

151 FERC ¶ 61,237
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
and Tony Clark

Ameren Services Company

Docket No. EL14-46-000

ORDER ON PETITION FOR DECLARATORY ORDER

(Issued June 18, 2015)

1. On May 5, 2014, Ameren Services Company, on behalf of Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) (Ameren Services and Ameren Missouri, collectively, Ameren) filed a petition for a declaratory order (Ameren Petition) pursuant to Rule 207(a)(2) of the Commission’s Rules of Practice and Procedure,¹ asking the Commission to clarify the rate treatment of Ameren Missouri’s native load in the “Boot Heel” region of Missouri (Boot Heel Load) following the integration of Entergy Arkansas, Inc. (Entergy Arkansas) into the Midcontinent Independent System Operator, Inc. (MISO) in December 2013. Specifically, Ameren requests that the Commission issue a declaratory order interpreting the Agreement for the Provision of Transmission Service to Bundled Retail Load between MISO and Ameren Missouri (Service Agreement) as requiring the Boot Heel Load to be in the Ameren Missouri Transmission Pricing Zone (Ameren Missouri Pricing Zone) of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff) rather than in the Entergy Arkansas Transmission Pricing Zone (Entergy Arkansas Pricing Zone), for purposes of charges for MISO’s provision of network integration transmission service, after Entergy Arkansas’ integration into MISO. As discussed below, we deny the Ameren Petition.

I. Background

A. Nature of the Boot Heel Load

2. The Boot Heel Load consists of Ameren Missouri’s native load customers taking bundled retail service in the Boot Heel region of Missouri. Prior to 1991, the Boot Heel Load was served by Entergy Arkansas’ predecessor, Arkansas Power & Light Company.

¹ 18 C.F.R. § 385.207 (2014).

In 1991, Arkansas Power & Light Company sold its distribution system serving retail customers in Missouri to Ameren but retained the transmission facilities. Thus, the Boot Heel Load is not directly interconnected to the Ameren Missouri-owned transmission system; it is interconnected to the transmission facilities that Entergy Arkansas owns in Missouri. From 1991 to December 2013, Ameren Missouri served the Boot Heel Load with network integration transmission service from Entergy Arkansas. From 1991 to 2009, Ameren Missouri received the transmission service for the Boot Heel Load under a grandfathered agreement with Entergy Arkansas. In 2009, Entergy Arkansas and Ameren Missouri terminated the grandfathered agreement and entered into a new network integration transmission service agreement (2009 Ameren-Entergy Agreement). As part of Entergy Arkansas' integration into MISO in December 2013, MISO adopted the 2009 Ameren-Entergy Agreement as successor transmission provider to Entergy Arkansas.²

3. Ameren Missouri integrated into MISO in 2004. Since that time, the Boot Heel Load has been pseudo-tied into, and is part of, the Ameren Local Balancing Authority and has been included in the total load used to calculate the zonal rate for the Ameren Missouri Pricing Zone in MISO.

B. Service Agreement

4. In 2004, Ameren Missouri and MISO entered into the Service Agreement as part of a settlement among Ameren Missouri, MISO, the staff of the Missouri Public Service Commission (Missouri Commission) and others to gain the Missouri Commission's authorization for Ameren Missouri to integrate into MISO.³

5. The provisions of the Service Agreement relevant to the Ameren Petition are sections 3.1 and 3.2. Section 3.1 provides in relevant part:

Schedule 9 of the [MISO Tariff] establishes a zonal transmission rate applicable to load within the Ameren pricing zone that is taking Transmission Service from [MISO]. Notwithstanding Schedule 9 and the

² See *Midcontinent Indep. Sys. Operator, Inc.*, 145 FERC ¶ 61,249 (2013) (accepting MISO's Notice of Succession for Entergy Arkansas' transmission service agreements).

