

170 FERC ¶ 61,072
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Richard Glick and Bernard L. McNamee.

Electric Energy, Inc.
GridLiance Heartland LLC

Docket No. EC20-13-000

ORDER CONDITIONALLY AUTHORIZING
ACQUISITION AND DISPOSITION OF JURISDICTIONAL FACILITIES

(Issued January 31, 2020)

1. On November 1, 2019, Electric Energy, Inc. (EEInc) and GridLiance Heartland LLC (GridLiance Heartland) (together, Applicants) filed an application pursuant to sections 203(a)(1)(A) and (B) of the Federal Power Act (FPA)¹ requesting authorization for EEInc to sell, and GridLiance Heartland to acquire, certain transmission lines and related assets (Proposed Transaction).²

2. We have reviewed the Proposed Transaction under the Commission's Merger Policy Statement.³ As discussed below, we authorize the Proposed Transaction as

¹ 16 U.S.C. § 824b(a)(1)(A) and (B) (2018).

² Joint Application for Authorization to Sell and Acquire Transmission Facilities Pursuant to Section 203 of the Federal Power Act and Request for Certain Waivers, Expedited Consideration, and Confidential Treatment, Docket No. EC20-13-000 (filed Nov. 1, 2019) (Application). As described in further detail below, Applicants previously requested authorization for EEInc to sell, and for GridLiance Heartland to purchase, these transmission assets. Joint Application for Authorization to Sell and Acquire Transmission Facilities Pursuant to Section 203 of the Federal Power Act and Request for Certain Waivers, Expedited Consideration and Confidential Treatment, Docket No. EC19-42-000 (filed Dec. 26, 2018) (December 2018 Application). The Commission denied the December 2018 Application without prejudice to Applicants making a new filing. *Electr. Energy, Inc.*, 168 FERC ¶ 61,130, at P 72 (2019) (August 2019 Order).

³ *Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996) (Merger Policy Statement) (cross-referenced at 77 FERC ¶ 61,263), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997); *see also FPA Section 203 Supplemental Policy*

consistent with the public interest, subject to certain conditions regarding Applicants' proposed mitigation of the rate effects of the Proposed Transaction.

I. Background

A. Description of Applicants

1. EEInc

3. Applicants state that Vistra Energy Corp. (Vistra) owns an 80 percent interest in EEInc and Kentucky Utilities Company (Kentucky Utilities) owns a 20 percent interest in EEInc.⁴ According to Applicants, EEInc was originally formed in 1950 to provide electricity to a uranium enrichment facility in Paducah, Kentucky (Paducah Facility). EEInc owns and operates the 1,000 megawatt (MW) Joppa generating station located in Joppa, Illinois and a set of transmission assets that have historically been used to deliver power from EEInc's generating facilities to the Paducah Facility. The transmission assets include six 161 kilovolt (kV) transmission lines that range from approximately eight to ten miles in length each, two 161 kV substations, and associated auxiliary equipment (Transmission Assets). In 2017, EEInc reconfigured its transmission system to disconnect from the Paducah Facility so that four of the transmission lines connect with the Tennessee Valley Authority and the other two lines connect with the Louisville Gas and Electric Company and Kentucky Utilities Company (together, LG&E/KU) balancing authority area. The Transmission Assets are also connected to the transmission system operated by the Midcontinent Independent System Operator, Inc. (MISO), via Ameren Corporation's transmission lines.⁵ EEInc serves as Transmission Owner, Transmission Operator, and Balancing Authority for the Transmission Assets.⁶

Statement, FERC Stats. & Regs. ¶ 31,253 (2007) (Supplemental Policy Statement), *order on clarification and reconsideration*, 122 FERC ¶ 61,157 (2008); *Transactions Subject to FPA Section 203*, Order No. 669, 113 FERC ¶ 61,315 (2005), *order on reh'g*, Order No. 669-A, 115 FERC ¶ 61,097, *order on reh'g*, Order No. 669-B, 116 FERC ¶ 61,076 (2006); *Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, FERC Stats. & Regs. ¶ 31,111 (2000) (cross-referenced at 93 FERC ¶ 61,164), *order on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001).

⁴ Application at 5.

⁵ *Id.* at 6. *See also* Application, Ex. No. GLH-500, Prepared Direct Testimony of John A. Krajewski, P.E. at 8-9.

⁶ Application at 14.

4. Applicants explain that EEInc has a Commission-approved open access transmission tariff (OATT) on file that governs service over the Transmission Assets. Applicants note, however, that no non-affiliated entity has ever requested transmission service over the Transmission Assets.

5. Applicants state that EEInc makes sales at wholesale pursuant to a market-based rate tariff on file with the Commission. Applicants also state that, through upstream ownership interests, EEInc is affiliated with various companies that are principally engaged in the generation of electric power and wholesale power sales throughout the United States.⁷

2. GridLiance Heartland

6. Applicants state that GridLiance Heartland is a transmission-only utility (transco) formed to partner with electric cooperatives, municipal electric utilities, and joint action agencies in MISO. Applicants note that GridLiance Heartland is not affiliated with any market participant operating in MISO, but that it has affiliate transcos that have been formed to operate in other Independent System Operators (ISO) and Regional Transmission Organizations (RTO).

7. Applicants explain that GridLiance Heartland and its affiliated transcos (GridLiance Transcos) operating in other ISOs and RTOs are subsidiaries of GridLiance HoldCo, LP (GridLiance HoldCo).⁸ Applicants explain further that, except for a small interest owned by management, GridLiance HoldCo's shares are owned exclusively by Blackstone Power and Natural Resources, LP (Blackstone Power), whose limited partners are Blackstone Energy Partners II, LP (BEP II), together with its alternative investment vehicles and affiliates. Applicants state that Blackstone Power is controlled by its general partner, Blackstone Power & Natural Resources Holdco G.P., LLC (Blackstone Power

⁷ Applicants note that, since the December 2018 Application, Vistra has engaged in Commission-approved acquisitions that have led to EEInc becoming affiliated with additional Commission-jurisdictional entities. *Id.* at n.26, 6-7. According to Applicants, some of these new affiliates are primarily retail service providers but have market-based rate authorization to sell energy and ancillary services in Commission-jurisdictional markets and do not own generation capacity or transmission assets. *Id.* at 7.

