

166 FERC ¶ 61,088  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Cheryl A. LaFleur, Richard Glick,  
and Bernard L. McNamee.

International Transmission Company  
Dearborn Industrial Generation, L.L.C.

Docket Nos. EC18-116-000  
EC18-144-000

ORDER AUTHORIZING DISPOSITION AND CONSOLIDATION  
OF JURISDICTIONAL FACILITIES

(Issued February 1, 2019)

1. On July 2, 2018, as supplemented on October 9, 2018, and on August 28, 2018, pursuant to section 203(a)(1)(B) of the Federal Power Act (FPA)<sup>1</sup> and Part 33 of the Commission's regulations,<sup>2</sup> International Transmission Company and Dearborn Industrial Generation, L.L.C. (Dearborn, and together with International Transmission Company, Applicants) filed separate applications requesting authorization for a transaction whereby International Transmission Company will acquire from AK Steel, Dearborn, and Ford Motor Company (Ford) certain transmission lines and related facilities (Assets) located at or near the Dearborn facility (Proposed Transaction).<sup>3</sup>
2. We have reviewed the Proposed Transaction under the Commission's Merger Policy Statement.<sup>4</sup> As discussed below, we authorize the Proposed Transaction as consistent with the public interest.

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<sup>1</sup> 16 U.S.C. § 824b (2012).

<sup>2</sup> 18 C.F.R. pt. 33 (2018).

<sup>3</sup> Although Dearborn submitted its application under FPA section 203(a)(1)(B), FPA section 203(a)(1)(A) is the provision that governs dispositions of jurisdictional facilities.

<sup>4</sup> See *Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996) (Merger Policy Statement), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321

## I. Background

### A. Description of Parties

3. Applicants state that International Transmission Company owns, operates, and maintains approximately 2,800 circuit miles of transmission lines, 17,000 transmission towers and poles, and 155 stations and substations in southeast Michigan serving a population of 5.1 million. International Transmission Company is a transmission-owning member of the Midcontinent Independent System Operator, Inc. (MISO); accordingly, transmission service over facilities developed and owned by International Transmission Company is provided pursuant to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff). Applicants state that International Transmission Company is a wholly owned subsidiary of ITC Holdings Corp., which in turn is majority owned by Fortis Inc. and minority owned by GIC Private Limited.

4. Applicants state that Dearborn owns and operates the Dearborn facility, an approximately 710 megawatt natural gas-powered generating facility. Applicants explain that when originally constructed, the Assets were intended solely to facilitate the delivery of energy from the Dearborn facility to the Ford and AK Steel industrial facilities located nearby. As such, these Assets were behind-the-meter because the Dearborn facility output was not offered or sold to wholesale customers and the transmission facilities through which its output was delivered did not provide network transmission service to other customers. Applicants explain that due to subsequent developments, such as the formation of MISO in 2001 and the sale by Detroit Edison Co. of its transmission assets (including all transmission facilities to which the Assets interconnect) to International Transmission Company in 2003, these circumstances have changed and Dearborn now sells its capacity and energy in MISO-administered wholesale markets, while AK Steel and Ford receive retail service from DTE Energy Co. Applicants also state that Dearborn has market-based rate authority to sell energy and capacity from the Dearborn facility in

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(1997); *see also FPA Section 203 Supplemental Policy Statement*, FERC Stats. & Regs. ¶ 31,253 (2007) (Supplemental Policy Statement), *order on clarification and reconsideration*, 122 FERC ¶ 61,157 (2008). *See also Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001). *See also Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200 (2005), *order on reh'g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214, *order on reh'g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006).

MISO-administered wholesale markets.<sup>5</sup> Dearborn is an indirect, wholly owned subsidiary of CMS Energy Corporation, a publicly traded company.

5. Applicants explain that AK Steel is a steelmaking company that owns and operates the Dearborn Works steelmaking facility, located in close proximity to the Dearborn facility and to Ford's adjoining facilities.

