

170 FERC ¶ 61,127  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket No. ER15-2028-003

ORDER ON REHEARING AND CLARIFICATION

(Issued February 20, 2020)

1. On July 12, 2017, Southwest Power Pool, Inc. (SPP) — on behalf of the Settling Parties<sup>1</sup> and pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure<sup>2</sup> — made an offer of settlement (Settlement) in the matter set for hearing and settlement judge procedures in this proceeding. On June 20, 2019, the Commission issued an order rejecting the Settlement<sup>3</sup> and remanded the proceeding to the Chief Judge to resume hearing procedures on the basis that the Settlement was contested and could not be approved under *Trailblazer Pipeline Company*.<sup>4</sup>
2. On July 22, 2019, Corn Belt filed a request for rehearing of the Settlement Order (Corn Belt Request for Rehearing). Also, on July 22, 2019, Alliant, as agent for Interstate Power and Light Company (IPL), filed a request for clarification or rehearing of the Settlement Order (IPL Request for Clarification).
3. As discussed below, the Commission denies Corn Belt’s rehearing request and grants, in part, and rejects, in part, IPL’s request for clarification.

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<sup>1</sup> The Settling Parties are SPP, Corn Belt Power Cooperative (Corn Belt), MidAmerican Energy Company (MidAmerican), Basin Electric Power Cooperative (Basin Electric), Alliant Energy Corporate Services, Inc. (Alliant), and the Missouri Public Service Commission.

<sup>2</sup> 18 C.F.R. § 385.602(h) (2019).

<sup>3</sup> *Sw. Power Pool, Inc.*, 167 FERC ¶ 61,234 (2019) (Settlement Order).

<sup>4</sup> 85 FERC ¶ 61,345 (1998) (*Trailblazer*); *order on reh’g*, 87 FERC ¶ 61,110 (1999).

## **I. Procedural History and Background**

4. On June 26, 2015, pursuant to Section 205 of the Federal Power Act (FPA)<sup>5</sup> and Part 35 of the Commission's regulations,<sup>6</sup> SPP submitted revisions to its Open Access Transmission Tariff (Tariff) to include a Formula Rate Template (Template), including worksheets, and Formula Rate Implementation Protocols (Protocols) (the Protocols and Template are hereinafter referred to as the Formula Rate) on behalf of Corn Belt, to accommodate the recovery of Corn Belt's annual transmission revenue requirement (ATRR).<sup>7</sup> The proposed Tariff revisions were necessitated by Corn Belt and its member customer, North Iowa Municipal Electric Cooperative Association (NIMECA), transferring functional control of their transmission facilities to SPP in order to become a transmission owning member of SPP in pricing Zone 19.

5. As part of the proposed Tariff revisions, SPP amended Attachment W (Grandfathered Agreements) of the Tariff to list three grandfathered agreements (GFAs); GFA numbers 763, 778, and 779.<sup>8</sup> Each GFA provides for reciprocal or in-kind transmission service to the parties to the agreement. The GFAs provide for transmission service over Corn Belt's transmission facilities to the counterparties to serve the counterparties' load located in SPP, and for transmission service over the counterparties' transmission facilities in Midcontinent Independent System Operator, Inc. (MISO) to Corn Belt to serve its load located in MISO. Under such arrangements, the parties to the agreements attempt to balance, or provide equal amounts of service to one another.

6. GFA No. 763 is an interconnection and transmission service agreement among Corn Belt, IPL and ITC Midwest LLC (IPL GFA). The IPL GFA provides for reciprocal transmission services, to IPL over certain Corn Belt transmission facilities to serve IPL's load in SPP, and to Corn Belt over certain IPL transmission facilities to serve Corn Belt's

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<sup>5</sup> 16 U.S.C. § 824d (2018).

<sup>6</sup> 18 C.F.R. § 35.13 (2019).

