

138 FERC ¶ 61,234  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
and Cheryl A. LaFleur.

Midwest Independent Transmission System Operator,  
Inc.

Docket No. ER12-310-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued March 30, 2012)

1. On November 1, 2011 (November 1 Filing), as amended on January 30, 2012, pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> Midwest Independent Transmission System Operator, Inc. (MISO) and Ameren Illinois Company (Ameren Illinois) (jointly, Filing Parties) filed proposed revisions to Attachment O of the MISO Open Access Transmission Energy and Operating Reserve Markets Tariff (Tariff)<sup>2</sup> to create a MISO Attachment O formula rate template specifically applicable to Ameren Illinois.<sup>3</sup> The proposed revisions allow inclusion of the annual transmission revenue requirement (ATRR) and transmission credits associated with Prairie Power, Inc.'s (Prairie Power) transmission facilities located in the Ameren Illinois pricing zone. In this order, we accept the proposed tariff revisions, effective April 1, 2012.

**I. Background**

2. Ameren Illinois is a transmission and distribution owning public utility organized under the laws of the state of Illinois. Ameren Illinois owns over 4,500 miles of transmission facilities in Illinois and is a transmission owning member of MISO.

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<sup>1</sup> 16 U.S.C. § 824d (2006).

<sup>2</sup> MISO states that, as administrator of the Tariff, it joins Ameren Illinois in this filing to amend the Tariff but takes no position on the substance of the filing.

<sup>3</sup> The formula rate template will be referred to as Attachment O-AIC.

3. Prairie Power is a member-owned, not-for-profit generation and transmission cooperative organized and existing under Illinois law. Prairie Power provides all-requirements wholesale electric service to its members, who are ten rural electric distribution cooperatives located in central Illinois. Prairie Power owns and operates 163 MW of generating capacity and 29 miles of 138 kV transmission facilities in Illinois.

## **II. The November 1 Filing**

4. Filing Parties state that the proposed revisions to the Tariff incorporate into Ameren Illinois' Attachment O formula rate ATRR associated with Prairie Power's 138kV transmission facilities that are located in the Ameren Illinois pricing zone.<sup>4</sup> Ameren Illinois proposes to implement the crediting arrangement under section 30.9 of the Tariff<sup>5</sup> and the proposed Attachment O-AIC allowing Prairie Power to receive credits for its transmission facilities under the Tariff.

5. Filing Parties state that section 30.9 of the MISO Tariff establishes that to provide credits to Network Customers associated with their existing transmission facilities, it is required that (1) the customer must be a Network Customer; (2) the customer must demonstrate that the transmission facilities are integrated into the plans or operations of MISO; and (3) the transmission facilities serve MISO's power and transmission customers. Filing Parties state that Prairie Power's existing facilities meet the three requirements in that Prairie Power is a network customer and that its facilities are integrated into the MISO transmission system. In addition, they state that MISO has determined that Prairie Power facilities add to the capability and reliability of the MISO transmission system used to serve other customers. Accordingly, they contend that Prairie Power's facilities meet the requirements to receive credits for its transmission investments under section 30.9 of the Tariff. In addition, Ameren Illinois also proposes

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<sup>4</sup> The ATRR for the Prairie Power facilities is estimated to be \$480,000 or 0.5 percent of the current Ameren Illinois revenue requirement.

<sup>5</sup> Section 30.9 states:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider or ITC to serve its power and transmission customers.

a crediting procedure to ensure no double billing of the credits and that all crediting is transparent and tied to Prairie Power's ATTR.

6. Filing Parties request waiver of the 60-day prior notice requirement, 18 C.F.R. § 35.3 (2011), to the extent necessary to permit an effective date of the first day of the month following a Commission order accepting the revisions. They also request waiver of section 35.13 of the Commission's regulations concerning cost data to the extent necessary to permit implementation of the formula rate.

### **III. Notices of Filing and Responsive Pleadings**

7. Notice of Filing Parties' November 1 Filing was published in the *Federal Register*, 76 Fed. Reg. 69,716 (2012), with interventions and protests due on or before November 22, 2011. Consumers Energy Company and the MISO Transmission Owners filed timely motions to intervene.<sup>6</sup> The Illinois Commerce Commission (Illinois Commission) filed a notice of intervention and comments opposing the filing. On November 23, 2011 Prairie Power filed a motion to intervene out of time. On December 7, 2011, MISO filed a motion for leave to answer and answer (December 7 Answer).