6. Applicants state that Ford is a multinational automobile manufacturer. The Dearborn Industrial Generation generating facility adjoins Ford's River Rouge Complex.

### **B. Description of the Proposed Transaction**

7. Applicants represent that, pursuant to bills of sale, AK Steel, Dearborn, and Ford will transfer the Assets to International Transmission Company at their estimated net book value, \$36,789,622. Applicants explain that sellers have agreed to transfer the Assets to International Transmission Company so that it can use the Assets for transmission purposes.

## **II. Notice of Filing and Responsive Pleadings**

8. Notice of International Transmission Company's application (ITC Application) in Docket No. EC18-116-000 was published in the *Federal Register*, 83 Fed. Reg. 32,117 (2018), with interventions and protests due on or before July 23, 2018. On July 19, 2018, Michigan Agency for Energy filed a motion to intervene. On July 23, 2018, DTE Electric Company filed a motion to intervene and comments and Dearborn filed a motion to intervene and comments in support of the Proposed Transaction. On August 3, 2018, International Transmission Company filed an answer to DTE Electric Company's comments (August 3 Answer).

9. On September 19, 2018, the Director of Electric Power Regulation – West requested that International Transmission Company provide additional information with respect to the proposed accounting journal entries and the derivation of the estimated net book value for the Assets (Data Request). On October 9, 2018, International Transmission Company filed a response to the Data Request (Response). Notice of the Response was published in the *Federal Register*, 83 Fed. Reg. 52,441 (2018), with interventions and protests due on or before October 30, 2018. None was filed.

10. Notice of Dearborn's Industrial Generation, L.L.C.'s application (Dearborn Application) in Docket No. EC18-144-000 was published in the *Federal Register*, 83 Fed. Reg. 45,119 (2018), with interventions and protests due on or before

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<sup>5</sup> Dearborn Application at 3, citing *Dearborn Industrial Generation, L.L.C.*, Docket No. ER01-570-000 (Feb. 27, 2001) (delegated order).

September 18, 2018. On September 10, 2018, International Transmission Company filed a motion to intervene and supporting comment.

### **III. Discussion**

#### **A. Procedural Matters**

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2018), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they were filed.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2018), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept International Transmission Company's answer because it has provided information that assisted us in our decision-making process.

#### **B. Substantive Matters**

##### **1. FPA Section 203 Standard of Review**

13. FPA section 203(a)(4) requires the Commission to approve proposed dispositions, consolidations, acquisitions, or changes in control if the Commission determines that the proposed transaction will be consistent with the public interest.<sup>6</sup> The Commission's analysis of whether a proposed transaction is consistent with the public interest generally involves consideration of three factors: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.<sup>7</sup> FPA section 203(a)(4) also requires the Commission to find that the proposed transaction "will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest."<sup>8</sup> The Commission's regulations establish verification and informational requirements for entities that seek a determination that a proposed transaction will not result in inappropriate cross-subsidization or pledge or encumbrance of utility assets.<sup>9</sup>

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<sup>6</sup> 16 U.S.C. § 824b(a)(4).

<sup>7</sup> Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,111.

<sup>8</sup> 16 U.S.C. § 824b(a)(4).

<sup>9</sup> 18 C.F.R. § 33.2(j) (2018).

