

157 FERC ¶ 61,087  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

November 4, 2016

In Reply Refer To:  
Transource Wisconsin, LLC  
Docket Nos. ER15-13-006  
EL16-76-000

Van Ness Feldman, LLP  
1050 Thomas Jefferson Street, NW  
Washington, DC 20007

Attention: Douglas W. Smith

Dear Mr. Smith:

1. On July 22, 2016, you filed in Docket No. ER15-13-006, on behalf of Transource Wisconsin, LLC (Transource Wisconsin), revisions to Transource Wisconsin's formula rate template in response to the Commission's June 23, 2016 order, which accepted, subject to condition, a prior compliance filing and also instituted a proceeding under section 206 of the Federal Power Act (FPA)<sup>1</sup> concerning Transource Wisconsin's formula rate protocols.<sup>2</sup> On July 25, 2016, you filed in Docket No. EL16-76-000, an Initial Brief with proposed revisions to Transource Wisconsin's formula rate protocols in response to the June Order. As discussed below, we accept Transource Wisconsin's July 22, 2016 and July 25, 2016 filings and terminate the section 206 proceeding that was instituted in the June Order.

2. On October 1, 2014, Transource Wisconsin, a wholly-owned subsidiary of Transource Energy, which is a joint venture between American Electric Power Company and Great Plains Energy, filed a transmission formula rate template and protocols (collectively, Formula Rate) to recover costs associated with transmission projects that it intends to own and develop as part of Midcontinent Independent System Operator, Inc.'s

---

<sup>1</sup> 16 U.S.C. § 824e (2012).

<sup>2</sup> *Transource Wis., LLC*, 155 FERC ¶ 61,302 (2016) (June Order).

(MISO) Order No. 1000<sup>3</sup> competitive solicitation process. Transource Wisconsin also requested, pursuant to section 205 of the FPA,<sup>4</sup> certain transmission rate incentives.

3. On November 26, 2014, the Commission accepted the Formula Rate to be effective once filed with the Commission to become part of MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff, consistent with the effective date established in that future proceeding, subject to a further compliance filing.<sup>5</sup> Since that time, the Commission has acted upon multiple compliance filings containing revisions to Transource Wisconsin's formula rate template. In the June Order, the Commission directed that Transource Wisconsin revise Attachment 4, Note G to reflect Transource Wisconsin's explanation of how Transource Wisconsin ensures that capital contributions from customers are appropriately deducted from rate base before they are used to fund liabilities.<sup>6</sup>

4. In addition, in the June Order, the Commission found that Transource Wisconsin's formula rate protocols may be unjust, unreasonable, or unduly discriminatory or preferential because the protocols do not provide for Transource Wisconsin to include in its annual Formula Rate update and annual informational filings descriptions and justifications for the allocators used to allocate costs between Transource Wisconsin and its affiliates, and information indicating the magnitude of such cost allocations by service category or function.<sup>7</sup> Accordingly, the Commission instituted a proceeding in Docket No. EL16-76-00 pursuant to section 206 of the FPA to examine Transource Wisconsin's formula rate protocols with respect to this issue and stated that Transource Wisconsin might address this issue by revising its formula rate protocols to provide for Transource Wisconsin to include in its annual formula rate updates and annual informational filings the following: (1) a detailed description of the methodologies used to allocate and directly assign costs between Transource Wisconsin and its affiliates by service category or function for the applicable rate year, including any changes to such cost allocation methodologies from the prior year, and the reasons and justification for those changes

---

<sup>3</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

<sup>4</sup> 16 U.S.C. § 824d (2012).

<sup>5</sup> *Transource Wis., LLC*, 149 FERC ¶ 61,180 (2014).

<sup>6</sup> June Order, 155 FERC ¶ 61,302 at P 10.

<sup>7</sup> *Id.* P 14.

and (2) the magnitude of such costs that have been allocated or directly assigned between Transource Wisconsin and each affiliate by service category or function for the applicable period.

5. In its July 22, 2016 compliance filing in Docket No. ER15-13-006, Transource Wisconsin revised Attachment 4 to comply with the directive in the June Order. In its July 25, 2016 Initial Brief in response in Docket No. EL16-76-000, Transource Wisconsin offered revisions to its formula rate protocols in response to the June Order and stated that it would submit revised tariff sheets if directed to do so as a result of this proceeding.

6. Notice of Transource Wisconsin's July 22, 2016 compliance filing was published in the *Federal Register*, 81 Fed. Reg. 49,638 (2016), with interventions and protests due on or before August 12, 2016. None was filed.

7. Notice of institution of the section 206 proceeding and refund effective date was published in the *Federal Register*, 81 Fed. Reg. 42,696 (2016). Entergy Services, Inc. filed a timely motion to intervene, which, pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2016), serves to make it a party to this proceeding.

8. We find that Transource Wisconsin's filings satisfy the directives in the June Order. Therefore, we accept the Formula Rate, as revised by Transource Wisconsin's filings, and terminate the section 206 proceeding established in Docket No. EL16-76-000, and direct Transource Wisconsin to submit revised tariff sheets implementing its proposed revisions.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.