

129 FERC ¶ 61,216
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 11, 2009

In Reply Reference To:
MidAmerican Energy Company
Docket No. ER10-56-000

MidAmerican Energy Company
401 Douglas Street
P. O. Box 778
Sioux City, Iowa 51102

Attention: Suzan M. Stewart
Managing Senior Attorney

Reference: MidAmerican Energy Company and Municipal Electric Utility of the City
of Cedar Falls, Iowa Joint Pricing Zone Revenue Allocation Agreement

Dear Ms. Stewart:

1. On October 14, 2009, MidAmerican Energy Company (MidAmerican), on behalf of itself and the Municipal Electric Utility of the City of Cedar Falls, Iowa (Cedar Falls) (collectively, Parties) submitted for filing with the Commission a jointly executed Joint Pricing Zone Revenue Allocation Agreement (JPZ Agreement) between MidAmerican and Cedar Falls. The JPZ Agreement provides for: (1) the allocation of transmission revenues collected by the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) for transmission services provided over the Parties' transmission facilities in the MidAmerican Pricing Zone; and (2) the Parties' cost responsibilities for Network Integration Transmission Service (Network Service) provided over each other's facilities within the MidAmerican Pricing Zone that is not billed by Midwest ISO.
2. The Parties request an effective date of September 1, 2009 for the JPZ Agreement, which coincides with the effective date of the Parties' integration into Midwest ISO.
3. Notice of the Applicants' filing was published in the *Federal Register*, 74 Fed. Reg. 54985 (2009) with interventions or protests due on or before November 4, 2009. Midwest Municipal Transmission Group filed a timely motion to intervene and a

comment in support of the Parties' JPZ Agreement.¹ In addition, Municipal Energy Agency of Nebraska (MEAN),² on behalf of itself and its members, including Waverly, Iowa (Waverly),³ filed a timely motion to intervene, comments in support of the JPZ Agreement, and a request for clarification.

4. MEAN and Waverly state that they support the JPZ Agreement, but seek to clarify the Parties' transmittal letter to correctly affirm the relationship between MEAN and Waverly and their assignment of transmission facilities.⁴ They state that Waverly has assigned any rights, including rights to transmission revenue recovery, for Waverly's existing transmission facilities to MEAN. However, MEAN takes no position on whether it will take assignment of future transmission facility investments by Waverly. MEAN and Waverly seek to protect against misinterpretation of the Parties' filing to limit Waverly's receipt of future Midwest ISO transmission payments to future Waverly assignment of transmission rights to MEAN for future facilities similar to assignments for current facilities referred to in the filing.⁵ MEAN and Waverly do not seek clarification of the JPZ Agreement.

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2009), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. We find that subject to a compliance filing discussed below, the JPZ Agreement is just, reasonable and not unduly discriminatory or preferential. The filing does not

¹ The Midwest Municipal Transmission Group members include Cedar Falls; the Iowa cities of Atlantic, Montezuma, and Tipton, who, in addition to Cedar Falls, own facilities that will be integrated with Midwest ISO and MidAmerican Energy zonal transmission facilities and will be compensated through the JPZ Agreement; and the Iowa Association of Municipal Utilities, the Central Minnesota Municipal Power Agency, the Minnesota Municipal Utilities Association and other member cities throughout the Upper Midwest that own municipal electric utilities that sell electricity at wholesale and at retail for the use of residents and businesses in member cities in Iowa, Minnesota, and Illinois.

² MEAN is a joint action agency and political subdivision of the State of Nebraska and serves cities both within and outside of Iowa.

³ Waverly owns transmission facilities and is a network transmission customer of the Midwest ISO and total requirements participant of MEAN.

⁴ MEAN and Waverly clarification at 5.

⁵ *Id.* They also state "such changes may require new agreements or modifications to the JPZ contract and appropriate filings with the Commission."

include Attachment A of the JPZ Agreement, referred to in Article III, sections 3.5 and 3.6 of the JPZ Agreement, which illustrates the distribution of Joint Pricing Zone revenues under Article III. For this reason, the Commission conditionally accepts the JPZ Agreement, subject to a further compliance filing providing Attachment A to the JPZ Agreement within 30 days of the date of this order.

7. The Commission finds that good cause exists for waiving the 60 day notice requirement, allowing the JPZ Agreement to become effective September 1, 2009 as requested by the Parties. This effective date coincides with the Parties integration into Midwest ISO and will permit the distribution of revenues to commence inclusive of the revenues received for transmission service rendered in the month of September.

8. Finally, the Commission notes the clarification sought by MEAN and Waverly between the treatment of Midwest ISO revenues for Waverly's current facilities, for which the rights have already been assigned to MEAN, and any future transmission facility investments by Waverly, for which the rights have not yet been assigned to MEAN. Because the clarification only relates to statements made in the Parties' transmittal letter, it has no effect on our finding related to the JPZ Agreement.

9. We will therefore accept, subject to a further compliance filing discussed above, the JPZ Agreement, effective September 1, 2009, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.