³ See *Midwest Indep. Transmission Sys. Operator, Inc.*, 106 FERC ¶ 61,293, at PP 3-4 (2004) (Ameren Integration Order). The settlement at the Missouri Commission is embodied in the Stipulation and Agreement (included as Attachment 2 to the Ameren Petition) and in the Service Agreement. Ameren Petition at 10.

rates therein, [Ameren Missouri] does not concede that FERC has jurisdiction over the transmission component of Bundled Electric Service provided to Bundled Retail Load, and does not voluntarily submit to such jurisdiction. [Ameren Missouri] shall not pay the rate set forth in Schedule 9 of the [MISO Tariff] for service to its Bundled Retail Load, but will include Bundled Retail Load in the total load used to calculate the zonal rate for Ameren. Consistent therewith, and in accordance with Section 37.3 of the [MISO Tariff], as amended, [Ameren Missouri], when taking Transmission Service from [MISO] in order to serve its Bundled Retail Load, shall not pay charges pursuant to Schedules 1 through 6 and Schedule 9 of the [MISO Tariff].

Section 3.2 provides:

Notwithstanding Section 3.1 of this Agreement, [Ameren Missouri] shall be obligated to pay [MISO] for any transmission services and ancillary services that [Ameren Missouri] requires to serve its Bundled Retail Load to the extent that [Ameren Missouri] does not provide such services for itself.

In accepting the Service Agreement, the Commission confirmed that under the Service Agreement Ameren Missouri will not pay the license plate zonal transmission rate set forth in Schedule 9, Network Integration Transmission Service, of the MISO Tariff or the ancillary service rates in Schedules 1 through 6 of the MISO Tariff for service to its bundled retail load, but Ameren Missouri will be obligated to pay MISO for any transmission services and ancillary services that Ameren Missouri requires to serve its bundled retail load to the extent that Ameren Missouri does not provide such services itself.⁴ The Commission also noted that, according to MISO and Ameren, the Service Agreement “does not appl[y] rates in Schedules 1 through 6, and 9, of the [MISO Tariff] to bundled retail service so that the Missouri Commission can set the transmission rate component for bundled retail service.”⁵

⁴ *Id.* P 9.

⁵ *Id.* P 12.

C. MISO Tariff and MISO Transmission Owners Agreement Provisions

6. Section 37.3.a of the MISO Tariff provides in relevant part:

Bundled Load: Transmission Owners and ITC Participants taking Network Integration Transmission Service to serve their Bundled Load shall not pay charges pursuant to Schedules 1, 3 through 6 and Schedule 9. . . . Notwithstanding the first sentence of this section, [Ameren Missouri] for serving [its] Bundled Load in the State of Missouri shall not pay charges pursuant to Schedule 2. [citation to *Ameren Integration Order*.] . . . Notwithstanding the foregoing in this Section 37.3.a, the following rules apply in instances in which there are multiple Transmission Owners within a pricing zone or Local Balancing Authority Area. Specifically, a Transmission Owner located in a pricing zone or Local Balancing Authority Area with one or more other Transmission Owners shall remain obligated to pay for Transmission and/or Other Ancillary Services it receives within that pricing zone or Local Balancing Authority Area that it does not provide itself unless the transmission and/or ancillary services are provided pursuant to a Grandfathered Agreement.

7. Section II.A.1.b of Appendix C of the MISO Transmission Owners Agreement provides that the “rates for Network [Integration] Transmission Service . . . shall be the rates for the Zone in which the load is located.” Section II.A.1.b applied only during a transition period that ended in 2008, but the same provision is in Schedule 9 of the MISO tariff.

II. Notice of Filing and Responsive Pleadings

8. Notice of the Ameren Petition was published in the *Federal Register*,⁶ with interventions and protests due on or before June 4, 2014. The Missouri Commission filed a notice of intervention. Exelon Corporation filed a timely motion to intervene. MISO and Entergy Services, Inc. (Entergy), on behalf of Entergy Arkansas, each filed a timely motion to intervene and protest. On June 19, 2014, Ameren filed an answer.

