UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Coalition of MISO Transmission Customers, Industrial Energy Consumers of America, LS Power Midcontinent, LLC Complainants, Midcontinent Independent System Operator, Inc. Respondent	))))))))))	Docket No. EL20-___-000

COMPLAINT OF COALITION OF MISO TRANSMISSION CUSTOMERS, INDUSTRIAL ENERGY CONSUMERS OF AMERICA, AND LS POWER MIDCONTINENT, LLC, AND REQUEST FOR FAST TRACK PROCESSING

Pursuant to Sections 206, 306, and 309 of the Federal Power Act ("FPA")[1] and Rule 206 of the Federal Energy Regulatory Commission's ("FERC" or the "Commission") Rules of Practice and Procedure,[2] the Coalition of MISO Transmission Customers ("CMTC"), Industrial Energy Consumers of America ("IECA"), and LS Power Midcontinent, LLC ("LS Power") (collectively, "Complainants") submit this Complaint against the Midcontinent Independent System Operator, Inc. ("MISO") concerning existing provisions in the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff") that provide for the allocation of costs for Baseline Reliability Projects. As discussed in this Complaint, the current location-based cost allocation methodology for Baseline Reliability Projects fails the Commission's obligation to ensure just and reasonable rates by identifying the beneficiaries of

[1] 16 U.S.C. §§ 824e, 825e and 825h.

[2] 18 C.F.R. § 385.206.

each Baseline Reliability Project in a manner that is roughly commensurate with the benefits received from that project and is, therefore, unjust and unreasonable. To remedy the existing unjust and unreasonable cost allocation methodology, the Commission must direct MISO to replace that methodology with a just and reasonable methodology that identifies beneficiaries in a manner roughly commensurate with the costs to be allocated for each project. The previously approved and utilized line outage distribution factor ("LODF") methodology is just and reasonable and should be utilized going forward to allocate costs for Baseline Reliability Projects until and unless an alternative cost allocation methodology is approved by the Commission. The new methodology should apply to Baseline Reliability Projects, regardless of cost or voltage, effective on and after the date of this complaint.[3]

In December 2019, the MISO Board approved the 2019 MISO Transmission Expansion Plan ("MTEP19"), which includes 113 additional Baseline Reliability Projects valued at $826 million.[4] In February 2020, MISO will release its models from which it can be shown whether

---

[3] Section 206(b) states in relevant part:

> Whenever the Commission institutes a proceeding under this section, the Commission shall establish a refund effective date. In the case of a proceeding instituted on complaint, the refund effective date shall not be earlier than the date of the filing of such complaint nor later than 5 months after the filing of such complaint.

16 U.S.C. § 824e; *see also DC Energy, LLC v. PJM Interconnection, LLC*, 164 FERC ¶ 61,216, at P 33 (2018) (establishing refund effective date for complaint regarding PJM's collateral and minimum capitalization requirements for Financial Transmission Rights as of the date of the complaint consistent with the Commission's "general policy").

[4] *See*, MTEP19 Executive Summary and Report, at 16, available at https://cdn.misoenergy.org//MTEP19%20Executive%20Summary%20and%20Report398565.pdf (last accessed Jan. 17, 2020). As the Executive Summary notes, MTEP19 also includes an "Other Project" category. "Other Projects," which are also allocated exclusively to the zone in which the project is located, represent 320 projects for MTEP19 at a value of $2.8 billion. Complainants are very concerned about the explosion in the number of Other Projects in recent years, including the apparent local rather than regional planning determination of whether to rebuild a transmission facility at the end of its useful life. Nevertheless, the scope of Other Project planning, the justness and reasonableness of the cost allocation methodology for Other Projects,

these projects have regional benefits. For the reasons stated herein, it is highly likely that the models will show that many of the 113 Baseline Reliability Projects will have regional benefits such that allocation of costs based exclusively on project location would be inappropriate. To ensure that the revised just and reasonable cost allocation methodology applies to the 113 Baseline Reliability Projects approved in this transmission planning cycle, Complainants respectfully request that the Commission implement Fast Track processing procedures for this complaint. Fast Track processing is appropriate as the Commission has recently clarified its cost allocation obligations and there is a known just and reasonable allocation methodology to apply to Baseline Reliability Projects.

I. EXECUTIVE SUMMARY

Between 2013 and 2019, without analytically identifying the beneficiaries, MISO has included Baseline Reliability Projects with a total estimated cost of $5 billion in its annual MISO Transmission Expansion Plans.[5] Prior to a change in 2013 in the manner in which costs for Baseline Reliability Projects are allocated, the beneficiaries of ***each*** Baseline Reliability Project were analytically identified through the LODF methodology and the costs of individual Baseline Reliability Projects were allocated accordingly.[6] MISO's current cost allocation methodology for Baseline Reliability Projects concludes, without any analysis of individual projects, that for cost allocation purposes the only relevant beneficiaries of Baseline Reliability Projects are the

---

and the prudency of locally planned Other Projects representing 70% of the regional transmission plan, are outside the scope of this narrowly focused Complaint. The proliferation of Other Project planning will be addressed as appropriate in subsequent proceedings.

5 *See infra* Section V.B.2. The total is based on estimates provided for Baseline Reliability Projects approved in MTEPs 2013-2019.

6 *See Midwest Indep. Transmission Sys. Operator, Inc. and the MISO Transmission Owners, et al.*, 142 FERC ¶ 61,215, at PP 484, 518, 520 (2013) (accepting the revised cost allocation methodology effective June 1, 2013) ("BRP Cost Allocation Order").

ratepayers in the transmission owner zone where the Baseline Reliability Project is physically located. MISO's cost allocation methodology thus allocates 100% of the costs of each Baseline Reliability Project only to the ratepayers in the transmission owner zone where the relevant Baseline Reliability Project is physically located.[7] This cost allocation methodology is unjust and unreasonable.

Although the cost-causation principle has been around for years,[8] recent Federal Court and Commission decisions have clarified the Commission's application of the principle in the context of region-wide cost allocation methodologies, and thus require the Commission to reevaluate whether the cost allocation methodology for Baseline Reliability Projects is just and reasonable. Of particular relevance to the Commission's analysis of physical location-based cost allocation, the United States Court of Appeals for the District of Columbia Circuit ("Court" or "D.C. Circuit") vacated a Commission Order accepting a cost allocation scheme that allocated all costs of an entire category of transmission projects exclusively to the zone in which the project is physically located irrespective of the fact that some of the projects had regional benefits.[9] The Court found that when significant benefits (as much as 43% in the projects reviewed by the Court) flowed to zones other than where the projects were located, such a cost allocation scheme:

---

7 If a Baseline Reliability Project is located in the pricing zone of more than one transmission owner, MISO's Tariff states that each transmission owner is responsible for all of the costs of the portion of the Baseline Reliability Project that is physically located in the transmission owner's pricing zone. MISO Tariff, Attachment FF, § III.A.2.c.

8 *See, e.g., KN Energy, Inc. v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992) (At its core, the cost-causation principle requires that "all approved rates reflect to some degree the costs actually caused by the customer who must pay them.").

9 *Old Dominion Elec. Coop. v FERC,* 898 F.3d 1254 (D.C. Cir. 2018), *reh'g denied,* 905 F.3d 671 (D.C. Cir. 2018)("*ODEC v. FERC*"); *see also MISO Transmission Owners v. FERC*, 819 F.3d 329 (7th Cir. 2016)("*MISO TOs v. FERC*") (citing therein *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009)) ("FERC is not authorized to approve a pricing scheme that requires a group of utilities to pay for facilities from which its members derive no benefits, or benefits that are trivial in relation to the costs sought to be shifted to its members.").

> does not amount to a quibble about 'exacting precision,' *Midwest ISO Transmission Owners*, 373 F.3d at 1369, or a tempering of the cost-causation principle in pursuit of 'competing goals,' *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41, 88 (D.C. Cir. 2014). Rather, it involves a wholesale departure from the cost-causation principle, which would 'shift a grossly disproportionate share of [the] costs' of these high-voltage projects into a single zone.[10]

The facts are no different here. The MISO Baseline Reliability Project cost allocation rule similarly excludes *any* costs from a Baseline Reliability Project from being allocated beyond the zone in which the transmission facility is physically located, regardless of significant benefits to other zones and, thus, is a wholesale departure from the cost-causation principle. As the Court found in *ODEC v. FERC*, the application of the cost-causation principle "prevents regionally beneficial projects *from being arbitrarily excluded from cost sharing* – a necessary corollary to ensuring that the costs of such projects are allocated commensurate with their benefits."[11] The Court did not see how "a categorical refusal to permit any regional cost sharing for an important

---

[10] *ODEC v. FERC*, 898 F.3d at 1261. Although the particular projects before the Court were 500 kV transmission lines, the Court vacated the entire cost allocation rule, which had no minimum voltage threshold. On remand, the Commission required removal of the rule at all voltages. *PJM Interconnection, L.L.C.*, 168 FERC ¶ 61,133 (2019) (rejecting allocating 100 percent of costs for projects that are included in the RTEP solely to address individual transmission owner Form No. 715 local planning criteria to the transmission zone of the transmission owner whose Form No. 715 local planning criteria underlie each project because such as an allocation violates the cost allocation principle which requires "comparing the costs assessed against a party to the burdens imposed or benefits drawn by that party.").

The Court also rejected the Commission's argument that the revised cost allocation methodology was just and reasonable because nothing in Order No. 1000 requires that the projects be cost shared. *ODEC v. FERC*, 898 F.3d at 1263. The Court found that "compliance with Order No. 1000 does not necessarily ensure compliance with the cost-causation principle – a pre-existing, more general rule that, in order to ensure just and reasonable rates, FERC must make some reasonable effort to match costs to benefits." *Id.* (citing *BNP Paribas Energy Trading GP v. FERC*, 743 F.3d 264, 268 (D.C. Cir. 2014) ("*BNP Paribas Energy*")).

[11] *Id.* [emphasis added]. "Regionally beneficial projects" need not mean projects that benefit the entire region. *See* n.44 *infra*.

category of projects conceded to produce significant regional benefits can be reconciled with the background principle."[12]

The Commission also recently confirmed that a region-wide cost allocation methodology previously held to be just and reasonable nevertheless cannot stand where its application to a specific project results in a mismatch between costs allocated and benefits received. The Commission made that holding notwithstanding that the cost allocation methodology may provide accurate results for some, or even most, projects.[13] The Commission found that the beneficiaries of the project at issue were not captured by application of the approved region-wide cost allocation methodology, thus rendering the approved cost allocation methodology unjust and unreasonable as applied to the project under review and similar projects.[14]

These decisions demonstrate that the Commission's statutory mandate to ensure just and reasonable rates requires that the Commission address the failure of the MISO Tariff to allocate costs for Baseline Reliability Projects to beneficiaries in a manner reasonably commensurate with benefits for *each* Baseline Reliability Project. Because the Baseline Reliability Project cost allocation rule fails to do so, it violates cost-causation precedent and is unjust and unreasonable. The requirement that costs of transmission additions are allocated to the beneficiaries is not a "most of the time" standard. Although in some instances the physical location of a Baseline Reliability Project may correspond with the beneficiaries in a roughly commensurate manner, allocating the costs of *every* Baseline Reliability Project based exclusively on the project's

---

12 *Id.*

13 *Delaware Pub. Serv. Comm'n & Maryland Pub. Serv. Comm'n, v. PJM Interconnection, L.L.C. and Certain Transmission Owners Designated under CTOA RS FERC No. 42*, 164 FERC ¶ 61,035, at P 42 (2018)("*Delaware PSC & Maryland PSC v. PJM & Certain PJM TOs Order*"), *order on reh'g*, 166 FERC ¶ 61,161 (2019)("*Delaware PSC & Maryland PSC v. PJM & Certain PJM TOs Rehearing Order"*).

