

148 FERC ¶ 61,035
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Black Hills Power, Inc.

Docket No. EL14-71-000

ORDER ON FORMULA RATE PROTOCOLS

(Issued July 17, 2014)

1. In this order, pursuant to section 206 of the Federal Power Act (FPA)¹ we direct Black Hills Power, Inc. (Black Hills), as joint tariff administrator, to file revisions to the formula rate protocols under the Joint Open Access Transmission Tariff (Joint Tariff) of Black Hills, Basin Electric Power Cooperative (Basin Electric), and Powder River Energy Corporation (Powder River) (collectively referred to as Black Hills), or show cause why it should not be required to do so.²

I. **Background and Summary**

2. The Commission is responsible for ensuring that the rates, terms and conditions of service for wholesale sales and transmission of electric energy in interstate commerce are just, reasonable, and not unduly discriminatory or preferential. It has been the Commission's policy to permit utilities to establish rates through formulas. We recognize that the integrity and transparency of formula rates and particularly formula rate protocols are critically important in ensuring just and reasonable rates, and especially

¹ 16 U.S.C. § 824e (2012).

² Under the Joint Tariff, Black Hills, Basin Electric and Powder River provide open access transmission service on their combined transmission systems located in the Western Interconnection and on an AC/DC/AC tie facility at Rapid City, South Dakota, that is owned by Black Hills and Basin Electric.

so given that more utilities are using formula rates to recover the cost of their transmission investments.

3. Regarding formula rates, the Commission has stated that “the formula itself is the rate, not the particular components of the formula.”³ Thus, periodic adjustments, typically performed on an annual basis, “made in accordance with the Commission-approved formula do not constitute changes in the rate itself and accordingly do not require section 205 filings.”⁴ Because the formula rates for transmission service presently on file with the Commission do not typically require transmission owners to make a section 205 filing to update their annual transmission revenue requirement, safeguards need to be in place to ensure that the input data is the correct data, that calculations are performed consistent with the formula, that the costs to be recovered in the formula rate are reasonable and were prudently incurred, and that the rates are just and reasonable.⁵ The safeguard that has often been employed is formula rate protocols.

4. The reason for including formula rate protocols in formula rates for transmission service is to provide the parties paying such rates specific procedures for notice and review of, and challenges to, the transmission owner’s annual updates. Such formula rate protocols, in order to fulfill this purpose, should afford adequate transparency to affected customers, state regulators or other interested parties, as well as provide mechanisms for resolving potential disputes; they can be an important tool in ensuring just and reasonable rates.

5. The Commission has recently addressed formula rate protocols in a particular region. On May 17, 2012, the Commission instituted an investigation, pursuant to section 206 of the FPA, to determine whether the formula rate protocols under Attachment O of the Midcontinent Independent System Operator’s (MISO) Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff) were

³ *Ocean State Power II*, 69 FERC ¶ 61,146, at 61,544 (1994).

⁴ *Id.* at 61,545 (citing 16 U.S.C. § 824d (2012); *see also Ala. Power Co. v. FERC*, 993 F.2d 1557, 1567-68 (D.C. Cir. 1993)).

⁵ While a party that challenges the transmission owner’s projected costs must do more than make unsubstantiated allegations, *see Interstate Power & Light Co. v. ITC Midwest, LLC*, 135 FERC ¶ 61,162, at P 18 (2011), the transmission owner bears the ultimate burden of demonstrating the justness and reasonableness of the charge resulting from its application of the formula. *Va. Elec. & Power Co.*, 123 FERC ¶ 61,098, at P 47 (2008); *Am. Elec. Power Co., Inc.*, 124 FERC ¶ 61,306, at P 36 (2008).

sufficient to ensure just and reasonable rates.⁶ In that order, the Commission identified three areas of concern with MISO's formula rate protocols: (1) scope of participation (i.e., who can participate in the information exchange); (2) the transparency of the information exchange (i.e., what information is exchanged); and (3) the ability of customers to challenge transmission owners' implementation of the formula rate as a result of the information exchange (i.e., how the parties may resolve their potential disputes).⁷

6. After receiving comments from parties to the proceeding, on May 16, 2013, the Commission found that the formula rate protocols under the MISO Tariff were insufficient to ensure just and reasonable rates, and therefore, directed MISO and its transmission owners to file revised formula rate protocols to address the Commission's concerns about the scope of participation, the transparency of the information exchange, and the ability of customers to challenge transmission owners' implementation of the formula rate as a result of the information exchange.⁸ On March 20, 2014, the Commission conditionally accepted, subject to further compliance, MISO's proposed Tariff revisions made in compliance with the MISO Investigation Order.⁹ Among the requirements addressing the transparency of the information exchange, in the MISO Investigation Order, the Commission required MISO to include a provision in the

