

152 FERC ¶ 61,031  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

July 16, 2015

In Reply Refer To:  
Midcontinent Independent System  
Operator, Inc.  
Docket No. ER15-1745-000

Midcontinent Independent System Operator, Inc.  
720 City Center Drive  
Carmel, IN 46032

Attention: Matthew R. Dorsett

Dear Mr. Dorsett:

1. On May 19, 2015, pursuant to section 205 of the Federal Power Act (FPA)<sup>1</sup> and Part 35 of the Commission's regulations,<sup>2</sup> Midcontinent Independent System Operator, Inc. (MISO) and the MISO Transmission Owners<sup>3</sup> (collectively, Filing Parties) submitted

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> 18 C.F.R. pt. 35 (2014).

<sup>3</sup> The MISO Transmission Owners for this filing consist of: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Cleco Power LLC; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, Inc.; East Texas Electric Cooperative, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company d/b/a ITC*Transmission*;

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for filing proposed revisions to section 31.3 of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) related to locational requirements for Network Load. Filing Parties also submitted related revisions to section 34.2 and Schedule 9 of the Tariff. Filing Parties request an effective date of July 19, 2015 for the proposed revisions.

2. Filing Parties state that section 31.3 of the Tariff currently requires that Network Load be physically interconnected with a MISO Transmission Owner or Independent Transmission Company. Filing Parties note that this requirement has existed since MISO's inception and that the Commission approved the current Tariff language as a deviation from section 31.3 of the Commission's *pro forma* open access transmission tariff.<sup>4</sup>

3. Filing Parties state that MISO has in recent years filed two non-conforming Network Integration Transmission Service Agreements (NITSA) that allow new Transmission Owners to use Network Service to serve Network Load that is not physically interconnected with a Transmission Owner or Independent Transmission Company in MISO. Filing Parties state that, in Docket No. ER13-2008-000, MISO filed a nonconforming NITSA to allow SMEPA to take Network Service to serve Network Load which is pseudo-tied to SMEPA, and not physically interconnected with a Transmission Owner or Independent Transmission Company within MISO. Filing Parties explain that some of the MISO Transmission Owners filed comments stating that, while they did not oppose the filing, allowing one entity to take Network Service to serve load that is not physically interconnected with a Transmission Owner or Independent Transmission Company could provide that entity with treatment that is not comparable to that available to others and that the Commission should order MISO to work towards a

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ITC Midwest LLC; Michigan Electric Transmission Company, LLC; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association (SMEPA); Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc. (Wabash Valley); and Wolverine Power Supply Cooperative, Inc.

<sup>4</sup> Filing at 2-3 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 84 FERC ¶ 61,231, at 62,178, *order on clarification*, 85 FERC ¶ 61,250, *order on reh'g*, 85 FERC ¶ 61,372 (1998)).

global solution that could involve making changes to the Tariff to allow comparable treatment for all similarly-situated entities. Filing Parties note that, in accepting MISO's filing, the Commission stated:

[t]his proceeding is not the proper venue to develop the type of global solution that the MISO Transmission Owners request . . . [but that the Commission] nevertheless expect[s] that MISO will offer this non-conforming service (i.e., designation of Network Load that is not physically interconnected with the MISO transmission system) on a non-discriminatory basis to other similarly situated transmission customers who request it.<sup>5</sup>

4. Filing Parties state that MISO also submitted a non-conforming NITSA in Docket No. ER14-684-000 to allow Arkansas Electric Cooperative Corporation (AECC) to serve certain pseudo-tied Network Load not physically interconnected with a Transmission Owner in MISO. Filing Parties state that MISO indicated that pseudo-tied loads and resources are normal operating arrangements that are acceptable for both reliability purposes and financial settlements, and that MISO had determined that the external load can be correctly modeled and financially settled under the Tariff. Filing Parties explain that, in accepting the filing, the Commission referenced its statements in the SMEPA Order, and stated it "likewise expect[s] that the non-conforming service MISO requests here will be offered on a non-discriminatory basis."<sup>6</sup>

5. Filing Parties assert that the instant proposed revisions are consistent with the Commission's statements in approving the non-conforming NITSAs in the SMEPA and AECC Orders. Filing Parties state that section 31.3 will be revised to provide a non-discriminatory means for similarly-situated Network Customers to serve Network Load that is not physically interconnected with a Transmission Owner or Independent Transmission Company. Filing Parties contend that proposed section 31.3(b) generally replicates the requirements and characteristics of the service offered to SMEPA and AECC,<sup>7</sup> thus allowing this service to be provided to similarly-situated transmission

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<sup>5</sup> Filing at 11 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 145 FERC ¶ 61,242, at P 11 (2013) (SMEPA Order)).