14 *Delaware PSC & Maryland PSC v. PJM & Certain PJM TOs Order* at P 41.

physical location does not allocate the costs in a manner that is roughly commensurate with benefits for every Baseline Reliability Project. In many instances, costs are significantly out of line with benefits. Therefore, "[t]his does not amount to a quibble about 'exacting precision,' [citation omitted], or a tempering of the cost-causation principle in pursuit of 'competing goals' [citation omitted]."[15]

In 2013, when the Commission accepted the MISO-wide non-analytical cost allocation methodology it presumably did so believing that the non-analytical approach would result in cost allocation for every Baseline Reliability Project being allocated roughly commensurate with benefits. That presumption has proven to be false. It was also asserted that Baseline Reliability Projects would be largely displaced by Market Efficiency Projects ("MEPs") and Multi-Value Projects ("MVPs"). That assertion has proven to be false. Where an approved cost allocation methodology is shown to result in a mismatch between costs and benefits for a specific project, the Commission is obligated to reexamine that cost allocation methodology.[16]

To test the accuracy of the cost allocation presumption that location alone can act as an appropriate surrogate for the actual measurement of beneficiaries for every Baseline Reliability Project, Pterra, LLC ("Pterra") analyzed 29 Baseline Reliability Projects by using a LODF method – the beneficiary analysis that MISO applied prior to the cost allocation change

---

15 *ODEC v. FERC*, 898 F.3d 1254; *see also MISO TOs v. FERC*, 819 F.3d 329 (accepting a right of first refusal for baseline reliability projects because FERC's calculations "suggest that the spillover of benefits to other zones is modest enough to make the local allocation of costs "roughly commensurate" with the allocation of benefits" citing therein *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009)) ("FERC is not authorized to approve a pricing scheme that requires a group of utilities to pay for facilities from which its members derive no benefits, or benefits that are trivial in relation to the costs sought to be shifted to its members.")). As set forth further herein, the spillover of benefits to other zones turned out to be not as modest as the 7th Circuit suggested were true.

16 *Delaware PSC & Maryland PSC v. PJM & Certain PJM TOs Order*, 164 FERC ¶ 61,035 at P 42.

authorized in ER13-186-000.[17] The Baseline Reliability Projects that Pterra analyzed varied across MTEPs, voltages, and location. That analysis determined that, in multiple instances, beneficiaries of approved Baseline Reliability Projects were not the ratepayers where the physical Baseline Reliability Project facilities were located.[18] The inaccuracy of measuring beneficiaries based purely on physical location of the transmission facilities is true regardless of voltage.

As discussed below, analysis of those benefiting from a Baseline Reliability Project under a LODF methodology establishes that in some cases as much as 60% of the benefits of a particular Baseline Reliability Project are enjoyed by ratepayers outside the transmission owner zone in which the project is located. Because the beneficiaries are outside the zone in which the project is physically located, under the existing cost allocation methodology for Baseline Reliability Projects, those beneficiaries pay nothing for the project. Obviously in such instances the converse also is true; under the existing cost allocation methodology, ratepayers in the zone where the Baseline Reliability Project is physically located are charged 100% of the cost for the project while receiving only a portion of the benefits, sometimes as little as 40% of the benefits.

---

17 Pterra, "LODF-Mile Cost Allocations for Selected Transmission Projects in MISO" Final Report (Jan. 16, 2020)("Pterra Report") (Attachment B). In addition to the analysis of 29 Baseline Reliability Projects, the Pterra LODF analysis included two "Other Projects." The analysis of Other Projects also reflected that such projects could include benefits to multiple transmission owners. *See, e.g.*, Pterra Report at Section 4.16 analyzing Project 12122 in MTEP17.

18 The LODF analysis identifies the beneficiaries of a Baseline Reliability Project based on the impact that the Baseline Reliability Project would have on the total flows in any other zone as a percentage of its total impact on flows in all other zones. In its filing to revise the cost allocation method, MISO did not argue that the LODF methodology was unjust or unreasonable. Similarly, the Commission did not make any finding that using the LODF analysis to identify beneficiaries led to inaccurate results or was otherwise unjust or unreasonable. *BRP Cost Allocation Order*, 142 FERC ¶ 61,215 at P 522 (the Commission did not make any findings regarding the LODF based methodology because it found that MISO was not required to show that the current cost allocation method is unjust or unreasonable in order to revise the methodology.) Thus, the LODF methodology remains a just and reasonable method to identify the beneficiaries of Baseline Reliability Projects.

Based on the evidence presented in this complaint demonstrating that the current cost allocation method is unjust and unreasonable, Section 206 of the FPA mandates that the Commission take corrective action:

> (a) Unjust or preferential rates, etc.; statement of reasons for changes; hearing; specification of issues
>
> **Whenever the Commission**, after a hearing held upon its own motion or **upon complaint**, **shall find that any rate**, charge, or classification, demanded, observed, charged, or collected by any public utility for any transmission or sale subject to the jurisdiction of the Commission, **or that any rule, regulation, practice, or contract affecting such rate**, charge, or classification **is unjust, unreasonable**, unduly discriminatory or preferential, **the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order.** [emphasis added]

A Commission finding under Section 206 of the Federal Power Act requires a two-step analysis.[19] The Commission must first determine whether an existing rate or practice is "unjust, unreasonable, unduly discriminatory or preferential . . .." Once the first step is met, the Commission *must* exercise its section 206 authority to impose a replacement rate or practice that is just and reasonable.[20] In Sections V and VI of this complaint, Complainants show that the Commission must declare that the current cost allocation methodology for Baseline Reliability Projects is unjust and unreasonable. In Section VII of this complaint, Complainants request that the Commission declare a just and reasonable rate to be applied, offering MISO's previous

---

19 *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017).

20 *Delaware PSC & Maryland PSC, v. PJM & Certain PJM TOs Order*, 164 FERC ¶ 61,035 at P 42 ("In finding the portion of cost responsibility assigned pursuant to the solution-based DFAX method unjust and unreasonable for stability-related reliability projects, pursuant to FPA section 206, we are required to establish the just and reasonable replacement rate. We are establishing paper hearing procedures to develop additional information to help us determine a just and reasonable *ex ante* cost allocation method for Regional Facilities, Necessary Lower Voltage Facilities, and Lower Voltage Facilities in PJM that address stability-related reliability issues.").

LODF methodology as the appropriate mechanism to apply unless and until an alternative mechanism is approved by the Commission.

II. CORRESPONDENCE AND COMMUNICATIONS

Coalition of MISO Transmission Customers

Robert A. Weishaar, Jr.*
McNees Wallace & Nurick, LLC
1200 G Street, NW
Suite 800
Washington, DC 20005
Tel. (202) 898-0688
Email: bweishaar@mcneeslaw.com

Kenneth R. Stark
McNees Wallace & Nurick, LLC
100 Pine Street
Harrisburg, PA 17055
Tel. (717) 237-5378
Email: kstark@mcneeslaw.com

Industrial Energy Consumers of America

Paul N. Cicio*
President
1776 K Street, NW, Suite 720
Washington, DC 20006
Tel. (202) 223-1661
Email: pcicio@ieca-us.org

LS Power Midcontinent, LLC

Sharon K. Segner*
LS Power
1001 19th Street North
Suite 1200
Arlington, VA 22209
Tel. (571) 384-7103
Email: ssegner@lspower.com

Michael R. Engleman*
Robert C. Fallon
Christina Switzer[21]
Engleman Fallon, PLLC
1717 K Street, NW
Suite 900
Washington, DC 20006
Tel. (202) 464-1330
Email: mengleman@efenergylaw.com
rfallon@efenergylaw.com
cswitzer@efenergylaw.com

* Persons denoted with an asterisk are those designated for service for each respective Complainant pursuant to section 385.2010 of the Commission's regulations.

[21] Not admitted in the District of Columbia. Supervised by attorneys admitted in the D.C.

III. DESCRIPTION OF THE PARTIES

A. CMTC

CMTC is an *ad hoc* association of large industrial customers with facilities located throughout the MISO region. CMTC is a member of MISO and represents the end-use customer sector. CMTC facilities located within MISO's footprint consume more than 8 billion kWh of electricity annually. CMTC members are directly impacted by misallocated costs for Baseline Reliability Projects, with some members paying more than they should for projects physically located in the same transmission owner zone as the member or paying less than they should for projects outside their host transmission owner zone but from which they benefit. CMTC members are adversely impacted by the loss of efficiencies that result from a misalignment of cost responsibility and project benefits. CMTC members are also being deprived of the benefits of competition for the development and ownership of Baseline Reliability Projects because of the existing cost allocation methodology for such Projects. CMTC members support cost allocation methodologies that adhere to cost-causation principles and they support vibrant competition, including in the development of new transmission projects that can provide cost savings to consumers.

B. IECA

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with $1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 million employees worldwide. IECA is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer,

insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement. These industries use a tremendous amount of electricity in their industrial processes.

IECA has members throughout MISO. In MISO states, of the electricity produced, the manufacturing sector consumes approximately 34 percent of all electricity at a cost of approximately $22 billion. The vast majority of IECA member companies are energy intensive trade exposed (EITE), which means that relatively small increases in the price of electricity can have relatively high negative impacts to their global competitiveness – directly impacting jobs and investment. IECA member companies support the use of cost-causation principles as the foundation of a just and reasonable cost allocation methodology. IECA member companies also believe that transmission policy that maximizes the use of competition in building electric transmission results in lower ratepayer costs and without jeopardizing electric reliability. Today, IECA member companies are being denied the benefits of competition for the development and ownership of Baseline Reliability Projects. Like CMTC members, for any particular Baseline Reliability Project, allocation of costs inaccurately may harm one IECA member while benefitting another member. IECA supports consistent, accurate allocation of costs across all transmission project categories. The misallocation of costs for any individual project harms ratepayers from all classes by providing inaccurate signals as to the real cost of electric service.

A by-product of MISO's cost allocation methodology based on physical location is that Baseline Reliability Projects are assigned for development to the incumbent transmission owner without submitting the projects to competition under MISO's Order No. 1000[22] competitive

[22] *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011)("Order No. 1000"), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 ("Order No. 1000A"), *order on reh'g*, Order No.

process, a process that has shown definitive ratepayer benefits.[23] IECA supports competition for transmission facilities as a necessary component of ensuring just and reasonable rates.

C. LS Power

LS Power Midcontinent, LLC is a transmission development company that is a qualified developer in MISO. LS Power Midcontinent is a member of the LS Power group of companies, which, among other things, is dedicated to delivering ratepayer value through participation in transmission project competition. The inaccurate cost allocation methodology for Baseline Reliability Projects, in addition to directly harming ratepayers who are allocated costs inappropriately, has the secondary effect[24] of prohibiting competition for all Baseline Reliability Projects and thus depriving ratepayers of the benefits of competition. Had MISO not changed the cost allocation methodology in 2013 for Baseline Reliability Projects, a significant portion of the approximately $5 billion of MISO Baseline Reliability Projects approved between 2013 and 2019 would have been selected through competitive solicitations. When competition for transmission projects has occurred in MISO and elsewhere, LS Power affiliates have participated in the competitive solicitations and have been selected to build and own a number of projects, including the Duff-Coleman project in MISO, which projects have an aggregate value in excess of $1 billion. Thus, a restriction on competition directly and significantly impacts LS Power as a competitor in MISO.

1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S. C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014) ("Order No. 1000").

23 *See The Brattle Group*, "Cost Savings Offered by Competition in Electric Transmission: Experience to Date and the Potential for Additional Customer Value" (released April 2019)("Brattle Competition Report"), *available at* https://brattlefiles.blob.core.windows.net/files/16726_cost_savings_offered_by_competition_in_electric_transmission.pdf.

24 *See infra* Section IV.C.

D. MISO

MISO is a Commission-approved RTO responsible for reliability coordination of the wholesale bulk power and electric transmission system in fifteen U.S. states and one Canadian province. Currently, MISO directs the operation of over 65,000 miles of high-voltage transmission, approximately 185,000 megawatts of power-generating resources across its footprint, and manages one of the world's largest energy markets. MISO is a North American Electric Reliability Corporation ("NERC") certified Balancing Authority responsible for maintaining load-interchange-generation balance within its balancing authority area and supporting the Eastern Interconnection frequency in real time. MISO has its principle operations in Carmel, Indiana. MISO also maintains backup control centers and data rooms in Indianapolis, Indiana; Eagan, Minnesota; and Little Rock, Arkansas.

MISO conducts regional transmission planning through its MTEP process. As part of its planning obligations, MISO plans Baseline Reliability Projects, which MISO defines as: "Network Upgrades identified in the base case as required to ensure that the Transmission System is in compliance with applicable national Electric Reliability Organization reliability standards and reliability standards adopted by Regional Reliability Organizations, and applicable within the Transmission Provider Region."[25] MISO's Planning Guiding Principles provide that among the key planning principles is to "[p]rovide an appropriate cost allocation mechanism that ensures that costs of transmission projects are allocated in a manner roughly commensurate with the projected benefits of those projects."[26]

---

[25] MTEP19 Executive Summary at 15.

[26] *Id.* at 9.

Pursuant to the MISO Transmission Owners Agreement "MISO shall possess the right to submit filings under FPA section 205 with regard to the allocation of costs associated with transmission upgrades and new transmission facilities affecting multiple Tariff zones." This Complaint requests that the Commission direct MISO to correct the unjust and unreasonable cost allocation methodology in its Tariff related to Baseline Reliability Projects.