⁶ *Midwest Indep. Transmission Sys. Operator, Inc.*, 139 FERC ¶ 61,127 (2012), *order on investigation*, 143 FERC ¶ 61,149 (2013) (MISO Investigation Order), *order on reh'g*, 146 FERC ¶ 61,209 (2014), *order on compliance*, 146 FERC ¶ 61,212 (2014) (MISO Compliance Order). In order to address whether MISO's *pro forma* formula rate protocols and the formula rate protocols of individual transmission owners were sufficient to ensure just and reasonable rates, the Commission established paper hearing procedures.

⁷ 139 FERC ¶ 61,127 at P 8.

⁸ MISO Investigation Order, 143 FERC ¶ 61,149.

⁹ MISO Compliance Order, 146 FERC ¶ 61,212. The Commission also separately evaluated the compliance filings of two MISO transmission owners. *See Midcontinent Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,210 (2014) (evaluating the compliance filing of Southern Indiana Electric & Gas Company); *Midcontinent Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,211 (2014) (evaluating the compliance filing of Northern Indiana Public Service Company).

formula rate protocols that transmission owners make annual informational filings of their formula rate updates with the Commission.¹⁰

7. The Commission has undertaken a review of the transmission formula rates and formula rate protocols of jurisdictional public utilities to identify utilities that currently are not required to make annual informational filings of their formula rate updates with the Commission, and identified Black Hills as one such utility.¹¹ The Commission has also undertaken an analysis of the Black Hills formula rate protocols using the standards established in the MISO Investigation Order and MISO Compliance Order to determine if the Black Hills formula rate protocols meet the other requirements established in those orders. As further discussed below, based on that analysis, we find that the Black Hills formula rate protocols are deficient in the three areas of concern identified above, and thus appear to be unjust and unreasonable. Therefore, as discussed below, pursuant to section 206 of the FPA we direct Black Hills to file revisions to the formula rate protocols to conform to the requirements of the MISO Investigation Order and MISO Compliance Order or show cause why it should not be required to do so.¹²

II. Discussion

A. Overview of the Black Hills' Formula Rate Protocols

8. Black Hills' formula rate protocols state that, by September 30 of each year, Black Hills shall determine its projected net revenue requirement and load for the following year, and shall make available to customers, the South Dakota Public Utilities Commission (South Dakota Commission), and the Wyoming Public Service Commission (Wyoming Commission) its projected net revenue requirement, including information

¹⁰ MISO Investigation Order, 143 FERC ¶ 61,149 at P 92.

¹¹ In orders being issued concurrently, the Commission also directs the filing of formula rate protocols or revisions to the existing formula rate protocols of several other public utilities: *The Empire District Electric Company*, 148 FERC ¶ 61,030 (2014); *UNS Electric, Inc.*, 148 FERC ¶ 61,032 (2014); *Kansas City Power and Light Company and KCP&L Greater Missouri Operations Company*, 148 FERC ¶ 61,034 (2014); *Louisville Gas and Electric Company and Kentucky Utilities Company*, 148 FERC ¶ 61,031 (2014); *Westar Energy, Inc.*, 148 FERC ¶ 61,033 (2014).

¹² Concurrently with the issuance of this order, the Commission will post on its website general guidance for formula rate updates which will aid utilities in the preparation of their annual updates and annual update informational filings in order to avoid common deficiencies.

regarding projected costs of plant in forecasted rate base, expected construction schedules and in-service dates, load, and resulting unit charges for transmission service.

