

153 FERC ¶ 61,247
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, and Tony Clark.

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| Midcontinent Independent System Operator, Inc. | Docket Nos. ER13-1923-001 ER13-1923-002 |
| Duke Energy Carolinas, LLC Duke Energy Progress, Inc. | ER13-1928-001 ER13-1928-005 |
| Louisville Gas and Electric Company | ER13-1930-001 ER13-1930-005 |
| Ohio Valley Electric Corporation | ER13-1940-001 ER13-1940-006 |
| Alabama Power Company | ER13-1941-001 ER13-1941-005 |
| Midcontinent Independent System Operator, Inc. | ER13-1945-002 |
| Entergy Services, Inc. | ER13-1955-001 |
| Cleco Power LLC | ER13-1956-001 (not consolidated) |

ORDER ON REHEARING AND COMPLIANCE FILINGS

(Issued November 25, 2015)

1. On January 23, 2015, the Commission issued an order¹ conditionally accepting, subject to additional compliance filings, the filings made by Duke Energy Carolinas, LLC and Duke Energy Progress, Inc. (together, Duke Carolinas); Louisville Gas and Electric

¹ *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,045 (2015) (First Compliance Order).

Company and Kentucky Utilities Company (LG&E/KU); Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively, Southern Companies); Ohio Valley Electric Corporation (OVEC) (collectively, SERTP Filing Parties);² and Midcontinent Independent System Operator, Inc. (MISO) to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000³ and the First Compliance Order.

2. On February 23, 2015, MISO and MISO Transmission Owners⁴ filed a request for rehearing of the First Compliance Order seeking rehearing of the Commission's determinations with respect to cost allocation.

² For purposes of this order, SERTP Filing Parties refers to the public utility transmission providers that sponsor the Southeastern Regional Transmission Planning Process (SERTP). SERTP Filing Parties state that the SERTP also is supported by the following non-public utility transmission providers: Associated Electric Cooperative Inc., Dalton Utilities, Georgia Transmission Corporation, the Municipal Electric Authority of Georgia, PowerSouth Energy Cooperative, the South Mississippi Electric Power Association, and the Tennessee Valley Authority. The public utility transmission providers that sponsor the SERTP and the non-public utilities that support the SERTP are collectively referred to as the SERTP Sponsors.

³ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

⁴ MISO Transmission Owners, for purposes of this filing, consist of: Ameren Services Company, as agent for Union Electric Company, Ameren Illinois Company and Ameren Transmission Company of Illinois; American Transmission Company LLC; Arkansas Electric Cooperative Corporation; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Cleco Power, LLC; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, Inc.; East Texas Electric Cooperative; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power

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3. On February 24, 2015, SERTP Filing Parties, MISO, and MISO Transmission Owners filed a joint motion for an extension of time, until June 22, 2015, to allow SERTP Filing Parties and MISO to comply with the First Compliance Order. On March 6, 2015, the Commission issued a notice granting the motion for an extension of time.

4. On June 22, 2015, SERTP Filing Parties and MISO separately submitted revisions to the interregional transmission coordination and cost allocation procedures of their respective Open Access Transmission Tariffs (OATTs) to comply with the First Compliance Order (Second Compliance Filings).⁵

5. For the reasons discussed below, we deny the request for rehearing, and we conditionally accept SERTP Filing Parties and MISO's compliance filings, subject to SERTP Filing Parties and MISO submitting additional compliance filings within 30 days of the date of issuance of this order.

I. Background

6. In Order No. 1000, the Commission adopted a package of reforms addressing transmission planning and cost allocation that, taken together, are designed to ensure that Commission-jurisdictional services are provided at just and reasonable rates and on a basis that is just and reasonable and not unduly discriminatory or preferential. In particular, the Commission determined that the transmission planning requirements of

Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

⁵ Duke Energy Carolinas, LLC, Tariffs, Rate Schedules and Service Agreements, Attachment N-1 - MISO, Transmission Planning Process (SERTP-MISO Seam), 1.0.0; Louisville Gas and Electric Company, Transmission, Appendix 7, Appendix 7 Attach K, 11.0.0; Ohio Valley Electric Corporation, OVEC OATT, Attachment M-2, ITC Between SERTP and MISO, 1.0.0, Alabama Power Company, OATT and Associated Service Agreements, Exhibit K-5, Interregional Transmission Coordination - SERTP/MISO, 1.0.0; Midcontinent Independent System Operator, Inc., FERC Electric Tariff, ATTACHMENT FF, Transmission Expansion Planning Protocol, 40.0.0. For ease of reference, we refer to all the open access transmission tariffs at issue in this proceeding as OATTs.

Order No. 890⁶ were too narrowly focused geographically and failed to provide for adequate analysis of benefits associated with interregional transmission facilities.⁷ Therefore, in Order No. 1000, the Commission required that each public utility transmission provider (1) establish further procedures with each of its neighboring transmission planning regions to coordinate and share the results of the respective regional transmission plans to identify possible interregional transmission facilities that may address transmission needs more efficiently or cost-effectively than separate regional transmission facilities and jointly evaluate those identified interregional transmission facilities,⁸ and (2) describe the methods by which it will identify and evaluate interregional transmission facilities, include a description of the type of transmission studies that will be conducted to evaluate conditions on neighboring systems, and explain in its OATT how stakeholders and transmission developers can propose interregional transmission facilities for the public utility transmission providers in neighboring transmission planning regions to evaluate jointly.⁹

7. The interregional cost allocation reforms in Order No. 1000 also required each public utility transmission provider, together with the public utility transmission providers in its own transmission planning region and a neighboring transmission planning region, to have a common method or methods for allocating the costs of a new interregional transmission facility among the beneficiaries of that transmission facility in the two neighboring transmission planning regions in which the transmission facility is located.¹⁰ The Commission required that each public utility transmission provider's interregional cost allocation method or methods satisfy six interregional cost allocation

⁶ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

⁷ The Commission defined an interregional transmission facility as one that is located in two or more transmission planning regions. Order No. 1000-A, 139 FERC ¶ 61,132 at P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

⁸ *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 415); *id.* P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396).

