Minnesota Municipal Power Agency

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March 12, 2018

Via E-Filing

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Minnesota Municipal Power Agency's 2018 Annual Update of Formula Rates – Informational Filing; Docket No. ER18-___-000

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") orders in Docket Nos. EL12-351 and ER13-2379[1] and Section VI of the Midcontinent Independent System Operator, Inc.'s ("MISO") *pro forma* formula rate protocols under Attachment O of its Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff"), Minnesota Municipal Power Agency ("MMPA") on behalf of itself and its division, MMPA Transmission, LLC ("MMPAT"),[2] hereby submits its annual update for charges pursuant to its formula rate for the period June 1, 2017 through May 31, 2018.

In accordance with the Commission-approved MISO Attachment O formula rate, MMPA's 2017 annual transmission revenue requirement ("ATRR") is based on actual cost data for calendar year 2016 as reported in MMPAT's 2016 audited financials. As required by the formula rate protocols, this submission is provided to the Commission for informational purposes only.

[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"); and *Midwest Indep. Transmission Sys. Operator, Inc.*, 146 FERC ¶ 61,212 (2014) ("March 2014 Order"), *reh'g denied*, 150 FERC ¶ 61,024 (2015).

[2] MMPA is a transmission owning member of MISO that serves eleven (11) member municipal distribution utilities in the State of Minnesota. MMPAT owns all of MMPA's transmission assets and has assigned operational control of its Zonal Transmission Facilities to MMPA by way of a Transmission Facilities Assignment Agreement. *See generally,* Letter Order issued in Docket No. ER15-2311-000 (September 3, 2015) accepting Joint Pricing Zone Revenue Allocation Agreement among Northern States Power Company, Great River Energy, Southern Minnesota Municipal Power Agency, Central Minnesota Municipal Power Agency, Northwestern Wisconsin Electric Company, MMPA and Missouri River Energy Services, Inc.

I. COMMUNICATIONS

All service of pleadings, orders, correspondence, and communications regarding this proceeding should be made to the following persons, and their names and addresses placed on the official service list for this docket:

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II. 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 MISO's *pro forma* formula rate protocols in its Tariff were sufficient to ensure just and reasonable rates.[3] The Commission found that MISO's *pro forma* formula rate protocols were insufficient to ensure just and reasonable rates, and directed MISO to file revised formula rate protocols which, *inter alia*, required transmission owners make an annual informational filing with the Commission.[4] As the Commission stressed, these informational filings are to "be just that, informational."[5] They "are not themselves rates and do not constitute changes in the underlying rate itself."[6]

In its March 2014 Order, the Commission required all MISO transmission owners to submit informational filings in separate dockets.[7] The Commission directed MISO to provide notification of each transmission owner's filing through MISO's email 'exploder' list, 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.[8]

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[3] May 2012 Order at P 1.

[4] May 2013 Order at PP 17, 92.

[5] *Id.* at P 92 n.142.

[6] *Id.* at P 85.

[7] March 2014 Order at P 71.

[8] *Id.*

III. INFORMATIONAL FILING

Section VI of the formula rate protocols set forth in Attachment O to MISO's Tariff requires MMPA to submit to FERC, by March 15 of each year, an informational filing including information that is reasonably necessary to determine:

1. That input data under the formula rate are properly recorded in any underlying workpapers;

2. That MMPA has properly applied the formula rate and the protocol procedures;

3. The accuracy of the data and the consistency with the formula rate of the ATRR and rates under review; and

4. The extent of accounting changes that affect the formula rate inputs.

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

MMPA confirms there were no accounting changes that affected the formula rate inputs; nor were there any corrections or adjustments made during the information exchange or informal challenge process. MMPA did not receive any information requests on its update and received no challenges. Thus, there are no ongoing disputes under the informal or formal challenge procedures of the formula rate protocols.

MMPA has complied with the specific deadlines set forth in Section II of the formula rate protocol procedures:[9]

Activity	**Due Date**	**Completion Date**
Calculate ATRR/annual update and provide to	June 1, 2017 (or the next business day if June 1 is a holiday or weekend)	May 4, 2017

[9] MMPA's formula rates at issue can be found at MMPA's OASIS page at: http://www.oasis.oati.com/MMPA/index.html and https://www.misoenergy.org/markets-and-operations/ts-pricing/to-rate-data/MMPA/#/rateyear

MISO for posting/distribution		
MISO provides notice of MMPA's annual update to exploder list	Within 10 days of MISO posting annual update on MISO website and OASIS	May 4, 2017
MISO provides notice of MMPA's annual meeting	At least 7 days prior to annual meeting	June 1, 2017
MMPA's annual meeting	September 1, 2017	June 13, 2017

Pursuant to Sections III and IV of the formula rate protocols procedures, interested parties had until December 1, 2017, to submit information requests and until January 31, 2018, to notify MMPA of any specific informal challenges. Interested parties also have until April 16, 2018 (since April 15 is a Sunday) to submit a formal challenge with the Commission. MMPA did not receive any information requests and did not receive notification of any informal or formal challenges to date.

As part of this informational filing, MMPA provides the following documents:

Attachment 1: Populated formula rate template showing MMPA's actual transmission revenue requirement effective June 1, 2017 (based on EIA Form No. 412 data).

Attachment 2: Supporting documentation and workpapers for all inputs that are not otherwise available in MMPAT's Audited Financial Report.

Attachment 3: MMPAT's Audited Financial Report

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IV. NOTICE

In accordance with Section VI, A of the formula rate protocols, MMPA will notify MISO of this informational filing and the docket number for posting on the MISO website and OASIS and for notification via the MISO email exploder list within five (5) days.

V. CONCLUSION

MMPA's Information Filing is in compliance with the formula rate protocols. Please do not hesitate to contact the undersigned if you have any questions regarding this matter.

Very truly yours,

Avant Energy, Inc.
Agent for MMPA

/s/ David W. Niles
David W. Niles
Vice President

Enclosures