Additionally, all inputs are to be provided to these parties in sufficient detail to identify the components of Black Hills' net revenue requirement. The protocols state that, upon request, Black Hills will provide a description of the basis on which projects were planned. The formula rate protocols state further that, by October 30 of each year, Black Hills will hold a meeting, to which its customers and representatives of the South Dakota Commission and Wyoming Commission will be invited, to explain Black Hills' formula rate input projections and cost details.¹³

9. The formula rate protocols also indicate that true-up adjustments and related calculations shall be posted to Black Hill's Open Access Same-Time Information System (OASIS) by no later than June 1 each year. Black Hills will conduct an annual true-up adjustment by comparing the estimated transmission revenues for the prior service year to the true-up net revenue requirement, which is to be calculated using FERC Form No. 1 data for the prior service year. Subsequently, Black Hills is required by its protocols to post information on its OASIS regarding frequently asked questions explaining the true-up adjustment, along with responses to customer inquiries and the true-up amount that shall be paid in full in July of each year.¹⁴

B. Analysis of Black Hills' Formula Rate Protocols and Findings

10. Based on our examination, we find that Black Hills' formula rate protocols do not meet the standard identified by the Commission in the MISO Investigation Order and MISO Compliance Order. Specifically, we find the same three areas of concern with Black Hills' formula rate protocols that were found to be problematic in MISO's formula rate protocols: (1) scope of participation (i.e., who can participate in the information exchange); (2) the transparency of the information exchange (i.e., what is exchanged); and (3) the ability to challenge the transmission owners' implementation of the formula rate as a result of the information exchange (i.e., how the parties may resolve their potential dispute). Because Black Hills' formula rate protocols may be deficient in the three identified areas, as further discussed below, pursuant to section 206 of the FPA, we direct Black Hills to file revisions to its formula rate protocols within 60 days or show cause why it should not be required to do so.

¹³ See Black Hills Joint Tariff Attachment H (Monthly Network Transmission Revenue Requirement for Transmission Service on the AC Transmission System).

¹⁴ *Id.*

1. Scope of Participation

11. In the MISO Investigation Order, the Commission found that the MISO formula rate protocols inappropriately limit the ability of certain interested parties to obtain information and participate in review processes. As a result, the Commission directed MISO and the transmission owners to revise the formula rate protocols to include all interested parties in information exchange and review processes, including but not exclusive to customers under the MISO Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.¹⁵ In the MISO Compliance Order, the Commission accepted MISO's proposed definition of interested parties.¹⁶

12. Similarly, Black Hills' formula rate protocols limit the ability of certain interested parties to obtain information about annual updates from transmission owners.¹⁷ The protocols give customers, the South Dakota Commission, and the Wyoming Commission the opportunity to participate in the exchange of information. However, the protocols are silent as to the rights of other potential interested parties who may want to participate in the information exchanges.¹⁸

13. Based on our analysis, we find that the protocol language that limits the participation of interested parties in the review of the inputs to the formula rate and of the costs that would flow through the formula rates may be unjust and unreasonable. We also find that, to assist the Commission in performing its duty to ensure just and reasonable rates, it may be necessary for Black Hills to also provide the Commission all such information reasonably necessary to review and evaluate the implementation of the formula rate and the costs that would flow through the formula rate. Therefore, to afford

¹⁵ MISO Investigation Order, 143 FERC ¶ 61,149 at P 34.

¹⁶ MISO Compliance Order, 146 FERC ¶ 61,212 at P 18 (finding MISO's definition of interested parties as "all interested parties in information exchange and review processes, including but not exclusive to customers under the [MISO] Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorney[s] general" just and reasonable).

¹⁷ See MISO Investigation Order, 143 FERC ¶ 61,149 at P 34 (where the Commission similarly found that "the MISO formula rate protocols...inappropriately limit the ability of certain interested parties to obtain information and participate in review processes and are, thus, unjust and unreasonable").

¹⁸ See Black Hills Joint Tariff Attachment H (Monthly Network Transmission Revenue Requirement for Transmission Service on the AC Transmission System).

adequate opportunity for participation and access to information, we direct Black Hills to revise its formula rate protocols to provide all interested parties and the Commission access to information regarding annual updates as provided by the MISO Investigation Order and the MISO Compliance Order, or show cause why it should not be required to do so.

2. Transparency

14. In the MISO Investigation Order, the Commission found that MISO's formula rate protocols provided insufficient transparency with respect to information about the transmission owners' costs and revenue requirements. The Commission found that the protocols must be revised to provide interested parties with the information necessary to understand and evaluate the implementation of the formula rate for either the correctness of inputs and calculations, or the reasonableness of the costs to be recovered in the formula rate.¹⁹ The Commission required transmission owners to annually post their revenue requirements and relevant information on both MISO's website and its OASIS, and to hold an annual meeting open to all interested parties to review and discuss the posted information. The Commission stated that the annual update should include underlying data and calculations supporting all inputs that are not supported in the FERC Form No. 1 and provide information about the transmission owner's implementation of the formula rate in sufficient detail and with sufficient explanation to demonstrate that each input to the formula rate is consistent with the requirements of the formula rate, without forcing interested parties to make extensive data requests to understand the transmission owner's implementation of the formula and verify its correctness. The Commission further required transmission owners to disclose any accounting changes during the rate period that affect the inputs into the formula rate or the resulting charges, including accounting associated with any reorganization or merger transaction.²⁰