<sup>7</sup> SPP uses a license-plate rate design (i.e., zonal rate design) for transmission service under its Tariff, with its footprint separated into a number of transmission pricing zones. Transmission service rates for load located within the SPP region are based, in part, on the sum of the revenue requirements for each transmission owner within the zone in which the load is located. The Tariff specifies an annual ATRR for each SPP transmission pricing zone.

<sup>8</sup> The Tariff defines GFAs to include "agreements providing long-term firm transmission service executed prior to April 1, 1999." Tariff, Definitions, G.

load in the MISO service area. The parties to the IPL GFA do not charge each other for the transmission service provided under the GFA.

7. On September 30, 2015, the Commission accepted the proposed revisions, effective October 1, 2015, subject to refund, and established hearing and settlement judge procedures.<sup>9</sup>

8. Settlement procedures were held and on July 12, 2017, SPP submitted the Settlement. Corn Belt, MidAmerican, Basin Electric, and Alliant<sup>10</sup> (collectively, the Supporting Parties) filed initial comments in support of the Settlement. Commission Trial Staff (Trial Staff), Missouri River Energy Services (Missouri River), and Western Area Power Administration (Western) (collectively, the Contesting Participants) filed initial comments opposing the Settlement's rate treatment of the three GFAs.

9. The Contesting Participants argued that the Settlement's rate treatment of the GFAs was unjust and unreasonable. According to Trial Staff, the Commission had not created a uniform policy for ratemaking treatment of GFAs, but had determined the best treatment would be decided on a fact-specific, case-by-case basis.<sup>11</sup> The Contesting Participants argued that in Order No. 888<sup>12</sup> the Commission required inclusion of all firm load, including that of a transmission owner, in the transmission rate divisor (Zonal Rate Divisor).<sup>13</sup> According to the Contesting Participants, in this proceeding, the transmission

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<sup>9</sup> *Sw. Power Pool, Inc.*, 152 FERC ¶ 61,249 (2015).

<sup>10</sup> Alliant filed comments as an agent for its corporate affiliate, IPL.

<sup>11</sup> Trial Staff August 1, 2017 Initial Comments Opposing Joint offer of Settlement and Settlement Agreement at 13-14 (Trial Staff Initial Comments).

<sup>12</sup> *See, e.g., id.* at 12-13 (citing *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 (1996) (cross-referenced at 75 FERC ¶ 61,080), *order on reh'g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048, (cross-referenced at 78 FERC ¶ 61,220), *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002)).

<sup>13</sup> SPP calculates each network customer's load ratio share by dividing the customer's network load by SPP's total firm load in the zone. SPP assesses a monthly demand charge on each network customer for network service under Schedule 9 of the Tariff by multiplying the network customer's load ratio share by the combined annual

service provided under the GFAs was firm and, therefore, should be included in the Zonal Rate Divisor.<sup>14</sup>

10. The Supporting Parties argued that the Settlement represented a just and reasonable resolution of all issues set for hearing and that the Settlement's rate treatment of the GFAs, i.e., one that continues to credit all GFA revenues against Corn Belt's ATRR, was consistent with the Tariff.<sup>15</sup>

11. In the Settlement Order, the Commission found that it could not approve the Settlement under the first three *Trailblazer* approaches, nor could it sever the contesting parties or contested issues under the fourth *Trailblazer* approach.<sup>16</sup> Accordingly, the Commission rejected the Settlement, and remanded the proceeding to resume hearing procedures.<sup>17</sup> Additionally, the Commission provided guidance in the Settlement Order as to how the GFAs should be treated under the Tariff and Commission precedent. Specifically, the Commission found that, under Commission precedent such as *Idaho Power Company*,<sup>18</sup> the firmness of transmission service provided under a GFA is critical to determining whether the GFA revenues should be credited against the revenue requirement, reducing the numerator of the formula rate or whether the GFA loads should

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revenue requirement for all transmission owners in the zone, and then dividing by 12. Tariff § 34.1.

<sup>14</sup> Trial Staff Initial Comments at 13-15; Missouri River August 1, 2017 Comments Contesting Offer of Settlement at 16; Western August 1, 2017 Comments Contesting Offer of Settlement at 9-10.