IV. HISTORY OF BASELINE RELIABILITY PROJECTS

A. The Commission Approves The Baseline Reliability Project Category

Baseline Reliability Projects arose in 2005 out of MISO's Regional Expansion Criteria and Benefits ("RECB") stakeholder meetings following MISO's commitment to utilize regional planning to "identify expansions that are of value in providing for a more competitive energy market."[27] MISO proposed to formally incorporate into its Tarff the protocols for developing the MISO Transmission Expansion Plan, including considering and developing two new categories of projects – Baseline Reliability Projects and Regionally Beneficial Projects.[28] MISO defined Baseline Reliability Projects "as Network Upgrades identified in the MTEP as required to ensure that the Transmission System is in compliance with applicable reliability requirements of NERC, regional reliability councils, or successor organizations, Transmission Owners planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local

---

[27] MISO Transmittal Letter, Docket No. ER06-18 at page 2 filed on October 7, 2005 ("MISO Transmittal Letter").

[28] MISO Transmittal Letter at page 1-2. As defined in MISO's initial proposal, Regionally Beneficial Projects were "Network Upgrades that are proposed by the Transmission Provider, Transmission Owner(s), ITC(s), Market Participant(s), or regulatory authorities as beneficial to one or more Market Participant(s) that are not determined to be Baseline Reliability Projects or New Transmission Access Projects." MISO Transmittal Letter at page 17. MISO later renamed the projects Market Efficiency Projects. MISO Transmittal Letter, Docket No. ER10-1791-000, filed on July 15, 2010).

system planning and operating reliability criteria."[29] MISO explained that the projects were "referred to as 'Baseline' projects because they collectively, and together with the existing transmission grid facilities, define the base Transmission System needed to meet existing and forecast obligations."[30]

An important aspect of the creation of the Baseline Reliability Projects category was the "regional" nature of the projects. In this regard, while generally supportive of MISO's efforts, the Organization of MISO States ("OMS") protested certain aspects of the process for determining whether a project would qualify as a Baseline Reliability Project. Relevant here, OMS was concerned that, as a result of the tariff language proposed, a Baseline Reliability Project might be local in nature and not provide regional benefits. OMS argued that "test[ing] the MTEP for adequacy and security based on *all applicable criteria*" could permit "the inclusion into the base case of stronger or otherwise non-uniform reliability criteria that may *only be needed for the local system and do not otherwise provide regional benefits.*"[31] The Commission agreed, conditioning acceptance of the Baseline Reliability Project proposal on MISO adding the OMS restriction, among other changes, to ensure that Baseline Reliability Projects addressed only projects needed for regional reliability.[32]

---

29 MISO Transmittal Letter at 16.

30 *Id.*

31 OMS Protest, Docket No. ER06-18-000, filed on Oct. 28, 2005 at 6-7 [emphasis added].

32 *Midwest Independent Transmission System Operator, Inc.*, 114 FERC ¶ 61,106, at P 121 (2006). MISO submitted a compliance filing that replaced "all applicable criteria" with references to applicable national ERO standards to use to determine whether a project qualifies for cost sharing as requested by OMS. MISO Compliance Filing, Docket No. ER06-18-002, filed on April 4, 2006. The Commission subsequently accepted the change. *Midwest Independent Transmission System Operator, Inc.*, 117 FERC ¶ 61,241, at PP 105, 108 (2006).

From a planning perspective, MISO continues to distinguish projects needed to meet regional reliability standards and those needed to meet local standards. MISO describes Baseline Reliability Projects as "required to ensure that the Transmission System is in compliance with applicable national Electric Reliability Organization reliability standards and reliability standards adopted by Regional Reliability Organizations, and applicable within the Transmission Provider Region."[33] In contrast, MISO describes Other Projects as projects that "address localized reliability issues, either due to aging transmission infrastructure, or local non-baseline reliability needs that *are not dictated by NERC and regional reliability standards*."[34] Notwithstanding the distinction in planning focus, the costs of transmission additions for Baseline Reliability Projects and Other Projects are both currently allocated only to the transmission owner zone in which the project is located.

B. MISO Initially Allocated Costs For Baseline Reliability Projects To Regional Beneficiaries

Consistent with the regional nature of Baseline Reliability Projects, MISO initially proposed two methods for allocating the costs of Baseline Reliability Projects, dependent on the voltage of the project. For Baseline Reliability Projects 345 kV or greater, 80 percent of the cost would be allocated based on application of LODF with the remaining 20 percent allocated on a "postage stamp" basis, *i.e.*, the costs were spread across the entire MISO footprint on a load ratio share basis.[35] For projects below 345 kV, the cost allocation relied 100 percent on application of

---

33 MTEP19 Executive Summary at 15.

34 *Id*. at 17 [emphasis added].

35 MISO Transmittal Letter at 19-20. As proposed, and ultimately accepted by the Commission, a Baseline Reliability Project must have a project cost of $5 million or more or, if under $5 million, then the project cost must constitute five percent or more of the transmission owner's net plant as established in Attachment O of the MISO Tariff. MISO October 12, 2005 Filing at 19.

LODF.[36] The cost allocation methodology applicable to projects above 345 kV was part of a compromise proposal, with some stakeholders wanting a much higher percentage assigned via the use of a region-wide postage stamp cost allocation and other stakeholders pushing for no postage stamp cost sharing at all.[37]

The Commission found that it was just and reasonable to rely exclusively on the outcome of the LODF analysis[38] for the cost allocation for Baseline Reliability Projects below 345 kV.[39] For Baseline Reliability Projects at 345 kV and above, the Commission initially found that the degree of regional postage stamp cost sharing [the 20% allocation], may not be just and reasonable because it resulted in *too low of a region-wide allocation*.[40] The Commission explained that it was "concerned that the proposed [20%] regional cost sharing for extra high voltage facilities (at 345 kV and above) is insufficient given the reliability impacts of such facilities."[41] Following a technical conference, the Commission accepted the 20% postage stamp cost allocation, with the remainder allocated based on LODF, for projects above 345 kV.[42] The Commission rejected arguments that there should be no region-wide cost sharing, stating that "such arguments ignore the reliability benefits arising from high-voltage Baseline Reliability

---

36 MISO Transmittal Letter at 19.

37 MISO Transmission Owners Comments, Docket No. ER06-18-000, page 2, filed on October 28, 2005.

38 Further granularity concerning the LODF can be found in MISO Business Practices Manual, No. 20, *Transmission Planning* at Appendix J, page 179, *Implementation Rules for LODF Calculation*.

39 *Midwest Indep. Transmission Sys. Operator, Inc.*, 114 FERC ¶ 61,106 at P 44.

40 *Id.* at P 43 [emphasis added].

41 *Id.* at P 42.

42 *Midwest Indep. Transmission Sys. Operator, Inc.*, 117 FERC ¶ 61,241 at P 62.

Projects and the regional nature of those reliability benefits."[43] This cost allocation method remained in place until the change made in 2013.

C. MISO Abandons LODF And The Postage Stamp Cost Allocation Methodology In Favor Of Cost Allocation Based Exclusively On The Physical Location Of Baseline Reliability Projects

Order No. 1000 required competition for transmission projects if *any* of the costs of those projects went outside a single transmission owner's zone.[44] Given that Baseline Reliability Projects arose to address solely regional needs, and that costs were allocated either region-wide or based on LODF analytics, Order No. 1000 would have resulted in a large percentage of Baseline Reliability Projects being subject to competition as costs would be allocated outside a single transmission owner zone under the LODF analysis. In response to Order No. 1000, to insulate Baseline Reliability Projects from competitive requirements,[45] MISO and the MISO Transmission Owners made a filing to revise the cost allocation for Baseline Reliability Projects to mandate that the costs would only be allocated to the zone in which the project is physically located. Protecting incumbent transmission owners from competition for the right to develop and own Baseline Reliability Projects was a significant component of the change to a location-based cost allocation, with the proponents asserting that location-based cost allocation:

---

43 *Id.*

44 In Order No. 1000-A, the Commission clarified that the term "regional" generally applies to any transmission facility the costs of which were allocated outside of a single transmission owner's retail distribution service territory or footprint. Order No. 1000-A, 139 FERC ¶ 61,132 at P 430 ("we clarify that if any costs of a new transmission facility are allocated regionally or outside of a public utility transmission provider's retail distribution service territory or footprint, then there can be no federal right of first refusal associated with such transmission facility, except as provided in this order.").

45 The Commission was explicit in Order No. 1000 that the reliability project must be eligible for competition. *See* Order No. 1000-A, 139 FERC ¶ 61,132 at P 428 ("We affirm the decision in Order No. 1000 to require the elimination of a federal right of first refusal for reliability projects.").

> is appropriate to ensure that public utility members of MISO, who are obligated to comply with mandatory reliability standards and state-imposed service obligations, have the option afforded to them in Order No. 1000 to retain a right to build a local transmission facility. [46]

Although there were no changes to the planning criteria for Baseline Reliability Projects, MISO and the MISO Transmission Owners justified the new location-based cost allocation in two ways. First, the proponents asserted that Baseline Reliability Projects *largely* benefitted the zone where the facilities were physically located. Second, they argued that, going forward, Baseline Reliable Projects would be *limited in number* and would be replaced with MEPs and MVPs.[47] Both assertions have proven to be incorrect, as discussed below.

In proposing a cost allocation methodology tied to the physical location of the project rather than measured beneficiaries, the proponents did not argue that Baseline Reliability Projects never have regional benefits (as defined by either LODF analysis or Order No. 1000), only that the *primary* benefits were local. In support of this argument, the proponents provided a statistical breakdown of the LODF-measured benefits for Baseline Reliability Projects approved

---

[46] MISO and MISO Transmission Owner Transmittal Letter, Docket No. ER13-186-000, at page 11 filed on October 25, 2012 ("Baseline Reliability Project Modification Filing"). Shortly after filing to revise the cost allocation applicable to Baseline Reliability Projects, MISO and the MISO TOs filed a settlement and changes to Appendix K of the Transmission Owners Agreement to establish certain Section 205 filing rights for OMS as required by the Arkansas Public Service Commission. *Midwest Independent Transmission System Operator, Inc. and the MISO Transmission Owners*, 143 FERC ¶ 61,165, at P 3 (2013). Under the revised Appendix K, OMS would have the right to "request and the Midwest ISO shall file for a new or an amendment of any regional cost allocation methodology provided for under the Tariff that would be identified as an OMS Committee proposed filing . . .." MISO Transmission Owners Agreement ("MISO TOA"), Appendix K, Section II.E.3. The section twice specifies that OMS's authority does not extend to Baseline Reliability Projects. *Id.* at Section II.E.3(a)(ii) and (b).

[47] Baseline Reliability Project Modification Filing at 5 ("primary benefits of Baseline Reliability Projects are realized at the local level and the fact that MISO's adoption of additional transmission project categories such as MEPs, that are evaluated at the subregional and regional level, and MVPs, that are evaluated at the regional level on a portfolio (rather than individual) basis, has greatly diminished the rule of Baseline Reliability Projects in providing subregional and region-wide benefits.").

since the category was first recognized.[48] Even that breakdown, however, recognized that the LODF analysis for 16 of the 78 cost-shared Baseline Reliability Projects approved up to that time determined that zones outside the pricing zone where the project was located received at least 25% of the benefits of the Projects.[49]

In addition to the statistical arguments regarding *most* Baseline Reliability Projects, the proponents of the cost allocation change argued that the change was just and reasonable because, over time, projects in the MVP and MEP categories would replace Baseline Reliability Projects.[50] In support, they noted that the 2011 MTEP MVP portfolio had displaced the need for 23 Baseline Reliability Projects and argued that improvements to the MEP process also may eliminate the need for future Baseline Reliability Projects.

The Commission accepted MISO's proposal to change the cost allocation method for all Baseline Reliability Projects finding (i) that MISO had "presented *convincing support* for its claim that the pricing zone in which a Baseline Reliability Project is located *receives most of the benefits* provided by that project"[51] and (ii) "persuasive MISO's contention that, going forward,

---

48 Baseline Reliability Projects were eligible for cost sharing two ways. First, if the estimated cost of the project was $ 5 million or greater or the project was 5% or more of the constructing transmission owner's net plant, then the costs were allocated to transmission pricing zone based on a LODF analysis. Second, if the Baseline Reliability Project had a voltage of 345 kV or higher, then 20% of the costs were allocated region-wide with the remaining 80% allocated to transmission zones based on a LODF analysis. *See supra* Section IV.B.

49 Baseline Reliability Project Modification Filing at 6. The proponents also acknowledged that 17 of the 78 approved Baseline Reliability Projects at the time of the 2012 filing were eligible for cost sharing because they had a voltage of 345 kV or greater, and thus, were presumed to have region-wide benefits. *Id*. *See also Midwest Independent Transmission System Operator, Inc.*, 117 FERC 61,241, at PP 62-63 (2006) (finding it appropriate to allocate 20 percent of the costs of Baseline Reliability Projects with a voltage level over 345 kV on a postage stamp basis in part because the of "the reliability benefits arising from high-voltage Baseline Reliability Projects and the regional nature of those reliability benefits").