⁹ *Id.* P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398); *id.* P 522.

¹⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 578, 582, *order on reh'g* Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

principles.¹¹ To be eligible for interregional cost allocation, an interregional transmission facility must be selected in the relevant transmission planning regions' regional transmission plans for purposes of cost allocation.¹²

II. Notice of Filings and Responsive Pleadings

8. Notice of SERTP Filing Parties' June 22, 2015 compliance filings was published in the *Federal Register*, 80 Fed. Reg. 36,982 (2015), with interventions and protests due on or before July 13, 2015. None were filed.

9. Notice of MISO's June 22, 2015 compliance filing was published in the *Federal Register*, 80 Fed. Reg. 36,984 (2015), with interventions and protests due on or before July 13, 2015. International Transmission Company, Michigan Electric Transmission Company, and ITC Midwest LLC (collectively, ITC Companies) filed a timely motion to intervene and protest in Docket No. ER13-1923-002.¹³

III. Discussion

A. Procedural Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the timely, unopposed motion to intervene serves to make ITC Companies a party to this proceeding.

B. Substantive Matters

11. As discussed below, we deny the request for rehearing and affirm the findings in the First Compliance Order.

12. Additionally, as discussed below, we find that SERTP Filing Parties' and MISO's Second Compliance Filings partially comply with the directives in the First Compliance Order. Accordingly, we accept SERTP Filing Parties' and MISO's Second Compliance Filings to be effective January 1, 2015, subject to further compliance filings, as discussed below. We direct SERTP Filing Parties and MISO to submit further compliance filings within 30 days of the date of issuance of this order.

¹¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603.

¹² *Id.* P 400.

¹³ Although ITC Companies states that the motion to intervene is out-of-time, it was received on July 13, 2015, and thus we find that it is timely.

1. **Interregional Transmission Coordination Requirements – General Requirements**

a. **First Compliance Order**

13. In the First Compliance Order, the Commission found that, while SERTP Filing Parties and MISO's proposal to allow only interconnecting interregional transmission facilities to be eligible for interregional cost allocation was consistent with the requirements of Order No. 1000, limiting this interconnection to only interregional transmission facilities that interconnect to the transmission facilities of one or more SERTP Sponsors and one or more MISO Transmission Owners was unduly limiting. The Commission found that SERTP Filing Parties and MISO's proposed language would preclude interregional transmission facilities from interconnecting with transmission facilities that are selected in the regional transmission plan for purposes of cost allocation but that are currently under development by a transmission developer who had not yet become a sponsor in SERTP or a transmission owner in MISO.¹⁴ The Commission also noted that although SERTP Filing Parties' and MISO's proposed OATT revisions that apply to an interregional transmission facility that is proposed to be located in both transmission planning regions, did not define an interregional transmission facility as such. As a result, the Commission directed SERTP Filing Parties and MISO to submit further compliance filings that (1) included a definition of an interregional transmission facility that was consistent with Order No. 1000, which defined an interregional transmission facility as one that is located in two or more transmission planning regions; and (2) removed from the description of interregional transmission facilities that are eligible for interregional cost allocation, the criterion that the transmission facility must interconnect to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of one or more MISO transmission owners.¹⁵

14. In addition, the Commission noted that SERTP Filing Parties and MISO proposed a case-by-case exception which allows an interregional transmission project that does not satisfy all of the criteria to be eligible for interregional cost allocation. The Commission accepted this case-by-case exception but found that the requirement in the case-by-case exception that a transmission facility must be interconnected to the transmission facilities of one or more SERTP Sponsors or one or more transmission owners in MISO to be

¹⁴ First Compliance Order, 150 FERC ¶ 61,045 at PP 37 & 171.

¹⁵ *Id.* P 39. The Commission also rejected SERTP Filing Parties' and MISO's proposed requirement that an interregional transmission facility be eligible to be included in the MISO regional transmission plan for purposes of cost allocation as a Market Efficiency Project. *Id.* P 38. We address this compliance directive below in the Cost Allocation section of this order.

inconsistent with Order No. 1000. Therefore, the Commission directed SERTP Filing Parties and MISO to submit further compliance filings revising this case-by-case exception to remove the requirement that the transmission facility must be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of one or more transmission owners in the MISO transmission planning region.¹⁶

b. Second Compliance Filings

15. SERTP Filing Parties and MISO propose to amend their respective OATTs to define a transmission project that is eligible to seek interregional cost allocation as a project that interconnects to transmission facilities in both the SERTP and MISO regions. SERTP Filing Parties and MISO also propose that the facilities to which the project is proposed to interconnect may be either existing facilities or transmission projects included in the regional transmission plan that are currently under development.¹⁷ SERTP Filing Parties and MISO also propose language stating that, for the MISO region, “under development” refers to Appendix A projects¹⁸ under development approved by the MISO Board of Directors.¹⁹ In addition, SERTP Filing Parties and MISO propose to make similar revisions in their OATTs to the description of interregional transmission projects for the provisions regarding the case-by-case exception.²⁰

16. In addition, MISO proposes a new section of its OATT to establish a new transmission project type entitled “Interregional Transmission Project.” MISO proposes to define an Interregional Transmission Project as follows:

¹⁶ *Id.* P 175.