⁸ *Id.* at 9-10. *See also* Application, Exhibit No. GLH-400, Prepared Direct Testimony of Trent Carlson at 6 (Carlson Test.).

Holdco). Each of Blackstone Power, Blackstone Power Holdco, and BEP II are affiliates of The Blackstone Group Inc. (Blackstone).⁹

8. Applicants note that Blackstone is affiliated with facilities used for the generation or transmission of electric energy in other areas of the country, but not in the MISO region. In addition, Applicants represent that Blackstone is not affiliated with any public utility with a franchised electric service territory in the United States. Applicants state that Blackstone is affiliated with certain energy marketing entities, and entities that own and develop natural gas liquefaction and export facilities, as well as interconnecting pipelines in the United States. Applicants also state that Blackstone is affiliated with Somerset Railroad Corporation, which owns and leases railroad cars used solely to transport coal.¹⁰

B. The Proposed Transaction

9. Applicants state that the terms upon which EEInc will sell and GridLiance Heartland will acquire the Transmission Assets are set forth in an asset purchase agreement.

10. Applicants explain that, upon closing the Proposed Transaction, GridLiance Heartland will transfer functional control of four of the six transmission lines that comprise the Transmission Assets to MISO (MISO 2020 Assets). Applicants state that those lines will be incorporated into MISO Joint Pricing Zone 3A (MISO Zone 3A) pursuant to a Joint Pricing Zone Revenue Allocation Agreement (Pricing Zone Agreement).¹¹ To allow GridLiance Heartland to accommodate an existing power supply agreement between an EEInc affiliate and the Kentucky Municipal Energy Agency, Applicants explain that GridLiance Heartland will retain functional control of the other two transmission lines that comprise the Transmission Assets until 2022, when the term of the underlying power supply agreement expires. Upon termination of the power supply agreement, GridLiance Heartland will transfer those two lines to MISO (MISO 2022 Assets). Applicants state that, until then, GridLiance Heartland will provide open access transmission service over the MISO 2022 Assets and related substation facilities.¹²

⁹ Application at 11.

¹⁰ *Id.* at 12-13.

¹¹ *Id.* at 2. Applicants state that MISO filed the Pricing Zone Agreement in Docket No. ER19-1229-000 and that it is currently pending before the Commission. *Id.* n.6.

¹² *Id.* at 2. Applicants note that GridLiance Heartland filed its Open Access Transmission Tariff (GridLiance Heartland OATT) on June 10, 2019 in Docket

11. Applicants state that, after the Proposed Transaction closes, GridLiance Holdco will assume the role of Transmission Owner and Transmission Operator for the Transmission Assets for GridLiance Heartland for purposes of complying with North American Electric Reliability Corporation (NERC) Reliability Standards. In addition, MISO will become the Balancing Authority for the MISO 2020 Assets that are transferred to MISO, and GridLiance Heartland will become the Balancing Authority for the MISO 2022 Assets until they are transferred to MISO.¹³

12. As noted above, Applicants previously requested authorization for EEInc to sell, and for GridLiance Heartland to purchase, these assets. The Commission denied the December 2018 Application on the ground that “Applicants have not demonstrated that the Proposed Transaction will result in benefits that offset the rate increase they acknowledge will result from the transaction.”¹⁴ However, the denial was “without prejudice to Applicants making a new filing that either proposes adequate ratepayer protection or that demonstrates specific additional benefits to offset the rate increase.”¹⁵

II. Notice of Filing

13. Notice of the Application was published in the *Federal Register*, 84 Fed. Reg. 60,387 (2019), with interventions and protests due on or before November 22, 2019.

14. Motions to intervene were filed by Ameren Services Company, on behalf of its affiliate, Ameren Illinois Company (Ameren Illinois);¹⁶ Public Citizen, Inc.; American Electric Power Service Corporation; and LG&E/KU. The Illinois Commerce Commission (Illinois Commission) filed a notice of intervention.

15. On November 22, 2019, Ameren filed a protest. On December 6, 2019, Applicants filed a motion for leave to answer and answer to Ameren’s protest. On December 20, 2019, Ameren filed an answer to Applicants’ answer.

No. ER19-2092-000. *Id.* n.7. The Commission is addressing the GridLiance Heartland OATT in *GridLiance Heartland LLC*, 170 ¶ FERC 61,074 (2020) and *Midcontinent Independent System Operator, Inc. and GridLiance Heartland LLC*, 170 ¶ FERC 61,073 (2020), which is issuing concurrently with this order.

¹³ *Id.* at 14. *See also* Carlson Test. at 12.

¹⁴ August 2019 Order, 168 FERC ¶ 61,130 at P 72.

¹⁵ *Id.*

¹⁶ In this order, Ameren Illinois, together with Ameren Corporation and Ameren Services Company, are collectively referred to as Ameren.

III. Procedural Matters

16. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

17. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2019), prohibits an answer to a protest and/or answer unless otherwise ordered by the decisional authority. We accept the answers because they have provided information that assisted us in our decision-making process.

IV. Discussion

A. FPA Section 203 Standard of Review

18. FPA section 203(a)(4) requires the Commission to approve proposed dispositions, consolidations, acquisitions, or changes in control if the Commission determines that the proposed transaction will be consistent with the public interest.¹⁷ The Commission's analysis of whether a proposed transaction is consistent with the public interest generally involves consideration of three factors: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.¹⁸ FPA section 203(a)(4) also requires the Commission to find that the proposed transaction "will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest."¹⁹ The Commission's regulations establish verification and informational requirements for entities that seek a determination that a proposed transaction will not result in inappropriate cross-subsidization or pledge or encumbrance of utility assets.²⁰

¹⁷ 16 U.S.C. § 824b(a)(4) (2018).

¹⁸ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,111.

¹⁹ 16 U.S.C. § 824b(a)(4).

²⁰ 18 C.F.R. § 33.2(j) (2019).