## 2. Analysis of the Proposed Transaction

### a. Effect on Competition

#### i. Applicants' Analysis

14. Applicants state that the Proposed Transaction will not have an adverse effect on horizontal or vertical competition. With respect to horizontal competition, Applicants note that the Proposed Transaction does not involve the disposition of generating assets; therefore, Applicants conclude that the Proposed Transaction will not result in any change in market concentration for generation. With regard to vertical competition, Applicants explain that transmission service over facilities developed and owned by International Transmission Company is provided pursuant to the MISO Tariff. Accordingly, Applicants conclude that there are no vertical market power concerns resulting from the Proposed Transaction.<sup>10</sup>

#### ii. Commission Determination

15. In analyzing whether a proposed transaction will adversely affect horizontal competition, the Commission examines the effects on concentration in the generation markets and whether the proposed transaction otherwise creates the incentive and ability to engage in behavior harmful to competition, such as withholding of generation.<sup>11</sup>

16. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on horizontal competition. As noted by Applicants, the Proposed Transaction does not involve the disposition of any generation facilities; therefore, the Proposed Transaction will not have any effect on market concentration for generation.

17. In analyzing whether a proposed transaction presents vertical market power concerns, the Commission considers the vertical combination of upstream inputs, such as transmission or natural gas, with downstream generating capacity. As the Commission has previously found, transactions that combine electric generation assets with inputs to generating power (such as natural gas, transmission, or fuel) can harm competition if the transaction increases an entity's ability or incentive to exercise vertical market power in wholesale electricity markets. For example, by denying rival entities access to inputs or by raising their input costs, an entity created by a transaction could impede entry of new

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<sup>10</sup> Application at 5-6.

<sup>11</sup> *Nev. Power Corp.*, 149 FERC ¶ 61,079, at P 28 (2014).

competitors or inhibit existing competitors' ability to undercut an attempted price increase in the downstream wholesale electricity market.<sup>12</sup>

18. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on vertical competition. As discussed above, transmission service over facilities developed and owned by International Transmission Company is provided pursuant to the MISO Tariff.

**b. Effect on Rates**

**i. Applicants' Analysis**

19. Applicants assert that the Proposed Transaction will not have an adverse impact on the rates charged to wholesale power or transmission customers. Applicants explain that the portion of the Assets transferred from AK Steel and Ford, which are non-utility entities that do not use the FERC Uniform System of Accounts, will be transferred at estimated net book value. Applicants further explain that, after consummation of the Proposed Transaction, the costs of the Assets will be placed into International Transmission Company's transmission rates through the operation of International Transmission Company's MISO-administered formula rate. Applicants represent that customers receiving transmission service from International Transmission Company under the MISO Tariff will be protected from incurring any acquisition premium because the acquisition of the Assets will increase International Transmission Company's rate base in an amount equal to the estimated net book value of the Assets.<sup>13</sup>

20. In addition, Applicants aver that acquisition of the Assets by International Transmission Company will benefit its customers and MISO customers. Specifically, Applicants state that by placing all the Assets, which are highly interconnected with International Transmission Company's surrounding facilities, under International Transmission Company's ownership, the Proposed Transaction will eliminate confusion among the parties with respect to their respective obligations to perform maintenance on their respective facilities, as well as difficulty in coordinating physical access to perform such maintenance. Applicants further state that, as an independent transmission company, International Transmission Company is better positioned in expertise, incentive, and financing to conduct the necessary maintenance and upgrading of these Assets, as compared to AK Steel, Dearborn, and Ford. Last, Applicants assert that incorporating these Assets into the surrounding International Transmission Company

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<sup>12</sup> *Upstate N.Y. Power Producers, Inc.*, 154 FERC ¶ 61,015, at P 15 (2016); *Exelon Corp.*, 138 FERC ¶ 61,167, at P 112 (2012).

<sup>13</sup> Application at 6-8.

transmission system to which it is interconnected will enhance International Transmission Company's ability to provide reliable, cost-effective transmission service to all MISO customers which utilize its system.<sup>14</sup>

21. Nevertheless, International Transmission Company pledges to hold harmless all transmission customers from any costs associated with the Proposed Transaction for a period of five years, to the extent that such costs exceed savings related to the Proposed Transaction.<sup>15</sup>

