

167 FERC ¶ 61,130
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

GridLiance West LLC

Docket Nos. EL18-158-000
ER17-706-006

ORDER ACCEPTING COMPLIANCE FILING AND TERMINATING SECTION 206
PROCEEDING

(Issued May 16, 2019)

1. On January 22, 2019, as revised on January 23, 2019, GridLiance West LLC (GridLiance)¹ submitted a compliance filing in Docket No. ER17-706-006, to eliminate from GridLiance's transmission formula rate the two-step averaging methodology it had used to calculate the Accumulated Deferred Income Tax (ADIT) component of rate base,² in accordance with the Commission's order issued on December 20, 2018 in Docket No. EL18-158-000.³ In this order, we accept the compliance filing, effective June 27, 2018, as requested, and terminate the proceeding in Docket No. EL18-158-000 that was initiated pursuant to section 206 of the Federal Power Act.⁴

¹ On September 18, 2018, GridLiance's notice of succession changing its name from GridLiance West Transco LLC to GridLiance West LLC was accepted. *GridLiance West LLC*, Docket Nos. ER18-2206-000 and ER18-2206-001 (Sept. 18, 2018) (delegated order).

² ADIT arises from timing differences between the method of computing taxable income for reporting to the Internal Revenue Service and the method of computing income for regulatory accounting and ratemaking purposes.

³ *GridLiance West Transco LLC*, 165 FERC ¶ 61,240 (2018) (December 2018 Order).

⁴ 16 U.S.C. § 824e (2012).

(continued ...)

I. December 2018 Order

2. In the December 2018 Order, the Commission found that the two-step averaging methodology used in GridLiance's transmission formula rate to calculate the ADIT component of rate base, was unjust and unreasonable and unduly discriminatory or preferential.⁵ Accordingly, the Commission directed GridLiance to submit a compliance filing revising its transmission formula rate to eliminate use of the two-step averaging methodology, with such changes to be effective June 27, 2018, the refund effective date established by the order instituting this proceeding.⁶

II. Compliance Filing

3. On January 22, 2019, as amended on January 23, 2019, GridLiance submitted a compliance filing proposing to revise its transmission formula rate—specifically, Notes A and R and Attachment 6a-ADIT Projection—to eliminate the use of the two-step averaging methodology in the calculation of ADIT balances for GridLiance's projected test year calculations to comply with the December 2018 Order.

III. Notice and Responsive Pleadings

4. Notice of GridLiance's compliance filing in Docket No. ER17-706-006 was published in the *Federal Register*, 84 Fed. Reg. 705 (2019), with interventions and protests due on or before February 12, 2019. None was filed.

IV. Discussion

5. We find that GridLiance's filing complies with the December 2018 Order and addresses the concerns identified in the June 2018 Order by eliminating the use of the two-step averaging methodology in the calculation of ADIT balances for GridLiance's projected test year calculations.⁷ Accordingly, we accept the compliance filing, effective June 27, 2018, and terminate the captioned section 206 proceeding.

The Commission orders:

(A) GridLiance's compliance filing in Docket No. ER17-706-006 is hereby accepted, effective June 27, 2018, as discussed in the body of this order.

⁵ December 2018 Order, 165 FERC ¶ 61,240 at P 24.

⁶ *Ameren Illinois Co.*, 163 FERC ¶ 61,200 (2018) (June 2018 Order).

⁷ *Id.* PP 13-14.

(B) The section 206 proceeding in Docket No. EL18-158-000 is hereby terminated, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.