhibits to support the requested tariff changes, including the required discounted cash-flow analysis.²²

III. Notice of Filing and Responsive Pleadings

16. Notice of the February 18 Filing was published in the *Federal Register*, 80 Fed. Reg. 9706 (2015), with interventions and protests due on or before March 11, 2015. Organization of MISO States and Illinois Commerce Commission filed notices of intervention. Midcontinent MCN, LLC and Wisconsin Electric Power Company filed timely motions to intervene.

17. A group of MISO transmission owners (TO Intervenors)²³ filed a timely motion to intervene and comments. The TO Intervenors state that they do not oppose the Municipal Transmission Owners' request for the RTO Adder. However, they request that the Commission condition its grant of the RTO Adder upon the following: (1) Municipal

²¹ *Id.* at 10.

²² *Id.*

²³ The TO Intervenors consist of the following: Ameren Services Company, as agent for Ameren Missouri, Ameren Illinois, and Ameren Transmission Company of Illinois; ATC; Cleco Power LLC; Duke Energy Corporation for Duke Energy Indiana, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Indianapolis Power & Light Company; ITC; ITC Midwest LLC; METC; 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, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Vectren Energy Delivery of Indiana; and Wolverine Power Supply Cooperative, Inc.

Transmission Owners agreeing to be bound not only by the zone of reasonableness established in the Complaint Proceeding, but also by any base ROE resulting from that proceeding and any subsequent proceeding in which the MISO-wide base ROE is at issue; and (2) Municipal Transmission Owners providing a refund commitment consistent with the refund effective date established in the Complaint Proceeding and in any such subsequent proceeding.²⁴

18. The TO Intervenor state that, if the ROE ultimately determined by the Commission to be just and reasonable in the Complaint Proceeding is less than the current base ROE, MISO Transmission Owners may owe refunds to their customers going back to the November 12, 2013 refund effective date. They argue that if the Municipal Transmission Owners will be subject to the same ROE that will be established in the Complaint Proceeding, the same refund obligation that applies to the MISO Transmission Owners should apply to the Municipal Transmission Owners.²⁵

19. The TO Intervenor also argue that the Commission previously has conditioned its acceptance of non-jurisdictional utilities' requests to include their revenue requirements in RTO rates on the non-jurisdictional utility voluntarily agreeing to refunds and that the same principle applies in this proceeding.²⁶ They assert that it is unclear whether the

²⁴ TO Intervenor Comments at 5.

²⁵ *Id.* at 5-6.

²⁶ *Id.* at 6-8 (citing *Midwest Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,287, at P 10 (2014) (absent a refund commitment by the non-jurisdictional entity, the Commission would not set an effective date until a future order once it issues an order resolving the issues concerning the MISO region-wide ROE, following hearing and settlement judge procedures in the Complaint Proceeding); *Midwest Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,282, at P 60 (2014) (acting on a filing of a non-jurisdictional entity joining MISO, the Commission accepted the use of the currently effective MISO regional base ROE, subject to the outcome of the Complaint Proceeding, and accepted the non-jurisdictional entity's commitment to provide refund protection, with interest, as of the date the non-jurisdictional entity joined MISO); *Southwest Power Pool, Inc.*, 149 FERC ¶ 61,050, at PP 5, 24 (2014) (citing *Southwest Power Pool, Inc.*, 142 FERC ¶ 61,135, at P 13 (2013); *Lively Grove Energy Partners, LLC*, 140 FERC ¶ 61,252, at P 47 & n.59 (2012); *City of Riverside, California*, 128 FERC ¶ 61,207, at P 26 (2009); *Midwest Indep. Transmission Sys. Operator, Inc.*, 135 FERC ¶ 61,131, at P 70 & n.92 (2011)) (the appropriate action would have been to withhold an effective date for

(continued...)