B. Analysis of the Proposed Transaction**1. Effect on Competition****a. Applicants' Analysis****i. Horizontal Competition**

19. Applicants claim that the Proposed Transaction does not raise any horizontal market power issues. Applicants state that GridLiance Heartland has no operating generation or transmission-related assets in MISO, and that Blackstone is not affiliated with any facilities for the generation or transmission of electric energy in MISO.²¹

ii. Vertical Competition

20. Applicants state that the Proposed Transaction does not raise any vertical market power issues. Applicants state that the Proposed Transaction does not involve inputs to electricity products or electric power production, and that transmission service over the Transmission Assets will be provided pursuant to the MISO Open Access Transmission, Energy and Reserve Markets Tariff (MISO Tariff) or the GridLiance Heartland OATT. As a result, Applicants assert that GridLiance Heartland cannot use the Transmission Assets to erect barriers to entry, exercise market power, or provide preferred access. Applicants note also that the Commission has found that anticompetitive effects are unlikely to arise with respect to transactions that involve only the disposition of transmission facilities, such as the Proposed Transaction.²²

b. Commission Determination

21. In analyzing whether a proposed transaction will adversely affect horizontal competition, the Commission examines the effects on concentration in the relevant geographic markets and whether the proposed transaction otherwise creates the incentive and ability to engage in behavior harmful to competition, such as withholding of generation.²³

22. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on horizontal competition because it does not involve any change in ownership or control of any generating assets.

²¹ Application at 15.

²² *Id.* (citing *ITC Holdings Corp.*, 143 FERC ¶ 61,256, at P 60 (2013)).

²³ *Nev. Power Co.*, 149 FERC ¶ 61,079, at P 28 (2014).

23. In analyzing whether a proposed transaction presents vertical market power concerns, the Commission considers the vertical combination of upstream inputs, such as transmission or natural gas, with downstream generating capacity. As the Commission has previously found, transactions that combine electric generation assets with inputs to generating power (such as natural gas, transmission, or fuel) can harm competition if the transaction increases an entity's ability or incentive to exercise vertical market power in wholesale electricity markets. For example, by denying rival entities access to inputs or by raising their input costs, an entity created by a transaction could impede entry of new competitors or inhibit existing competitors' ability to undercut an attempted price increase in the downstream wholesale electricity market.²⁴

24. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on vertical competition because it does not involve the combination of transmission facilities with affiliated generation in the same market.

2. Effect on Rates

a. Applicants' Analysis

25. Applicants argue that the evidence in the Application supports a finding that the Proposed Transaction does not have an adverse effect on rates, and that the Application also directly addresses the Commission's concerns in the August 2019 Order, which rejected, without prejudice, Applicants' previous request for authorization for EEInc to dispose of, and for GridLiance Heartland to acquire, the Transmission Assets.

26. According to Applicants, in the August 2019 Order, the Commission concluded that, under the specific facts and record established in Docket No. EC19-42-000, it could not find that the non-quantifiable benefits of the transaction offset the rate increase associated with GridLiance Heartland's MISO Annual Transmission Revenue Requirement (Revenue Requirement). Applicants note that the Commission's denial was without prejudice to Applicants making a new filing that either proposed adequate ratepayer protection or demonstrated specific additional benefits to offset the rate increase. Applicants state that the Application provides both adequate ratepayer protection intended to offset the projected rate increase and demonstrates additional benefits that offset any remaining increase. In particular, Applicants propose fixed credits equal to the amounts identified in the August 2019 Order as the difference between the projected transmission rates of EEInc and GridLiance Heartland (Rate Mitigation Credits). In addition, Applicants provide new specific evidence of: (1) benefits that will accrue to MISO solely as a result of GridLiance Heartland's ownership and operation of the Transmission Assets;

²⁴ *Upstate N.Y. Power Producers, Inc.*, 154 FERC ¶ 61,015, at P 15 (2016); *Exelon Corp.*, 138 FERC ¶ 61,167, at P 112 (2012).

(2) a partnership with a non-public utility that is tied to the Transmission Assets; and
(3) benefits to MISO customers from the GridLiance Heartland business model as a transco focused on strategic partnerships.²⁵

i. Rate Mitigation Credits

27. Applicants explain that, in the August 2019 Order, the Commission calculated the rate increase resulting from GridLiance Heartland's ownership of the Transmission Assets by comparing a forecast of GridLiance Heartland's Revenue Requirement to a forecast of EEInc's Revenue Requirement if it retained ownership of the Transmission Assets. Applicants state that the difference for the Transmission Assets was \$3.6 million,²⁶ and \$2.65 million for only the MISO 2020 Assets.²⁷

28. To address the rate increase, GridLiance Heartland commits to credit a fixed amount, \$2,650,000 on an annualized basis, to offset the rate impact of including the MISO 2020 Assets in the MISO Tariff. The credits for these transmission lines would be provided for five years from the date of closing of the Proposed Transaction (Rate Mitigation Period). GridLiance Heartland also commits to credit an additional fixed amount, \$950,000, to offset the rate impact of the MISO 2022 Assets. The credit for these lines would be provided from the time they are added to the MISO Tariff through the end of the Rate Mitigation Period. Applicants state that the five-year period for the Rate Mitigation Credits is similar to the standard length of FPA section 203 ratepayer protections, such as the rate freeze the Commission accepted when Dynegy Inc. purchased EEInc²⁸ and the Commission's model hold harmless commitment.²⁹

29. Applicants claim that the Rate Mitigation Credits offset the projected difference in EEInc's and GridLiance Heartland's rates.³⁰ They explain that the Rate Mitigation Credits will be applied as a fixed "revenue credit" each rate year and will reduce

²⁵ Application at 16-17.

²⁶ *Id.* at 16 (citing August 2019 Order, 168 FERC ¶ 61,130 at P 76).

²⁷ *Id.* (citing August 2019 Order, 168 FERC ¶ 61,130 at P 72).

²⁸ *Id.* at 22 (citing *Ameren Energy Generating Co.*, 145 FERC ¶ 61,034, at P 89 (2013)).

²⁹ *Id.* (citing *Policy Statement on Hold Harmless Commitments*, 155 FERC ¶ 61,189, at P 8 (2016) (Hold Harmless Policy Statement)).