15. The Commission also provided that, following the annual update, interested parties must be afforded the opportunity to review the information posted and submit reasonable information and document requests to the transmission owner, provided the requests are relevant to the implementation of the formula rate. They must also be allowed the opportunity to request further information regarding the transmission owner's accounting practices to the extent the accounting impacts items included in the determination of the annual revenue requirement, and to obtain upon request information on procurement methods and cost control methodologies used by the transmission

¹⁹ MISO Investigation Order, 143 FERC ¶ 61,149 at P 82.

²⁰ *Id.* PP 86-88.

owner.²¹ Further, the Commission required that transmission owners make a good faith effort to respond to information requests within a set, reasonable period of time.²²

16. Additionally, the Commission required that transmission owners make annual informational filings of their formula rate updates with the Commission. The Commission stated that the informational filing must be made following the information exchange period and must include any corrections or adjustments made during that period. The Commission also required that the informational filing note any aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the challenge procedures. The Commission found that the MISO formula rate protocols must specifically provide that the informational filing include the information that is reasonably necessary to determine: (1) that input data under the formula rate is properly recorded in any underlying workpapers; (2) that the transmission owner has properly applied the formula rate and the procedures in the protocols; (3) the accuracy of data and the consistency with the formula rate of the actual revenue requirement and rates (including any true-up adjustment) under review; (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs included in the projected capital addition expenditures (for forward-looking formula rates).²³

17. In the MISO Compliance Order, the Commission conditionally accepted MISO's compliance filing subject to further revisions. In particular, among other things, the Commission required MISO to: (1) provide electronic notice of the annual update/true-up postings; (2) propose a process for transmission owners with transmission projects that use a regional cost sharing methodology to coordinate and hold joint meetings; and (3) ensure that the forward-looking protocols apply to the projected revenue requirement, in addition to the true-up revenue requirements. In addition, the Commission required revisions to the provision relating to mergers and reorganizations, so as to not limit its applicability to mergers or reorganizations that required the submission of a filing under sections 203 or 205 of the FPA.²⁴

18. Based on our analysis, we find that Black Hills' formula rate protocols do not provide interested parties with the information necessary to understand and evaluate the implementation of the formula rate for either the correctness of inputs and calculations or

²¹ *Id.* PP 89-90.

²² *Id.* P 91.

²³ *Id.* P 92.

²⁴ MISO Compliance Order, 146 FERC ¶ 61,212 at PP 59-73.

the reasonableness and prudence of the costs to be recovered in the formula rate, which would form the basis of any potential challenge.²⁵ For instance, in the MISO Investigation Order, the Commission found that MISO's protocols must require that transmission owners post their annual revenue requirements and relevant information on both their website and OASIS, including underlying data and calculations supporting all inputs that are not supported in the FERC Form No. 1 or in other tariff schedules in formula rate annual updates and, where applicable, true-ups.²⁶ Black Hills' formula rate protocols state that Black Hills will make available to customers, the South Dakota Commission, and the Wyoming Commission its projected net revenue requirement, including information regarding projected costs of plant in forecasted rate base, expected construction schedules and in-service dates, load, and resulting unit charges for transmission service and will post only frequently asked questions explaining the true-up adjustment.

19. Black Hills' protocols provide that Black Hills will: (1) make its projected net revenue requirement available to customers, the South Dakota Commission, and the Wyoming Commission; and (2) post the annual true-up and related calculations on its OASIS. However, Black Hills' protocols do not provide any other interested party notification of such postings. In the MISO Compliance Order, the Commission directed MISO to provide notification of those postings through an email "exploder" list.²⁷ We will also require Black Hills to notify any interested party, through an email distribution list, of its postings related to the annual updates and, if appropriate, true-up adjustments.

20. In the MISO Investigation Order, the Commission required that MISO's formula rate protocols include a requirement that transmission owners disclose any change in accounting during the rate period that affects inputs to the formula rate or the resulting charges billed under the formula rate.²⁸ In addition, the Commission found that interested parties must be afforded the opportunity to request further information regarding transmission owners' accounting practices to the extent the accounting impacts

²⁵ The Commission has previously noted its authority to order refunds for imprudent costs charged to customers through an existing formula rate. *See Yankee Atomic Elec. Co.*, 60 FERC ¶ 61,316, at 62,096-97 (1992).

