

154 FERC ¶ 61,202
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 17, 2016

In Reply Refer To:
The City of Alexandria, Louisiana
Docket No. EL15-75-000

McCarter & English, LLP
1015 15th Street, NW
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Washington, DC 20005

Attention: John Michael Adragna, Esq.
Attorney for the City of Alexandria, Louisiana

Dear Mr. Adragna:

1. On June 8, 2015, pursuant to Rule 207(a)(5) of the Commission's Rules of Practice and Procedure,¹ the City of Alexandria, Louisiana (Alexandria) filed a petition for authorization to implement a 50-basis point adder (RTO Adder) to Alexandria's authorized rate of return on equity (ROE) based on Alexandria's participation as a member in a regional transmission organization (RTO) (Alexandria Petition). Alexandria states that its transmission revenue requirements are included in the Attachment O EIA Non-Levelized Generic Rate Formula Template (Municipal Generic Template) of Midcontinent Independent System Operator, Inc.'s (MISO) Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff).

2. Notice of the Alexandria Petition was published in the *Federal Register*, 80 Fed. Reg. 34,400 (2015), with interventions and protests due on or before June 29, 2015. On June 29, 2015, Louisiana Public Service Commission filed a notice of intervention. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the notice of intervention of Louisiana Public Service Commission serves to make it a party to this proceeding.

¹ 18 C.F.R. § 385.207(a)(5) (2015).

3. On April 17, 2015, in Docket No. ER15-1067-000, the Commission conditionally accepted the RTO Adder for a group of municipals (Municipal Transmission Owners) that derived their revenue requirements through the Municipal Generic Template, and directed MISO to submit a compliance filing to include in its Tariff specific refund commitments for municipalities that wanted to take advantage of the RTO Adder.² The Commission further stated that the RTO Adder “would also apply to any other transmission owners that use the Municipal Generic Template in Attachment O of the MISO Tariff, which the Municipal Transmission Owners propose to revise in the February 18 Filing.”³

4. On May 18, 2015, as supplemented on June 5, 2015, MISO, on behalf of the Municipal Transmission Owners, submitted a compliance filing in Docket No. ER15-1067-001 (May 18 Compliance Filing) that included revisions to the Municipal Generic Template of MISO’s Tariff. Specifically, MISO submitted the following additions (underlined) to what had originally been proposed for Note P of the Municipal Generic Template to provide that only municipals that turned over functional control of their facilities to MISO were eligible for the RTO Adder, and to specify the refund commitments required by the April 17 Order:

A 50 basis point adder for RTO participation may be added to the ROE or Proprietary Capital Cost up to the upper end of the zone of reasonableness established by FERC for a transmission owner that has turned over functional control of its Transmission Facilities to MISO or provides service over Non-transferred Transmission Facilities through the MISO Tariff with MISO acting as agent, subject to the following criteria. By use of this template, any transmission owner utilizing the RTO Adder affirms that it: 1) commits to providing refunds (with interest at the FERC refund interest rates) to the extent that the ROE or zone of reasonableness established in Docket No. EL14-12 when applied to the effective date established in Docket No. ER15-1067-000 would result in a lower revenue requirement than that charged; and 2) commits to providing refunds (with interest at the FERC refund interest rates) consistent with any refund effective date established in any other proceedings resulting in a new base ROE or new zone of reasonableness for the

² *Midcontinent Indep. Sys. Operator, Inc.*, 151 FERC ¶ 61,050 (2015) (April 17 Order).

³ *Id.* P 24.

MISO transmission owners' base ROE, to the extent that the ROE or zone of reasonableness established in any such proceedings, when applied as of the refund effective date established in such proceedings, would result in a lower revenue requirement than that charged.⁴

5. On December 22, 2015, the Commission accepted these revisions to MISO's Municipal Generic Template effective as of June 16, 2015 (December 22 Order). Further, the Commission clarified that:

in the April 17 Order, the Commission established that any municipal Transmission Owner, including those that were not a party to the February 18 Filing, that uses the revised Municipal Generic Template may receive the RTO Adder, without a separate filing with the Commission as long as they are otherwise eligible to receive that RTO Adder and permitted to use the Municipal Generic Template.⁵

6. In its petition, Alexandria states that to the extent the changes accepted in the December 22 Order are deemed to apply to Alexandria in the absence of a separate filing, Alexandria requests that the Commission dismiss its filing as moot. Alternatively, Alexandria requests that it receive the RTO adder effective 60 days from the date of its filing. Further, Alexandria requests to defer collection of the RTO Adder pending the outcome of the pending ROE complaint proceeding in Docket No. EL14-12.

7. Based on the policy established in the April 17 Order and the December 22 Order, it was not necessary for Alexandria to have asked the Commission for authority to implement the RTO Adder to the extent it is eligible to use the Municipal Generic Template and satisfies the conditions stated in Note P to the Municipal Generic Template.

8. Because the Commission established an effective date for implementation of the RTO Adder in the Municipal Generic Template of June 16, 2015, that is the effective date of the RTO Adder for Alexandria, and any other municipal that was eligible to calculate its revenue requirement pursuant to the Municipal Generic Template as of that

⁴ MISO, May 18 Compliance Filing, Docket No. ER15-1067-001, Municipal Generic Template at 5 (emphasis added to reflect the revisions to Note P).

⁵ *Midcontinent Indep. Sys. Operator, Inc.*, 153 FERC ¶ 61,334, at P 27 (2015) (December 22 Order).

date. Further, we grant Alexandria's request to defer collection of the RTO Adder until after the decision in the pending rate of return on equity complaint proceeding in Docket No. EL14-12.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.