<sup>15</sup> Corn Belt August 1, 2017 Comments on Joint Offer of Settlement at 13-14; MidAmerican August 1, 2017 Initial Comments in Support of Joint Offers of Settlement and Settlement Agreements at 5.

<sup>16</sup> In *Trailblazer*, the Commission identified four specific approaches that it can use to approve a contested settlement: (1) the Commission renders a binding merits decision on each contested issue; (2) the Commission approves the settlement based on a finding that the overall settlement as a package is just and reasonable; (3) the Commission determines that the benefits of the settlement outweigh the nature of the objections and the interests of the contesting party are too attenuated; and (4) the Commission approves the settlement as uncontested for the consenting parties, and severs the contesting parties to allow them to litigate the issues raised. *Trailblazer*, 85 FERC at 62,342-44.

<sup>17</sup> Settlement Order, 167 FERC ¶ 61,234 at PP 51-60.

<sup>18</sup> 126 FERC ¶ 61,044, at PP 166-168 (2009) (*Idaho Power*).

be cost allocated by including the load of demand in the rate divisor.<sup>19</sup> Further, the Commission found this interpretation was consistent with Section 34.5 and Attachment L of the Tariff,<sup>20</sup> which requires firm GFA load to be included in the Zonal Rate Divisor, and is not inconsistent with a revenue crediting approach for firm GFA load.<sup>21</sup>

## II. Discussion

### A. Corn Belt Request for Rehearing

12. Corn Belt states that it is not challenging the Commission's decision to set the case for hearing, but rather is challenging the framing of issues and scope of the hearing.<sup>22</sup>

13. Corn Belt alleges that the Commission failed to review the threshold question of the application of the *Mobile-Sierra* doctrine to the GFAs and the changes to such GFAs sought directly or indirectly by the Contesting Participants.<sup>23</sup> Specifically, Corn Belt argues that when transmission owners join Regional Transmission Organizations (RTO) or Independent System Operators, even indirect modifications to GFAs trigger a threshold analysis under *Mobile-Sierra*. Corn Belt argues that the relief that Contesting Participants request was an unjustified modification to the GFAs under such analysis.<sup>24</sup> Corn Belt believes that if the Commission adopts the Contesting Participants' proposed cost allocation method rather than Corn Belt's proposed method of revenue crediting, then the impact to its ATRR would constitute such a modification.<sup>25</sup> Corn Belt states that it is seeking rehearing to the extent that the Commission found that *Mobile-Sierra* does

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<sup>19</sup> Settlement Order, 167 FERC ¶ 61,234 at PP 12-14.

<sup>20</sup> Attachment L is titled "Distribution of Transmission Service Revenues Associated with the Zonal Annual Transmission Revenue Requirement"

<sup>21</sup> Settlement Order, 167 FERC ¶ 61,235 at PP 15-19.

<sup>22</sup> Corn Belt Request for Rehearing at 1-2.

<sup>23</sup> *Id.* at 5, 7-20 (citing *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) (*Mobile*); *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (*Sierra*) (collectively *Mobile-Sierra*)).

<sup>24</sup> *Id.* at 9-11.

<sup>25</sup> *Id.* at 12-13.

not apply, or in the alternative, seeks clarification that *Mobile-Sierra* issues are within the scope of the evidentiary hearing.<sup>26</sup>

14. Corn Belt next alleges that the Commission erred by framing the issue for evidentiary hearing as whether the service at issue was firm and by inappropriately relying on Order No. 888 and *Idaho Power*.<sup>27</sup> Corn Belt states that the key question is instead whether the GFA loads can appropriately be included in the Zonal Rate Divisor for network service calculations. Corn Belt argues that the GFA loads should not be included in the Zonal Rate Divisor because they do not constitute Network Load<sup>28</sup> under the Tariff.<sup>29</sup>

