

March 14, 2016

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 2016 Annual Update of
Formula Rates – Informational Filing; Docket No. ER16-___-000**

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") orders in Docket Nos. EL12-351 and ER13-2379¹ 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, 2015 through May 31, 2016.

In accordance with the Commission-approved MISO Attachment O formula rate, MMPA's 2015 annual transmission revenue requirement ("ATRR") is based on actual cost data for calendar year 2014 as reported in MMPAT's 2014 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:

David W. Niles
Vice President and Controller
Avant Energy, Inc.
Agent for MMPA
220 South 6th Street, Suite 1300
Minneapolis, MN 55402
Phone: 612-349-6868
david.niles@avantenergy.com

James J. Bertrand
Stinson Leonard Street
150 South Fifth Street
Suite 2300
Minneapolis, Minnesota 55402
Phone: 612-335-1651
Email: james.bertrand@stinson.com

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 docket numbers.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

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 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. No corrections or adjustments have been made to MMPA's input data and no challenges have been made to MMPA's annual update.

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

Activity	Due Date	Completion Date
Calculate ATRR/annual update and provide to MISO for posting/distribution	June 1, 2015 (or the next business day if June 1 is a holiday or weekend)	May 27, 2015 ⁹
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 28, 2015

⁹ At MISO's request, on June 17, 2015, MMPA submitted revised Attachment O information and supporting work papers resulting from discussions with MISO regarding the reclassification of one facility from transmission to distribution. The ATRR impact of the revisions was not material (*i.e.*, less than \$2,500).

MISO provides notice of MMPA's annual meeting	At least 7 days prior to annual meeting	May 28, 2015
MMPA's annual meeting	September 1, 2015	June 10, 2015

Pursuant to Sections III and IV of the formula rate protocols procedures, interested parties had until December 1, 2015, to submit information requests and until February 1, 2016 (because January 31, 2016 was a Sunday), to notify MMPA of any specific informal challenges. MMPA did not receive any information requests and did not receive notification of any informal challenges.

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, 2015 (based on Form EIA-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

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 5 days.

V. CONCLUSION

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 and Controller

Enclosures