¹⁷ *E.g.*, MISO, Tariff, Attachment FF, § X.D.a.a.a (40.0.0); Alabama Power Company, OATT, Ex. K-5 § 4.1.A.i (1.0.0).

¹⁸ Section 2.3 to the Transmission Planning Business Practice Manual describes Appendix A projects as projects that have been justified to be the preferred solution to an identified reliability, [public] policy or other need, or to achieve an identified cost savings or other benefit and that have been approved by the Transmission Provider Board.

¹⁹ *E.g.*, MISO, Tariff, Attachment FF, § X.D.a.a.a (40.0.0); Alabama Power Company, OATT, Ex. K-5 § 4.1.A.i (1.0.0).

²⁰ *E.g.*, MISO, Tariff, Attachment FF, § X.D.a.b (40.0.0); Alabama Power Company, OATT, Ex. K-5 § 4.1.B (1.0.0).

An Interregional Transmission Project is one that is located in one or more transmission planning regions that addresses Transmission Issues related to reliability, economic, or public policy needs. Interregional Transmission Projects are more cost effective and efficient compared to regional transmission projects addressing similar Transmission Issues. Interregional projects must meet MISO's criteria as described in Section II.A.1, Section II.B, and Section II.C respectively in addition to what is described in the respective Joint Operating Agreements or section X of this Attachment FF.²¹

17. In its proposed new section, MISO also includes references to its Joint Operating Agreement with PJM Interconnection, L.L.C. (PJM) and its Joint Operating Agreement with Southwest Power Pool, Inc. (SPP).²² In addition, MISO proposes to add language stating that, for the purposes of certain parts of its OATT, Baseline Reliability Projects and Interregional Transmission Projects that meet reliability needs are jointly referred to as Baseline Reliability Projects; Market Efficiency Projects and Interregional Transmission Projects that provide economic needs are jointly referred to as Market Efficiency Projects; and Multi-Value Projects and Interregional Transmission Projects that meet public policy needs are jointly referred to as Multi-Value Projects.²³

c. Commission Determination

18. We find that MISO and SERTP Filing Parties' common proposed definition of an interregional transmission project that is eligible for interregional cost allocation complies with the directives of the First Compliance Order.

19. However, we reject in its entirety MISO's proposed new section II.E in Attachment FF of its OATT, for several reasons. First, MISO's proposed new section is not needed to comply with the directives in the First Compliance Order. Second, MISO's proposed definition of Interregional Transmission Project is not included in any of the SERTP Filing Parties' OATTs and is therefore inconsistent with the requirement in Order No. 1000 that public utility transmission providers in each pair of transmission planning regions develop the same language to be included in each public utility transmission provider's OATT that describes the procedures that a particular pair of transmission

²¹ MISO, Tariff, Attachment FF, § II.E (40.0.0).

²² *Id.*

²³ *Id.*

planning regions will use to satisfy the interregional requirements of Order No. 1000.²⁴ The Commission defined an interregional transmission facility as “one that is located in two or more transmission planning regions.”²⁵ Third, MISO’s proposal would create essentially two different definitions of an interregional transmission project within MISO’s OATT.²⁶ Fourth, MISO’s proposed language in the new section states that Interregional Transmission Projects are more cost effective *and* efficient compared to regional transmission projects, but Order No. 1000 requires that interregional transmission projects be more efficient *or* cost-effective solutions to regional needs.²⁷ Fifth, the proposed references in the new section to MISO’s Joint Operating Agreements with PJM and SPP duplicate the same references already included elsewhere in the MISO OATT.²⁸ Finally, the language MISO proposes to include in the proposed new section is unnecessary and potentially confusing because it states that the terms Baseline Reliability Projects, Market Efficiency Projects, and Multi-Value Projects already include Interregional Transmission Projects. For these reasons, we reject MISO’s proposed section II.E in Attachment FF of its OATT in its entirety and direct MISO to submit, within 30 days of the date of issuance of this order, a further compliance filing to delete this section from its OATT and to delete the term “Interregional Transmission Project” in those places where MISO proposes to add it.

2. Data Exchange and Identifying Interregional Transmission Facilities

a. First Compliance Order

20. In the First Compliance Order, the Commission found that SERTP Filing Parties and MISO did not explain how a proponent of an interregional transmission facility may

²⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 346.

²⁵ Order No. 1000-A, 139 FERC ¶ 61,132 at P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

²⁶ For example, the definition that MISO and SERTP Filing Parties propose to include in their OATTs states, in part, that an interregional transmission project eligible for interregional cost allocation interconnects to transmission facilities in *both* the SERTP and MISO regions, while MISO’s additional proposed definition of an Interregional Transmission Project states, in part, that it is located in *one* or more transmission planning regions.

²⁷ *E.g.*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396.