15. Corn Belt alleges further that the Commission's determination relied on flawed interpretations of the Tariff,<sup>30</sup> and that the Commission should have instead looked at Section 41 of the Tariff, which defines Resident Load as Network Load and as GFA load not taking network service or point-to-point service.<sup>31</sup> Corn Belt argues that the GFA loads at issue here do not fall into these categories, and thus should not be subject to a demand charge.<sup>32</sup> Corn Belt argues that Attachment L, which includes provisions on the treatment of GFA revenues, should not be read to require payments in the current circumstances.<sup>33</sup> Specifically, Corn Belt states that the provisions do not require SPP to shift revenues from the GFAs to the zone.<sup>34</sup> Corn Belt argues that even if Attachment L is ambiguous, then the Commission's interpretation cannot be applied without violating retroactive ratemaking principles.<sup>35</sup> Similarly, Corn Belt alleges that the Commission

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<sup>26</sup> *Id.* at 11-12.

<sup>27</sup> *Id.* at 5, 21-31.

<sup>28</sup> Network Load is the load that a customer "designates for [network service] under Part III of the [Tariff]." Tariff, Part I, section I, Definitions N.

<sup>29</sup> Corn Belt Request for Rehearing at 22.

<sup>30</sup> *Id.* at 31-40.

<sup>31</sup> *Id.* at 32-33.

<sup>32</sup> *Id.*

<sup>33</sup> *Id.* at 33-39.

<sup>34</sup> *Id.* at 35 (citing Tariff, att. L, § II.A)

<sup>35</sup> *Id.* at 41.

erred by discounting the relevance of Commission precedent related to zonal placement of transmission facilities.<sup>36</sup>

16. As discussed below, we deny Corn Belt's request for rehearing.

17. As an initial matter, we note that whether a revenue-crediting or cost allocation approach should apply is an open issue to be explored at hearing. Thus, Corn Belt's arguments that *Mobile-Sierra* should apply are not ripe for review at this time.<sup>37</sup>

18. In any event, we disagree with Corn Belt's argument that a *Mobile-Sierra* analysis is required in this proceeding. Although a *Mobile-Sierra* analysis may be relevant when considering Commission action that modifies a contract, it is not relevant when Commission action merely affects a contract.<sup>38</sup> Here, the question set for hearing is whether the transmission service underlying the GFAs should be reflected in SPP's transmission rates by a revenue crediting approach, as advocated by Corn Belt, or a cost allocation approach, as proposed by the Contesting Participants. In other words, the Commission is addressing SPP's rate treatment of the service underlying the GFA, not whether the GFA itself should be modified.<sup>39</sup>

19. Further, we disagree with Corn Belt that by not discussing *Mobile-Sierra*, the Commission failed to address Commission policy goals of attracting non-public utility

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<sup>36</sup> *Id.* at 41-43 (citing *Sw. Power Pool, Inc.*, 163 FERC ¶ 61,109 (2018) (*Tri-State*)).

<sup>37</sup> *Trailblazer Pipeline Co. LLC*, 168 FERC ¶ 61,005, at P 12 (2019)

<sup>38</sup> *Am. Gas Ass'n v. FERC*, 428 F.3d 255, 263 (D.C. Cir. 2005) ("Because the terms of primary service for which the parties have bargained remain unchanged, FERC's decision does not modify contracts, even if it affects them."); *Algonquin Gas Transmission, LLC*, 153 FERC ¶ 61,038, at P 98 (2015) ("Because we are not modifying Algonquin's negotiated rate agreements, we need not make the findings required to modify a contract to which the *Mobile-Sierra* "public interest" presumption is applicable, even assuming these negotiated rate agreements could fall into that category.").