<sup>6</sup> Filing at 11-12 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,094, at P 44 (2014) (AECC Order)).

<sup>7</sup> Section 31.3(b) requires, among other things, that the non-interconnected Network Load must have been either: (1) part of a Transmission Owner's bundled or native load prior to that Transmission Owner joining MISO, or (2) a network customer's network load under a Transmission Owner's or Independent Transmission Company's open access transmission tariff in effect prior to that Transmission Owner or Independent

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customers. Filing Parties state that proposed section 31.3(c) provides for Network Load that is not physically interconnected with a Transmission Owner or Independent Transmission Company, but is physically located within the boundaries of the MISO balancing authority area and balanced by the MISO balancing authority. Filing Parties explain that Network Load that meets this criterion could be load physically located within the MISO balancing authority area, but that has a point of interconnection with a non-MISO transmission owner facility. In addition, Filing Parties state that certain conforming changes have been made to section 34.2 and Schedule 9 of the Tariff.

6. Notice of Filing Parties' May 19, 2015 filing was published in the *Federal Register*, 80 Fed. Reg. 30,224 (2015), with interventions and protests due on or before June 9, 2015. Hoosier Energy Rural Electric Cooperative, Inc., NRG Companies,<sup>8</sup> Ameren Services Company, Missouri Industrial Energy Consumers and SMEPA filed timely motions to intervene. AECC filed a timely motion to intervene and comments. The Missouri Public Service Commission (Missouri Commission), Wabash Valley, and East Texas Cooperatives<sup>9</sup> filed motions to intervene out-of-time. On June 24, 2015, Filing Parties filed an answer.

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2014), the Commission will accept the late-filed motions to intervene filed by the Missouri Commission, Wabash Valley, and East Texas Cooperatives given their interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

8. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept Filing Parties' answer because it has provided information that assisted us in our decision-making process.

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Transmission Company joining MISO, and is reported in a MISO Local Balancing Authority Area.

<sup>8</sup> The NRG Companies consist of NRG Power Marketing, LLC and GenOn Energy Management, LLC.

<sup>9</sup> East Texas Cooperatives consist of East Texas Electric Cooperative, Inc., Sam Rayburn G&T Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc.

9. AECC states that it supports the provision of non-discriminatory access to Network Service for MISO Transmission Owners to serve Network Load even when it is not physically interconnected with a MISO Transmission Owner. AECC states that it does not object to the instant filing, provided that Filing Parties confirm its understanding on three issues: (1) that bundled or native load includes all of AECC's load, more specifically, the provision of wholesale service for all of AECC's member cooperatives on an all-requirements basis; (2) that bundled or native load includes any future load growth experienced by those same all-requirements' member cooperatives, regardless of whether any particular AECC delivery point is currently pseudo-tied; (3) that proposed section 31.3(b)(i) will not preclude AECC from continuing to take Network Service for its bundled or native load, as defined above, regardless of how that load may change in magnitude over time.

10. In their answer, Filing Parties confirm their understanding that the three statements in AECC's comments are true and accurate.<sup>10</sup>

11. Based on the record before us, including Filing Parties' response to AECC's comments, we find that the proposed Tariff revisions provide a reasonable and non-discriminatory method for providing Network Service to Network Load that is not physically interconnected to the MISO system. Accordingly, we accept the proposed Tariff revisions for filing, effective July 19, 2015, as requested.

By direction of the Commission

Kimberly D. Bose,  
Secretary.

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<sup>10</sup> Filing Parties Answer at 3.