**ii. Protests and Comments**

22. In its comments, DTE Electric Company states that the Proposed Transaction will impact both its operation and costs, but that DTE Electric Company will not have adequate time to properly evaluate and comment on the Proposed Transaction. DTE Electric Company adds that it has not been able to confirm the existence of certain assets, verify the values associated with such assets, nor has it been able to make a determination as to whether it believes all of the assets contemplated by the Proposed Transaction meet the Commission's definition of "transmission." DTE Electric Company requests that it be permitted to raise "these and other issues related to the [P]roposed [T]ransaction as permitted in subsequent proceedings."<sup>16</sup>

23. In its August 3 Answer, International Transmission Company confirms that all of the assets which it seeks to acquire exist, are accurately valued as described in International Transmission Company's application, and are properly classified as transmission facilities under the Commission's seven-factor test and related precedent.<sup>17</sup>

**iii. Commission Determination**

24. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on rates. As noted by Applicants, the Assets will be transferred at estimated net book value. Therefore, transmission customers will be protected from incurring any acquisition premium. In addition, International Transmission Company pledges to hold all transmission customers harmless from any

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<sup>14</sup> *Id.* at 8-9.

<sup>15</sup> *Id.* at 9.

<sup>16</sup> DTE Electric Company Comments at 3.

<sup>17</sup> August 3 Answer at 1.

costs associated with the Proposed Transaction for a period of five years to the extent that such costs exceed savings related to the Transaction.

25. We accept International Transmission Company's commitment to hold its transmission customers harmless from costs related to the Proposed Transaction. We interpret International Transmission Company's hold harmless commitment to apply to all transaction-related costs, including costs related to consummating the Proposed Transaction, incurred prior to the consummation of the Proposed Transaction, or in the five years after the Proposed Transaction's consummation.<sup>18</sup>

26. The Commission has established that, where applicants make hold harmless commitments in the context of FPA section 203 transactions, in order to recover transaction-related costs, applicants must demonstrate offsetting benefits at the time they apply to recover those costs. The Commission has clarified its procedures for recovery of such costs under sections 203 and 205<sup>19</sup> of the FPA.<sup>20</sup> Consistent with those clarifications, and given the commitment by International Transmission Company to hold its transmission customers harmless from transaction-related costs, if International Transmission Company seeks to recover transaction-related costs incurred prior to the consummation of the Proposed Transaction or in the five years after the consummation of the Proposed Transaction, then International Transmission Company must make that filing in a new FPA section 205 docket<sup>21</sup> and submit that same filing as a concurrent information filing in this FPA section 203 docket.<sup>22</sup> The Commission will notice the new FPA section 205 filing for public comment.

27. In the FPA section 205 proceeding, the Commission will determine first, whether International Transmission Company has demonstrated offsetting savings, supported by sufficient evidence, to customers served under Commission jurisdictional rate schedules such that recovery of transaction-related costs is consistent with the hold harmless commitment and, second, whether the resulting new rate is just and reasonable in light of all the other factors underlying the proposed new rate. In the FPA section 205 filing,

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<sup>18</sup> *Policy Statement on Hold Harmless Commitments*, 155 FERC ¶ 61,189 (2016).

<sup>19</sup> 16 U.S.C. § 824d (2012).

<sup>20</sup> *Exelon Corp.*, 149 FERC ¶ 61,148, at PP 106-09 (2014).

<sup>21</sup> The Commission will not authorize the recovery of transaction-related costs in an annual informational filing under existing formula rates.

<sup>22</sup> Upon receipt, the Commission will not act on or notice the concurrent informational filing.