<sup>39</sup> *Idaho Power*, 126 FERC ¶ 61,044 at P 166 (finding "the issue is not the justness and reasonableness of [the GFAs at issue], but whether Idaho Power's proposal to credit the revenues generated from these grandfathered agreements in the numerator of its formula rate, rather than including the loads associated with these agreements in the dominator, is just and reasonable. This is most directly a question of rate design and cost allocation, not contract modification.").

transmission owners to an RTO and preserving their GFAs under an RTO's tariff.<sup>40</sup> As set forth above, a *Mobile-Sierra* analysis is not triggered because the GFAs are not being modified. There was no need for the Commission to address those policy goals in the context of this proceeding.<sup>41</sup> Thus, we deny Corn Belt's request for rehearing on this point.

20. Additionally, we disagree that the Commission erred in framing the issue for evidentiary hearing as whether the GFA loads in question provide firm service.<sup>42</sup> In the Settlement Order, the Commission concluded that the open question is whether service under the GFAs is firm.<sup>43</sup> Corn Belt's arguments do not convince us otherwise. Although Corn Belt argues that the Commission inappropriately relied on Order No. 888 and *Idaho Power* to frame the issue, we disagree and affirm the finding that those precedents are the most relevant to determining the appropriate ratemaking treatment of the GFA loads.<sup>44</sup> In Order No. 888, the Commission required inclusion of all firm load, including that of the transmission owner, in the transmission rate divisor.<sup>45</sup> In *Idaho*

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<sup>40</sup> Corn Belt Request for Rehearing at 14-20.

<sup>41</sup> In support of its contention that cost-allocating GFAs by including the load in the zonal rate denominator or imputing revenues constitutes modification of the GFAs, Corn Belt cites a proceeding involving GFA treatment in MISO. Corn Belt Request for Rehearing at 15-16 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 128 FERC ¶ 61,046, at P 76 (2009); *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,163, *order on reh'g*, 109 FERC ¶ 61,157 (2004), *order on reh'g*, 111 FERC ¶ 61,043, *reh'g denied*, 112 FERC ¶ 61,086 (2005), *aff'd sub nom. Wisconsin Public Power, Inc. v. FERC*, 493 F.3d 239 (D.C. Cir. 2007)). However, that proceeding involved integration of GFAs in the MISO energy and ancillary service markets, and the potential impacts on the GFAs in that proceeding were fundamentally different and therefore distinguishable from impacts associated with the rate design and cost allocation issues present in this proceeding.

<sup>42</sup> Corn Belt Request for Rehearing at 21-32.

<sup>43</sup> Settlement Order, 167 FERC ¶ 61,234 at PP 12-19; *id.* P 57 ("The disagreement among the parties indicates that the firmness of each GFA is also a material fact, and we are unable to resolve this dispute based on the existing record.").

<sup>44</sup> *Id.* PP 13-19 (citing Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 at 30,256; *Idaho Power*, 126 FERC ¶ 61,044 at PP 166-168; *Consumers Energy Co.*, 86 FERC ¶ 63,004, at 65,031-32 (1999), *aff'd in relevant part*, Opinion No. 456, 98 FERC ¶ 61,333, at 62,410 (2002)).

<sup>45</sup> Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,738.



*Power*, the Commission rejected Idaho Power Company’s proposal to credit revenues from pre-Order No. 888 GFAs in the numerator rather than apply a cost allocation method by including the load in the rate divisor, and found that Idaho Power had not adequately demonstrated that the quality of its transmission services was inferior to firm, long-term service.<sup>46</sup> While Corn Belt points out “substantial differences” between the *Idaho Power* case and this proceeding, namely the amount of load involved, that the issue involved a stand-alone public utility rather than an RTO, and the benefits provided under the various GFAs,<sup>47</sup> we do not find that those distinctions alter the usefulness of that precedent given the Commission’s finding in *Idaho Power* that cost-allocating GFAs is “appropriate where the services provided under [such GFAs] are firm in nature, rather than non-firm.”<sup>48</sup> Corn Belt cites two SPP cases related to network service agreements where there was a question as to whether GFA load was being reported as part of the service agreement, and if not, how the load could be accounted for in the calculation of total zonal load.<sup>49</sup> However, the issue as addressed by the Commission in those cases was whether the network service agreements should include GFA loads, not the ratemaking treatment of the GFA loads in the zonal load, and so the conclusions of those cases are inapplicable here. Thus, Corn Belt’s request for rehearing on this basis is denied.