³⁰ *Id.* at 17-18.

GridLiance Heartland's projected and trued-up Revenue Requirements by a corresponding amount for five years. According to Applicants, since GridLiance Heartland will utilize a forward-looking formula rate, a rate freeze or rate cap is not practicable. Applicants assert that the Rate Mitigation Credits balance the risks and rewards for a start-up transco with a small initial rate base. Applicants note, for example, that GridLiance Heartland's actual Revenue Requirement could exceed the projected Revenue Requirement for reasons that would apply even if EEInc retained ownership, such as unexpected storm damage or a new NERC reliability requirement. Applicants also note that if GridLiance Heartland's Revenue Requirement increases by more than the Rate Mitigation Credits due to it pursuing and building MISO-approved upgrades, the attendant benefits of those activities would offset such an increase. Applicants state that their proposal is comparable to Gulf Power Company's five-year rate cap mitigation proposal, which offset the cost of NextEra Energy, Inc.'s purchase of Gulf Power Company, and was recently accepted by the Commission.³¹ Applicants clarify that ratepayers will retain the same rights under the proposed mitigation as they would otherwise have under existing formula rate annual update and review processes.³²

ii. Benefits of the Proposed Transaction

30. In addition to offering the Rate Mitigation Credits, Applicants claim that the Proposed Transaction will result in benefits. According to Applicants, in the August 2019 Order, the Commission suggested that GridLiance Heartland could provide details regarding specific actions that GridLiance Heartland intended to take, or could take, once it acquired the Transmission Assets that would produce unique benefits to MISO's customers. Applicants claim that, subsequent to the record closing in Docket No. EC19-42-000, GridLiance Heartland has expended both internal and external resources to plan for new transmission development, such that the Proposed Transaction will result in benefits that were not previously described in that proceeding.

31. First, Applicants state that GridLiance Heartland is currently engaged in, and will continue to participate in, proactive planning studies to explore the way that the Transmission Assets "may be optimized to solve documented transmission constraints."³³ Applicants note that after the record in Docket No. EC19-42-000 closed, MISO issued a supplemental request, outside of the MISO Transmission Expansion Plan process, for proposals to relieve congestion along the MISO north-south seam and to reduce the costs

³¹ *Id.* at 20 (referring to *NextEra Energy Inc.*, 165 FERC ¶ 61,263 (2018) (*NextEra Energy*)).

³² *Id.* at 21.

³³ *Id.* at 24.

MISO must pay neighboring utilities for use of their transmission assets. Applicants state that GridLiance Heartland has identified and proposed specific projects utilizing the Transmission Assets to address MISO's concerns, and that these proposals would not have been made but for GridLiance Heartland's anticipated ownership of the assets. Applicants note that EEInc "did not submit proposals to MISO and does not currently intend to propose solutions or engage in development in this manner beyond what it is legally required to do, as [EEInc's] focus is on generation and its ownership of transmission lines is essentially incidental to that purpose."³⁴

32. Second, Applicants state that GridLiance Heartland is currently negotiating a cooperative planning arrangement with a non-public utility in connection with its proposals to MISO, and that this effort commenced after the record in Docket No. EC19-42-000 closed. Applicants represent that because of the potential for the Transmission Assets to be optimized through projects in coordination with the non-public utility, GridLiance Heartland would not pursue the potential partnership but for its planned ownership of the assets. Applicants represent that EEInc would have no interest in pursuing such a partnership.³⁵

33. Finally, Applicants claim that, as an operating utility in MISO, GridLiance Heartland will be able to address underinvestment in transmission by municipal and cooperative utilities in MISO. According to Applicants, underinvestment means that customers of these small entities like in MISO face higher increases in transmission rates than customers of investor-owned utilities.³⁶ Applicants assert that the GridLiance Transcos' business model is "uniquely-suited to address"³⁷ this issue through its active pursuit of partnerships. As in the December 2018 Application, Applicants cite to the benefits of GridLiance Heartland's competitive efforts in and around MISO, which they claim have reduced incumbent utility price estimates and facilitated transmission expansion by municipalities.³⁸

³⁴ *Id.* at 26. *See also* Application, Exhibit No. EEI-700, Prepared Direct Testimony of Stephen Wait at 7-8.

³⁵ *Id.*

³⁶ Application at 28.

³⁷ *Id.*

³⁸ *Id.* at 29. *See also* Ex. No. GLH-200, Prepared Direct Testimony of Justin M. Campbell, IV at 13-17; Carlson Test. at 14-18.

b. Ameren Protest

34. Ameren protests Applicants' claims regarding the effect of the Proposed Transaction on rates, alleging that the Rate Mitigation Credits are insufficient; that Applicants have failed to show that the Proposed Transaction will result in offsetting benefits; and that the Application includes unexplained accounting entries. In addition, Ameren claims that Applicants have included certain amounts in the accounting entries for the Proposed Transaction that the relevant testimony does not address.³⁹ Ameren urges the Commission to reject the Proposed Transaction, or, absent rejection, to seek supplemental information from Applicants and impose additional mitigation to ensure that the Proposed Transaction is consistent with the public interest.

i. Applicants' Proposed Mitigation

35. Ameren disputes Applicants' claims that the Rate Mitigation Credits are similar to a rate cap proposal recently accepted by the Commission.⁴⁰ According to Ameren, in *NextEra Energy*, the Commission accepted (1) a commitment to cap rates for five years at the lower of the acquiring company's new OATT rate or the OATT rate of the company disposing of the transmission assets, and (2) a commitment to provide protection, indefinitely, against rate pancaking as a result of the new stand-alone entity. Ameren contrasts this mitigation with the Rate Mitigation Credits, noting that Applicants are not committing to cap GridLiance Heartland's rates at the lower of two rates, are not committing to five years of rate mitigation for the MISO 2022 Assets, and have failed to reflect GridLiance Heartland's \$23.6 million regulatory asset⁴¹ in the proposed mitigation.

36. Ameren argues that since GridLiance Heartland's proposal is a "snapshot in time," based on estimated rather than actual Revenue Requirements and costs that may be too

³⁹ Ameren Protest at 23.