50 Baseline Reliability Project Modification Filing at 17*; see also Id.* at Exhibit No. MISO-1, Curran Testimony at 18:9-12.

51 BRP Cost Allocation Order, 142 FERC ¶ 61,215 at P 521 [emphasis added].

its MEP and MVP project categories will displace Baseline Reliability Project when more efficient or cost-effective regional solutions are available to meet multiple transmission needs."[52] The Commission's Order did not address application of the new methodology to any individual Baseline Reliability Projects, either historically or prospectively, but instead opined on the application of the methodology generically to the category and region as a whole.[53]

The Commission required MISO to submit informational filings following MTEP 2015 identifying the number of MVPs, MEPs, and Baseline Reliability Projects approved during the MTEP 2014 and MTEP 2015 planning cycles. MISO submitted that filing ("BRP Informational Filing") in August 2016.[54] The facts in the filing show that predictions regarding MEP and MVP projects supplanting Baseline Reliability Projects were erroneous. There were 45 Baseline Reliability Projects approved in 2014 and not a single MEP or MVP. The number of Baseline Reliability Projects almost doubled in 2015 to 85, and there was only a single MEP and zero MVPs approved. At the time, MISO explained that the approval of an MVP Portfolio in 2011

---

52 *Id.* at P 519. On rehearing, the Commission affirmed its decision. *Midwest Indep. Transmission Sys. Operator, Inc.*, 147 FERC ¶ 61,127, at P 436 (2014). Although the Commission found persuasive MISO's assertions regarding MVPs and MEPs replacing Baseline Reliability Projects, the Commission required that MISO provide a report addressing whether MISO's actual experience following the cost allocation change for Baseline Reliability Projects coincided with MISO's prediction that Baseline Reliability Projects would largely be replaced by MVPs and MEPs. *BRP Cost Allocation Order*, 142 FERC ¶ 61,215 at P 519.

53 BRP Cost Allocation Order, 142 FERC ¶ 61,215 at P 520.

54 Midcontinent Independent System Operator, Inc. Informational Filing, Docket Nos. ER13-186-000 and ER13-187-000 at page 2, filed on August 1, 2016 ("BRP Informational Filing"). MISO submitted an updated informational filing in March 2017, noting that the number of Baseline Reliability Projects had decreased from 50 to 45 in 2014 and from 90 to 85 in 2015. Midcontinent Independent System Operator, Inc. Supplemental to Informational Filing, Docket Nos. ER13-186-000 and ER13-187-000 at page 2, filed on March 17, 2017 ("MISO's 2017 Updated Informational Filing"). There continued to be no MEPs or MVPs in 2014 and only one MEP in 2015. *Id.*

was a primary factor in the lack of MEPs and MVPs in 2014 and 2015.[55] As discussed below, however, little has changed.[56]

V. ALLOCATING ALL COSTS OF ALL BASELINE RELIABILITY PROJECTS EXCLUSIVELY TO THE ZONE IN WHICH THE PROJECT IS PHYSICALLY LOCATED IS NOT JUST AND REASONABLE

A. Standard of Review

The Commission is obligated to ensure that all rates for jurisdictional service under the Federal Power Act are just and reasonable.[57] The fact that the Commission previously accepted a rate does not preclude the Commission from later reexamining that rate in a subsequent proceeding.[58] Where a complainant challenges a previously approved rate under Section 206 of the FPA, it must demonstrate that the existing rate is unjust and unreasonable by presenting new evidence or evidence that circumstances have changed. As the Commission explained in *American Electric Power Service Corp.*, 122 FERC ¶ 61,083 (2008) ("AEP") "the preclusive effect of collateral estoppel ends when a party presents new evidence or a change in

---

55 BRP Informational Filing at page 2.

56 *See* infra Section V.B.2.

57 16 U.S.C. §§ 824d, 824e.

58 *Massachusetts Municipal Wholesale Electric Company (MMWEC) v. Northeast Utilities Service Company*, 58 FERC ¶ 61,202 (1992) ("We believe that MMWEC more than adequately has demonstrated the existence of changed circumstances warranting the institution of a hearing."); *California Indep. Sys. Operator Corp.*, 129 FERC ¶ 61,144, at P 4 (2009) (instituting a section 206 investigation upon finding that, due to changes in circumstances, the Exceptional Dispatch provisions of the MRTU Tariff may no longer be just and reasonable. Specifically, the Commission identified two main categories of changed circumstances: (1) the CAISO's significantly increased anticipated usage of Exceptional Dispatch; and (2) the evolution of the Commission's policy that non-resource adequacy resources should receive compensatory payment for the resource adequacy services they provide.); *Old Dominion Elec. Coop. & Direct Energy Bus., LLC on Behalf of Itself & Its Affiliate, Direct Energy Bus. Mktg., LLC & Am. Mun. Power, Inc.*, 164 FERC ¶ 61,116, at P 17 (2018) ("*ODEC*") (citing *Oxy USA Inc. v. FERC*, 64 F.3d 679, 690 (D.C. Cir. 1995))("The fact that a rate once found to be reasonable does not preclude a finding of unreasonable in a subsequent proceeding." (internal quotations omitted)).

circumstances warrants reopening the issue."[59] This Complaint offers new evidence to warrant the Commission determining that the cost allocation methodology for Baseline Reliability Projects is unjust and unreasonable because the methodology prohibits the allocation of any cost of a Baseline Reliability Project outside the zone in which the project is physically located, regardless of the beneficiaries outside that zone.

Evidence based on actual experience in the nearly seven years since the Commission allowed a change in the cost allocation for Baseline Reliability Projects establishes that allocating costs of transmission additions based exclusively on physical location fails to allocate costs roughly commensurate with benefits for a number of Baseline Reliability Projects.[60] In *Illinois Commerce Commission v. FERC*, the United States Court of Appeals for the Seventh Circuit explained that:

> "'[***A]ll*** approved rates [must] reflect to some degree the costs actually caused by the customer who must pay them.' *KN Energy Inc. v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992); *Transmission Access Policy Study Group v. FERC*, 225 F.3d 667, 708 (D.C.Cir.2000); *Pacific Gas & Elec. Co. v. FERC*, 373 F.3d 1315, 1320-21 (D.C.Cir.2004). Not surprisingly, we evaluate compliance with this unremarkable principle by comparing the costs assessed against a party to the burdens imposed or benefits drawn by that party." *Midwest ISO Transmission Owners v. FERC*, 373 F.3d 1361, 1368 (D.C. Cir. 2004); see also *Alcoa Inc. v. FERC*, 564 F.3d 1342, 1346-47 (D.C. Cir. 2009); *Sithe/Independence Power Partners, L.P. v. FERC, supra*, 285 F.3d at 4-5; Federal Power Act, 16 U.S.C. § 824d. To the extent that a utility benefits from the costs of new facilities, it may be said to have "caused" a part of those costs to be incurred . . ..[61]

---

59 *AEP*, 122 FERC ¶ 61,083 at 70.

60 A review of benefits from Baseline Reliability Projects shows, as the Commission was aware, that substantial benefits inure to ratepayers outside the zone in which the Baseline Reliability Project is physically located. Complainants have focused here solely on those Baseline Reliability Projects for which the allocation of cost based exclusively on physical location significantly ignores beneficiaries outside the zone in which the project is physically located.

61 *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009) [emphasis added].

In the decision upholding Order No. 1000, the D.C. Circuit stated that "the Commission's adoption of a beneficiary-based cost allocation method is a logical extension of the cost-causation principle. Under that basic tenet, which we have repeatedly embraced, 'costs are to be allocated to those who cause the costs to be incurred and reap the resulting benefits.'"[62]

B. Evidence Based On Actual Experience Demonstrates That Baseline Reliability Projects Are Not Cost Allocated Roughly Commensurate With Benefits

1. Engineering Analysis Shows That Automatically Allocating Costs For Baseline Reliability Projects Only To The Zone In Which The Project Is Physically Located Is Not Roughly Commensurate With Benefits

To assess the accuracy of the current cost allocation methodology in determining beneficiaries for cost allocation purposes by relying exclusively on physical location rather than a measure of beneficiaries through an analytical assessment, Pterra analyzed 29 Baseline Reliability Projects approved since 2013, using the LODF-mile methodology ("LODF-mile method").[63] As explained in detail in the Pterra Report, Pterra replicated MISO's procedure for the LODF-mile method with the goal of simulating the analysis MISO would have performed had MISO continued to use the LODF-mile method to determine beneficiaries for Baseline Reliability Projects.[64] Pterra benchmarked its analysis against the LODF-mile results for nine projects that MISO documented in the BRP Informational Filing. The benchmarking showed

---

62 *South Carolina Pub. Serv. Auth. v. FERC*, 762 F.3d 41, 85 (D.C. Cir. 2014).

63 The Pterra Report also analyzed two "Other Projects" for benefit determination under the LODF methodology.

64 Pterra obtained MTEP power flow cases from MISO for the years 2012 to 2018. Pterra Report at 6. Pterra was not yet able to obtain MTEP19 models and, thus, was unable to analyze Baseline Reliability Projects included in the recently approved MTEP19. The MTEP19 models will be made available in February 2020.

In 2018, MISO created a new cost allocation zone for Entergy New Orleans. *Midcontinent Independent System Operator, Inc.*, 165 FERC ¶ 61,224 (2018). On page 13 of the Pterra Report, Pterra explains how it addressed changes in the Entergy footprint.

that Pterra's procedure very closely matched the published LODF-based cost allocations provided by MISO. 29 projects were included as a sample of projects approved after 2013 that (1) could provide benefits beyond the transmission owner zone in which the project was physically located, (2) are from different MTEP years, and (3) are geographically diverse within the MISO footprint.[65]

The following table summarizes 12 projects for which the LODF-mile method demonstrates that zones other than the zone where the Baseline Reliability Project is physically located received more than *de minimis* benefits from the project.

Estimated Cost	**Cost Allocation Under Current Method**	**LODF-mile Method Benefits and Cost Allocation Result**	**Total Misallocated to Zone Where Project Is Located**	
			Costs	**Percent**
2013				
4292 Lenawee (now Morocco) 345/138 kV Station*				
Located in METC,[66] the project involves looping 138kV circuits into a new substation. Also includes installing a new 345/138kV transformer at the new substation and looping 345kV circuit into the new substation.				
$25,950,000	METC 100%	METC 61.91%, $16,066,929.54		
		ITCT 38.02%, $9,865,691.35	$9,883,070.46	38%
		NIPS 0.07%, $17,379.11		
3828 Lore-Turkey River-Stoneman 161 kV Rebuild				
Located in ITCM, the project includes rebuilding a 161kV line to 446 MVA. Only the ITC owned portion of the Turkey River-Stoneman line is to be rebuilt.				
$24,500,000	ITCM 100%	ITCM 64.49%, $15,800,751.06	$8,699,248.94	36%
		DPC 12.98%, $3,180,611.85		
		ATC 9.87%, $2,418,591.03		
		XEL 8.50%, $2,083,263.10		
		MEC 3.48%, $852,554.44		
		AMMO 0.67%, $164,228.52		

65 See Table S-2 in the Pterra Report on pages 9-11 for more information.

66 A Glossary of MISO Zone acronyms is included as Attachment C to the Complaint.

2014				
4614 New Franklin-McComb: Build 115 kV Line				
Located in Entergy Mississippi, the project involves building a new 115 kV line (constructed to 230 kV) and upgrading all substation elements along a 115 kV line to provide a minimum 1000A rating.				
$59,960,000.00	EES MS 100%	EES AR 2.18%, $1,308,881.63	$59,960,000.00	100%
		CLECO 2.05%, $1,230,543.85		
		EES LA 93.20%, $55,884,639.52		
		SMEPA 2.56%, $1,535,935.00		
2015				
8160 Morgan Valley-Beverly 345 kV Switching Station and Line				
Located in ITCM, the project involves building a new 345 kV switching station and adding a new 6.5 mile 345 kV line from the switching station to a new 345/161 kV substation adjacent to an existing 161/69/34.5 kV substation. The new 345 kV portion of the substation connects to the existing substation via a new 345/161 kV autotransformer.				
$38,156,592	ITCM 100%	ITCM 69.73%, $26,606,592	$11,550,000	30%
		MEC 27.96%, $10,668,583		
		AMMO 2.31%, $881,417		
8113 230/115 kV Substation at Minot & New 230 kV Line to GRE McHenry Substation*				
Located in XEL, the project involves constructing a new 230/115 kV substation and new 230 kV line. The project is a joint project with BEPC.				
$48,916,000	XEL 100%	GRE 68.61%, $33,560,617	$48,030,908	98%
		OTP 21.36%, $10,449,662		
		MP 6.87%, $3,359,221		
		XEL 1.81%, $885,092		
		MDU 1.35%, $661,407		
8020 Pleasant Corner-Beacon 161 kV Line & Terminal				
Located in MEC, the project involves constructing the new Pleasant Corner-Beacon 161 kV line and installing a new 161 kV line terminal at Beacon.				
$15,265,000	MEC 100%	MEC 38.64%, $5,897,910	$9,367,090	61%
		ITCM 52.44%, $8,004,843		
		AMMO 7.93%, $1,210,024		
		AMIL 0.74%, $112,205		
		MPW 0.26%, $40,019		
2016				
9925: Tap Stone Lake – Gardener Par 345 kV Line**				
Located in ATC, the project includes a 345 kV line into a new 345 kV substation.				
$15,000,000	ATC 100%	XEL 60.31%, $9,045,975.06	$10,341,987.37	69%
		ATC 31.05%, $4,658,012.63		
		ITCM 3.29%, $492,848.67		
		MP 3.07%, $460,482.67		
		MEC 2.25%, $337,055.42		
		GRE 0.04%, $5,625.51		