8. On December 29, 2011, the Commission staff issued a deficiency letter requesting that the Filing Parties provide additional information to support the November 1 Filing's claim that the Prairie Power's transmission facilities are qualified to receive credits under section 30.9 of the MISO Tariff (Data Request). On January 30, 2012, MISO submitted its response (January 30 Response).

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<sup>6</sup> The Midwest ISO Transmission Owners for this filing are: American Transmission Company LLC; Big Rivers Electric Corporation; City Water, Light & Power (Springfield, Illinois); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., and Duke Energy Kentucky, Inc., Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company d/b/a ITC Transmission; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; Michigan Public Power Agency; 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.; Northern Wisconsin Electric Company; Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

9. Notice of MISO's January 30 Response was published in the *Federal Register*, 77 Fed. Reg. 6103 (2012), with interventions and protests due on or before February 21, 2012. On February 21, 2012, Prairie Power filed comments in support of the filing.

#### **IV. Discussion**

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

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2011), the notice of intervention and 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) (2011), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept MISO's answer because it has provided information that assisted us in our decision-making process.

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

###### **a. Illinois Commission Comments**

11. Illinois Commission argues that the Filing Parties have not established that the Prairie Power transmission facilities are integrated into MISO's system. Further, Illinois Commission claims that no evidence has been provided to support the assertions that Prairie Power's transmission facilities provide Ameren Illinois with zonal benefits. Illinois Commission argues that this is particularly problematic in light of what Illinois Commission characterizes as the lack of customer protections contained in MISO's Attachment O. Illinois Commission claims that, as it has noted in prior comments to the Commission, Attachment O does not provide customers the opportunity to review or challenge inputs into the formula rate. Illinois Commission explains that in those comments, it has contrasted the review and challenge opportunities in MISO's Attachment O to those that typically exist in the formula rates of transmission owners in PJM Interconnection, L.L.C. and in the formula rates of other transmission providers. Illinois Commission claims that since MISO's Attachment O does not provide the opportunity to make data requests on the increased transmission investment that will be reflected in the formula rate of Ameren Illinois if this filing is approved, the Illinois Commission believes it must express its concerns on behalf of the retail ratepayers in the Ameren Illinois transmission zone in this proceeding. Accordingly, Illinois Commission urges that the Commission dismiss the proposed filing as deficient without prejudice to the proposed Tariff revisions being re-submitted with the appropriate support.

###### **b. MISO Answer and January 30 Response**

12. In its answer, MISO states that it reviewed a list of proposed transmission facilities provided by Prairie Power and determined them to be eligible for inclusion in Attachment

O for recovery of revenue requirements. MISO states that it conducted its review based on criteria from the *Midwest ISO Transmission Criteria for Review of New Member Transmission*.<sup>7</sup> MISO also attached a letter that it sent to Prairie Power, which presents MISO's preliminary findings on the proposed transmission facilities.

13. In its January 30 Response, MISO provides a one-line diagram illustrating that the Prairie Power facilities form a loop with other transmission system elements in the area. MISO further provides a chart demonstrating that tie-line flows from 2011 depict that power actually flowed both from the transmission system to Prairie Power, and from Prairie Power to the transmission system. MISO provides simulation results depicting the ability of Prairie Power to both transfer power to and receive power from another customer, to demonstrate that the facilities are capable of providing transmission service to Prairie Power and other transmission customers. In addition, MISO provides a hypothetical example where, during a maintenance outage of one transmission line, a contingency occurs on another transmission line, such that, without the Prairie Power facilities, this scenario would result in shedding Ameren Illinois load at the Jacksonville Industrial Park substation. This example demonstrates the Prairie Power facilities provide reliability benefits to the transmission grid and can be relied on for coordinated operation of the grid. MISO further provides simulation results from an outage of the Prairie Power facilities during a 2013 summer peak scenario, showing how the power flow changes on four monitored transmission facilities neighboring the Prairie Power facilities.<sup>8</sup>

14. MISO states that its analysis demonstrates that Prairie Power's transmission facilities are integrated and an integral part of the MISO transmission system in the Illinois area. MISO states that Prairie Power's 138 kV lines and most of its 69 kV lines are part of the networked transmission system in the area and that the facilities as described in the MISO functional control listing are appropriate and eligible for transmission credits under section 30.9 of the Tariff. MISO further identifies all points of interconnection between Prairie Power and MISO and between Prairie Power and any MISO members.

c. **Commission Determination**

15. We find that the proposed revisions to Attachment O-AIC are just and reasonable and will therefore accept the Tariff revisions.