⁴⁰ *Id.* at 18.

⁴¹ The Commission previously granted GridLiance Heartland's proposal to establish a regulatory asset that would include all prudently incurred pre-commercial costs that are not capitalized, including, for example, start-up and formation costs, and costs to support planning and bid development activities, such as engineering and consultant fees, legal fees, administrative expenses, travel expenses and development surveys. *GridLiance Heartland LLC*, 166 FERC ¶ 61,067, at PP 47, 57-61 (2019) (Regulatory Asset Order). GridLiance Heartland received authorization to defer recovery of the regulatory asset until it has a rate mechanism under the MISO Tariff pursuant to which it could recover such costs. *Id.* P 48.

low, in order to meet the same mitigation commitment accepted in *NextEra Energy*, GridLiance Heartland should commit to credit the higher of (a) its proposed \$2,650,000 plus \$950,000 or (b) \$2,650,000 plus \$950,000 *and* a true-up amount that reflects the current differences in operating costs between ownership under EEInc and GridLiance Heartland (including GridLiance Heartland's regulatory asset) for each year of the Rate Mitigation Period. According to Ameren, these changes attempt to address the likelihood that, if the Proposed Transaction is approved, MISO Zone 3A customers will pay additional costs associated with GridLiance Heartland's active participation in MISO to pursue other projects and partnerships that, like the Transmission Assets, are unlikely to benefit customers in that zone. Ameren also argues that Applicants must extend the Rate Mitigation Credits for the MISO 2022 Assets to five years from the date that they are added to the MISO Tariff to account for the fact that, as proposed, the Rate Mitigation Credits for the MISO 2022 Assets would apply for less than four years.⁴²

37. Ameren faults Applicants for not including any protection from the impact of GridLiance Heartland's regulatory asset despite the fact that the August 2019 Order noted that the rate increase of the previously proposed transaction could be even greater than the \$3.6 million difference between the GridLiance Heartland and EEInc Revenue Requirements if GridLiance Heartland followed through with its intention to seek recovery of its regulatory asset.⁴³ Ameren asserts that, rather than addressing this issue, Applicants state that GridLiance Heartland is not seeking to recover its regulatory asset in this proceeding and that the regulatory asset, if approved, would be recovered through all pricing zones where GridLiance Heartland has assets.⁴⁴ Ameren claims that this response is insufficient because, as the Commission stated, the regulatory asset costs are due solely to GridLiance Heartland taking ownership of the Transmission Assets.⁴⁵

38. If the Commission does not reject the Proposed Transaction, Ameren argues that the Commission should require the additional mitigation Ameren proposes and also condition the Proposed Transaction on GridLiance Heartland foregoing recovery of the GridLiance Heartland regulatory asset from MISO Zone 3A customers. Ameren explains that since GridLiance Heartland has not committed to delay passing through costs

⁴² Ameren Protest at 19-20. Ameren bases this conclusion on a March 1, 2020 closing date for the Proposed Transaction and a June 1, 2022, transfer date to MISO for the MISO 2022 Assets. *Id.*

⁴³ *Id.* at 21 (citing August 2019 Order, 168 FERC ¶ 61,130 at P 76).

⁴⁴ *Id.*

⁴⁵ *Id.* at 21-22 (citing August 2019 Order, 168 FERC ¶ 61,130 at P 76).

accumulated as a deferred asset until rate base has reached a certain dollar threshold, customers may not be protected from the immediate burden of accumulated costs.

ii. **Applicants' Claims of Offsetting Benefits**

39. Ameren challenges the evidence of offsetting benefits Applicants present, alleging that the claims are tenuous and do not provide concrete value or benefits to customers in MISO or MISO Zone 3A. With respect to GridLiance Heartland's submission of transmission project proposals to MISO, Ameren argues that Applicants fail to demonstrate that such submissions benefit ratepayers in MISO Zone 3A. Ameren claims further that GridLiance Heartland's proposals are not the only ones under consideration by MISO, that it is not clear whether any of the proposals submitted will be adopted (let alone any of GridLiance Heartland's proposals), and whether, if adopted, a proposal would benefit ratepayers in MISO Zone 3A. Ameren concludes that since MISO's planning process is ongoing, considering whether potential additional benefits to ratepayers will be provided by the Transmission Assets is premature and speculative.⁴⁶

40. Ameren argues further that the potential cooperative planning arrangement with a non-public utility Applicants cite has only a tenuous relationship to the Proposed Transaction and that MISO customers may see no benefit from the partnership. Ameren notes that there is no evidence that the partnerships cited by Applicants would not otherwise occur, or that the current MISO transmission planning process or interregional coordination under Order No. 1000 would not ultimately address the issues that GridLiance Heartland is attempting to address under a standalone utility partnership.⁴⁷

41. Ameren alleges that Applicants have failed to demonstrate that addressing cooperative and municipal underinvestment in transmission would benefit impacted ratepayers. Ameren states that Applicants' claim should be disregarded because, as the Commission previously found, GridLiance Heartland's ability to form partnerships with public power entities is unrelated to GridLiance Heartland's acquisition of the Transmission Assets.⁴⁸

⁴⁶ *Id.* at 12-17.

⁴⁷ *Id.* at 10-11.

⁴⁸ *Id.* at 11-12 (citing August 2019 Order, 168 FERC ¶ 61,130 at P 83).

c. Applicants Answer

42. Applicants compare the Proposed Transaction to the transaction considered by the Commission in *Startrans IO, LLC*,⁴⁹ claiming that the benefits provided by the Proposed Transaction and the rate mitigation offered by Applicants exceed what was accepted by the Commission in that proceeding.⁵⁰

43. Applicants reject Ameren's claim that GridLiance Heartland has not committed to rate protection for a full five years for all of the Transmission Assets. Applicants explain that, until such time that the MISO 2022 Assets are moved under MISO control, they are fully subscribed under a Transmission Service Agreement to EEInc, at a fixed rate negotiated in lieu of a premium. GridLiance Heartland states that, if it receives another request for service while that transmission capacity is fully subscribed, it is committed to offering the same discount to all eligible customers. Applicants explain that once the MISO 2022 Assets are moved under MISO's functional control, the Rate Mitigation Credits will apply to them for the remainder of the Rate Mitigation Period.⁵¹