2017				
12037 Montgomery-Cane River 230 kV Line				
Located in EES LA, the project involves constructing a new 230 kV line and installing a new 230/115 kV autotransformer.				
$37,576,054	EES LA 100%	EES LA 42.56%, $15,993,989.19	$21,582,064.81	57%
		CLECO 48.54%, $18,240,311.97		
		ETI 4.50%, $1,689,423.27		
		EES MS 2.79%, $1,048,366.31		
		EES AR 1.56%, $587,022.09		
		LUS 0.05%, $16,941.17		
12112 North ALP 230-138 kV Substation & 230 kV Line*				
Located in EES-LA, the project includes building a new 230-138 kV substation, constructing a 230kV line from the substation, and installing auto.				
$64,982,013[67]	EES LA 100%	EES LA 42.12%, $27,371,488.23	$37,610,524.68	58%
		CLECO 42.10%, $27,355,751.51		
		LUS 15.78%, $10,254,773.26		
12985 Segura to Teche To Bayou Vista 230 kV Line				
Located in CLECO, the project involves building approximately 47 miles of 230 kV line, expanding an existing substation for a new 3 terminal 230 kV ring, and adding a 500 MVA 230/138 kV Auto at Teche Substation.				
$90,000,000[68]	CLECO 100%	CLECO 36.25%, $32,623,500.18	$57,376,499.82	64%
		EES LA 54.83%, $49,346,529.97		
		EES MS 3.11%, $2,799,260.74		
		ETI 2.20%, $1,977,797.03		
		LUS 1.79%, $1,607,451.09		
		EES AR 1.33%, $1,200,196.92		
		EES NO 0.49%, $445,264.07		
2018				
12101 East ALP 230 kV Line				
Located in EES LA, the project involves constructing a 230 kV line and installing a 230-138 kV auto at a new 230 kV station.				
$105,479,468	EES LA 100%	EES LA 72.27%, $76,232,339	$29,247,129	28%
		CLECO 21.53%, $22,714,389		
		LUS 6.19%, $6,532,740		

[67] Originally approved with an estimated cost of $64,982,013, as of MTEP18, the project is now estimated to cost $107,621,804.00, an increase of over $42 million or approximately 65%.

[68] Project 12985 was originally approved with an estimated cost of $90,000,000, but as of MTEP18, is estimated to cost $137,412,079, an increase of over $47 million or over 50%.

9716 Coughlin-Plaisance 138 kV Reconductor				
Located in CLECO, the project involves rebuilding a 138 kV line for 230 kV with 2-954 ACSS conductor.				
$12,320,000	CLECO 100%	CLECO 56.87%, $7,006,083	$5,313,917	43%
		EES LA 34.28%, $4,223,234		
		EES MS 5.53%, $681,167		
		EES NO 1.34%, $165,296		
		EES AR 1.26%, $155,402		
		LUS 0.72%, $88,818		
TOTALS				
TOTAL APPROVED			**TOTAL MISALLOCATED**	
$538,105,127			$308,962,440.08	57%
*Denotes complex project. Complex projects are described in the Pterra Report at page 7.				
**Denotes project included in Appendix B of the MTEP.				

These examples provide evidence that tying Baseline Reliability Project cost allocation exclusively to the physical location of the transmission facilities fails to allocate costs commensurate with benefits and thus fails the Commission's cost-causation principles.

Of course, it is not a surprise that there are Baseline Reliability Projects that benefit one or more zones beyond the zone in which the project is located. In 2012, the proponents of the zone-only cost allocation change specifically acknowledged that historically 20% of Baseline Reliability Projects had less than 75% of their costs allocated to the pricing zone where the project is located, thus indicating there were significant benefits outside the project location zone.[69] Stated another way, 20% of the Baseline Reliability Projects provided benefits of greater than 25% to zones other than the zone where the project was located. The proponents of the zone-only cost allocation change discounted that history by asserting that, over time, MVP and

[69] Baseline Reliability Project Modification Filing at page 17. MISO's 2017 Updated Informational Filing showed similar results, namely that 20% or more of the costs of approximately 26 Baseline Reliability Projects approved in the 2014 and 2015 MTEPs were allocated outside the zone where the project was located. Midcontinent Independent System Operator, Inc.'s Supplement to Informational Filing, Docket Nos. ER13-186-000 and ER13-187-000, filed on March 17, 2017 (MISO filed its original informational filing on August 1, 2016 but later updated it to correct calculation corrections) ("MISO 2017 Updated Informational Filing").

MEP would displace Baseline Reliability Projects as they had in the 2011 MTEP.[70] That displacement has not happened.

As is evident from the Pterra analysis and the BRP Informational Filing, the LODF methodology identified beneficiaries consistently, unlike cost allocation methodologies that are based exclusively on physical location. As the BRP Informational Filing identifies, a large percentage of projects would have 100% of their costs allocated to the zone in which the project is physically located using the LODF methodology. Thus, to the extent that the benefits are more localized, the LODF methodology recognizes that fact, and the current location-based cost allocation provides no advantage of recognizing the more localized benefits of certain Baseline Reliability Projects. However, when the benefits extend beyond the zone in which the project is physically located, the current location-based cost allocation cannot account for beneficiaries beyond the local pricing zone and results in a mismatch between costs allocated and benefits received. Application of the LODF method consistently would not result in this mismatch – it would properly identify locally beneficial projects as such, identify regionally beneficial projects as such, and allocate costs accordingly.

2. Multi-Value Projects And Market Efficiency Projects Have Not Resulted In Displacement Of Baseline Reliability Projects

As noted above, when the Commission approved the proposal to eliminate cost sharing for Baseline Reliability Projects, the Commission required MISO to submit an informational filing following MTEP 2015 detailing the number of MVPs, MEPs, and Baseline Reliability Projects approved in the MTEP 2014 and 2015 planning cycles.[71] The informational filing demonstrates that the contention that MEP and MVP would displace Baseline Reliability

---

70 Baseline Reliability Project Modification Filing at page 17.

71 BRP Cost Allocation Order, 142 FERC ¶ 61,215 at P 519.

Projects, a key factor in the Commission's decision, is false. MISO approved 45 Baseline Reliability Projects and zero MEPs or MVPs in the 2014 MTEP. In 2015, the number of Baseline Reliability Projects increased almost two-fold, to 85 projects, while MISO approved only one MEP and, again, no MVPs.[72] This narrative has not changed in subsequent planning cycles. There is no evidence that MEPs or MVPs will displace *any* Baseline Reliability Projects, let alone the majority of such projects as postulated.

As shown in the chart below, with the exception of 2014, the number or amount of Baseline Reliability Projects continue to be more than double or triple what they were in 2012, while there have been only two new MEPs and zero MVPs.[73]

MTEP Year	**Baseline Reliability Projects**	**Market Efficiency Projects ("MEPs")**	**Multi-Value Projects ("MVPs")**	**"Other" Projects**
2010	37, totaling $94.3 million	0	1, totaling $510.0 million	185, $574.9 million
2011	40, totaling $424 million	0	16, totaling $5.1 billion	133, $681 million
2012	31, totaling $468 million	1, totaling $14.5 million	0	187, totaling $744 million
2013[74]	79, totaling $372 million	0	0	235, totaling $1.1 billion
2014	50, totaling $269.5 million (later revised to 45)	0	0	312, totaling $1.5 billion
2015	90, totaling $1.2 billion (later revised to 85)	1, totaling $67.4 million	0	242, totaling $1.38 billion
2016	106, $691.2 million	1, totaling $108 million	0	243, totaling $1.75 billion

72 *See* MISO 2017 Updated BRP Informational Filing at page 2.

73 Information from MTEP reports, including MTEP19 approved by the MISO Board in December 2019, is available on the MISO website at https://www.misoenergy.org/planning/planning/previous-mtep-reports/#t=10&p=0&s=FileName&sd=desc.

74 This was the first year that the revised cost allocation methodology applied.

2017	77, totaling $957 million	1, totaling $130 million	0	248, $1.4 billion
2018	81, totaling $709 million	0	0	341, totaling $2.3 billion
2019	113, totaling $836 million	0	0	310, $2.8 billion

Thus, contrary to the cost allocation change proponents' contentions at the time, MEPs and MVPs have not displaced Baseline Reliability Projects and are negligible.[75] Given the Commission's reliance on the assertion that Baseline Reliability Projects would be displaced by other projects, specifically by MVPs and MEPs, and in light of information now available from actual planning cycles, it is necessary for the Commission to reconsider whether it is just and reasonable to continue to allocate the costs of Baseline Reliability Projects exclusively to the zone where the projects are located.[76]

[75] Recently, in Docket No. ER19-1124-000, MISO and the MISO Transmission Owners proposed changes to the criteria and cost allocation method for MEPs and proposed a new category of projects, Local Economic Projects. The Commission rejected those changes on the basis that the proposed cost allocation method for a new category of projects, Local Economic Projects, based exclusively on where the project is located, was not just and reasonable. *Midcontinent Indep. Sys. Operator, Inc.*, 167 FERC 61,258, at PP 56-67 (2019). LSP Transmission Holdings II, LLC, Cardinal Point Electric, LLC, and LS Power Midcontinent, LLC filed a complaint in Docket No. EL19-79-000 arguing that the voltage threshold for Market Efficiency Projects unjustly and unreasonably excludes projects below 345 kV that have regional economic benefits, suppressing the number of MEPs approved by MISO. *LSP Transmission Holdings II, LLC, et al v. Midcontinent Independent Transmission System Operator, Inc.*, Complaint filed in Docket No. EL19-79-000 (June 5, 2019). That complaint is pending before the Commission.

[76] In addition, the current cost allocation for Baseline Reliability Projects calls into question whether the Commission in effect "has exempted an entire type of transmission facility from regional cost sharing . . ." in violation of Order No. 1000. In *MISO TOs v. FERC*, 819 F.3d 329, the 7th Circuit Court of Appeals found that while the Commission cannot exempt all reliability projects from cost sharing, "it can exempt some as long as other types of transmission projects that yield reliability benefits, such as multi-value projects, can be included in a regional plan for purposes of cost allocation." *Id*. at 335. MISO has approved zero MVPs since 2011. Thus, while in theory an MVP can yield reliability benefits, in practice, it has not happened.

VI. REQUIRING THE ZONE IN WHICH THE PROJECT IS LOCATED TO AUTOMATICALLY PAY ALL THE COSTS OF A BASELINE RELIABILITY PROJECT REGARDLESS OF REGIONAL BENEFITS IS UNJUST AND UNREASONABLE

While the Commission approved the Baseline Reliability Project cost allocation change on a prospective basis based on assumptions about the future of MISO transmission planning and the beneficiaries of Baseline Reliability Projects, the Commission through this Complaint and MISO's BRP Informational Filing now has actual beneficiary information regarding Baseline Reliability Projects approved under the revised methodology. As discussed in the preceding section, there are Baseline Reliability Projects approved since 2012 that, using an analytical measurement of beneficiaries – the LODF-mile method – have significant regional benefits (*i.e.*, benefits to zones other than where the project is located and other than where the costs are allocated). Further evidence establishes that MVPs and MEPs have not displaced Baseline Reliability Projects and are unlikely to do so in the future. There is no converse evidence that shows that it is just and reasonable to *always* allocate 100 percent of the cost of a Baseline Reliability Project *only* to the zone in which the project is physically located.[77]

At the time the Commission approved the proposal to eliminate cost sharing for Baseline Reliability Projects, the Commission did not consider the beneficiary analysis regarding any specific project. Instead, the Commission apparently looked at the package of Baseline Reliability Projects as a whole and the assertions regarding the shrinkage in the number of such

[77] While the Commission continues to employ the "roughly commensurate" standard when evaluating whether a cost allocation method complies with the cost causation principle, the Commission recently acknowledged that "[s]ubsequent decisions have further informed how the Commission should evaluate methods to allocate a transmission project's costs." *Midcontinent Independent System Operator, Inc.*, 167 FERC ¶ 61,258, at P 60 (2019) ("Order Rejecting MISO Economic Project Filing") (The Commission rejected MISO's proposal to create a new category of economic projects that would be allocated solely to the zone where the project is located, similar to Baseline Reliability Projects, because the proposed cost allocation method was inconsistent with the cost-causation principle.).

projects in future planning cycles. In approving the cost allocation change, the Commission found generically that allocating the costs of projects to the zone where the physical project was located would be "roughly commensurate with the benefits that these [Baseline Reliability Projects] projects provide."[78] The facts presented in the Pterra Report and the MISO BRP Informational Filing show that the Commission's determination is not accurate when applied to individual Baseline Reliability Projects.