A. Ameren Petition

9. Ameren seeks a declaratory order determining, by interpreting the Service Agreement, the appropriate rate MISO should charge Ameren Missouri for network integration transmission service for the Boot Heel Load under the Service Agreement and

⁶ 79 Fed. Reg. 27,597 (2014).

the MISO Tariff.⁷ Ameren asserts that section 3.1 of the Service Agreement, in requiring all Ameren Missouri bundled retail load, including the Boot Heel Load, to be exempt from charges under Schedules 1 through 6 and 9 of the MISO Tariff, exempts Ameren Missouri from paying MISO the Entergy Arkansas Pricing Zone rate for network integration transmission service for the Boot Heel Load.⁸

10. Ameren argues that as of December 19, 2013, the date that Entergy Arkansas joined MISO, the rates that Ameren Missouri pays for transmission service on Entergy Arkansas-owned transmission facilities to serve the Boot Heel Load became subject to the limitations of the Service Agreement, because at that point service over Entergy Arkansas transmission facilities commenced under the MISO Tariff.⁹

11. Ameren explains that under the Service Agreement, the Boot Heel Load is part of Ameren Missouri's bundled retail load,¹⁰ and section 3.1 of the Service Agreement provides that Ameren Missouri "shall not pay the rate set forth in Schedule 9 of the [MISO Tariff] for service to its Bundled Retail Load." Ameren argues that the inclusion of all of Ameren Missouri's bundled retail load, including the Boot Heel Load, in the Ameren Missouri Pricing Zone is a fundamental part of the Service Agreement, and that the primary function of the Service Agreement is to "ensure that the [Missouri Commission] continues to set the transmission component of [Ameren Missouri's] rates to serve its Bundled Retail Load."¹¹ Ameren concludes that the Service Agreement expressly requires Ameren Missouri to include all of its bundled retail load in the total load amount used to calculate the zonal rate for the Ameren Missouri Pricing Zone, and

⁷ Ameren Petition at 13.

⁸ *Id.* at 17-19. Most relevant to the Ameren Petition is Schedule 9 of the MISO Tariff, which contains the terms and conditions for network integration transmission service.

⁹ *Id.* at 21.

¹⁰ Section 1.2 of the Service Agreement defines Bundled Retail Load as "[t]he retail electric customers of [Ameren Missouri] in the State of Missouri on whose behalf and to whom [Ameren Missouri], by statute, franchise, regulatory requirement or contract, has an obligation to provide Bundled Electric Service."

¹¹ Ameren Petition at 19 (citing Stipulation and Agreement, Stipulation § B.II(B)).

in turn not to include the Boot Heel Load in, and not to pay the rate for, the Entergy Arkansas Pricing Zone.¹²

12. Ameren argues that if the Boot Heel Load were to pay the rate for the Entergy Arkansas Pricing Zone, then MISO (as authorized by the Commission) will be setting the transmission component of Ameren Missouri's rates for the Boot Heel Load, and the costs will be socialized to all customers in the Ameren Missouri Pricing Zone. Ameren maintains that this would violate the Service Agreement because not only would Ameren Missouri be paying charges under Schedule 9 of the MISO Tariff, but the Missouri Commission would not be setting the transmission rate for Ameren Missouri's bundled retail load, including the Boot Heel Load.¹³

13. Ameren notes that section 3.2 of the Service Agreement should not be read to negate section 3.1 or "to demand a course of action that would trigger" the Missouri Commission's right to rescind its approval of Ameren Missouri's participation in MISO.¹⁴ Ameren claims that a reading of section 3.2 as negating section 3.1 or justifying charging Ameren Missouri's bundled retail load the Entergy Arkansas Pricing Zone rate "would be illogical and antithetical to the stated purpose" of the Service Agreement and the Stipulation and Agreement.¹⁵ Ameren also notes that MISO signed the Service Agreement and Stipulation and Agreement, and they predate Entergy Arkansas' integration into MISO, and therefore MISO must address the impact of Entergy Arkansas' integration into MISO in a way that complies with the agreements.¹⁶

B. Protests

14. MISO maintains that the Commission should reject the Ameren Petition because Ameren's position conflicts with the MISO Tariff and the MISO Transmission Owners Agreement, as well as with the Service Agreement.¹⁷ MISO maintains that the MISO Tariff and the MISO Transmission Owners Agreement provide unambiguously that loads

¹² *Id.*

¹³ *Id.* at 19-20.