International Transmission Company must: (1) specifically identify the transaction-related costs they are seeking to recover, and (2) demonstrate that those costs are exceeded by the savings produced by the Proposed Transaction. International Transmission Company must show that the proposed rate is just and reasonable in addition to providing appropriate evidentiary support, such as reasonable documentation and estimates of the costs avoided, demonstrating that transaction-related costs have been offset by transaction-related savings in order to recover those transaction-related costs and comply with its hold harmless commitment. Those savings must be realized prior to, or concurrent with, any authorized recovery of transaction-related costs, and cannot be based on estimates or projections of future savings, but must be based on a demonstration of actual transaction-related savings realized by jurisdictional customers.<sup>23</sup> The Commission will consider rates not to be “just and reasonable” if they include recovery of costs subject to a hold harmless commitment made in connection with an FPA section 203 application and if applicants fail to show offsetting savings due to the transaction.<sup>24</sup>

28. The Commission will be able to monitor International Transmission Company’s hold harmless commitment under its authority under section 301(c) of the FPA<sup>25</sup> and the books and records provision of the Public Utility Holding Company Act of 2005, if applicable.<sup>26</sup> Moreover, the commitment is fully enforceable based on the Commission’s authority under section 203 of the FPA.

29. As to DTE Electric Company’s concerns, as stated above, we find that the Proposed Transaction will not have an adverse effect on rates, and accept International Transmission Company’s commitment to hold its transmission customers harmless from costs related to the Proposed Transaction. While DTE Electric Company requests that it be permitted to raise concerns regarding the assets and “other issues” in “subsequent proceedings,” it is unclear what other issues or which subsequent proceedings DTE Electric Company is referring to. We note, however, that the annual formula rate protocols process, specified in Attachment O of the MISO Tariff, is the forum to raise concerns regarding inputs as to International Transmission Company’s formula rate.

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<sup>23</sup> See *Exelon Corp.*, 149 FERC ¶ 61,148 at P 107 (citing *Audit Report of National Grid, USA*, Docket No. FA09-10-000, at 55 (Feb. 11, 2011)); see also *Ameren Corp.*, 140 FERC ¶ 61,034, at PP 36-37 (2012).

<sup>24</sup> *Exelon Corp.*, 149 FERC ¶ 61,148 at P 107.

<sup>25</sup> 16 U.S.C. § 825(c) (2012).

<sup>26</sup> 42 U.S.C. § 16451 *et seq.* (2012).

**c. Effect on Regulation**

**i. Applicants' Analysis**

30. Applicants state that the Proposed Transaction will not diminish federal or state regulatory authority over International Transmission Company or the other parties to the Proposed Transaction. Following the Proposed Transaction, International Transmission Company will remain subject to the Commission's jurisdiction under the FPA. In addition, Applicants state that no state regulatory approval was necessary to effectuate the Proposed Transaction.

**ii. Commission Determination**

31. The Commission's review of a transaction's effect on regulation focuses on ensuring that it does not result in a regulatory gap.<sup>27</sup> As to whether a proposed transaction will have an effect on state regulation, the Commission explained in the Merger Policy Statement that it ordinarily will not set the issue of the effect of a proposed transaction on state regulatory authority for a trial-type hearing where a state has authority to act on the proposed transaction. However, if the state lacks this authority and raises concerns about the effect on regulation, the Commission may set the issue for hearing and it will address such circumstances on a case-by-case basis.<sup>28</sup> Based on Applicants' representations, we find no evidence that either state or federal regulation will be impaired by the Proposed Transaction. Finally, we note that no party alleges that regulation, state or federal, would be impaired by the Proposed Transactions, and no state commission has requested that the Commission address the issue of the effect on state regulation.

**d. Cross-Subsidization**

**i. Applicants' Analysis**

32. Applicants state that, based on facts and circumstances known to them or that are reasonably foreseeable, the Proposed Transaction will not result in, at the time of the transaction or in the future, cross-subsidization of a non-utility associate company or the pledge or encumbrance of assets of a traditional public utility that has captive customers or that owns or provides transmission service over jurisdictional facilities for the benefit of an associate company.

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<sup>27</sup> Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,124.