The United States Court of Appeals for the Seventh Circuit ("7th Circuit") upheld the Commission's determination on that same generic basis.[79] The 7th Circuit accepted the premise that the Commission's calculations "suggest that the spillover of benefits to other zones is modest enough to make the local allocation of costs 'roughly commensurate' with the allocation of benefits."[80] In accepting FERC's arguments, the 7th Circuit specifically noted that "FERC is not authorized to approve a pricing scheme that requires a group of utilities to pay for facilities from which its members derive no benefits, or benefits that are trivial in relation to the costs sought to be shifted to its members."[81]

While there is nothing inherently wrong with the Commission approving a generic cost allocation methodology for a whole category of projects, recent appellate and Commission precedent reiterates the same rule referenced by the 7th Circuit, *i.e.*, that generic cost allocation rules must result in just and reasonable cost allocation on a project-by-project basis to meet the requirement that costs assigned and benefits received are roughly commensurate.[82]

---

78 *BRP Cost Allocation Order*, 142 FERC ¶ 61,215 at P 518.

79 *MISO TOs v. FERC*, 819 F.3d 329.

80 *Id*. at 336.

81 *Id*. (citing *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009)).

82 *Delaware Pub. Serv. Comm'n & Maryland Pub. Serv. Comm'n v. PJM & PJM TOs Rehearing Order*, 166 FERC ¶ 61,161; *ODEC v. FERC*, 898 F.3d 1254; *see also El Paso Elec. Co. v. Fed.*

In Docket No. EL15-95-000, the Commission considered a complaint that argued that the Commission-approved region-wide cost allocation methodology for a certain category of reliability projects, when applied to a specific reliability project, resulted in unjust and unreasonable rates. In that case, the complainants offered evidence that the generically approved cost allocation method, which used a solution-based distribution factor analysis ("SBDFAX"), resulted in the Delmarva Zone being allocated $246.34 million of the $275.45 million cost of the project while receiving a fraction of the reliability benefits. The Commission initially denied the complaint, reasoning that "where a cost allocation method is accurate in a very high percentage of circumstances to which it applies, then that is a strong indicator that the cost allocation method is just and reasonable."[83] The Commission reversed its decision on rehearing.[84] The Commission found that while electricity would flow to the Delmarva Zone across the new facility as shown by the previously-approved generic SBDFAX cost allocation method, the zonal ratepayers "neither caused the need for the line, nor benefit[ed] from those flows sufficiently because its transmission system already was adequate to serve its load without the Artificial Island Project."[85] In a subsequent decision, the Commission affirmed its finding that "the costs

Energy Regulatory Comm'n, 832 F.3d 495, 505 (5th Cir. 2016)(FERC cannot meet its obligation to ensure just and reasonable rates by effectively assuring that many of the costs of new development will be imposed on only half of the utilities in the WestConnect region.).

83 *Delaware Pub. Serv. Comm'n & Maryland Pub. Serv. Comm'n, v. PJM Interconnection, L.L.C. and Certain Transmission Owners Designated under CTOA RS FERC No. 42*, 155 FERC ¶ 61,090, at P 66 (2016).

84 *Delaware PSC & Maryland PSC v. PJM & Certain PJM TOs Order*, 164 FERC ¶ 61,035.

85 *Delaware Pub. Serv. Comm'n & Maryland Pub. Serv. Comm'n v. PJM & PJM TOs Rehearing Order*, 166 FERC ¶ 61,161 at P 40.

that would be allocated to the Delmarva Parties . . . would not be at least roughly commensurate with the benefits received."[86]

In another particularly relevant decision, the United States Court of Appeals for the District of Columbia Circuit recently vacated the Commission's approval of a PJM cost allocation methodology that relied on the physical location of the project to allocate the costs of so-called Form 715 projects.[87] The Commission based its decision to approve a single zone cost allocation methodology for Form 715 projects on the fact that Form 715 projects were needed solely to meet an individual transmission owner's planning criteria and that, using the historical cost allocation, 98% of Form 715 project costs had been allocated entirely to the zone where the project was located.[88] The Court vacated the Commission's order accepting the restrictive cost allocation methodology, finding it inconsistent with the cost-causation principle because the methodology "denies cost sharing for *all* projects included in the Regional Plan only to satisfy the planning criteria of individual utilities . . .", including the 2% known to have regional benefits.[89]

By way of example, the Court noted that a single zone would be allocated *all* the costs of two particular projects, the Elmont-Cunningham project and the Cunningham-Dooms project, even though the zone "was estimated to enjoy only about 47% of the benefits from the Elmont-

---

86 *Id.*

87 *ODEC v. FERC*, 898 F.3d 1254.

88 *Id.* at P 14.

89 *ODEC v. FERC*, 898 F.3d at 1261 [emphasis in original]. The D.C. Circuit's decision is consistent with an earlier decision from the United States Court of Appeals for the 7th Circuit addressing the flip side, a cost allocation method that allocated costs throughout the entire region. The Court held that "[the Commission] can presume that new transmission lines benefit the entire network . . . But it cannot use the presumption to avoid the duty of 'comparing the costs assessed against a party to the burden or benefits drawn by that party.'" *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009).

Cunningham project, and 43% of the benefits from the Cunningham-Dooms project."[90] The Court found that:

> This does not amount to a quibble about "exacting precision," *Midwest ISO Transmission Owners*, 373 F.3d at 1369, or a tempering of the cost-causation principle in pursuit of "competing goals," *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41, 88 (D.C. Cir. 2014). Rather, it involves a wholesale departure from the cost-causation principle, which would 'shift a grossly disproportionate share of [the] costs' of these high-voltage projects into a single zone.[91]

The Court added that the cost-causation principle "prevents regionally beneficial projects from being arbitrarily excluded from cost sharing – a necessary corollary to ensuring that the costs of such projects are allocated commensurate with their benefits."[92] The Court concluded that "in order to ensure just and reasonable rates, FERC *must make some reasonable effort* to match costs to benefits."[93] That reasonable effort requirement means that the Commission "generally may not single out a party for the full cost of a project, or even most of it, when the benefits of the project are diffuse."[94]

The examples provided in the Pterra Report and the MISO BRP Informational Filing demonstrate that there are Baseline Reliability Projects that provide significant benefits to zones other than where the project is located, *i.e.*, that Baseline Reliability Projects have diffuse benefits. Yet MISO's cost allocation method for Baseline Reliability Projects prohibits

---

90 *ODEC v. FERC*, 898 F.3d at 1263. The D.C. Circuit distinguished Baseline Reliability Projects from the Form No. 715 projects at issue in that case because of the supposed "local" nature of Baseline Reliability Projects. *Id*. at 1262. In doing so the D.C. Circuit relied on the conclusory assertion of the Commission in approving the Baseline Reliability Project cost allocation change, rather than any analytical analysis of the beneficiaries of actual projects. *Id*. (citing *Midwest ISO Transmission Owners v. FERC*, 819 F.3d 329, 335 (7th Cir. 2016)).

91 *Id.* at 1261 (citing *Ill. Commerce Comm'n*, 756 F.3d 556, 565 (7th Cir. 2014)).

92 *ODEC v. FERC*, 898 F.3d at 1263.

93 *Id*. (citing *BNP Paribas Energy Trading GP v. FERC*, 743 F.3d 264, 268 (D.C. Cir. 2014)) [emphasis added].

94 *ODEC v. FERC*, 898 F.3d at 1255 (citing *BNP Paribas*, 743 F.3d at 268).

allocation of costs beyond the zone where the project is located regardless of benefits, resulting in a similar severe mismatch between costs and benefits. This in turn violates the cost-causation principle and renders the entire cost allocation methodology unjust and unreasonable.

The fact that the D.C. Circuit rejected restrictive cost allocation when the project was only necessary to address the local planning criteria of a single transmission owner is particularly relevant here as Baseline Reliability Projects have a much broader scope than do the Form 715 projects at issue in *ODEC v. FERC*. As noted above, inclusion of Baseline Reliability Projects in MISO was conditioned on ensuring that Baseline Reliability Projects would not be geared to addressing local needs.[95] As stated in Attachment FF of the MISO Tariff:

> Baseline Reliability Projects are Network Upgrades identified in the MTEP as required to ensure the Transmission System [MISO-controlled transmission system] is in compliance with applicable national Electric Reliability Organization ("ERO") [NERC] reliability standards and reliability standards adopted by Regional Entities and applicable to the Transmission Provider's Transmission Owners' planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local system planning and operating reliability criteria. Baseline Reliability Projects include projects of 100 kV voltage class or above needed to maintain reliability while accommodating the ongoing needs of existing Transmission Customers.

Baseline Reliability Projects are meant to meet the regions' reliability needs. Indeed, as noted above, when first proposed, the Organization of MISO States obtained changes to the Baseline Reliability Project category to ensure that the criteria used to identify Baseline Reliability Projects only focused on projects that provide regional benefits. MISO submitted a compliance filing that removed "all applicable criteria" as requested by OMS.[96]

---

95 *See supra* Section IV.A.

96 MISO Compliance Filing, Docket No. ER06-18-002, filed on April 4, 2006. The Commission subsequently accepted the change. *Midwest Independent Transmission System Operator, Inc.*, 117 FERC ¶ 61,241, at PP 105, 108 (2006).

Finally, since the issuance of the D.C. Circuit's *ODEC v. FERC* decision, the Commission has twice had the opportunity to consider that decision's implications. In its Order On Remand, the Commission declared the cost allocation method at issue in *ODEC v. FERC* unjust and unreasonable and directed its removal from the tariff for all voltage levels.[97] The Commission found that the proponents of the cost allocation methodology at issue in the *ODEC v. FERC* docket had provided no new evidence to "distinguish the beneficiaries of projects included in the [PJM Regional Transmission Expansion Plan] solely to address individual transmission owner Form No. 715 planning criteria from those of other transmission projects selected in the [PJM Regional Transmission Expansion Plan] for purposes of cost allocation."[98]

The Commission also rejected MISO's recent proposal to create a new category of economically beneficial projects with voltages between 100 kV and 345 kV.[99] For projects below 230 kV, MISO proposed to identify the beneficiaries during the planning process but then allocate all of the costs of the project solely to the zone where the project was located. Applying the *ODEC v. FERC* precedent, the Commission concluded that the proposed cost allocation methodology was inconsistent with the cost-causation principle because it would ignore the results of the benefits analysis that demonstrates that the project has regional benefits in order to allocate the costs to a single zone.[100] Taken together, it is clear that for purposes of cost allocation the Commission cannot ignore that there are Baseline Reliability Projects that have regional benefits.

---

97 *PJM Interconnection, L.L.C.*, 168 FERC ¶ 61,133 (2019).

98 *Id.* at P 25.

99 *Order Rejecting MISO Economic Project Filing*, 167 FERC ¶ 61,258.

100 *Id.* at P 63.

VII. REQUESTED RELIEF AND PROPOSED SOLUTION

A. FERC Must Require That MISO Determine The Beneficiaries Of Baseline Reliability Projects Using An Analytical Methodology That Actually Determines The Beneficiaries Of Transmission Additions

1. Because The LODF Methodology Identifies The Beneficiaries Of Baseline Reliability Projects, Allocating The Costs Of Reliability Projects Using An Analysis Such As LODF Would Be Just And Reasonable As A Replacement Rate Under Section 206

After the Commission meets the first step of its Section 206 analysis by determining that an existing rate or practice is "unjust, unreasonable, unduly discriminatory or preferential," Section 206 requires the Commission impose a replacement rate or practice that is just and reasonable.[101] In the previous section, Complainants met their burden to show that the existing tariff for Baseline Reliability Project cost allocation is unjust and unreasonable. Complainants thus request that the Commission affirmatively find the cost allocation methodology for Baseline Reliability Projects to be unjust and unreasonable and turn to the second step, *i.e.*, the just and reasonable method for allocating the costs of Baseline Reliability Projects. To ensure that costs are tracking roughly commensurate with benefits, the Commission must adopt a cost allocation methodology that actually analyzes the zones that benefit from *each* Baseline Reliability Project.