¹⁴ *Id.* at 20 (citing Stipulation and Agreement, Stipulation § IV).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ MISO Protest at 9.

must pay the rate of the transmission pricing zone in which they are physically located and to which they are physically interconnected.¹⁸ MISO argues that even though the Boot Heel Load is pseudo-tied into the Ameren Missouri Balancing Authority, the Boot Heel Load is physically interconnected solely with Entergy Arkansas-owned transmission facilities now in the Entergy Arkansas Pricing Zone, and therefore once Entergy Arkansas' facilities became part of MISO, the Boot Heel Load must pay the Entergy Arkansas Pricing Zone rate.¹⁹

15. MISO also explains that charging Ameren Missouri for network integration transmission service for the Boot Heel Load under Schedule 9 is consistent with section 37.3.a of the MISO Tariff, which provides that, while transmission owners taking network integration transmission service to serve their bundled load are exempt from certain ancillary and transmission service charges, including charges under Schedule 9, a transmission owner located in a pricing zone with another transmission owner shall remain obligated to pay for transmission services that it does not provide itself.²⁰ MISO also points to section II.A.1.b of Appendix C of the MISO Transmission Owners Agreement, applicable in 2004 when the Service Agreement was executed, which provides that the rate for network integration transmission service shall be the rate for the zone in which the load is located.²¹ MISO concludes that under these provisions, the Boot Heel Load's physical location in the Entergy Arkansas Pricing Zone means that Ameren Missouri must pay the Entergy Arkansas Pricing Zone rate for service to the Boot Heel Load.²² MISO explains that requiring customers to pay the rate of the zone in which they are physically located is essential to preventing cost shifting.²³ MISO adds that if MISO were to treat Ameren Missouri differently (by basing its rate on something

¹⁸ *Id.*

¹⁹ *Id.* at 9-10.

²⁰ *Id.* at 10.

²¹ *Id.* As noted above, section II.A.1.b of Appendix C of the MISO Transmission Owners Agreement expressly applies only during a transition period that ended in 2008, but the same provision is in Schedule 9 of the MISO Tariff.

²² *Id.*

²³ *Id.*

other than the physical location of the load), then MISO would be giving an undue preference, in violation of section 205 of the Federal Power Act.²⁴

16. MISO explains that under the Bundled Load Exemption in section 37.3.a of the MISO Tariff, transmission owners taking network integration transmission service to serve their bundled retail load are exempt from certain schedules under the MISO Tariff, but if they are located in a pricing zone or Local Balancing Authority Area with one or more other transmission owners, then they remain obligated to pay for such services that they do not provide themselves, unless such service is provided pursuant to a grandfathered agreement. MISO maintains that under this provision, Ameren Missouri would be exempt from charges under Schedule 9 for the service to the Boot Heel Load except that the Boot Heel Load is located in the Entergy Arkansas Pricing Zone; Ameren Missouri does not provide the service to the Boot Heel Load itself but now relies on MISO to provide it on Entergy Arkansas-owned facilities; and the service is, since 2009, not provided pursuant to a grandfathered agreement.²⁵ Therefore, MISO concludes, Ameren Missouri is obligated to pay for the transmission service for the Boot Heel Load provided by MISO on Entergy Arkansas-owned facilities.

17. MISO disputes Ameren's claim that section 3.1 of the Service Agreement exempts Ameren Missouri from paying the Entergy Arkansas Pricing Zone rate for service for the Boot Heel Load in a way different from section 37.3.a of the MISO Tariff. MISO asserts that Ameren has paid Entergy Arkansas for the transmission service in the past and is attempting to use Entergy Arkansas' integration into MISO as an excuse to relieve itself of these charges.²⁶ MISO argues that while section 3.1 provides that Ameren Missouri "shall not pay the rates set forth in Schedule 9 of the [MISO Tariff] for service to its Bundled Retail Load," section 3.2 is clearly an exception to section 3.1, in that it states, "Notwithstanding Section 3.1 of this Agreement, [Ameren Missouri] shall be obligated to pay [MISO] for any transmission and ancillary services that [Ameren Missouri] requires to serve its Bundled Retail Load to the extent that [Ameren Missouri] does not provide such services for itself."²⁷ According to MISO, by Ameren's own admission, Ameren

²⁴ *Id.* at 10-11 (citing 16 U.S.C. § 824d(b) (2012)).

²⁵ *Id.* at 11.

²⁶ *Id.* at 11-12.

