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March 13, 2017

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

**Re: Prairie Power, Inc., Docket No. ER17-1180-000**  
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<sup>1</sup> and ER13-2379<sup>2</sup> 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"), Prairie Power, Inc. ("PPI"), submits for informational purposes this letter and supporting materials ("Informational Filing") that reflect PPI's projected net revenue requirement effective January 1, 2017 under Attachment O of the MISO Tariff. During 2015, the Commission approved Tariff sheet revisions allowing PPI to convert its historic-looking transmission revenue requirement to a forward-looking company-specific formula rate template, with an Annual True-Up mechanism.<sup>3</sup> Accordingly, an Annual True-Up is not necessary for 2015 as the net transmission revenue requirement for that year was based on actual cost data for calendar year 2014 as reported in PPI's 2014 RUS Form 12, 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

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<sup>1</sup> *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").

<sup>2</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 146 FERC ¶ 61,212 (2014) ("March 2014 Order"), *reh'g denied*, 150 FERC ¶ 61,024 (2015).

<sup>3</sup> Letter Order of October 7, 2015 in dockets ER15-2364-000 and -001 (the "October 2015 Letter Order").



MISO's Tariff are sufficient to ensure just and reasonable rates.<sup>4</sup> 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.<sup>5</sup>

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."<sup>6</sup> The Commission stressed that these filings would "be just that, informational,"<sup>7</sup> that they "are not themselves rates and do not constitute changes in the underlying rate itself."<sup>8</sup>

In its March 2014 Order, the Commission "require[d] all MISO transmission owners to submit informational filings in separate docket numbers"<sup>9</sup> and stated that "formal challenges should be filed in the same docket as the informational filing."<sup>10</sup> The Commission "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."<sup>11</sup> The Commission further directed "that the informational filings contain information necessary to review the reasonableness of projected costs for transmission owners with forward-looking rates."<sup>12</sup>

## II. INFORMATIONAL FILING

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

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<sup>4</sup> May 2012 Order at P 1.

<sup>5</sup> May 2013 Order at PP 1, 17-18.

<sup>6</sup> *Id.* at P 92.

<sup>7</sup> *Id.* at P 92 n.142.

<sup>8</sup> *Id.* at P 85.

<sup>9</sup> March 2014 Order at P 71.

<sup>10</sup> *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.").

<sup>11</sup> *Id.* at P 71.

<sup>12</sup> *Id.* at P 62.

1. That input data under the formula rate are properly recorded in the underlying workpapers;
2. That PPI 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;
4. The extent of accounting changes that affect the formula rate inputs; and,
5. The reasonableness of projected costs.

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 PPI's formula rate protocols specifies that any changes or adjustments to the True-Up Adjustment or projected net revenue requirement resulting from the information exchange and informal challenge processes that are agreed to by PPI on or before December 1 will be reflected in the projected net revenue requirement for the upcoming rate year, and that any changes agreed to by PPI after December 1 will be reflected in the following year's Annual True-Up. Again for PPI, there were no changes or adjustments to the projected net revenue requirement resulting from the information exchange and informal challenge processes.

In response to these requirements, PPI provides the following:<sup>13</sup>

Attachment A: Populated formula rate template showing PPI's projected net revenue requirement effective January 1, 2017 using projected cost data for 2017 and including supporting documentation, workpapers and materials for all inputs that are not otherwise available in PPI's RUS Form 12 and to support the reasonableness of projected costs.

The Attachment O formula rate protocols require that PPI's Annual True-Up 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 (10) days. The Annual True-Up for PPI was not necessary for 2015 since the net transmission revenue requirement for that year was based on actual cost data for calendar year 2014 as reported in PPI's 2014 RUS Form 12.

PPI's protocols also require that PPI provide its projected net revenue requirement for the following year to MISO on October 1, and that MISO provide notice of such posting within ten (10) days. Interested Parties had until December 1, 2016 to submit information requests, and PPI was required to make a good faith effort to respond to all requests within fifteen (15) business days, but by no later than January 10, 2017. Interested Parties had until January 31, 2017 to submit informal challenges to PPI, and PPI was required to make a good faith effort to respond to all informal challenges within twenty (20) business days, but by no later than February 28, 2017. Under PPI's protocols, Interested Parties have until April 15, 2017 to file formal challenges with the Commission. PPI has complied with all of these procedures.

The following table summarizes PPI's compliance with specific deadlines set forth in the

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<sup>13</sup> PPI is providing its populated formula rate templates and underlying workpapers in their native format (e.g., Microsoft Excel) fully populated and with formulas intact.

protocols:

<b>Due Date</b>	<b>Activity</b>	<b>Date Activity Completed</b>
October 1, 2016	Calculate projected net revenue requirement for calendar year 2017 and provide to MISO for posting/distribution	September 29, 2016
10 Days after posting	MISO provides notice to exploder list	October 7, 2016
No less than 7 Days prior to annual open meeting	Provide meeting notice on MISO website and OASIS, and MISO provides notice to exploder list	September 28, 2016
October 31, 2016	Hold annual open meeting on projected net revenue requirement for calendar year 2017	October 19, 2016

### III. NOTICE

In accordance with Section VI.A of PPI's protocols, PPI 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 (5) days.

### IV. CONCLUSION

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

Respectfully submitted,

/s/ Alisha D. Anker

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Attachments