As discussed above, MISO previously had an approved and widely accepted cost

---

101 *Delaware PSC & Maryland PSC v. PJM & Certain PJM TOs Order*, 164 FERC ¶ 61,035 at P 42 ("In finding the portion of cost responsibility assigned pursuant to the solution-based DFAX method unjust and unreasonable for stability-related reliability projects, pursuant to FPA section 206, we are required to establish the just and reasonable replacement rate. We are establishing paper hearing procedures to develop additional information to help us determine a just and reasonable *ex ante* cost allocation method for Regional Facilities, Necessary Lower Voltage Facilities, and Lower Voltage Facilities in PJM that address stability-related reliability issues."). Furthermore, the Commission is the only agency that has the authority to institute a remedy. While the OMS Committee has Section 205 filing rights to request that MISO file "for a new or an amendment of any regional cost allocation methodology provided for under the Tariff . . .", that right does not extend to Baseline Reliability Projects. MISO TOA, Appendix K, Section II.E.3.

allocation methodology that analyzed the zones that benefited from Baseline Reliability Projects. Analyzing the beneficiaries of each Baseline Reliability Projects based on a LODF analysis would result in just and reasonable rates. The LODF methodology is a sensitivity analysis measuring how a change in a line's status (in this case the Baseline Reliability Project) affects the power flows on other lines in the system, thereby determining who benefits from that Baseline Reliability Project.[102] The process involves comparing flows on monitored elements before and after a system upgrade to measure the relative impact on existing facilities. Impacted facility owners are then assigned costs based on the normalized percentage impact, aggregated to the Transmission Pricing Zone (TPZ) level.[103] The concept of LODF is well-known to MISO[104] – MISO previously allocated the costs of Baseline Reliability Projects in part based on LODF.[105] Further the LODF calculation is relatively straightforward given that the calculation is embedded in commercial power flow software such as PSS/E Managing and Utilizing System Transmission ("MUST").[106]

Only the Commission can remedy this issue. As noted above, in 2013, soon after MISO

---

102 The MISO Tariff defines LODF as "[t]he percent of flow on line A, which is transferred to line B for the loss of line A." MISO Tariff, section 1.L, Definitions – L.

103 Further granularity concerning the LODF can be found in MISO Business Practices Manual, No. 20, *Transmission Planning* at Appendix J, page 179, Implementation Rules for LODF Calculation

104 Pterra Report at 21.

105 *See Midwest Indep. Transmission Sys. Operator, Inc.*, 114 FERC ¶ 61,106 at P 44. ("As to other elements of this proposal pertaining to Baseline Reliability Projects, we believe that the use of the flow-based LODF methodology to allocate the remaining costs (those not recovered under a postage stamp rate) for facilities rated at 345 kV and above to Market Participants and Transmission Customers that are electrically closer is a reasonable approach. We further find it reasonable that facilities rated below 345 kV would not see the same system-wide effects as higher voltage facilities and therefore 100 percent of costs may be allocated using the LODF methodology.").

106 Pterra Report at 21.

and the MISO Transmission Owners filed to revise the cost allocation method for Baseline Reliability Projects, MISO also filed revisions to the Transmission Owners Agreement ("TOA") to grant the Organization of MISO States the ability to file new or amended cost allocation methods, *except* for Baseline Reliability Projects. Thus, even if states, through OMS, wanted to correct the cost allocation methodology for Baseline Reliability Projects, they cannot.

The Commission also should not defer to MISO or its stakeholders to determine a replacement cost allocation methodology. Section 206 mandates that the Commission determine the just and reasonable rate. Cost allocation issues are uniquely unsuited to resolution by stakeholders. For example, in Docket No. EL13-88-000, the Commission issued an Order on January 19, 2017 requiring that MISO submit a cost allocation compliance filing within 30 days, or confirm that the existing methodology would apply.[107] On December 4, 2019 MISO asked for its latest extension request relating to meeting its compliance obligation.[108] Stakeholder processes were active during that entire period to address the required cost allocation compliance obligation, but stakeholders were unable to reach a resolution acceptable to the Commission. Given that there is a known, and previously used, cost allocation methodology that is just and reasonable, the Commission should require MISO to return to the LODF methodology, for *all* Baseline Reliability Projects, regardless of a project's estimated cost or voltage, effective the date of this complaint.

---

107 *Midcontinent Independent System Operator, Inc.*, 158 FERC ¶ 61,049 at P 51 (2017).

108 Motion of Midcontinent Independent System Operator, Inc. for a twenty-one (21) Day Extension of Compliance Deadline, Docket No. EL13-88-001 (Dec. 4, 2019).

2. Using The LODF Methodology Or Similar Analysis To Identify The Beneficiaries Of Baseline Reliability Projects Would Expand The Number Of Projects Eligible For Competition Consistent With Order No. 1000

In Order No. 1000, to support the Commission's obligation to ensure just and reasonable rates, the Commission required transmission providers to remove federal rights of first refusal for projects selected in the regional transmission plan for purposes of cost allocation. By limiting the cost allocation of Baseline Reliability Projects to only those physical zones where the Baseline Reliability Project are located, MISO and its incumbent Transmission Owners are not only not failing to accurately allocate costs to those that benefit from such projects, they are intentionally denying consumers the benefits of transmission competition for those projects.[109] Limiting the recovery of costs to only those zones where the physical assets are located grants incumbent transmission owners in MISO a federal right of first refusal – the existing transmission owners in the zone where the project is located have the exclusive right to build the Baseline Reliability Project without competition from other transmission developers.[110] If the Commission directs MISO to adopt a cost allocation methodology that ensures that costs are allocated to actual beneficiaries, which it must, then the Commission also must require MISO to remove provisions in the MISO Tariff and MISO TOA that expressly exclude Baseline

---

109 Baseline Reliability Project Modification Filing at 11.

110 MISO OATT, Attachment FF, III.A.2.n "Only a Transmission Owner shall be authorized to construct and/or own transmission facilities associated with a Baseline Reliability Project."

Reliability Projects from MISO's competitive process and that grant MISO Transmission Owners a federal right of first refusal for Baseline Reliability Projects.[111]

The absence of competition as a result of an arbitrary cost allocation rules restricting costs to local zones increases the cost of transmission facilities and harms consumers. MISO's experiences with competitive processes for transmission to date have proven that competition has real benefits for ratepayers.[112] The difference in return on equity on competitive projects versus

---

111 The Commission recently addressed a similar situation when it rejected PJM's tariff revision that allocated the costs of projects that were included in PJM's Regional Transmission Expansion Plan solely to address individual transmission owner Form No. 715 local planning criteria solely to the zone of the transmission owner whose Form 715 criteria underlie the project. *See supra* n. 10. In an order issued concurrently, the Commission required PJM to remove provisions in the PJM Operating Agreement that exempted Form 715 projects from competition based on the prior cost allocation methodology because those projects would no longer be allocated solely to the zone of the transmission owner whose Form 715 criteria underlie the project. *PJM Interconnection, L.L.C.*, 168 FERC ¶ 61,132 (2019). The Commission should adopt the same general approach here and require MISO to remove provisions exempting Baseline Reliability Projects from the competitive solicitation process at the same time that it requires MISO to adopt a cost allocation method that recognizes that some Baseline Reliability Projects have regional benefits.

To assist the Commission, as referenced above Complainants have identified Attachment FF of the MISO Tariff, Section III.A.2.n, which states that "Only a Transmission Owner shall be authorized to construct and/or own transmission facilities associated with a Baseline Reliability Project. For projects jointly developed between Transmission Owners and other parties the portion constructed and owned by a Transmission Owner may qualify as a Baseline Reliability Project, Market Efficiency Project, and/or Multi-Value Project." In addition, the definition of Eligible Projects and Section VIII in Attachment FF of the MISO Tariff (Competitive Transmission Process) must be revised to include Baseline Reliability Projects along with Market Efficiency Projects and Multi-Value Projects. In the MISO TOA, Section VI of Appendix B, which sets forth who is responsible for construction of Baseline Reliability Projects under various scenarios, established a right of first refusal for Baseline Reliability Project and should be removed. MISO also must modify all interregional transmission planning agreements to include provisions for Baseline Reliability Projects. There may be other revisions necessary to reflect that Baseline Reliability Projects are eligible for the competitive transmission process.

112 *See* MISO Selection Report, "Duff-Coleman EHV 345 kV Competitive Transmission Project" (Dec. 20, 2016), available at https://cdn.misoenergy.org/DuffColeman%20EHV%20345kv%20Selection%20Report82339.pdf (Duff-Coleman Selection Report); MISO Selection Report, "Hartburg-Sabine Junction 500 kV Competitive Transmission Project" (Nov. 27, 2018), available at https://cdn.misoenergy.org/HartburgSabine%20Junction%20500%20kV%20Selection%20Report296754.pdf (Hartburg-Sabine Junction Selection Report).

the MISO-wide incumbent transmission owner return on equity permitted for Baseline Reliability Projects alone would provide millions of dollars in ratepayer savings, even after the Commission's reduction in the MISO-wide return on equity.[113] The risk-shifting provisions proposed in competitive solicitations have additional real ratepayer benefits. MISO's positive experience to date with competitive transmission development establishes that subjecting Baseline Reliability Projects to an analysis that would actually determine the beneficiaries of such projects without artificially presuming that beneficiaries do not extend beyond the zone where the physical facilities are located would not only more appropriately allocate costs to those that benefit but also lower costs to consumers through competition for Baseline Reliability Projects.

While it is likely that MISO will be required to conduct more competitive solicitations if MISO adopts a cost allocation method that is based on the identification of actual beneficiaries, it should not be overly burdensome for MISO to do so. Not all Baseline Reliability Projects will be eligible for competition. In any case, as MISO continues to gain experience with competitive solicitations, it will no doubt become more efficient at conducting them.[114] As part of the ordered relief, the Commission must direct MISO to remove any tariff or jurisdictional agreement provisions that prohibit competition for Baseline Reliability Projects as a result of the eliminated cost allocation rules.

There will be instances where the beneficiary analysis shows that only the zone where the project is located will benefit. In that case, the project would not be eligible for competition as even for projects selected in the regional plan for cost allocation that are allocated entirely to the

---

113 *Opinion No. 569, Order on Briefs, Rehearing, and Initial Decision*, 169 FERC ¶ 61,129 (November 21, 2019).

114 Brattle Competition Report at 39.

zone where the project is located continue to enjoy a right of first refusal and therefore are not eligible for competition.[115] However, until that single zone exemption to competition is removed, the Commission will need to be vigilant to ensure that Baseline Reliability Projects are not transitioned into the Other Projects category as a means to avoid competition.[116]

VIII. REQUEST FOR FAST TRACK PROCESSING

Complainants request fast track processing of this complaint under the provisions of 18 CFR §385.206(h) so that a Commission decision can be issued to ensure that the Baseline Reliability Projects in MTEP19 that have regional benefits will be subject to a just and reasonable cost allocation methodology and competitive solicitation. Such fast track processing should include such action as necessary so that the Baseline Reliability Projects in MTEP19 that have regional benefits will be subject to just and reasonable cost allocation methodology. MISO's models related to MTEP19 are expected to be made available in February 2020. Those models will allow MISO and others to determine those Baseline Reliability Projects that have benefits beyond the zone in which the project is physically located. Pursuant to Order No. 1000, if there are regional benefits and regional cost allocation, then those Baseline Reliability Projects should be subject to MISO's competitive process.

In accordance with the provisions of section 385.206(b)(11) of the Commission's Rules of Practice and Procedure, the Commission's standard processes will not be adequate to ensure that Baseline Reliability Projects that are included in MTEP 2019 and that show regional benefits through an analytical regional cost allocation methodology are subject to competition as

---

115 Given the evidence that competition leads to ratepayer savings, the Commission should also question whether the single zone exemption to competition remains just and reasonable.

116 As discussed above, Baseline Reliability Projects address a defined set of regional and transmission owner criteria. Other Projects should not address those criteria, or prematurely address such needs.

mandated under Order No. 1000 for such projects. While the Commission has encouraged potential complainants to seek fast track processing "sparingly" and "only in the most unusual cases that demand such accelerated treatment,"[117] fast track processing is appropriate when competition is threatened and the market is denied access to competitive alternatives.[118]

Such is the situation with this complaint because the remaining time frames for MTEP 2019 are compressed and the ratepayer impacts will be significant if competition is denied as a by-product of allocating Baseline Reliability Project costs (incorrectly) solely to the zone where the physical facilities are located. The MISO Board approved MTEP 2019 on December 12, 2019. A significant number of the MTEP 2019 projects are Baseline Reliability Projects; approximately 21% of the $4 billion in project costs (over $800 million) and almost 25% of the projects (113 out of 480 projects) are Baseline Reliability Projects. MISO models available in February 2020 will determine whether these projects have regional benefits. For the reasons stated herein, it is highly likely that the models will show that many of the 113 Baseline Reliability Projects will have regional benefits.