²⁷ *Id.* at 12-13.

Missouri does not provide transmission service for itself in the Boot Heel area, and therefore section 3.2 requires Ameren Missouri to pay MISO for such service.²⁸

18. MISO explains that the Bundled Retail Load exemption in the MISO Transmission Owners Agreement was intended to expire within six years of its adoption (but was later extended), and that sections 3.1 and 3.2 of the Service Agreement were intended to mirror the Bundled Retail Load exemption but not expire.²⁹

19. MISO contends that the Missouri Commission's jurisdiction over the transmission component of Ameren Missouri's retail rates is unchanged by Entergy Arkansas' joining MISO, as Ameren has always reported its Boot Heel Load in the Ameren Missouri Pricing Zone but paid for the Entergy Arkansas transmission service needed for the Boot Heel Load.³⁰ MISO further contends that allowing Ameren Missouri not to pay for the service to the Boot Heel Load would be contrary to the 2009 Ameren-Entergy Agreement, which governs Ameren Missouri's obligation to pay for service to the Boot Heel Load over Entergy Arkansas' facilities, and which MISO adopted.³¹ MISO argues that the Ameren Petition should be rejected as a collateral attack on the Commission's acceptance of MISO's adoption of the 2009 Ameren-Entergy Agreement.³² MISO also argues that based on fairness and commonsense, Ameren Missouri should have to pay for transmission service on Entergy Arkansas facilities, and to allow Ameren Missouri not to pay would be to deprive Entergy Arkansas of revenues based on a Service Agreement to which Entergy Arkansas is not a party.³³

20. Entergy argues that Ameren's claim that section 3.1 of the Service Agreement exempts Ameren Missouri from paying the Entergy Arkansas Pricing Zone rate fails to recognize the existence of section 3.2, which requires Ameren Missouri to pay for service it receives.³⁴ Entergy, like MISO, asserts that sections 3.1 and 3.2 of the Service

²⁸ *Id.* at 13-15.

²⁹ *Id.* at 14.

³⁰ *Id.* at 15.

³¹ *Id.* at 3, 15-16.

³² *Id.* at 16.

³³ *Id.* at 3.

³⁴ Entergy Protest at 10-11.

Agreement mirror the Bundled Retail Load exemption in section 37.3.a of the MISO Tariff, including the “notwithstanding” language stating that a transmission owner remains obligated to pay for transmission service that it does not provide itself.³⁵ As evidence of the meaning of section 37.3.a of the MISO Tariff, Entergy quotes MISO’s November 1, 2002 transmittal letter accompanying proposed section 37.3.a, in which MISO stated that the exception is intended to prevent one transmission owner from receiving transmission service without providing appropriate compensation to the other transmission owner actually providing the service.³⁶ Entergy argues that under section 37.3.a of the MISO Tariff (and under section 3.2 of the Service Agreement), Ameren is required to pay a share of the costs of Entergy Arkansas facilities and to provide adequate compensation for the service provided by Entergy Arkansas.³⁷

21. Entergy also asserts that contrary to Ameren’s claim, the Missouri Commission will retain the ability to set the transmission component of Ameren Missouri’s rates for all transmission service that Ameren Missouri actually provides itself, i.e., services over transmission facilities owned by Ameren Missouri.³⁸ Entergy further asserts that while the Missouri Commission will not have the ability to set rates for wholesale transmission service over Entergy Arkansas’ facilities, the Missouri Commission never had that ability to begin with, and thus the Missouri Commission’s jurisdiction over bundled retail load is not changed by Entergy Arkansas’ integration into MISO.³⁹ In addition, Entergy argues that Entergy Arkansas’ integration into MISO does not change the applicability of the Service Agreement to Entergy Arkansas’ service to the Boot Heel Load: the Service Agreement, including section 3.2, applied before and continues to apply after.⁴⁰

C. Answer

22. Ameren asserts that MISO’s and Entergy’s overall position is that the similarity between sections 3.1 and 3.2 of the Service Agreement and sections 37.3 and 37.3a of the MISO Tariff justifies applying the Entergy Arkansas Pricing Zone rate to the Boot Heel

³⁵ *Id.* at 3.