²⁸ MISO, Tariff, Attachment FF, § I.E (40.0.0).

seek to have its interregional transmission facility jointly evaluated by SERTP Filing Parties and MISO by submitting the interregional transmission facility into SERTP Filing Parties' and MISO's regional transmission planning processes. Accordingly, the Commission directed SERTP Filing Parties and MISO to submit further compliance filings with proposed revisions to their OATTs that satisfy these requirements.²⁹

b. Second Compliance Filings

21. In order to address the requirement to explain how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated, SERTP Filing Parties and MISO propose the following new provision in their OATTs:

Interregional transmission projects proposed for interregional cost allocation purposes (“Interregional CAP”) must be submitted in both the [MISO] and the SERTP regional transmission planning processes. The project submittal must satisfy the requirements of section X.D.1 except for the benefit-to-cost ratio requirements of section X.D.1.a.ii.³⁰ The submittal must identify the potential transmission project as interregional in scope and identify [MISO] and the SERTP as regions in which the project is proposed to interconnect. [MISO] will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, [MISO] will notify the SERTP. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, [MISO] and the SERTP will

²⁹ First Compliance Order, 150 FERC ¶ 61,045 at P 62.

³⁰ This provision is footnoted with the following: “A transmission developer is not responsible for determining the benefit-to-cost ratio referenced in [s]ection X.D.1.a.ii in a project submittal. However, an interregional transmission project proposed for Interregional CAP must ultimately satisfy the benefit-to-cost ratio requirements in accordance with the provisions of [s]ection X.D.1.a.ii and X.D.3.”

jointly evaluate the proposed interregional projects pursuant to sections X.C and X.D.^{31]}

c. Commission Determination

22. We find that SERTP Filing Parties and MISO's proposal, as described above, complies with the directives of the First Compliance Order.

3. Procedure for Joint Evaluation

a. First Compliance Order

23. In the First Compliance Order, the Commission found that SERTP Filing Parties and MISO did not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities, as required by Order No. 1000.³² Therefore, the Commission directed SERTP Filing Parties and MISO to submit further compliance filings listing either the type of transmission studies that will be conducted or cross references to the specific provisions in their respective OATTs that reference such studies at the regional transmission planning level.³³

b. Second Compliance Filings

24. SERTP Filing Parties and MISO propose a new sentence in their respective OATTs that cross references the relevant regional transmission planning studies for which the transmission provider will evaluate potential interregional transmission projects.³⁴ Specifically, MISO provides references to its transmission planning coordination and reliability planning processes and references the steady state power

³¹ *E.g.* MISO, Tariff, Attachment FF, § X.C.3 (40.0.0); Alabama Power Company, OATT, Ex. K-5 § 3.3 (1.0.0).

³² First Compliance Order, 150 FERC ¶ 61,045 at P 86 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398).

³³ *Id.*

³⁴ MISO, Tariff, Attachment FF, § X.C.4 (40.0.0) (citing MISO, Tariff, Attachment FF, §§ I.C.6 & II); Alabama Power Company, OATT, Ex. K-5, § 3.4 (1.0.0) (citing Alabama Power Company, OATT, Attachment K, §§ 6 & 11); OVEC, OATT, Attachment M-2, § 3.4 (1.0.0) (citing OVEC, OATT, Attachment M, §§ 6 & 11); LG&E/KU, OATT, Attachment K, app. 7, § 3.4 (1.0.0) (citing LG&E/KU, OATT,

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flow, angular and voltage stability, and short circuit and economic models that MISO will use to study the system conditions described in the development process for regional transmission projects.³⁵ Southern Companies, OVEC, and LG&E/KU each cross reference their respective OATT sections on regional participation which, among other things, describes the initiation and coordination of joint studies, and their OATT section on regional analyses of potentially more efficient and cost-effective transmission solutions which describes the power flow, dynamic, and short circuit studies they perform.³⁶ Duke Carolinas references the description of its local planning process, which includes an overview of its economic study process, the criteria, assumptions and data underlying the local transmission plan, as well as power flow, dynamic, and short circuit analyses performed as part of the regional analyses for potentially more efficient or cost-effective transmission solutions.³⁷

c. Commission Determination

25. We find that SERTP Filing Parties' and MISO's revisions comply with the directives of the First Compliance Order.

4. Cost Allocation

26. In the First Compliance Order, the Commission found that SERTP Filing Parties and MISO's interregional cost allocation proposal complied with Order No. 1000's Interregional Cost Allocation Principles, with the exception of Principles 1 and 6.³⁸ The

Attachment K, §§ 3 & 21); Duke Carolinas, OATT, Attachment N-1 – MISO, § 3.4 (1.0.0) (citing Duke Carolinas, OATT, Attachment N-1 – MISO, §§ 4, 5, & 20).

³⁵ MISO, Tariff, Attachment FF, § X.C.4 (40.0.0) (citing MISO, Tariff, Attachment FF, §§ I.C.6 & II).

³⁶ *See, e.g.*, Alabama Power Company, OATT, Ex. K-5, § 3.4 (1.0.0) (citing Alabama Power Company, OATT, Attachment K, §§ 6 & 11).

³⁷ Duke Carolinas, OATT, Attachment N-1 – MISO § 3.4 (1.0.0) (citing Duke Carolinas, OATT, Attachment N-1 – MISO, §§ 4, 5, & 20).

