

Midwest Independent Transmission System Operator, Inc. Docket Nos. ER12-678-004  
EL14-58-001156 FERC ¶ 61,048  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

July 21, 2016

In Reply Refer To:  
Midwest Independent  
Transmission System  
Operator, Inc.  
Docket No. ER12-678-006

Midcontinent Independent System  
Operator, Inc.  
P.O. Box 4202  
Carmel, IN 46082-4202

Attention: Daniel M. Malabonga, Esq.  
Senior Corporate Counsel

Dear Mr. Malabonga:

1. On February 18, 2015, Midcontinent Independent System Operator, Inc. (MISO)<sup>1</sup> filed an Offer of Settlement (Settlement) to resolve the issues set for hearing and settlement judge proceedings in the June 30, 2014 order<sup>2</sup> in these proceedings. On March 10, 2015, WPPI Energy, Inc. (WPPI) submitted comments in support of certification of the Settlement to the Commission for its approval. On March 12, 2015, Commission Trial Staff filed comments in support of certification of the Settlement to the Commission for its approval. No other comments were filed. On April 7, 2015, the Settlement Judge certified the Settlement to the Commission as uncontested.<sup>3</sup>

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<sup>1</sup> Effective April 26, 2013, MISO changed its name from “Midwest Independent Transmission System Operator, Inc.” to “Midcontinent Independent System Operator, Inc.”

<sup>2</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 147 FERC ¶ 61,268 (2014).

<sup>3</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 151 FERC ¶ 63,001 (2015).

2. The Settlement provides a resolution to the issue of whether MISO should allocate Revenue Sufficiency Guarantee (RSG) costs incurred in responding to a localized constraint to a Market Participant (such as WPPI) based on its load that is physically remote from the constraint, because that load has been pseudo-tied into the Local Balancing Authority (LBA) Area that is affected by the constraint (the Pseudo-Tie Issue).<sup>4</sup> In the Settlement, the parties resolve this issue by agreeing to the following revisions to the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff (Tariff): (a) the addition of a new term, “Internal Commercially Pseudo-Tied Load,” to Module A of the Tariff; (b) the addition of new language to Section 38.2.5.e (Metering), requiring submission of meter data by Market Participants that have Internal Commercially Pseudo-Tied Load, and setting forth the means by which MISO will estimate such data if it is not provided by the Market Participant; (c) changes to Section 40.3.3.a.xviii (VLR charge), to clarify MISO’s methodology for allocating VLR RSG costs and to appropriately account for Internal Commercially Pseudo-Tied Loads in such allocations; (d) changes to Schedule 44 (VLR study) to appropriately account for the agreed-upon treatment of Internal Commercially Pseudo-Tied Loads; and (e) corrections to certain Tariff cross-references.<sup>5</sup> The Settlement further provides that resettlements of WPPI’s VLR RSG payments shall be performed as soon as possible after the installation of necessary software changes and WPPI’s submission of required meter data for Internal Commercially Pseudo-Tied Load.<sup>6</sup>

3. Under the terms of the Settlement, MISO will resettle Voltage and Local Reliability Revenue Sufficiency Guarantee payments, from the effective date of the Settlement and going forward. As provided by the parties, the Settlement will be effective September 1, 2012, if the Commission grants WPPI’s request for rehearing filed in Docket Nos. ER12-678-004 and EL14-58-001.<sup>7</sup> In the concurrently issued order addressing WPPI’s request for rehearing, the Commission grants WPPI’s rehearing

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<sup>4</sup> Offer of Settlement at § 1.2.

<sup>5</sup> *Id.* § 3.2.

<sup>6</sup> *Id.* §§ 4.1 – 4.2.

<sup>7</sup> *Id.* § 4.2 (“if the Commission grants WPPI’s July 30, 2014 rehearing request, the Tariff revisions . . . shall become effective September 1, 2012 . . . and shall be the basis for MISO’s further resettlements of WPPI’s VLR RSG payments back to September 1, 2012”).

request.<sup>8</sup> Accordingly, the Settlement is effective September 1, 2012, and MISO should resettle Voltage and Local Reliability Revenue Sufficiency Guarantee payments back to September 1, 2012.

4. With regard to the standard of review for future modifications, the Settlement provides as follows:

*Modifications/Standard of Review.* Any modifications to this Offer of Settlement after it has been accepted or approved by the Commission (including modifications by the Commission acting *sua sponte* or on a complaint pursuant to Section 206 of the FPA) shall be subject to the “ordinary” and “regular” just and reasonable standard of review. *See United Gas Pipe Line Co. v. Memphis Light, Gas and Water Division*, 358 U.S. 103 (1958).<sup>9</sup>

5. The Settlement resolves all issues in dispute in these proceedings. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

6. MISO is directed to file revised tariff records in eTariff format,<sup>10</sup> within thirty (30) days of the date of this order, to reflect the Commission’s action in this order.

7. This letter order terminates Docket No. ER12-678-006.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

cc: All Parties

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<sup>8</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 156 FERC ¶ 61,049 (2016).

<sup>9</sup> Offer of Settlement at § 5.8.

<sup>10</sup> *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).