³⁶ *Id.* at 3-4.

³⁷ *Id.* at 12-13.

³⁸ *Id.* at 13.

³⁹ *Id.* at 13-14.

⁴⁰ *Id.* at 14.

Load.⁴¹ Ameren states that MISO and Entergy ignore three things: that the Service Agreement predates by many years Entergy Arkansas' integration into MISO; that the Service Agreement's purpose is to ensure that the Missouri Commission sets the transmission component of Ameren Missouri's bundled retail load rates; and that the Service Agreement requires MISO to include all of Ameren Missouri's bundled retail load in the total load used to calculate the rate for the Ameren Missouri Pricing Zone.⁴²

23. Ameren maintains that prior to Entergy Arkansas joining MISO, the rates that Ameren Missouri paid for transmission service on Entergy Arkansas facilities were not MISO rates, and thus did not violate the Service Agreement's prohibition on paying MISO rates.⁴³ Ameren reasserts that if Ameren Missouri is required to pay the Entergy Arkansas Pricing Zone rate for transmission service for the Boot Heel Load, then the Service Agreement will be violated because: Ameren Missouri would be paying Schedule 9 charges under the MISO Tariff, contrary to section 3.1; the Missouri Commission would not be setting the rate for the transmission service for the Boot Heel Load, contrary to the purpose of the Service Agreement; and the charges for the transmission service for the Boot Heel Load will be socialized to all Ameren Missouri retail customers in the Ameren Missouri Pricing Zone such that all Ameren Missouri customers will be paying a rate not set by the Missouri Commission, contrary to the purpose of the Service Agreement.⁴⁴

24. Regarding MISO's adoption of the 2009 Ameren-Entergy Agreement, Ameren Missouri argues that that agreement is irrelevant to this dispute because it provides for charges in Attachment H of the Entergy open access transmission tariff, which is not part of the MISO Tariff, and thus the agreement does not charge a MISO rate.⁴⁵

⁴¹ Ameren Answer at 5.

⁴² *Id.* at 5-6.

⁴³ *Id.* at 6-7.

⁴⁴ *Id.* at 7-8.

⁴⁵ *Id.* at 8-9.

III. Discussion

A. Procedural Matters

25. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,⁴⁶ the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

26. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure⁴⁷ prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept Ameren's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

27. We deny the Ameren Petition. While section 3.1 of the Service Agreement exempts Ameren Missouri from MISO charges for Ameren Missouri's bundled retail load, which would include Schedule 9 charges for the network integration service for the Boot Heel Load, section 3.2 of the Service Agreement provides an exception to the section 3.1 exemption for services that Ameren Missouri does not provide itself. A fundamental tenet of contract interpretation is that a contract provision should be interpreted, where possible, as consistent with the contract as a whole and that the contract must be interpreted as a whole.⁴⁸ In accordance with these rules, provisions of a contract should normally not be interpreted as being in conflict. Pursuant to these principles and consistent with the Commission's contract interpretation policies, we find that the plain language of the Service Agreement, in its entirety, must be given effect. Thus, while section 3.1 provides that Ameren will not pay for network transmission service for service to its bundled retail load, section 3.2 provides that Ameren will have to pay for any services that it does not provide itself. Ameren fails to offer any other context or purpose for the existence of section 3.2. While the purpose of the Service Agreement may have been to preserve the Missouri Commission's jurisdiction over the

⁴⁶ 18 C.F.R. § 385.214 (2014).

⁴⁷ 18 C.F.R. § 385.213(a)(2) (2014).

⁴⁸ *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,010, at P 25 (2004) (citing *Clyburn v. 1411 K St. Ltd. Partnership*, 628 A.2d 1015, 1018 (D.C. 1993); *BWX Elecs., Inc. v. Control Data Corp.*, 289 U.S. App. D.C. 114, 929 F.2d 707, 711 (D.C. Cir. 1991) (“It is a fundamental tenet of contract interpretation that a contract provision should be interpreted, where possible, as consistent with the contract as a whole.”)).