²⁶ MISO Investigation Order, 143 FERC ¶ 61,149 at P 86.

²⁷ MISO Compliance Order, 146 FERC ¶ 61,212 at P 59.

²⁸ MISO Investigation Order, 143 FERC ¶ 61,149 at P 87.

items included in the determination of the annual revenue requirement.²⁹ Black Hills' protocols do not contain a provision that specifically requires Black Hills to disclose any change in accounting during the rate period that affects inputs to the formula rate or the resulting charges billed under the formula rate.

21. In the MISO Investigation Order, the Commission found that interested parties must be allowed to obtain upon request information on procurement methods and cost control methodologies used by transmission owners in order to facilitate interested parties' analysis of whether transmission owners' costs were prudently incurred.³⁰ Black Hills' formula rate protocols do not include a provision that allows interested parties to obtain upon request information on procurement methods and cost control methodologies used by Black Hills in order to facilitate interested parties' analysis of whether Black Hill's costs were prudently incurred.

22. The MISO Investigation Order required that transmission owners provide a discovery process and make a good faith effort to respond to information requests within a set, reasonable period of time.³¹ Black Hills' protocols do not provide a formal discovery process, including timeline for responding to information requests.

23. Black Hills' formula rate protocols currently do not provide a requirement to make annual informational filings with the Commission. In the MISO Investigation Order, the Commission directed MISO to include a requirement that transmission owners make annual informational filings of their formula rate updates with the Commission.³² Therefore, to allow the Commission to perform its duty to ensure just and reasonable rates, information such as the annual updates, true-up adjustments, and data and workpapers sufficiently detailed to support such information is required to be filed with the Commission in the form of an annual informational filing.

24. Based on our analysis above, we find that Black Hills' protocols appear to be unjust and unreasonable. Therefore, we direct Black Hills to revise its formula rate protocols to provide interested parties the information necessary to understand and evaluate the implementation of the formula rate for both the correctness of inputs and calculations, and the reasonableness and prudence of the costs to be recovered in the

²⁹ *Id.* P 89.

³⁰ *Id.* PP 89-90.

³¹ *Id.* P 91.

³² *Id.* P 92.

formula rate, as provided by the MISO Investigation Order and MISO Compliance Order,³³ or show cause why it should not be required to do so.

3. Challenge Procedures

25. In the MISO Investigation Order, the Commission found that the MISO formula rate protocols were insufficient in setting forth the specific challenge procedures. In order to ensure that transmission owners implement their annual updates in accordance with their Commission-approved formula rates, the Commission held that interested parties must be afforded the ability to challenge a transmission owner's annual update and resolve related disputes through straightforward and defined procedures.³⁴ In particular, the Commission stated that the MISO formula rate protocols must set out a procedure through which interested parties can informally challenge transmission owners' proposed inputs.³⁵ At a minimum, the Commission required such procedures to permit interested parties to raise informal challenges for a reasonable period of time after transmission owners initially post their annual updates.³⁶ Where applicable, the Commission added that transmission owners must appoint senior representatives to work with interested parties to resolve informal challenges.³⁷ Furthermore, if, after a reasonable period of time, the parties are unable to resolve their dispute informally, interested parties must be permitted to raise a formal challenge with the Commission, in which the transmission owner would bear the burden of demonstrating the correctness of its update or true-up.³⁸

26. In the MISO Compliance Order, the Commission conditionally accepted MISO's compliance filing subject to further revisions. Specifically, the Commission required, among other things: (1) additional revisions to MISO's proposed deadline for interested parties' submission of informal challenges in order to ensure an opportunity to evaluate all responses to information requests; (2) modification to ensure that the proposed

³³ MISO Investigation Order, 143 FERC ¶ 61,149 at PP 81-92; MISO Compliance Order, 146 FERC ¶ 61,212 at PP 58-73.

³⁴ MISO Investigation Order, 143 FERC ¶ 61,149 at P 118.