44. Applicants also dispute Ameren's claims regarding GridLiance Heartland's regulatory asset. First, Applicants allege that the Commission did not, in the August 2019 Order, draw the issue of recovery of GridLiance Heartland's regulatory asset into an FPA section 203 proceeding. Applicants disagree with Ameren's reading of the August 2019 Order. Applicants explain that GridLiance Heartland's regulatory asset is a Commission-approved transmission incentive granted under Order No. 679⁵² over Ameren's protest in that proceeding. Applicants state that the amount of the regulatory asset that would be recovered in rates, the zones paying such amounts, and the timing of the recovery are all issues that will be the subject of a future FPA section 205 application, and that these issues are not ripe unless and until GridLiance Heartland files to recover its regulatory asset.⁵³

⁴⁹ 122 FERC ¶ 61,307 (2008) (*Startrans*).

⁵⁰ Applicants December 6 Answer at 2-5.

⁵¹ *Id.* at 5.

⁵² *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057, *order on reh'g*, Order No. 679-A, 117 FERC ¶ 61,345 (2006), *order on reh'g*, 119 FERC ¶ 61,062 (2007).

⁵³ Applicants December 6 Answer at 6-7.

45. Finally, with respect to Ameren's allegation that the Application contains unexplained accounting entries, GridLiance Heartland clarifies that it has proposed to book the difference between the purchase price and the net book value of the Transmission Assets to Account No. 114, Electric Plant Acquisition Adjustment, and then amortize the Account No. 114 balance over the life of the assets. Applicants state that this treatment is consistent with both the requirements of the Uniform System of Accounts, Account No. 114, and Commission precedent.⁵⁴ Applicants reiterate that GridLiance Heartland is not proposing to include any acquisition adjustment or premium in its rates.

d. Ameren Answer

46. Ameren argues that Applicants' reliance on *Startrans* is misplaced. According to Ameren, Applicants rely on *Startrans* to conclude that the Commission should authorize the Proposed Transaction because the Commission authorized the transaction at issue in *Startrans*. Ameren states, however, that the two cases are different, which Ameren claims Applicants concede.⁵⁵ In particular, Ameren notes that, in *Startrans*, the rate impact from the transaction was to be spread across an entire region, not only a single pricing zone as in the Proposed Transaction. Ameren concludes that the rate impact due to the Proposed Transaction is more acute and focused on a smaller number of customers, thereby increasing the likelihood that the rate effect will be adverse. Ameren argues further that, in *Startrans*, the Commission discussed only one offsetting benefit, independent transco ownership in 2008; in contrast, Ameren asserts that in the August 2019 Order, the Commission determined that GridLiance Heartland's transco structure did not constitute a material offsetting benefit. Ameren claims that, while Applicants note that the buyer in *Startrans* did not propose any actual upgrades as part of the transaction in that case, Ameren has demonstrated that GridLiance Heartland's recent upgrade proposals do not constitute an offsetting benefit to mitigate the adverse rate impact in this case.⁵⁶

e. Commission Determination

47. Based on Applicants' representations and subject to Applicants revising the proposed rate mitigation as discussed below, we find that the Proposed Transaction will not have an adverse effect on rates. We emphasize at the outset that our analysis of rate

⁵⁴ *Id.* at 7 (citing *GridLiance West LLC*, Docket No. AC18-100-000 (Jul. 3, 2018) (delegated order)).

⁵⁵ Ameren December 20 Answer at 5.

⁵⁶ *Id.* at 6 (citing to Ameren Protest at 12-17).

effects under FPA section 203 differs from the analysis we apply to determine whether rates are just and reasonable under FPA section 205. Our focus here is on the effect that the Proposed Transaction will have on jurisdictional rates, whether that effect is adverse, and whether any adverse effect will be offset or mitigated by benefits that are likely to result from the Proposed Transaction.⁵⁷

48. In the August 2019 Order, the Commission found that Applicants had failed to show that the benefits of the Proposed Transaction were sufficient to offset the increase in rates resulting from GridLiance Heartland's ownership of the Transmission Assets. The Commission's denial, however, was without prejudice to Applicants making a new filing that either proposed adequate ratepayer protection or demonstrated specific additional benefits to offset the rate increase.⁵⁸ In response to the August 2019 Order, Applicants propose mitigation, the Rate Mitigation Credits, and offer evidence of offsetting benefits that was not available during the prior FPA section 203 proceeding. Upon consideration of the proposed rate mitigation and this new evidence, we conclude that the Proposed Transaction will not have an adverse effect on rates because, subject to Applicants making two modifications to the proposed mitigation, the Rate Mitigation Credits, as revised, will address the rate increase stemming from GridLiance Heartland's ownership of the Transmission Assets. Because we find that the proposed Rate Mitigation Credits, if modified in accordance with this Order, will mitigate the adverse rate effects of the Proposed Transaction, we need not address Applicants' claims of benefits resulting from GridLiance Heartland's ownership of the Transmission Assets.

49. First, GridLiance Heartland must extend the duration of the Rate Mitigation Credits for the MISO 2022 Assets to five years from the date those lines are transferred to MISO's functional control and placed into the MISO Tariff. Applicants propose to apply the Rate Mitigation Credits from the date the lines are transferred to MISO's functional control through the end of the Rate Mitigation Period (i.e., less than five years). As Applicants themselves note, "standard" hold harmless commitments under FPA section 203 have a duration of five years⁵⁹ and the Commission has also accepted other

⁵⁷ See, e.g., Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,123 (noting that an increase in rates "can be consistent with the public interest if there are countervailing benefits that derive from the transaction"); see also *ITC Midwest LLC*, 133 FERC ¶ 61,169, at P 24 (2010); *ALLETE, Inc.*, 129 FERC ¶ 61,174, at P 19 (2009).

⁵⁸ August 2019 Order, 168 FERC ¶ 61,130 at P 88.

