



IMPA
INDIANA MUNICIPAL POWER AGENCY

March 3, 2016

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Indiana Municipal Power Agency (IMPA)
Docket No. ER16-____-000
Informational Filing of Annual Formula Rate Update

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") orders in Docket Nos. EL12-35¹ and ER13-2379² 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"), Indiana Municipal Power Agency ("IMPA") submits for informational purposes this letter and supporting materials ("Informational Filing") that reflect IMPA's Annual Transmission Revenue Requirement effective June 1, 2015, under Attachment O of the MISO Tariff. The Annual Transmission Revenue Requirement is based on actual cost data for 2014 (calendar year 2014) as reported in IMPA's 2014 Attachment O Historical Revenue Requirement form, pursuant to the Commission-approved formula rate contained in Attachment O of the MISO Tariff. IMPA's 2014 Attachment O Historical Revenue Requirement form is attachment #3, as shown below.

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

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").

² *Midwest Indep. Transmission Sys. Operator, Inc.*, 146 FERC ¶ 61,212 (2014) ("March 2014 Order"), *reh'g denied*, 150 FERC ¶ 61,024 (2015), *order on compliance filings*, 150 FERC ¶ 61,025 (2015).

MISO's Tariff are sufficient to ensure just and reasonable rates.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

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 The Commission stressed that these filings would "be just that, informational,"⁶ that they "are not themselves rates and do not constitute changes in the underlying rate itself."⁷

In its March 2014 Order, the Commission "require[d] all MISO transmission owners to submit informational filings in separate docket numbers"⁸ and stated that "formal challenges should be filed in the same docket as the informational filing."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

³ May 2012 Order at P 1.

⁴ May 2013 Order at PP 1, 17-18.

⁵ *Id.* at P 92.

⁶ *Id.* at P 92 n.142.

⁷ *Id.* at P 85.

⁸ March 2014 Order at P 71.

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.").

¹⁰ *Id.* at P 71.

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, IMPA 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 IMPA 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 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 IMPA 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, IMPA provides the following:

- IMPA's 2014 Attachment O Historical Revenue Requirement with supporting documentation and workpapers, identified below as attachment #3, including the populated formula rate template showing IMPA's actual transmission revenue requirement effective June 1, 2015. The supporting documentation and workpapers include IMPA's 2014 EIA Form 412 and IMPA's 2014 Financial Statements.

IMPA further states that there were no accounting changes that affect the formula rate inputs, that it has no corrections or adjustments made during the information exchange or informal challenge process, that there is no aspect of the formula rate and its inputs that are subject to an ongoing dispute under the informal or formal challenge procedures, and therefore IMPA provides no additional lists or attachments here.

The Attachment O formula rate protocols require that IMPA'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, 2015 to submit information requests, and IMPA was required to make a good faith effort to respond to all requests within fifteen business days, but by no later than January 31, 2016. Interested Parties had until January 31, 2016 to submit informal challenges to IMPA, and IMPA 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, 2016. Under the Attachment O protocols, Interested Parties have until March 31, 2016 to file formal challenges with the Commission. IMPA has complied with all of these procedures.

IMPA's Annual Transmission Revenue Requirement/Annual Update was originally submitted to MISO on April 30, 2015, and posted by MISO on June 1, 2015. A revised version of IMPA's Annual Transmission Revenue Requirement/Annual Update to correct a clerical error was also submitted to MISO on June 3, 2015, and MISO maintained the original June 1, 2015 posting date. Notifications of the postings were issued via the exploder list maintained by MISO. IMPA held its annual meeting on August 21, 2015; however, no interested parties attended the annual meeting.

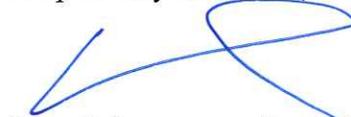
III. NOTICE

In accordance with Section VI.A of the Attachment O formula rate protocols, IMPA 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,



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Indiana Municipal Power Agency
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Carmel, IN 47992
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Attachments:

- 1) Title for Posting: IMPA Submittal Email to MISO with 2014 Attachment O Filing
Description: Submittal email prepared by Bev Matthews of IMPA to MISO Analyst Ann Coultas that accompanied the IMPA 2014 Attachment O submittal dated April 30, 2015.
- 2) Title for Posting: IMPA Submittal of Attachment O for Posting to MISO Webpage
Description: Submittal email prepared by Bev Matthews of IMPA to MISO Heidi Roy and Ann Coultas providing IMPA's 2014 Attachment O with Supporting Documents including the 2014 IMPA Financial Statements for June 1, 2015 posting under Indiana Municipal Power Agency on the MISO "Transmission Owner Rate Date" webpage.
- 3) Title for Posting: IMPA 2014 Attachment O Historical Revenue Requirement, 2014 EIA Form 412 and Supporting Documents (Excel format)
Description: Tabulated data for the IMPA Historical MISO Attachment O submittal including accounting, plant statistics, and transmission data used to determine the revenue requirements. IMPA utilizes the EIA Form 412 for the Historical reporting of the IMPA revenue requirements for the MISO Attachment O. IMPA tabulated data for all sections of the EIA Form 412 to include accounting, plant statistics, and transmission data.
- 4) Title for Posting: 2014 IMPA Financial Statements
Description: IMPA calendar year 2013 and 2014 financial statements for the year ended December 31, 2014 performed by independent auditors PricewaterhouseCoopers, LLC dated March 27, 2015.
- 5) Title for Posting: MISO Confirmation Email to IMPA RE REVISED IMPA 2015 Posting to MISO Webpage
Description: Confirmation of the IMPA Attachment O, EIA 412 and supporting work papers as accepted and posted by Ann Coultas, MISO Analyst I Tariff Pricing, on June 3, 2015 and to be included into the rates effective June 1, 2015.
- 6) Title for Posting: IMPA Notice of 2015 MISO Attachment O Annual Meeting
Description: Public Notice and participation information of the IMPA MISO Attachment O Annual Meeting scheduled for August 21, 2015.
- 7) Title for Posting: IMPA MISO 2014 Attachment O Annual Meeting Presentation 08-21-2015
Description: Prepared PowerPoint presentation explaining the Attachment O calculation and results, as well as the timeline for inquiries and responses.
- 8) Title for Posting: IMPA MISO Attachment O Meeting Summary 08-21-2015
Description: Memorandum describing the annual meeting event and participants.