³⁸ Interregional Cost Allocation Principle 1 specifies that the costs of a new interregional transmission facility must be allocated to each transmission planning region in which that transmission facility is located in a manner that is at least roughly commensurate with the estimated benefits of that transmission facility in each of the transmission planning regions. Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 639. Interregional Cost Allocation Principle 6 specifies that the public utility transmission providers located in neighboring transmission planning regions may choose to use a

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Commission stated that SERTP Filing Parties and MISO proposed to quantify the regional benefits of a proposed interregional transmission facility based upon the cost of regional transmission projects in each of their regional transmission plans that could be displaced by the proposed interregional transmission facility. In addition, the Commission explained that such a proposal is an “avoided cost-only method,” meaning a cost allocation method that relies exclusively on avoided costs to account for benefits associated with transmission needs driven by reliability, economic, and public policy requirements.³⁹ While the Commission found that such an approach may comply with the interregional cost allocation requirements of Order No. 1000, it found SERTP Filing Parties and MISO’s proposal deficient in two respects: (1) SERTP Filing Parties and MISO’s proposal was limited to only considering economic benefits identified through MISO’s regional transmission plan in the form of Market Efficiency Projects, and (2) SERTP Filing Parties and MISO’s proposal did not include a cost allocation method or methods that account for all types of benefits identified in the regional transmission planning process. We discuss each in turn below.

a. Market Efficiency Project Limitation

i. First Compliance Order

27. In the First Compliance Order, the Commission rejected SERTP Filing Parties and MISO’s proposal to require an interregional transmission project meet the requirements to be a Market Efficiency Project⁴⁰ in the MISO regional transmission planning process

different cost allocation method for different types of interregional transmission facilities, such as interregional transmission facilities needed for reliability, congestion relief, or to achieve Public Policy Requirements. *Id.* PP 685-686.

³⁹ First Compliance Order, 150 FERC ¶ 61,045 at P 176.

⁴⁰ Market Efficiency Projects are defined in the MISO Tariff as:

Market Efficiency Projects are Network Upgrades: (i) that are proposed by the Transmission Provider, Transmission Owner(s), ITC(s), Market Participant(s), or regulatory authorities; (ii) that are found to be eligible for inclusion in the MTEP or are approved pursuant to Appendix B, Section VII of the ISO Agreement after June 16, 2005, applying the factors set forth in Section I.C. of this Attachment FF; (iii) that have a Project Cost of \$5 million or more; (iv) that involve facilities with voltages of 345 kV or higher; and that may include any lower voltage facilities of 100 kV or above that collectively constitute less than fifty percent (50%) of the combined project cost, and without which the 345 kV or higher facilities could not deliver sufficient benefit to meet the required benefit-to-cost ratio

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and to limit the types of costs MISO would consider in the evaluation process to those associated with Market Efficiency Projects. The Commission found that SERTP Filing Parties and MISO's proposal to limit the avoided costs that MISO will consider to those associated with MISO Market Efficiency Projects may account for MISO's economic needs, but it did not comply with the requirements of Order No. 1000 because SERTP Filing Parties and MISO did not identify in their respective regional transmission planning processes a mechanism to evaluate proposed interregional transmission facilities that addressed both transmission planning regions' regional reliability needs or transmission needs driven by public policy requirements.⁴¹ The Commission also found that because the Market Efficiency Project limitation meant that the benefits that may accrue from addressing reliability and transmission needs driven by public policy requirements would not be considered, SERTP Filing Parties and MISO's proposed interregional cost allocation method did not comply with Interregional Cost Allocation Principle 1⁴² or Interregional Cost Allocation Principle 6.⁴³ Accordingly, the Commission directed SERTP Filing Parties and MISO to submit further compliance filings that revised their OATTs so that an interregional transmission facility that may resolve regional reliability needs and transmission needs driven by public policy requirements can be considered by each respective regional transmission planning process,⁴⁴ and to include an interregional cost allocation method that met Interregional Cost Allocation Principles 1 and 6.⁴⁵

threshold for the project as established in Section II.B.1.e, or that otherwise are needed to relieve applicable reliability criteria violations that are projected to occur as a direct result of the development of the 345 kV or higher facilities of the project; (v) that are not determined to be Multi Value Projects; and (vi) that are found to have regional benefits under the criteria set forth in Section II.B.1 of this Attachment FF.

MISO, Tariff, Attachment FF, § II.B (40.0.0).

⁴¹ First Compliance Order, 150 FERC ¶ 61,045 at P 88.

⁴² *Id.* PP 38 & 181.

⁴³ *Id.* PP 38 & 187.

⁴⁴ *Id.* PP 39, 88, 187.

⁴⁵ *Id.* P 187.

ii. Second Compliance Filings

28. SERTP Filing Parties and MISO propose to delete the limitation that an interregional transmission facility must qualify as a Market Efficiency Project in their respective OATTs.⁴⁶ SERTP Filing Parties and MISO state that the effect of this deletion is to allow consideration of interregional transmission facilities driven by regional reliability, economic, and/or public policy transmission needs by each respective regional transmission planning process.⁴⁷

iii. Commission Determination

29. We find SERTP Filing Parties and MISO's proposal to delete the limitations in their OATTs regarding Market Efficiency Projects complies with the directives of the First Compliance Order.

b. Consideration of All Benefits in Cost Allocation Calculation**i. First Compliance Order**

30. As the Commission explained in the First Compliance Order, SERTP Filing Parties and MISO proposed an avoided cost-only cost allocation method that would quantify the regional benefits of a proposed interregional transmission facility based upon the cost of regional transmission projects in each of their regional transmission plans that could be displaced by the proposed interregional transmission facility. Under the proposal, each transmission planning region would quantify its benefits based upon the transmission costs that each region is projected to avoid due to its transmission projects being displaced by the proposed interregional transmission project as follows: (i) for SERTP, the total avoided costs of transmission projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project were included; and (ii) for MISO, the total avoided costs of Market Efficiency Projects identified, but not approved, in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included.⁴⁸

⁴⁶ MISO, Tariff, Attachment FF, §§ X.D.a.a.c & X.D.b.ii.ii (40.0.0); Southern Companies OATT, Attachment K, §§ 4.1.A(iii) & 4.2.B(ii) (1.0.0).

