

130 FERC ¶ 61,152  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

February 26, 2010

In Reply Refer To:  
Midwest Independent Transmission  
System Operator, Inc.  
Docket No. ER10-541-000

The Midwest Independent Transmission System Operator, Inc.  
P.O. Box 4202  
Carmel, IN 46082-4202

Attention: Arthur W. Iler, Esq.  
Assistant General Counsel

Re: Tariff Revisions to Attachment O-NSP

Dear Mr. Iler:

1. On December 31, 2009, you filed, pursuant to section 205 of the Federal Power Act<sup>1</sup>, on behalf of the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and Xcel Energy Services Inc. (Xcel)<sup>2</sup> (collectively, the Parties), proposed revisions to Attachment O-NSP of the Midwest ISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). The proposed tariff sheets provide for changes to NSP Companies' Attachment O transmission formula rate that will allow the

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<sup>1</sup> 16 U.S.C. § 824d (2006).

<sup>2</sup> Xcel is acting on behalf of its operating affiliates, Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation (jointly, NSP Companies).

correct data from NSP Companies' FERC Form No. 1 reports<sup>3</sup> to be used in calculating the rate divisor for the true-up under Attachment O-NSP. Midwest ISO and Xcel request waiver of the Commission's regulations in order to permit the revised tariff sheets to be effective January 1, 2010.

2. The NSP Companies are transmission-owning members of the Midwest ISO and operate in a joint pricing zone within the Midwest ISO.<sup>4</sup> The NSP Companies calculate their transmission rates under their Attachment O-NSP on a prospective test-year basis, with a true-up mechanism which ensures that customers pay the actual transmission revenue requirement based on data later reported in NSP Companies' FERC Form No.1 reports.

3. Specifically, the Parties first propose to revise Notes A and C on page 5 of Attachment O-NSP to allow the use of data from page 400, column f of the NSP Companies' FERC Form No. 1. The Parties state that the revision allows for the most accurate transmission system peak load data to be used in determining the transmission rate that is used in developing the zonal rates under the Midwest ISO Tariff. Second, the Parties propose to revise Notes A, B, C and D on page 5 of Attachment O-NSP to eliminate references to Midwest ISO coincident monthly peaks in order to accurately reflect the calculation of the NSP Companies' rate divisor, as well as Network Integration Transmission Service charges, on a pricing zone coincident peak basis.

4. The Parties state that without these tariff changes, the NSP Companies' transmission rate would result in overcharges of \$39.3 million on an annual revenue requirement basis for the year 2010 for Network Service customers in the NSP Companies' system pricing zone.

5. Notice of the December 31, 2009 filing was published in the *Federal Register*, 75 Fed. Reg. 2532 (2010), with motions to intervene, comments, and protests due on or before January 21, 2010. Consumers Energy Company filed a motion to intervene. Great River filed a motion to intervene and comments.

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<sup>3</sup> FERC Form No. 1 is an annual report required of major electric utilities (and certain others) engaged in generation, transmission, distribution, or sale of electric energy. These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Commission.

<sup>4</sup> The other participants in the joint pricing zone are Great River Energy (Great River), Southern Minnesota Municipal Power Agency (Southern Minnesota), and Central Minnesota Municipal Power Agency (Central Minnesota).

6. Great River takes no position on Xcel's proposal to change the FERC Form No. 1 references in Attachment O-NSP. However, it seeks confirmation that the value reported at page 1, line 8 of Attachment O-NSP is the sum of the NSP Companies average 12 coincident peak demand at the NSP Companies' pricing zone peak and the NSP Companies average 12 coincident peak demand within the Great River pricing zone at the Great River system peak as required by the Joint Rate Development Zone section under the Midwest ISO Tariff. In addition, Great River seeks confirmation that the value entered on page 1, line 10 of Attachment O-NSP does not include the network loads of Great River, Central Minnesota, and Southern Minnesota, as well as any future Midwest ISO transmission owners that may have load within NSP Companies' pricing zone. Great River points out that the average 12 coincident peak demands of other Midwest ISO transmission owners already are reported by each individual transmission owner within its own Attachment O transmission formula rate.

7. On February 4, 2010, NSP Companies filed an answer to Great River. NSP Companies state that they had reviewed the proposed revisions and have concluded that the proposed tariff revisions reflect the appropriate loads in the Attachment O-NSP divisor, but that the NSP Companies' 2008 FERC Form No. 1 contains certain errors. NSP Companies state that they intend to file corrections to their 2008 FERC Form No. 1 as promptly as practicable and will include sufficient detail on page 400 in order for Great River and other customers in the NSP Companies pricing zone to verify the data used as an input to the divisor calculation in the Attachment O-NSP formula. Additionally, NSP Companies state that they intend to notify affected customers of the corrected 2008 FERC Form No. 1 filing and any resulting change to the transmission rates calculated by the Attachment O-NSP rate formula. NSP Companies further state that they will work with the Midwest ISO to timely implement rate changes and promptly correct billings under the Midwest ISO Tariff.

8. 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. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure 18 C.F.R. § 385.213(a)(2) (2009), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept NSP Companies' answer because it has provided information that has assisted us in our decision-making process.

9. We find that the proposed revisions to NSP Companies' Attachment O-NSP, which are unopposed, have not been shown to be unjust and unreasonable, or unduly discriminatory or preferential. As noted by NSP Companies, the information contained on page 400 of FERC Form No. 1 includes the monthly transmission system peak load data needed to accurately calculate the rate divisor in NSP Companies' Attachment O-NSP formula rate. We note that on February 19, 2010, NSP Companies filed corrected FERC Form No. 1 sheets to address the concerns of Great River by providing the details

needed to reflect that page 400, column f includes only NSP Companies system peak load data. In addition, the revision to remove the reference to Midwest ISO coincident monthly peaks ensures that the rate divisor calculations reflect NSP Companies' system load at the time of peak for the NSP Companies system. Further, the proposed revisions reflect a more accurate data input into NSP Companies' Attachment O-NSP and will ensure a rate reduction for Network Customers in NSP Companies' system pricing zone. Accordingly, the proposed Attachment O-NSP revisions are accepted for filing, effective January 1, 2010 as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.