21. We also find unpersuasive Corn Belt’s arguments that the Commission relied on inapplicable provisions in the Tariff while ignoring Corn Belt’s interpretation.<sup>50</sup> Corn Belt argues that a plain reading of the Tariff requires a finding that the GFA load at issue here is Resident Load not subject to a demand charge because it is not Network Load.<sup>51</sup> However, the fact that GFA load is included in Resident Load, which is used to bill charges other than Schedule 9 charges, does not mean that it cannot be included in the network Zonal Rate Divisor. On the contrary, Section 34.5 of the Tariff defines the zone’s Monthly Transmission System Peak, i.e., the divisor used to calculate the zonal Schedule 9 rate, as “[t]he maximum firm usage of the Transmission Provider’s

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<sup>46</sup> *Idaho Power*, 126 FERC ¶ 61,044 at PP 166-168.

<sup>47</sup> Corn Belt Request for Rehearing at 26-28.

<sup>48</sup> *Idaho Power*, 126 FERC ¶ 61,044 at P 167.

<sup>49</sup> Corn Belt Request for Rehearing at 28-32 (citing *Sw. Power Pool, Inc.*, 153 FERC ¶ 61,355, at P 15 (2015); *Sw. Power Pool, Inc.*, 153 FERC ¶ 61,368, at P 21 (2015)).

<sup>50</sup> Corn Belt Request for Rehearing at 33-41.

<sup>51</sup> *Id.* at 34 (citing Tariff, § 1 Definitions, N; Tariff, § 34.1).

Transmission System in a calendar month.”<sup>52</sup> This definition of the Zonal Rate Divisor encompasses GFA load served with firm transmission service and supports the notion that the Tariff fully accommodates a cost allocation approach.

22. We also disagree that the Commission erred by misapplying key provisions of Attachment L of the Tariff.<sup>53</sup> Corn Belt argues that the Commission improperly reads Attachment L to suggest that “where the transmission owner has not already reduced its revenue requirement by the amount of revenues received from its GFAs,” that transmission owners must negotiate.<sup>54</sup> According to Corn Belt, the Commission ignored the significance of language in the Tariff stating this negotiation requirement only applies when “the ATRR of the selling Transmission Owner has not been reduced by the amount of the charges associated with the [GFA]” and that the provision cannot be triggered where a transmission owner has agreed to share the revenue of a GFA that contains revenue.<sup>55</sup> The Commission did not ignore this language in the Settlement Order and, in fact, quoted it in full.<sup>56</sup> However, we do not believe this provision can be read in isolation from the rest of the Tariff. Section 34.5 of the Tariff already requires that, if the GFA transmission service is firm, the load be included in the Zonal Rate Divisor. By contrast, Corn Belt’s argument presumes that revenue crediting is appropriate and that Corn Belt has discretion to decide this issue unilaterally when, in fact, the question of whether revenue crediting or cost allocation is appropriate remains an open issue in this proceeding. As discussed above, a revenue crediting approach would not be necessary or appropriate if the GFA transmission service is firm, as it would lead to the transmission owner under-recovering its transmission cost-of-service. Thus, if the GFA service is determined at the hearing to be firm, the exception to Attachment L’s applicability cited by Corn Belt does not apply, and Corn Belt’s request for rehearing on this basis is denied.

23. We further disagree with Corn Belt’s argument that the Tariff is so ambiguous that application to Corn Belt would constitute retroactive ratemaking.<sup>57</sup> As the precedent cited by Corn Belt acknowledges, the bar on retroactive ratemaking “prohibits the

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<sup>52</sup> Tariff, Definitions, T.

<sup>53</sup> Corn Belt Request for Rehearing at 34-41.

<sup>54</sup> *Id.* at 38-39 (citing Settlement Order, 167 FERC ¶ 61,234 at P 18).