⁴⁷ *E.g.*, MISO Second Compliance Filing at 10; Alabama Power Company Second Compliance Filing at 10.

⁴⁸ First Compliance Order, 150 FERC ¶ 61,045 at P 129.

ii. Request for Rehearing

31. MISO and MISO Transmission Owners seek clarification, or in the alternative, rehearing, of the Commission's statement in the First Compliance Order that MISO must reconsider its proposal "to not consider a regional transmission project for potential displacement by an interregional transmission project if the regional transmission project has already been approved in the MISO regional transmission plan," finding that the proposal fails to sufficiently consider all of the benefits that may accrue from an interregional transmission project.⁴⁹ MISO and MISO Transmission Owners argue that this sentence can be read to require MISO to unwind its Commission-approved regional selection process, terminate or suspend a project that already has been assigned to a developer, and rescind binding legal and financial commitments when an interregional project is identified as a potential replacement for a previously-approved regional project.

32. MISO and MISO Transmission Owners argue that should the Commission require MISO to include the avoided costs of a regional project already approved by the MISO Board of Directors to allow that regional project to be replaced by an interregional project, MISO could be required to replace a project that has already been a part of MISO's bid solicitation process and assigned to a developer. MISO and MISO Transmission Owners argue that this process is neither efficient nor fair to stakeholders. MISO and MISO Transmission Owners state that by the time a Qualified Transmission Developer submits a bid in response to a request for proposals, that bidder will have already expended considerable time and money based upon MISO's approval of the transmission project. MISO and MISO Transmission Owners argue that if MISO were then required to rescind or suspend the regional transmission project due to the late presentation of an interregional transmission project that might meet the same needs as the already-approved regional transmission project, bidders would essentially be required to start over, evaluating a new project and assembling new bids – or abandoning the competitive solicitation process altogether.⁵⁰

33. MISO and MISO Transmission Owners further argue that MISO's OATT does not contemplate removing a project from a developer that has won the bid, because the project is to be replaced by an interregional transmission project that will have to subsequently undergo another bid solicitation process. Thus, MISO and MISO Transmission Owners argue that rehearing should be granted as the resulting uncertainty would discourage entities from bidding on and building MISO transmission projects, lead to extensive protests and litigation, and directly contradict the intentions of Order

⁴⁹ MISO & MISO Transmission Owners Request for Rehearing at 3 (citing First Compliance Order, 150 FERC ¶ 61,045 at P 187).

⁵⁰ *Id.* at 5-6.

No. 1000. They also argue that implementation of the Commission's directive to compare regional and interregional transmission projects after the regional transmission project has already been approved would conflict with numerous OATT provisions regarding the timing of the MISO regional transmission planning process and competitive solicitation processes.⁵¹

34. MISO and MISO Transmission Owners assert that the logical point for conducting an avoided cost comparison is after the regional transmission project has been identified but before it has been approved and posted in the regional transmission plan. After this point, potential developers will begin expending resources in reliance on the posted project and it would be unreasonable, unnecessary, and contrary to MISO's approved OATT to restart the process absent changed circumstances.⁵²

iii. Second Compliance Filing

35. SERTP Filing Parties and MISO state that they did not submit any OATT changes to address the Commission's statement in the First Compliance Order rejecting MISO's proposal to not consider a regional transmission project for potential displacement by an interregional transmission project if the regional transmission project has already been approved in the MISO regional transmission plan. SERTP Filing Parties and MISO state that they did not make any changes in order to provide the Commission an opportunity to review MISO and MISO Transmission Owners' request for rehearing of this rejection.⁵³

iv. Commission Determination

36. We deny MISO and MISO Transmission Owners' request for clarification and rehearing. We continue to find that MISO's proposal to exempt a regional transmission project from potential displacement by an interregional transmission project if the regional transmission project has already been approved in the MISO regional transmission plan fails to sufficiently consider all of the benefits that may accrue from an interregional transmission project. As the Commission stated in the First Compliance Order, the relationship between the regional transmission planning process and the interregional transmission coordination procedures is central to the finding that an avoided cost-only method can comply with the Interregional Cost Allocation Principles.⁵⁴

⁵¹ *Id.* at 6-7 & n.8.

⁵² *Id.* at 8.

⁵³ *E.g.*, MISO Second Compliance Filing at 13-14; Alabama Power Company Second Compliance Filing at 9-10.

⁵⁴ First Compliance Order, 150 FERC ¶ 61,045 at P 180.