Fast track processing is also appropriate as the LODF methodology is a well-known and previously applicable methodology for the determination of beneficiaries for Baseline Reliability Projects. Application of a previously accepted methodology as a replacement for a methodology determined to be unjust and unreasonable is an effective way to prevent irreparable harm to

---

117 *Complaint Procedures*, Order No. 602, 64 FR 17087-01 (1999).

118 *Id.* (stating that an example of fast track processing "might be where a shipper seeks access to a pipeline under the Natural Gas Act, Natural Gas Policy Act or Outer Continental Shelf Lands Act, alleging that the pipeline has unjustifiably withheld service causing irreparable harm. Another example might be where a transmission service provider allegedly is blocking a customer's access to disputed transmission capacity, essentially preventing a power purchase from an alternate supplier and causing irreparable harm.").

ratepayers arising if the unjust and unreasonable methodology restricts the MTEP19 Baseline Reliability Projects from competition.

To the extent that the models show the Baseline Reliability Projects have regional benefits, those Baseline Reliability Projects should be subject to regional cost allocation and competition so that ratepayers receive benefits in the form of lower costs and reduced risk. In Order No. 1000, the Commission held that removal of the right of first refusal and exposure of transmission projects to competition were essential to the Commission fulfilling its mandate to ensure just and reasonable rates for regionally beneficial transmission additions. It is imperative that the Commission use its fast track processing to ensure that any Baseline Reliability Projects shown to have regional benefits will be subject to competition. Applying fast track processing to this complaint will ensure that the Baseline Reliability Projects with regional benefits will be eligible for competition and, in turn, that ratepayers receive benefits from competition.

IX. OTHER MATTERS

A. Identification of the action or inaction (18 C.F.R. § 385.206(b)(1))

As described throughout this Complaint, allocating the costs of Baseline Reliability Projects only to the zone where the physical facilities are located does not appropriately allocate costs to those that actually benefit from the project. The continuation of that cost allocation will continue the misallocation of costs to ratepayers in the zone where the project is located while simultaneously denying them the established ratepayer benefits of competition in the development of transmission projects. By allocating costs based on the physical location of

transmission facilities rather than on an analytical determination of beneficiaries, the Commission is failing to "make some reasonable effort to match costs to benefits."[119]

B. Explanation of the Violation (18 C.F.R. § 385.206(b)(2))

Sections 205 and 206 of the FPA require that rates, terms, and conditions of transmission service be just and reasonable and not unduly discriminatory. As explained in this Complaint, the failure of MISO to properly allocate the cost of each Baseline Reliability Project results in unjust and unreasonable transmission rates in violation of FPA Section 206.

C. Business, Commercial, Economic, or Other Issues Presented (18 C.F.R. § 385.206(b)(3))

CMTC's membership includes large industrial customers with facilities located throughout the MISO region. IECA's membership also includes industrial customers with facilities located in the MISO region. As such, members of CMTC and IECA located within the MISO region pay transmission rates, including the costs of Baseline Reliability Projects, either directly through wholesale rates or indirectly through bundled retail rates. CMTC's and IECA's members' rates are adversely affected by inefficiencies that result from a misallocation of costs, including the costs of transmission projects. Moreover, CMTC and IECA members are losing the opportunity to receive benefits from subjecting Baseline Reliability Projects to the forces of competition. Thus, CMTC's and IECA's members are affected by how the costs of Baseline Reliability Projects are allocated.

The cost allocation method for Baseline Reliability Projects results in Baseline Reliability Projects not being eligible for selection in the regional plan for cost allocation and thus through MISO's competitive solicitation process. Excluding Baseline Reliability Projects from

---

[119] *ODEC v. FERC*, 898 F.3d at 1255 (citing *BNP Paribas*, 743 F.3d at 268).

competition unjustly and unreasonably limits opportunities for competition, which hurts the economic and business interests of not only ratepayers like CMTC's and IECA's members but also transmission developers, such as LS Power. LS Power has an excellent track record of being selected to develop projects when projects are open to competitive solicitation.[120]

Taken together, Complainants have significant business, commercial, and economic interests in MISO's planning process and ensuring just and reasonable cost allocation.

D. Financial Impact (18 C.F.R. § 385.206(b)(4))

It is difficult to calculate with any meaningful precision the financial impact of the issues being addressed by this complaint, given that Complainants are requesting a future change to the cost allocation methodology for Baseline Reliability Projects. It is impossible to predict the number, location, and beneficiaries of future Baseline Reliability Projects. It is equally difficult to determine how many Baseline Reliability Projects would be eligible for competition and the total cost savings resulting from the projects being competitively bid over time.[121] In order to make a good faith effort to calculate the impact, Complainants point to the chart above highlighting Baseline Reliability Projects that have significant benefits to a zone or multiple

---

120 LS Power notes that its affiliate pays electric rates that reflect transmission charges from MISO as it leases office space in Chesterfield, Missouri. *See, e.g.*, *American Elec. Power Serv. Corp.*, 153 FERC ¶ 61,167, at PP 12-13 (2015) (recognizing that retail ratepayers can file complaints in part because section 306 of the FPA explicitly authorizes "[*a*]*ny* person" to file a complaint with the Commission.").

121 As discussed in Section VII.A.2. above, the introduction of competition results in lower costs and innovative technology. *See also* Brattle Competition Report. It is equally difficult to determine how many Baseline Reliability Projects LS Power would win if the projects were eligible for competition. LS Power, however, has been successful in the competitive solicitation, both in MISO and in other regions, and selected to construct over $1 billion in transmission additions.

zones other than where the project is physically located but are allocated solely to the zone where the project is located.[122]

E. Practical Impact (18 C.F.R. § 385.206(b)(5))

The practical and other non-financial impacts associated with allocating all of the costs of Baseline Reliability Projects based on their physical location is that it ensures that transmission owners in MISO retain a federal right of first refusal to construct the projects, harming Complainants and hampering the Commission's efforts to introduce competition for the development of transmission projects.

F. Other Pending Proceedings (18 C.F.R. § 385.206(b)(6))

Complainants are not aware of any pending proceedings related to this complaint.

G. Relief Requested (18 C.F.R. § 385.206(b)(7))

This Complaint requests that the Commission (1) find that allocating the costs of Baseline Reliability Projects exclusively to the zones where the physical facilities are located results in unjust and unreasonable rates, (2) establish a methodology to allocate the costs of Baseline Reliability Projects based on the LODF methodology that analyzes the zones benefitting from the Baseline Reliability Projects, and (3) require that MISO identify and remove

[122] In *Association of Businesses Advocating Tariff Equity, et al*, 149 FERC ¶ 61,049, at P 182 (2014), the Commission accepted, as a good faith effort, a general estimate by the complainants in that case, which included several groups of customers in MISO, of the additional costs that would be paid by all MISO customers. The Commission rejected arguments that the complainants "need[ed] to more precisely quantify the specific harms to their members" and noted that many customers pay bundled rates, making further precision difficult. *Id.*

any provisions in its Tariff or Commission jurisdictional agreements that restrict application of MISO's competitive process to Baseline Reliability Projects.

H. Attachments (18 C.F.R. § 385.206(b)(8))

The Complainants have attached, herein labeled as Attachments A-C, all attachments referenced within this Complaint, including:

Attachment A – Form of Notice of Complaint
Attachment B – Pterra Report (Contains Materials Designated by MISO as Critical Energy Infrastructure Information ("CEII"))
Attachment C – Glossary of MISO Zone Acronyms

Because Attachment B contains CEII materials, the Complainants are filing a CEII version and a redacted public version of Attachment B (Pterra Report). Per 18 C.F.R. § 388.113(d)(1), the Complainants request CEII designation of select portions of the Pterra Report because MISO has designated certain information that Pterra included in the Pterra Report, such as the power flow information, as CEII. The Complainants make no independent assertion of CEII and do not challenge MISO's designation of the material as CEII.

I. Other Processes to Resolve Complaint (18 C.F.R. § 385.206(b)(9) & (10))

None. The Tariff sections the Complainants seek to change were not adopted through a stakeholder process. They were adopted in Docket No. ER13-186-000, which was initiated by a MISO and MISO Transmission Owner submittal pursuant to Section 205 of the FPA modifying the cost allocation method for Baseline Reliability Projects.

J. Notice of Complaint (18 C.F.R. § 385.206(b)(10))

A form of notice is attached hereto as Attachment A.

X. CONCLUSION

Wherefore, Complainants respectfully request that the Commission grant the relief requested herein regarding the unjustness and unreasonableness of MISO's cost allocation methodology for Baseline Reliability Projects.

Respectfully submitted,

By: */s/ Robert A. Weishaar, Jr.*
McNees Wallace & Nurick, LLC
1200 G Street, NW
Suite 800
Washington, DC 20005
Tel. (202) 898-0688
Email: bweishaar@mcneeslaw.com

Kenneth R. Stark
100 Pine Street
Harrisburg, PA 17101
Tel. (717) 237-5378
Email: kstark@mcneeslaw.com

Counsel to the Coalition of MISO Transmission Customers

By: /s/ Paul N. Cicio
Industrial Energy Consumers of America
1776 K Street, NW, Suite 720
Washington, DC 20006
Tel. (202) 223-1661
Email: pcicio@ieca-us.org

President, Industrial Energy Consumers of America

By: /s/ Michael R. Engleman
Michael R. Engleman
Robert C. Fallon
Christina Switzer
Engleman Fallon, PLLC
1717 K Street, NW
Suite 900
Washington, DC 20006

Tel. (202) 464-1330
Email:
mengleman@efenergylaw.com
rfallon@efenergylaw.com
cswitzer@efenergylaw.com

Counsel for LS Power Midcontinent, LLC

CERTIFICATE OF SERVICE

I hereby certify that, on January 21, 2020, I have caused a copy of the foregoing document to be served electronically on the Respondent, Midcontinent Independent System Operator, Inc., to the individuals listed on the Commission's Corporate Officials List.

/s/ Robert A. Weishaar, Jr.
McNees Wallace & Nurick, LLC
1200 G Street, NW
Suite 800
Washington, DC 20005
Tel. (202) 898-0688
Email: bweishaar@mcneeslaw.com

Dated: January 21, 2020

Attachment A

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Coalition of MISO Transmission Customers, Industrial Energy Consumers of America, LS Power Midcontinent, LLC Complainants, Midcontinent Independent System Operator, Inc. Respondent	))))))))))	Docket No. EL20-___-000

NOTICE OF COMPLAINT
(January 21, 2020)

Take notice that on January 21, 2020, the Coalition of MISO Transmission Customers, Industrial Energy Consumers of American, and LS Power Midcontinent, LLC (collectively, Complainants) filed a formal complaint against Midcontinent Independent System Operator, Inc. (MISO) pursuant to Sections 206, 306 and 309 of the Federal Power Act, 16 U.S.C. §§ 824e, 825c, and 825h and 18 C.F.R. § 385.206 (2019), requesting that the Commission direct MISO to revise the cost allocation methodology for Baseline Reliability Projects.

Complainants certifies that copies of the Complaint were served on the contacts for MISO as listed on the Commission's list of Corporate Officials.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding.

Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. The Respondents' answers and all interventions, or protests must be filed on or before the comment date. The Respondents' answers, motions to intervene, and protests must be served on the Complainant.

The Commission encourages electronic submissions of protests and interventions in lieu of paper using the "eFiling link at http://www.ferc.gov. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426.

This filing is accessible on-line at http://www.ferc.gov, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 p.m. Eastern Daylight Time on (insert date).

Kimberly D. Bose
Secretary

Attachment B

Attachment C

Glossary of MISO Zones Acronyms

AMIL	Ameren Illinois Company
AMMO	Ameren Missouri
ATC	American Transmission Company
CLECO	Cleco Power
DPC	Dairyland Power Cooperative
EES AR	Entergy Arkansas
EES LA	Entergy Louisiana
EES MS	Entergy Mississippi
EES NO	Entergy New Orleans
ETI	Entergy Texas
GRE	Great River Energy
ITCM	International Transmission Company Midwest
ITCT	International Transmission Company
LUS	Lafayette City-Parish Consolidated Government
MDU	Montana-Dakota Utilities
MEC	MidAmerican Energy Company
METC	Michigan Electric Transmission Company
MP	Minnesota Power
MPW	Muscatine Power & Water
MRES	Missouri River Energy Services
NIPS	Northern Indiana Public Service Company
OTP	Otter Tail Power
SMEPA	South Mississippi Electric Power Association
XEL	Xcel Energy