March 14, 2018

The Honorable Kimberly D. Bose

Secretary

Federal Energy Regulatory Commission

888 First Street, N.E.

Washington, DC 20426

**Re: *Cleco Power LLC,* Docket No. ER18-999-000**

Informational Filing of Annual Formula Rate Update

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission’s (“Commission”) orders in Docket Nos. EL12-35[[1]](#footnote-1) and ER13-2379[[2]](#footnote-2) and the formula rate protocols set forth in Attachment O of the Midcontinent Independent System Operator, Inc.’s (“MISO”) Open Access Transmission, Energy and Operating Reserve Markets Tariff (“Tariff”), Cleco Power LLC (“Cleco”), submits for informational purposes this letter and supporting materials (“Informational Filing”) that reflect Cleco’s Annual Transmission Revenue Requirement effective June 1, 2017, under Attachment O of the MISO Tariff. The Annual Transmission Revenue Requirement is based on actual cost data for calendar year 2016 as reported in Cleco’s 2016 FERC Form 1, pursuant to the Commission-approved formula rate contained in Attachment O of the MISO Tariff.

**I. BACKGROUND**

In its May 2012 Order, the Commission initiated an investigation pursuant to section 206 of the Federal Power Act, 16 U.S.C. § 824e, to determine whether the formula rate protocols in MISO’s Tariff are sufficient to ensure just and reasonable rates.[[3]](#footnote-3) After considering briefs filed by several parties, the Commission issued its May 2013 Order, finding that the formula rate protocols contained in MISO’s Tariff are insufficient to ensure just and reasonable rates, and directing MISO and the identified MISO transmission owners to file revised formula rate protocols to enhance the scope of participation by interested parties, increase transparency in the information provided to interested parties, adopt procedures by which interested parties can challenge a transmission owner’s implementation of its formula rate, and establish a requirement that MISO and transmission owners make an annual informational filing with the Commission.[[4]](#footnote-4)

With regard to the annual informational filing, the Commission required the submission of “annual informational filings of [each transmission owner’s] formula rate updates . . . following the time period allowed for parties to review the updates and for transmission owners to respond to information and document requests.”[[5]](#footnote-5) The Commission stressed that these filings would “be just that, informational,”[[6]](#footnote-6) that they “are not themselves rates and do not constitute changes in the underlying rate itself.”[[7]](#footnote-7)

In its March 2014 Order, the Commission “require[d] all MISO transmission owners to submit informational filings in separate docket numbers”[[8]](#footnote-8) and stated that “formal challenges should be filed in the same docket as the informational filing.”[[9]](#footnote-9) The Commission also “direct[ed] MISO to provide notification of the filing through the email ‘exploder’ list to be maintained by MISO, and by posting the docket number assigned to each transmission owner’s informational filing on the MISO website and [Open Access Same-Time Information System (“OASIS”)] within five days of such filing.”[[10]](#footnote-10)

**II. INFORMATIONAL FILING**

Section VI of the formula rate protocols set forth in Attachment O of the MISO Tariff provides that, by March 15 of each year, Cleco shall submit an annual informational filing to the Commission including information that is reasonably necessary to determine:

1. That input data under the formula rate are properly recorded in the underlying workpapers;
2. That Cleco has properly applied the formula rate and the protocol procedures;
3. The accuracy of data and the consistency with the formula rate of the Actual Transmission Revenue Requirement and rates under review; and
4. The extent of accounting changes that affect the formula rate inputs.

The protocols also require that the informational filing must describe any corrections or adjustments made during the information exchange and informal challenge periods, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the informal or formal challenge procedures. Section IV.F of the formula rate protocols specifies that any changes or adjustments to the annual update resulting from the information exchange and informal challenge processes that are agreed to by Cleco will be reported in the informational filing and will be reflected in the annual update for the following rate year.

In response to these requirements, Cleco provides the following:[[11]](#footnote-11)

Attachment A: Populated formula rate template showing Cleco’s actual transmission revenue requirement effective June 1, 2017 as well as all supporting documentation and workpapers of all inputs that are not available on the Attachment O template.