Municipal Transmission Owners' statements that they accept the same terms and conditions and that they will be subject to the same ROE that will be established in the Compliant Proceeding legally binds the Municipal Transmission Owners to be bound by the same base ROE that results from the Complaint Proceeding. Further, they argue that the Municipal Transmission Owners do not specifically agree to be bound by the same refund obligation that applies to the MISO Transmission Owners. Therefore, they argue that the Commission should condition its acceptance of the February 18 Filing and any applicable effective date on the Municipal Transmission Owners providing a voluntary refund commitment going back to November 12, 2013, the refund effective date in the Complaint Proceeding or, at a minimum, require such a voluntary refund commitment as of the effective date of the February 18 Filing. In addition, they request that the Municipal Transmission Owners' voluntary commitment be bound by the base ROE resulting from the Complaint Proceeding and in any subsequent proceeding.²⁷

IV. Discussion

A. Procedural Matters

20. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the notices of intervention and the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

1. Municipal Transmission Owners' Request for the RTO Adder

21. We conditionally grant the Municipal Transmission Owners' request for a 50-basis point adder to their base ROE for their participation in MISO, consistent with section 219 of the FPA and Commission precedent,²⁸ subject to it being applied to a base ROE that has been shown to be just and reasonable based on an updated discounted cash-flow

SPP's filing for recovery of the non-jurisdictional entity's revenue requirement until SPP provided the non-jurisdictional entity's voluntary refund commitment)).

²⁷ *Id.* at 9.

²⁸ See, e.g., *Pacific Gas and Electric Co.*, 148 FERC ¶ 61,245, at P 30 (2014) (granting 50-basis point adder for continued RTO participation); *Valley Elec. Ass'n, Inc.* 141 FERC ¶ 61,238, at P 26 (2012) (granting 50-basis point adder for RTO participation); *Pacific Gas and Electric Co.*, 141 FERC ¶ 61,168, at P 25 (2012).

analysis, subject to the resulting ROE being within the zone of reasonableness determined by that updated discounted cash-flow analysis, as those may be determined in the Complaint Proceeding, and subject to the compliance filing ordered below.

22. In the Energy Policy Act of 2005, Congress added section 219 to the FPA, directing the Commission to establish, by rule, incentive-based rate treatments for the transmission of electric energy in interstate commerce by public utilities for the purpose of benefiting consumers by ensuring reliability or reducing the cost of delivered power by reducing transmission congestion.²⁹ The purpose of this rule is, *inter alia*, to promote reliable and economically efficient transmission and generation of electricity by promoting capital investment in electric transmission infrastructure.³⁰ The Commission subsequently issued Order No. 679, which sets forth processes by which a public utility may seek transmission rate incentives, pursuant to section 219 of the FPA, including the incentives requested here by the Municipal Transmission Owners.

23. We find, except as noted below, that the Municipal Transmission Owners have demonstrated that they are qualified to receive the requested 50-basis point adder. Notwithstanding that all of the entities that comprise the Municipal Transmission Owners recover transmission revenue requirements using the formula rates in Attachment O of the MISO Tariff, the February 18 Filing appears to distinguish between Municipal Transmission Owners who are “MISO transmission owners” and Municipal Transmission Owners who may not be MISO transmission owners but instead recover their transmission costs through entities that are MISO transmission owners or via section 30.9 credits through entities that are MISO transmission owners.³¹ In order to be eligible for the ROE incentive for RTO participation, a utility must have turned over operational control of its transmission facilities to an RTO, or in the case of MISO transmission owners’ transmission facilities that do not qualify for such transfer (e.g., below 100 kV transmission facilities) (Non-transferred Transmission Facilities), provide service over such facilities through the MISO Tariff with MISO acting as agent pursuant to Appendix G of the Transmission Owners Agreement. Any of the Municipal Transmission Owners who have not turned over operational control of their transmission to MISO, or do not provide service over Non-transferred Transmission Facilities through the MISO Tariff with MISO acting as agent, are not eligible for the RTO Adder. Accordingly, we direct

²⁹ 16 U.S.C. §§ 824s(a), (b) (2012).

³⁰ *Id.*

³¹ *See supra* P 8 (citing February 18 Filing, Transmittal Letter at 4).

MISO, on behalf of the Municipal Transmission Owners, in the compliance filing ordered below, to confirm that all of the Municipal Transmission Owners have turned over operational control of their transmission, or revise the proposed tariff sheets as necessary such that the RTO Adder is recovered only by those Municipal Transmission Owners that have turned over operational control of their transmission to MISO or provide service over Non-transferred Transmission Facilities through the MISO Tariff with MISO acting as agent. Our approval of this incentive is based on the Municipal Transmission Owners' commitment to continue being members of MISO.