transmission component of Ameren's bundled retail load, section 3.2 unambiguously states that, notwithstanding section 3.1, Ameren must pay for services for its bundled retail load that it does not provide for itself. Ameren's argument that section 3.1 is the only relevant provision would require that the Commission ignore section 3.2, which would be inconsistent with Commission precedent concerning contract interpretation.⁴⁹

28. We also find that the provisions of the Service Agreement are consistent with section 37.3.a of the MISO Tariff, which provides that a transmission owner is exempt from paying Schedule 9 charges for network integration transmission service for its bundled retail load unless the transmission owner requires transmission services from another transmission owner, in which case it must pay for those services, and with section II.A.1.b of Appendix C of the MISO Transmission Owners Agreement and Schedule 9 of the MISO Tariff, which provide that load pays the rate for the zone in which it is physically located; and that taken together, these provisions of the MISO Tariff and MISO Transmission Owners Agreement require that Ameren Missouri pay for transmission service it receives from Entergy Arkansas in the Entergy Arkansas Pricing Zone. Agreeing with Ameren would result in Ameren Missouri not paying for transmission service it receives from Entergy Arkansas, violating the requirement in section 37.3.a of the MISO Tariff that a transmission owner pay for services that it does not provide itself, and the provisions in the MISO Transmission Owners Agreement and MISO Tariff Schedule 9 requiring that load pays the rates for the zone in which it is located.

29. Moreover, when the Commission accepted the Service Agreement, it acknowledged a possible scenario in which Ameren Missouri pays MISO for service that Ameren Missouri does not provide to itself. Specifically, the Commission explained that, while Ameren will not pay the rates under MISO's Schedule 9 for service to its bundled load, Ameren is still obligated to "pay [MISO] for any transmission services and ancillary services that [Ameren] requires to serve its bundled retail load to the extent that [Ameren] does not provide such services itself."⁵⁰ The Commission's reference to paying MISO for such services applies precisely to the situation here.

30. Further, Ameren's assertion that denial of its Petition would cause the Missouri Commission to lose jurisdiction over the transmission component of Ameren's bundled

⁴⁹ See, e.g., *Pub. Serv. Co. of New Hampshire v. New Hampshire Elec. Coop. Inc.*, 86 FERC ¶ 61,174, at 61,598 (1999) ("It is well established in contract law that a contract should be construed so as to give effect to all of its provisions and to avoid rendering any provision meaningless.").

⁵⁰ See Ameren Integration Order, 106 FERC ¶ 61,293 at P 9.

retail load is also unpersuasive. According to Ameren, the intent of the Service Agreement is to preserve the Missouri Commission's jurisdiction over the transmission component of Ameren Missouri's bundled retail load. Entergy Arkansas' integration into MISO does not change the Missouri Commission's jurisdiction or the terms of the Service Agreement. We agree with Entergy that the Missouri Commission did not have the ability to set the rate for the transmission service to the Boot Heel Load provided on Entergy Arkansas-owned transmission facilities prior to Entergy Arkansas' integration into MISO, and Entergy Arkansas' integration into MISO does not change that.

31. Prior to Entergy Arkansas' integration into MISO, Ameren Missouri paid Entergy Arkansas for network integration transmission service, first under the 1991 agreement and then under the 2009 Ameren-Entergy Agreement, at the rate provided in the Attachment H of the Entergy open access transmission tariff. Following Entergy Arkansas' integration into MISO, Ameren Missouri is to pay for network integration transmission service at the Entergy Arkansas Pricing Zone rate under Schedule 9 of the MISO Tariff.⁵¹ In both instances, Ameren Missouri paid or is paying a Commission-jurisdictional rate for transmission service over the Entergy Arkansas-owned transmission facilities in Missouri. Under Ameren's interpretation of the Service Agreement, Ameren would not pay for the transmission service over Entergy Arkansas' transmission facilities, depriving Entergy Arkansas of a portion of its revenues. For the above reasons, we reject Ameren's interpretation of the Service Agreement and deny Ameren's Petition.

The Commission orders:

Ameren's Petition is hereby denied, as discussed in the body of this order.

By the Commission. Commissioner Honorable is not participating.

(S E A L)

Kimberly D. Bose,
Secretary.

⁵¹ As noted above, MISO succeeded to Entergy Arkansas' rights under the 2009 Ameren-Entergy Agreement.