<sup>55</sup> *Id.* (quoting Tariff, att. L, § II.B.2(e)).

<sup>56</sup> Settlement Order, 167 FERC ¶ 61,234 at P 18 n. 28.

<sup>57</sup> Corn Belt Request for Rehearing at 41 (citing *Consol. Edison Co. of N.Y., Inc. v. FERC*, 347 F.3d 964, 969-970 (D.C. Cir. 2003)).

Commission from adjusting current rates to make up for a utility's over- or under-collection in prior periods," but "does not extend to cases in which [customers] are on adequate notice that resolution of some specific issue may cause a later adjustment to the rate being collected at the time of service."<sup>58</sup> Here, the Commission has not adjusted Corn Belt's rates to compensate for past collections, but, rather, has clarified a framework for determining the appropriate ratemaking treatment of specific GFA loads under the various Tariff provisions. Corn Belt does not explain why this would constitute retroactive ratemaking. Moreover, all parties were on notice that "resolution of some specific issue may cause a later adjustment to the rate being collected"<sup>59</sup> once SPP filed its Formula Rate to accommodate the recovery of Corn Belt's ATRR.

24. Finally, we find unpersuasive Corn Belt's argument that the Commission improperly dismissed the relevance of the *Tri-State* decision.<sup>60</sup> Corn Belt again argues that it should have the right to present evidence that the magnitude of the alleged cost shift caused by the circumstances of this case was minimal compared to the cost shift at issue in *Tri-State*.<sup>61</sup> However, as the Commission explained in the Settlement Order, the cost shift here and the cost shift in *Tri-State* occurred in "a different set of facts and circumstances": one relating to the placement of Tri-State transmission facilities in an SPP zone, and the other determining whether Corn Belt has reasonably accounted for its GFA load in its proposed ATRR.<sup>62</sup> None of the Tariff provisions or precedent cited suggest that the percentage degree of rate impact is a factor relevant to determining the appropriate ratemaking treatment currently at issue. Thus, we deny Corn Belt's request for rehearing on this basis.

#### **B. IPL Request for Clarification**

25. IPL seeks clarification that the Settlement Order does not determine whether the rights granted to IPL in the IPL GFA constitute "transmission service."<sup>63</sup>

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<sup>58</sup> *Consol. Edison Co. of N.Y., Inc.*, 347 F.3d at 969-970 (internal citations omitted).

<sup>59</sup> *Id.*

<sup>60</sup> Corn Belt Request for Rehearing at 41-43 (citing *Tri-State*, 163 FERC ¶ 61,109).

<sup>61</sup> *Id.*

<sup>62</sup> Settlement Order, 167 FERC ¶ 61,234 at P 50.

<sup>63</sup> IPL Request for Clarification at 1.

26. We grant IPL's request for clarification insofar as the Commission did not determine what service rights were granted to IPL under the IPL GFA in the Settlement Order. The Commission made only preliminary findings that GFA loads were served with firm transmission service.<sup>64</sup> No rights or obligations were determined, and the Commission left open the issue of whether the service was something inferior to firm service.<sup>65</sup> Thus, IPL may present arguments at the evidentiary hearing that its interconnection agreement does not provide firm service because the characteristics of the service do not constitute transmission service.

27. We deny IPL's request for clarification, however, to the extent that IPL suggests that the focus of the evidentiary hearing should examine issues beyond whether service under the GFAs is firm service.

The Commission orders:

(A) Corn Belt's request for rehearing is hereby denied, as discussed in the body of this order.

(B) IPL's request for clarification is hereby granted, in part, and denied, in part, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>64</sup> Settlement Order, 167 FERC ¶ 61,234 at P 57.

<sup>65</sup> *Cf. Trailblazer Pipeline Co. LLC*, 168 FERC ¶ 61,005, at P 12 (2019) (noting that because the Commission emphasized "findings were preliminary. . . the parties remain free to fully litigate those issues in the evidentiary hearing in this proceeding").