Attachment B: Corrections or adjustments made during the information exchange or informal challenge process. An updated Attachment O with supporting documentation and workpapers of all inputs that are not available on the Attachment O template.

The Attachment O formula rate protocols require that Cleco’s Annual Update be posted on MISO’s website and OASIS by June 1 of each year (or the next business day if June 1 falls on a weekend or Commission holiday) and that MISO provide notice of such posting within ten days. The posting of the Annual Update triggers the commencement of the information exchange period and challenge period under the Attachment O protocols. Interested Parties had until December 1, 2017 to submit information requests, and Cleco was required to make a good faith effort to respond to all requests within fifteen business days, but by no later than January 10, 2018. Interested Parties had until February 1, 2018 to submit informal challenges to Cleco, and Cleco was required to make a good faith effort to respond to all informal challenges within twenty business days, but by no later than February 28, 2018.

Cleco made two updates to the Attachment O since originally submitting. The first update was the removal of a franchise tax that was included on tab “4 – Taxes P.3” of the work papers. The second update was due to asset reclassification. Cleco removed certain assets that were erroneously not classified as generator interconnection facilities. To account for the change, Cleco added a new line entitled “Less: GIA Assets” on tab “6 – Excluded Assets P.4.” The transmission plant excluded from ISO rates on line 2, page 4 of the Attachment O was adjusted in Attachment B to account for a reclassification of assets. The customer-identified adjustments have resulted in a $0.027/kw-Month decrease in the Network and Point-to-Point rates. Cleco is also including tab “10 – Radial Lines” as part of the Attachment O support file. This additional information is provided to assist customers with review of rates and will be included in subsequent years. Under the Attachment O protocols, Interested Parties have until April 15, 2018 to file formal challenges with the Commission. Cleco has complied with all of these procedures.

The following table summarizes Cleco’s compliance with specific deadlines set forth in the protocols:

|  |  |  |
| --- | --- | --- |
| **Due Date** | **Activity** | **Date Activity Completed** |
| June 1, 2016 | Calculate Annual Transmission Revenue Requirement/Annual Update and provide to MISO for posting/distribution | June 1, 2017 |
| June 10, 2016 | MISO provides notice to exploder list | June 10, 2017 |
| September 1, 2016 | Hold annual open meeting | July 18, 2017 |
|  |  |  |

**III. NOTICE**

In accordance with Section VI.A of the Attachment O formula rate protocols, Cleco will notify MISO of this filing and provide the docket number for posting on the MISO website and OASIS and notification via MISO’s email exploder list within five days.

**IV. CONCLUSION**

Please contact the undersigned if you have any questions regarding this submission.

Respectfully submitted,

*/s/ Jill M Kelone*

Jill M. Kelone

Manager MISO Policy

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Attachments

1. *Midwest Indep. Transmission Sys. Operator, Inc.*, 139 FERC ¶ 61,127 (2012) (“May 2012 Order), *order on investigation*, 143 FERC ¶ 61,149 (2013) (“May 2013 Order”). [↑](#footnote-ref-1)
2. *Midwest Indep. Transmission Sys. Operator, Inc.*, 146 FERC ¶ 61,212 (2014) (“March 2014 Order”), *reh’g denied*, 150 FERC ¶ 61,024 (2015). [↑](#footnote-ref-2)
3. May 2012 Order at P 1. [↑](#footnote-ref-3)
4. May 2013 Order at PP 1, 17-18. [↑](#footnote-ref-4)
5. *Id.* at P 92. [↑](#footnote-ref-5)
6. *Id.* at P 92 n.142. [↑](#footnote-ref-6)
7. *Id.* at P 85. [↑](#footnote-ref-7)
8. March 2014 Order at P 71. [↑](#footnote-ref-8)
9. *Id.* at P 70; *see also id.* at P 113 (“We also direct the MISO Transmission Owners to propose Tariff revisions to clarify that formal challenges should be filed in the informational filing dockets.”). [↑](#footnote-ref-9)
10. *Id.* at P 71. [↑](#footnote-ref-10)
11. Cleco is providing its populated formula rate templates and underlying workpapers in their native format (e.g., Microsoft Excel) fully populated and with formulas intact. [↑](#footnote-ref-11)