The Commission explained that Order No. 1000's interregional coordination requirements build upon and complement the reforms required in the regional transmission planning processes; as a result, use of an avoided cost-only cost allocation method at the interregional level would consider as benefits the cost savings that result when a regional transmission facility selected in a regional transmission plan for purposes of cost allocation is avoided due to the selection of a more efficient or cost-effective interregional transmission facility.⁵⁵

37. The Commission partially accepted SERTP Filing Parties and MISO's proposal to use an avoided cost-only method as the basis to both evaluate whether an interregional transmission facility is the more efficient or cost-effective solution to a regional transmission need and to allocate the costs of an interregional transmission facility between the regions. However, under MISO's proposal, the costs being avoided are solely those of regional transmission projects that the MISO Board has *not* selected as the more efficient or cost-effective solution. By excluding from potential displacement all regional transmission projects that have been selected in MISO's regional transmission plan for purposes of cost allocation, MISO's proposal would sever a key aspect of the relationship between the regional transmission planning process and the interregional coordination procedures upon which the Commission relied in finding that an avoided cost-only interregional cost allocation method could comply with the Interregional Cost Allocation Principles. Specifically, if MISO does not complete its evaluation of a regional transmission project by selecting it in the regional transmission plan for purposes of cost allocation, it is unclear how the use of an avoided cost-only method will properly account for benefits of an interregional transmission project.

38. Moreover, MISO does not explain on what basis it could conclude that a proposed interregional transmission project is the more efficient or cost-effective solution to a regional need if the regional transmission project against which the interregional transmission project is being measured has not been approved by the MISO Board as the more efficient or cost-effective solution. MISO has thus not demonstrated how an avoided cost-only method that would allocate the costs of an interregional transmission project to beneficiaries of a regional transmission project that has not been selected in the regional transmission plan for purposes of cost allocation would allocate costs of a interregional transmission project in a manner that is at least roughly commensurate with estimated benefits, as required by Interregional Cost Allocation Principle 1.

39. In addition, MISO's proposal to exempt from potential displacement already-selected transmission projects does not meet the transparency requirements of

⁵⁵ *Id.*

Interregional Cost Allocation Principle 5⁵⁶ because it is not clear how MISO's version of an avoided cost-only interregional cost allocation method would work. MISO's proposed OATT language states that it would measure the benefits of a proposed interregional transmission project based on "the total avoided costs of projects identified, but not approved, in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included."⁵⁷ MISO and MISO Transmission Owners also state in their request for rehearing that, under their proposal, an interregional transmission project can be proposed and considered "after a regional transmission project has been identified."⁵⁸ However, MISO's OATT does not indicate what it means for a regional transmission project to be "identified" in MISO's then-current regional transmission plan.

40. MISO and MISO Transmission Owners argue that the avoided cost-only method is inconsistent or otherwise conflicts with aspects of the MISO regional transmission planning process because it would allow an interregional transmission project to displace a regional transmission project that has already been selected in the regional transmission plan for purposes of cost allocation. However, by proposing to both evaluate and allocate the costs of an interregional transmission facility based solely on the displacement of regional transmission projects, MISO and MISO Transmission Owners created this alleged conflict. In Order No. 1000, the Commission did not require a single nationwide approach to interregional cost allocation but instead allows each pair of neighboring regions to develop its own cost allocation method or methods consistent with the interregional cost allocation principles.⁵⁹ The Commission explained in Order No. 1000 that it adopted the use of cost allocation principles because it did not want to prescribe a uniform method of cost allocation for new regional and interregional transmission facilities for every transmission planning region.⁶⁰ The Commission recognized that, to the contrary, regional differences may warrant distinctions in cost allocation methods among transmission planning regions. Therefore, the Commission allows public utility

⁵⁶ Interregional Cost Allocation Principle 5 specifies that the cost allocation method and data requirements for determining benefits and identifying beneficiaries for an interregional transmission facility must be transparent with adequate documentation to allow a stakeholder to determine how they were applied to a proposed interregional transmission facility. Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 668.

⁵⁷ MISO, Tariff, Attachment FF, § X.D.b.ii.ii (40.0.0).

⁵⁸ MISO & MISO Transmission Owners Request for Rehearing at 8.

⁵⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 580.

⁶⁰ *Id.* P 604.

transmission providers in each transmission planning region, as well as pairs of transmission planning regions, to develop a cost allocation method or methods that best suit the needs of each transmission planning region or pair of transmission planning regions, if those approaches comply with the regional and interregional cost allocation principles.⁶¹ If MISO could not implement an avoided cost-only method for interregional cost allocation, it was free to work with the SERTP Filing Parties to propose an interregional cost allocation method that it can implement. In any event, we find that there is no conflict between the avoided cost-only method and the MISO regional transmission planning process. We note, for example, that the SERTP Filing Parties propose to use an avoided cost-only method that is based on already-selected transmission projects with respect to the public utility transmission providers in each of the SERTP region's other neighboring transmission planning regions, including PJM, SPP, South Carolina Regional Transmission Planning, and Florida Reliability Coordinating Council, Inc. transmission planning regions, with none of those regions indicating a problem with this approach.

41. We also note that Order No. 1000 requires the developer of an interregional transmission facility to first propose its transmission facility for joint evaluation in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located.⁶² This joint evaluation must be conducted in the same general timeframe as, rather than subsequent to, each transmission planning region's individual consideration of the proposed transmission facility. Thus, we dismiss MISO and MISO Transmission Owners concerns about the "late presentation" of an interregional transmission project, as any proposed interregional transmission facility would be proposed in each regional transmission planning process and identified for joint evaluation within the same general timeframe as each transmission planning region's individual consideration of the interregional transmission facility.

42. We also find unconvincing MISO and MISO Transmission Owners' assertion that MISO's OATT does not contemplate removing projects from its bid solicitation process, nor does it contemplate removing a project from a developer that has won the bid, because the project is to be replaced by an interregional project that will have to subsequently go through another bid solicitation process. In particular, MISO proposed, and the Commission accepted, provisions in MISO's OATT to expand the reevaluation process required by Order No. 1000⁶³ to also consider the impacts of cost increases or

⁶¹ *Id.*

⁶² *Id.* P 436.