⁵⁹ Hold Harmless Policy Statement, 155 FERC ¶ 61,189 at P 85.

mitigation with a five-year duration under FPA section 203.⁶⁰ Extending the duration of the Rate Mitigation Credits for the MISO 2022 Assets in this manner will ensure that the effects of the Proposed Transaction are mitigated for a full five years from the date that rates would otherwise increase for MISO Zone 3A customers.⁶¹

50. We disagree with Applicants' claim that, as proposed, the Rate Mitigation Credits provide rate protection for a full five years for all of the Transmission Assets because GridLiance Heartland will offer transmission service over the MISO 2022 Assets prior to the assets being incorporated into MISO. The provision of transmission service over the MISO 2022 Assets prior to their incorporation into MISO is irrelevant to protecting MISO Zone 3A customers because it does not address the rate increase those customers will experience beginning in 2022, when Applicants incorporate the MISO 2022 Assets into MISO. Moreover, as result of the timing mismatch between the start of the Rate Mitigation Period proposed by Applicants (the close of the Proposed Transaction) and when the MISO 2022 Assets will be incorporated into MISO (2022), the Rate Mitigation Period will end before MISO Zone 3A customers receive a full five years of protection from the costs of the MISO 2022 Assets. Absent an extension of the Rate Mitigation Period for the MISO 2022 Assets, MISO Zone 3A customers will not be adequately protected from the rate increase due to those assets.

51. Second, GridLiance Heartland must commit to not recover any amounts related to its regulatory asset during the first five years of the rate effect mitigation. Applicants justified making their Rate Mitigation Credit proposal, instead of a rate freeze that is more consistent with Commission precedent, on the grounds that a rate freeze would be impractical because GridLiance Heartland's actual Revenue Requirement could exceed the projected Revenue Requirement for reasons that would apply even if EEInc retained ownership, such as unexpected storm damage or a new NERC reliability requirement. Applicants also argued that, if GridLiance Heartland's Revenue Requirement increases due to it pursuing and building MISO-approved upgrades, the attendant benefits of those activities would offset such an increase.

52. We accept Applicants' arguments and acknowledge that certain costs may need to be incurred regardless of the ownership of the Transmission Assets. Therefore, we find that the Rate Mitigation Credits, as modified above, provide adequate mitigation of the rate effects of the Proposed Transaction. These arguments lose their force, however, if GridLiance Heartland were permitted to recover its regulatory asset in rates during the

⁶⁰ See, e.g., *NextEra Energy*, 165 FERC ¶ 61,263 (accepting five-year transmission rate cap as component of ratepayer mitigation for proposed merger).

⁶¹ Extending the duration of the Rate Mitigation Credits for the MISO 2022 Assets does not extend the Rate Mitigation Period for the MISO 2020 Assets, which runs for five years from the closing of the Proposed Transaction.

first five years of the rate effect mitigation. The regulatory asset is related to past development activities by GridLiance Heartland, and not to costs that EEInc would have incurred if it had retained ownership. Nor do those development activities confer additional benefits equivalent to the construction of MISO-approved upgrades. Instead, recovery of the regulatory asset would have the effect of undercutting the rate effect mitigation provided by the Rate Mitigation Credits.

53. While we recognize that the regulatory asset is a Commission-granted transmission incentive, in the order approving the regulatory asset the Commission clarified that granting GridLiance Heartland the incentive did not “prejudge the Commission’s consideration of any future application under [FPA] section 203, including whether the proposed transaction has an adverse effect on rates.”⁶² In the circumstances of the Proposed Transaction, we find it appropriate to treat potential rate increases resulting from the rate recovery of the regulatory asset—which would result from the Proposed Transaction—consistently with other rate increases that otherwise might result from the Proposed Transaction and which the rate credits were intended to mitigate.

54. With these revisions, we conclude that the Proposed Transaction will not have an adverse effect on rates because the proposed mitigation, as revised, will address the rate increase resulting from GridLiance Heartland’s ownership of the Transmission Assets.

3. Effect on Regulation

a. Applicants’ Analysis

55. Applicants claim that the Proposed Transaction will not have an adverse effect on regulation. Applicants explain that, upon closing of the Proposed Transaction, the Transmission Assets will continue to be subject to the Commission’s jurisdiction, since they will be owned and operated by GridLiance Heartland. Applicants reiterate that, like EEInc, GridLiance Heartland will submit for the Commission’s acceptance an OATT that will govern GridLiance Heartland’s provision of transmission service over certain of the Transmission Assets and will transfer the remainder of the Transmission Assets to MISO’s functional control where they will be operated pursuant to the MISO Tariff.⁶³

⁶² Regulatory Asset Order, 166 FERC ¶ 61,067 at P 61.

⁶³ Application at 30.

56. Applicants state that, while GridLiance Heartland applied for one state approval, it has since withdrawn that application on the basis that the Illinois Commission has no jurisdiction over EEInc, GridLiance Heartland, or the Proposed Transaction.⁶⁴

b. Ameren Protest

57. Ameren alleges that Applicants are incorrect that approval from the Illinois Commission is not required in order for GridLiance Heartland to acquire the Transmission Assets and move them to MISO's functional control.⁶⁵ Ameren requests that, prior to taking action in this case, the Commission inquire as to the Illinois Commission's jurisdiction over GridLiance Heartland and whether the Proposed Transaction is permitted in the absence of GridLiance Heartland obtaining a certificate of convenience and necessity from the Illinois Commission.⁶⁶

c. Applicants Answer

58. Applicants dispute Ameren's characterizations of their arguments and assert that the Application does not misrepresent the Illinois Commission's jurisdiction. According to Applicants, both Ameren and the Illinois Commission staff have stated in briefs filed with the Illinois Commission that the agency's approval is not required for GridLiance Heartland to acquire the Transmission Assets. Applicants argue that the question of what approvals from the Illinois Commission, if any, may be required after GridLiance Heartland acquires the Transmission Assets and moves them under MISO's functional control is not relevant to this proceeding.⁶⁷

d. Ameren Answer

59. Ameren argues that Applicants misrepresent Ameren's position in the proceedings before the Illinois Commission and fail to consider that moving the Transmission Assets into MISO may cause them to become jurisdictional under Illinois law. According to Ameren, since GridLiance Heartland will need to obtain approval from the Illinois Commission in order to purchase the Transmission Assets and transfer them to MISO's control, waiting for a ruling from the Illinois Commission prior to issuing an order in this proceeding would be the most efficient and administratively convenient course of action

⁶⁴ *Id.* at 13.