24. Additionally, our acceptance of the RTO Adder is conditioned upon a voluntary commitment by the Municipal Transmission Owners to (1) provide refunds, with interest at Commission refund interest rates, to the extent that the ROE or zone of reasonableness established in the Complaint Proceeding when applied as of the effective date of the instant filing would result in a lower revenue requirement than that charged by the Municipal Transmission Owners, and (2) provide refunds, with interest at Commission refund interest rates, consistent with any refund effective date established in any other proceedings resulting in a new base ROE or a new zone of reasonableness for the MISO transmission owners' base ROE, to the extent that the ROE or zone of reasonableness established in such proceedings, when applied as of the refund effective date established in such proceedings, would result in a lower revenue requirement than that charged by the Municipal Transmission Owners. This would also apply to any other transmission owners that use the Municipal Generic Template in Attachment O of the MISO Tariff, which the Municipal Transmission Owners propose to revise in the February 18 Filing. Accordingly, we direct MISO to submit a compliance filing within 30 days of the date of this order with tariff revisions reflecting that applicability of the RTO Adder is conditioned on such voluntary refund commitment, or in the alternative, eliminating the tariff revisions conditionally accepted herein as they apply to any Municipal Transmission Owner that does not make such a commitment.

25. To the extent that the TO Intervenor request to impose a refund obligation on the Municipal Transmission Owners for a period prior to the effectiveness of the instant filing, that request is beyond the scope of this proceeding. The rates of the Municipal Transmission Owners in the MISO tariff were not at issue in the Complaint Proceeding, and therefore the refund effective date established by the Complaint Hearing Order does not apply to them. Accordingly, we deny that request.

2. Municipal Transmission Owners' Request for Waiver of the Requirement for Supporting Evidence

26. Based upon a review of the filing and the comments, our preliminary analysis indicates that the overall ROE resulting from application of the RTO Adder has not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory,

or otherwise unlawful (i.e., it has not been shown to be just and reasonable to apply the RTO Adder to the current base ROE). Accordingly, we accept the revisions to Attachment O of the Tariff to become effective 60 days after the date of this order per the Municipal Transmission Owners' alternative request,³² subject to MISO submitting a compliance filing discussed *supra*, and subject to the RTO Adder being applied to a base ROE that has been shown to be just and reasonable based on an updated discounted cash-flow analysis and the resulting ROE being within the zone of reasonableness determined by that updated discounted cash-flow analysis, as those may be determined in the Complaint Proceeding, and make the proposed revisions subject to the outcome of the Complaint Proceeding. Because we are accepting the proposed revisions subject to the outcome of the Complaint Proceeding for the purpose of determining the just and reasonable base ROE and the zone of reasonableness to be applied to the RTO Adder requested in the instant filing, we grant the Municipal Transmission Owners' request for waiver of the portions of the Commission's section 35.13 requirements that require the submission of cost of service information, statements, testimony, and exhibits to support the requested tariff changes, including the required discounted cash-flow analysis.

3. Municipal Transmission Owners' Request for Waiver of Prior Notice Requirement

27. We deny the Municipal Transmission Owners' request for waiver of the 60-day prior notice requirement for failure to show good cause. Accordingly, we establish an effective date for the proposed Tariff revisions of 60 days after the date of this order, subject to refund, per the Municipal Transmission Owners' alternative request.

4. Municipal Transmission Owners' Request to Defer Collection of the RTO Adder

28. We accept the Municipal Transmission Owners' commitment to defer collection of the RTO Adder pending the outcome of the Complaint Proceeding, noting that the RTO Adder will be effective 60 days after the date of this order. This should promote administrative efficiency.

³² As discussed below, we deny Applicants' request that the Commission waive the prior notice requirement.

The Commission orders:

(A) The proposed Tariff revisions are hereby conditionally accepted for filing to become effective 60 days after the date of this order, subject to the proposed RTO Adder being applied to a base ROE that has been shown to be just and reasonable based on an updated discounted cash-flow analysis and subject to the resulting ROE being within the zone of reasonableness determined by that updated discounted cash-flow analysis, as those may be determined in the Complaint Proceeding, and subject to the outcome of the Complaint Proceeding, and subject to the compliance filing ordered in Ordering Paragraph B, as discussed in the body of this order.

(B) MISO is hereby directed 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. Commissioner Honorable is not participating.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.