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<sup>7</sup> MISO Answer at 2-3.

<sup>8</sup> January 30 Response at 3-4 (Response to Question No. 5).

16. Under section 30.9 of the Tariff, a network customer that owns existing transmission facilities is eligible to receive a credit if it demonstrates that its facilities are integrated into the plans or operations of the transmission provider to serve its power and transmission customers.<sup>9</sup>

17. In Order No. 890,<sup>10</sup> the Commission explained that the integration standard requires that to be eligible for credits under *pro forma* OATT section 30.9, the customer must demonstrate that its facilities are integrated with the transmission provider's system, but also provide additional benefits to the transmission grid in terms of capability and reliability and can be relied on by the transmission provider for the coordinated operation of the grid.<sup>11</sup> The Commission clarified in Order No. 890-B that although it adopted a revised test to determine whether a network customer is eligible to receive credits for *new* facilities, "[o]ther customer-owned facilities will be eligible for credits only if the network customer is able to make an affirmative showing that the facilities satisfy the integration standard."<sup>12</sup> The Commission further clarified that the revised test for new facilities did not alter the underlying integration standard.<sup>13</sup>

18. We find that the evidence MISO submitted in its December 7 Answer and January 30 Response demonstrates that the Prairie Power facilities are integrated with MISO's transmission system, provide benefits for reliability and capability purposes and can be relied upon for the coordinated operation of the grid. Therefore, it is appropriate that Prairie Power receive credits for its transmission facilities under section 30.9 of the Tariff. Given that Illinois Commission's protest challenges MISO's existing Attachment O formula rate protocols, it is more appropriately characterized as a complaint on that broader issue than as a protest on the issue presented in this proceeding. The

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<sup>9</sup> Tariff, section 30.9.

<sup>10</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

<sup>11</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 754, n.436. *See also, e.g., City of Pella, Iowa v. Midwest Indep. Transmission Sys. Operator, Inc. and MidAmerican Energy Co.*, 134 FERC ¶ 61,081, at P 92 (2011).

<sup>12</sup> Order No. 890-B, 123 FERC ¶ 61,299 at P 63.

<sup>13</sup> *Id.* P 47 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 754, n.436).

Commission discourages the combination of complaints with other types of filings, including protests.<sup>14</sup> Accordingly, we will reject Illinois Commission's protest pertaining to this issue, without prejudice. Illinois Commission is free to file a separate complaint on this issue pursuant to section 206 of the FPA.

19. Additionally, we grant the Filing Parties' requests for waiver of section 35.13 requirements, consistent with our prior approval of formula rates.<sup>15</sup>

20. Accordingly, we will accept the proposed revised Attachment O-AIC for filing, to become effective April 1, 2012.

The Commission orders:

The proposed Tariff revisions are hereby accepted for filing, effective April 1, 2012, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>14</sup> See *MidAmerican Energy Co. and Midwest Indep. Transmission Sys. Operator, Inc.*, 137 FERC ¶ 61,250, at P 71 (2011); *Otter Tail Power Co.*, 137 FERC ¶ 61,255, at P 23 (2011); *Entergy Servs., Inc.*, 104 FERC ¶ 61, 084, at P 13 (2003); *Yankee Atomic Elect. Co.*, 60 FERC ¶ 61,316, at 62,096 n.19 (1992); *Midwest Energy Co.*, 55 FERC ¶ 61,464, at 62,533 (1991).

<sup>15</sup> See, e.g., *Tallgrass Transmission, LLC*, 125 FERC ¶ 61,248, at P 95 (2008); *Oklahoma Gas and Electric Co.*, 122 FERC ¶ 61,071, at P 41 (2008).