³⁵ *Id.* P 119.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.* P 120.

six-issue limitation on challenges to ensure that all parties have the opportunity to raise issues as discussed in the order;³⁹ and (3) modifications to ensure that interested entities are not precluded from exercising their statutory rights.⁴⁰

27. Black Hills' protocols in Attachment H of the Joint Tariff do not provide procedures for parties to challenge the implementation of the formula rates. As stated above, the Commission has stated that interested parties must be afforded the ability to challenge a transmission owner's annual update and resolve related disputes through straightforward and defined procedures.⁴¹

28. Based on our analysis above, we find that Black Hills' protocols appear to be unjust and unreasonable. Therefore, we direct Black Hills to revise its formula rate protocols to provide specific procedures for challenges, as described above, sufficient to ensure that transmission customers pay just and reasonable rates as provided by the MISO Investigation Order and MISO Compliance Order,⁴² or show cause why it should not be required to do so.

³⁹ The Commission directed the MISO transmission owners to modify section IV.D of their protocols to allow interested parties to raise all issues:

that may be necessary to determine: (1) the extent or effect of an accounting change; (2) whether the annual true-up fails to include data properly recorded in accordance with the protocols; (3) the proper application of the formula rate and procedures in the proposed protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the annual true-up; (5) the prudence of actual costs and expenditures; and (6) the effect of any change to the underlying Uniform System of Accounts or applicable form; or any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

MISO Compliance Order, 146 FERC ¶ 61,212 at P 107.

⁴⁰ *Id.* PP 103-117.

⁴¹ MISO Investigation Order, 143 FERC ¶ 61,149 at P 118.

⁴² *See* MISO Investigation Order, 143 FERC ¶ 61,149 at PP 103-123; MISO Compliance Order, 146 FERC ¶ 61,212 at PP 103-117.

C. Compliance Filing

29. Based on our analysis, we find that Black Hills' formula rate protocols on file with the Commission appear to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, we find that it is appropriate to institute an investigation in this proceeding, Docket No. EL14-71-000, with respect to Black Hills formula rate protocols. We direct Black Hills to file revisions to the formula rate protocols within 60 days or show cause why it should not be required to do so.

30. In cases where, as here, the Commission institutes a section 206 investigation on its own motion, section 206(b) of the FPA, requires that the Commission establish a refund effective date that is no earlier than the date of publication of the notice of the Commission's initiation of its investigation in the *Federal Register*, and no later than five months after the publication date.⁴³ Consistent with our general policy of providing maximum protection to customers, we will set the refund effective date at the earliest date possible, which will be the date the notice of the initiation of the investigation in Docket No. EL14-71-000 is published in the *Federal Register*.⁴⁴

31. Section 206(b) of the FPA also requires that, if no final decision is rendered by the conclusion of the 180-day period commencing upon initiation of the section 206 proceeding, the Commission shall state the reason why it has failed to render such a decision and state its best estimate as to when it reasonably expects to make such a decision.⁴⁵

32. Any entity desiring to participate in Docket No. EL14-71-000, must file a notice of intervention or a motion to intervene, as appropriate, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), within 30 days of publication of notice in the *Federal Register* of the Commission's initiation of section 206 proceeding in Docket No. EL14-71-000.

⁴³ 16 U.S.C. § 824e(b) (2012).

⁴⁴ See, e.g., *Seminole Elec. Coop., Inc. v. Fla. Power & Light Co.*, 65 FERC ¶ 61,413, at 63,139 (1993); *Canal Elec. Co.*, 46 FERC ¶ 61,153, at 61,539, *reh'g denied*, 47 FERC ¶ 61,275 (1989). We, however, note that section 206 of the FPA confers the Commission with discretion and does not require that the Commission order refunds in every instance. *Ameren Servs. Co. v. Midwest Indep. Transmission Sys. Operator, Inc.*, 127 FERC ¶ 61,121, at P 154 (2009).

⁴⁵ 16 U.S.C. § 824e(b) (2012).

The Commission orders:

(A) Pursuant to section 206 of the Federal Power Act, Black Hills must, within 60 days of the date of this order, submit revised formula rate protocols, or show cause why it should not be required to do so, as discussed in the body of this order.

(B) Any entity desiring to participate in Docket No. EL14-71-000 as ordered above, must file a notice of intervention or a motion to intervene, as appropriate, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), within 30 days of publication of notice in the *Federal Register* of the Commission's initiation of section 206 proceeding in Docket No. EL14-71-000.

(C) The Secretary shall promptly publish in the *Federal Register* a notice of the Commission's initiation of section 206 proceeding in Docket No. EL14-71-000.

(D) The refund effective date established pursuant to section 206(b) of the FPA, will be the date of publication in the *Federal Register* of the notice discussed in Ordering Paragraph (C) above.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.