

RTOR Settlement

The MISO Regional Through and Out Rate (RTOR) Settlement refers to the partial resolution of litigation brought by a number of MISO Transmission Service Agreement (TSA) customers related to long-term PTP service agreements originally entered into with Entergy prior to their 12/19/2013 admittance into MISO. Upon Entergy granting functional control of its transmission facilities in Arkansas, Mississippi, Louisiana, and Texas, to MISO, transmission customers with long-term PTP TSA's were now billed the significantly higher MISO RTOR rate. At issue was the application of a MISO system-wide rate for through and out transmission customers from the new MISO-South region which appeared to violate the no-cost-sharing rule in the Attachment FF of the MISO Tariff, in particular the FERC separation of new (South) and old (Legacy) regions for cost allocation and rate design purposes.

After approximately 2 years of litigation, a settlement agreement was reached (subject to refund) between MISO and the TSA Customers. The rate relief settlement schedules are:

Schedule 7: Years 1 & 2 (2014 & 2015) the TSA Customers will be refunded for the difference between the MISO RTOR charged and the Entergy-only RTOR which is calculated based on the 2014 & 2015 Attachment O formula rate, respectively. Years 3 (2016) - 9 (2022) the TSA Customers will pay the then-current Entergy RTOR plus a systematically increasing portion of the difference between the then-current MISO and then-current Entergy RTOR. Year 10 the TSA customers will begin paying the full then-current MISO RTOR.

Schedule 26: The TSA customers will be refunded for Years 1 & 2 (2014 & 2015) for Schedule 26 payments. Years 3-5 (2016-2018) the TSA customers will pay no Schedule 26 charges. Years 6-12 (2019-2025) the TSA customers will pay a systematically increasing amount (increasing by 12.5% annually) of the then-current MISO schedule 26 rate. Year 13 the TSA customers will pay the then-current MISO Schedule 26 rate. However, if transmission investment were to occur in the new MISO-South region, the TSA customers would be charged the applicable Schedule 26 charges.