⁶⁵ Ameren Protest at 23.

⁶⁶ *Id.* at 25.

⁶⁷ Applicants December 6 Answer at 8.

for the Commission.⁶⁸ Ameren asserts that “if the transaction of business in the manner proposed by GridLiance Heartland” is unlawful under Illinois law or otherwise forbidden by the Illinois Commission, this is a relevant consideration and should be addressed prior to Commission approval of the Proposed Transaction.⁶⁹

e. **Commission Determination**

60. Based on Applicants’ representations, we find that the Proposed Transaction will not have an adverse effect on regulation. The Commission’s review of a transaction’s effect on regulation focuses on ensuring that it does not result in a regulatory gap.⁷⁰ As to whether a proposed transaction will have an effect on state regulation, the Commission explained in the Merger Policy Statement that it ordinarily will not set the issue of the effect of a proposed transaction on state regulatory authority for a trial-type hearing where a state has authority to act on the proposed transaction. However, if the state lacks this authority and raises concerns about the effect on regulation, the Commission may set the issue for hearing and it will address such circumstances on a case-by-case basis.⁷¹

61. With respect to the arguments related to Illinois law, we note that our approval of the Proposed Transaction under FPA section 203 does not affect any state proceedings, that the timing of our determination does not have any impact on state jurisdiction, and that nothing in this Order should be read as addressing the question of whether the approval of the Illinois Commission is required.⁷² Moreover, the Commission has stated that it is not Commission policy to delay ruling on an FPA section 203 application when there are parallel state proceedings.⁷³ We also note that the Illinois Commission, as an intervenor in this proceeding, has not asked us to take any particular action with respect to this issue.

⁶⁸ Ameren December 20 Answer at 4.

⁶⁹ *Id.* at 5.

⁷⁰ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,124.

⁷¹ *Id.*

⁷² *See Nev. Power Co.*, 145 FERC ¶ 61,022, at P 48 (2013).

⁷³ *Id.*

4. Cross-subsidization

a. Applicants' Analysis

62. Applicants claim that the Proposed Transaction will not result in prohibited cross-subsidization or the pledge or encumbrance of utility assets. Applicants verify, in Exhibit M of the Application, that the Proposed Transaction does not present cross-subsidization concerns, and note that, since the Proposed Transaction is an arm's length bargain between unaffiliated entities that will remain unaffiliated after consummation of the Proposed Transaction, there is no further need to examine the Proposed Transaction for cross-subsidization and encumbrance concerns.⁷⁴

b. Commission Determination

63. Based on Applicants' representations, we find that the Proposed Transaction will not result in the cross-subsidization of a non-utility associate company by a utility company, or in a pledge or encumbrance of utility assets for the benefit of an associate company. We note that no party has argued otherwise.

5. Other Considerations

64. Information and/or systems connected to the bulk system involved in this transaction may be subject to reliability and cybersecurity standards approved by the Commission pursuant to FPA section 215.⁷⁵ Compliance with these standards is mandatory and enforceable regardless of the physical location of the affiliates or investors, information database, and operating systems. If affiliates, personnel or investors are not authorized for access to such information and/or systems connected to the bulk power system, a public utility is obligated to take the appropriate measures to deny access to this information and/or the equipment/software connected to the bulk power system. The mechanisms that deny access to information, procedures, software, equipment, etc., must comply with all applicable reliability and cybersecurity standards. The Commission, the North American Electric Reliability Corporation, or the relevant regional entity may audit compliance with reliability and cybersecurity standards.

65. Section 301(c) of the FPA gives the Commission authority to examine the books and records of any person who controls, directly or indirectly, a jurisdictional public utility insofar as the books and records relate to transactions with or the business of such public utility. The approval of the Proposed Transaction is based on such examination

⁷⁴ Application at 30.

⁷⁵ 16 U.S.C. § 824o (2018).

ability. In addition, applicants subject to the Public Utility Holding Company Act of 2005⁷⁶ (PUHCA) are subject to the record-keeping and books and records requirements of PUHCA 2005.

66. Section 35.42 of the Commission's regulations requires that sellers with market-based rate authority timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.⁷⁷ To the extent that a transaction authorized under FPA section 203 results in a change in status, sellers that have market-based rates are advised that they must comply with the Commission's requirements.

The Commission orders:

(A) The Proposed Transaction is hereby conditionally authorized, as discussed in the body of this order.

(B) Applicants must notify the Commission within 30 days from the date of issuance of this order whether they will implement the revisions to the proposed mitigation discussed in the body of this order. Applicants may not consummate the Proposed Transaction without providing notice to the Commission that they will implement the revisions to the proposed mitigation discussed herein.

(C) Applicants must inform the Commission of any material change in circumstances that departs from the facts or representations that the Commission relied upon in authorizing the Proposed Transaction within thirty days from the date of the material change in circumstances.

(D) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs, or any other matter whatsoever not pending or may come before the Commission.

(E) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

⁷⁶ 42 U.S.C. §§ 16451-63 (2018).

⁷⁷ 18 C.F.R. § 35.42 (2019); *see also Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, 110 FERC ¶ 61,097, *order on reh'g*, 111 FERC ¶ 61,413 (2005).

(F) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate.

(G) Applicants shall make any appropriate filings under section 205 of the FPA, as necessary, to implement the Proposed Transaction including the proposed mitigation, as revised by this order.

(H) Applicants shall notify the Commission within ten days of the date on which the Proposed Transaction is consummated.

(I) GridLiance Heartland shall account for the Proposed Transaction in accordance with Electric Plant Instruction No. 5 and Account 102, Electric Plant Purchased or Sold, of the Uniform System of Accounts. GridLiance Heartland shall submit proposed accounting entries within six months of the date that the Proposed Transaction is consummated, and the accounting submission shall provide all the accounting entries and amounts related to the transfer along with narrative explanations describing the basis for the entries.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.