<sup>28</sup> *Id.*

33. Specifically, Applicants verify that the Proposed Transaction will not now, or in the future, result in: (1) any transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company; (2) any new issuance of securities by traditional public utility associate companies that have captive customers or that own or provide transmission service over jurisdictional transmission facilities, for the benefit of an associate company; (3) any new pledge or encumbrance of assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or (4) any new affiliate contract between non-utility associate companies and traditional public utility associate companies that have captive customers or that own or provide transmission service over jurisdictional transmission facilities, other than non-power goods and services agreements subject to review pursuant FPA sections 205 and 206.<sup>29</sup>

## ii. Commission Determination

34. Based on Applicants' representations, we find that the Proposed Transaction will not result in the cross-subsidization of a non-utility associate company by a utility company, or in a pledge or encumbrance of utility assets for the benefit of an associate company. We note that no party has argued otherwise.

## 3. Other Considerations

35. Information and/or systems connected to the bulk system involved in this transaction may be subject to reliability and cybersecurity standards approved by the Commission pursuant to FPA section 215.<sup>30</sup> Compliance with these standards is mandatory and enforceable regardless of the physical location of the affiliates or investors, information database, and operating systems. If affiliates, personnel or investors are not authorized for access to such information and/or systems connected to the bulk power system, a public utility is obligated to take the appropriate measures to deny access to this information and/or the equipment/software connected to the bulk power system. The mechanisms that deny access to information, procedures, software, equipment, etc., must comply with all applicable reliability and cybersecurity standards. The Commission, North American Electric Reliability Corporation, or the relevant regional entity may audit compliance with reliability and cybersecurity standards.

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<sup>29</sup> Application, Exhibit M.

<sup>30</sup> 16 U.S.C. § 824(o) (2012).

36. Section 301(c) of the FPA gives the Commission authority to examine the books and records of any person who controls, directly or indirectly, a jurisdictional public utility insofar as the books and records relate to transactions with or the business of such public utility. The approval of the Proposed Transaction is based on such examination ability. In addition, applicants subject to the Public Utility Holding Company Act of 2005 (PUHCA 2005)<sup>31</sup> are subject to the record-keeping and books and records requirements of PUHCA 2005.

37. Order No. 652 requires that sellers with market-based rate authority timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.<sup>32</sup> To the extent that a transaction authorized under FPA section 203 results in a change in status, sellers that have market-based rates are advised that they must comply with the requirements of Order No. 652.

The Commission orders:

(A) The Proposed Transaction is hereby authorized, as discussed in the body of this order.

(B) Applicants must inform the Commission of any material change in circumstances that departs from the facts or representations that the Commission relied upon in authorizing the Proposed Transaction within 30 days from the date of the material change in circumstances.

(C) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs, or any other matter whatsoever not pending or may come before the Commission.

(D) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

(E) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate.

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<sup>31</sup> 42 U.S.C. § 16451 *et seq.* (2012).

<sup>32</sup> *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005). *See* 18 C.F.R. § 35.42 (2018).

(F) Applicants shall make any appropriate filings under section 205 of the FPA, as necessary, to implement the Proposed Transaction.

(G) Applicants shall notify the Commission within 10 days of the date on which the Proposed Transaction is consummated.

(H) If Applicants seek to recover transaction-related costs through their transmission or wholesale requirements rates, they must make a new FPA section 205 filing and submit concurrently an informational filing in the instant FPA section 203 docket. In the FPA section 205 filing, Applicants must: (1) specifically identify the transaction-related costs they are seeking to recover; and (2) demonstrate that those costs are exceeded by the savings produced by the Proposed Transaction.

(I) International Transmission Company shall account for the Proposed Transaction in accordance with Electric Plant Instruction No. 5 and Account 102, Electric Plant Purchased or Sold, of the Uniform System of Accounts. International Transmission Company shall submit proposed accounting entries within six months of the date that the Proposed Transaction is consummated, and the accounting submission shall provide all the accounting entries and amounts related to the transfer along with narrative explanations describing the basis for the entries.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.