⁶³ Order No. 1000 requires each public utility transmission provider to amend its tariff to describe the circumstances and procedures under which public utility

developer qualifications for projects evaluated through the selection process.⁶⁴ Under MISO's proposal, at the conclusion of any necessary reevaluation, MISO will determine whether a reliability mitigation plan, project cancellation, or developer reassignment would be necessary to ensure reliable operation of the transmission system and maintain just and reasonable rates.⁶⁵ Therefore, we find no basis for MISO and MISO Transmission Owner's assertion that displacing a selected regional transmission project with a more efficient or cost-effective interregional transmission solution to an identified need after a transmission project has been selected and a transmission developer is chosen would be inconsistent with MISO's regional transmission planning process.

43. For these reasons, we deny MISO and MISO Transmission Owners' request for clarification and rehearing. We therefore direct SERTP Filing Parties and MISO to submit, within 30 days of the date of this order, changes to their respective OATTs⁶⁶ to state that MISO will quantify benefits of an interregional transmission project based upon the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included.

5. MISO Additional Proposed Change

a. Second Compliance Filing

44. MISO proposes to add a new section to its OATT that explains how the portion of an Interregional Transmission Project's costs that are allocated to MISO will be further allocated within the MISO region.⁶⁷ The new proposed language specifies that the costs of an Interregional Transmission Project will be allocated within MISO using MISO's

transmission providers in the regional transmission planning process will reevaluate the regional transmission plan to determine if delays in the development of a transmission facility selected in a regional transmission plan for purposes of cost allocation require evaluation of alternative transmission solutions. *Id.* PP 263, 329; Order No. 1000-A, 139 FERC ¶ 61,132 at P 477.

⁶⁴ *Midwest Independent Transmission System Operator, Inc. and the MISO Transmission Owners*, 142 FERC ¶ 61,215 at PP 356-361, 381, 383 (2013).

⁶⁵ *Id.* P 359.

⁶⁶ *E.g.*, MISO, Tariff, Attachment FF, § X.D.b.ii.ii (40.0.0).

⁶⁷ MISO Second Compliance Filing at 12. *See also* MISO, Tariff, Attachment FF, § III.A.2.i (40.0.0).

existing cost allocation methods for Baseline Reliability Projects,⁶⁸ Market Efficiency Projects,⁶⁹ and Multi-Value Projects⁷⁰ by repeating, in part, the cost allocation methods for those types of projects.

b. Commission Determination

45. We reject MISO's proposed OATT language that explains how the portion of the costs of interregional transmission projects that are allocated to MISO will be further allocated within MISO, for several reasons. First, the proposed language is not needed to comply with the directives in the First Compliance Order. Second, for the reasons explained earlier in this order, we reject MISO's proposal to create a new interregional transmission project category and, therefore, new language to explain how MISO will allocate the cost of an interregional transmission project is unnecessary. Third, the proposed language merely duplicates, in part, the cost allocation methods for Baseline Reliability Projects, Market Efficiency Projects, and Multi-Value Projects that are described in more detail elsewhere in MISO's OATT. Finally, the proposed new section is potentially confusing because it appears to create new methods to allocate the portion of the cost of interregional transmission projects allocated to MISO when, in fact, MISO will use its existing regional cost allocation methods. Therefore, we direct MISO to submit, within 30 days of the date of issuance of this order, a further compliance filing to delete in its entirety proposed section III.A.2.i in Attachment FF of MISO's OATT.

6. ITC

a. ITC Protest

46. ITC Companies submit that inconsistent regional and interregional criteria for approval of an interregional transmission project will invariably result in beneficial transmission projects being rejected because they do not meet some regional criterion despite producing indisputable interregional benefits. ITC Companies contend that interregional projects should be approved or rejected based on a single, unified set of criteria for interregional projects enshrined in both regions' OATTs, rather than through existing regional project categories. ITC Companies argue that there is no reason why reliability and public policy driven transmission projects should be judged based on avoided production cost when such transmission projects may provide significant adjusted production cost savings, reduced environmentally harmful emissions, reduced

⁶⁸ MISO, Tariff, Attachment FF, § III.A.2.i.a (40.0.0).

⁶⁹ *Id.* § III.A.2.i.b (40.0.0).

⁷⁰ *Id.* § III.A.2.i.c (40.0.0).

congestion cost, reduced losses and increased deliverability resulting in reductions in capacity costs, and lower planning reserve margins. ITC Companies contend that transmission projects which provide these benefits but are rejected simply because they do not obviate a regional transmission project means that these benefits can never be achieved. ITC Companies argue that transmission projects should be assessed using appropriate metrics for their project type, and all different types of benefits a given transmission project provides should be considered on an additive basis. ITC Companies state that interregional transmission projects which do not provide a sufficient level of one type of benefit, but which provide a sufficient level of combined economic, reliability, and/or public policy benefits should be approved.⁷¹

47. ITC Companies argue that while the Commission's directive to expand the pool of interregional transmission projects beyond those that would qualify as Market Efficiency Projects in MISO has theoretically opened the door to reliability and public policy driven interregional transmission projects, SERTP Filing Parties and MISO's proposal to assess the benefits of these transmission projects using only the avoided production cost metric, and through incompatibly different regional transmission planning processes, will effectively close that door in practice. ITC Companies argue that if the Commission approves this process, it will essentially guarantee that no projects between SERTP and MISO are ever selected and built through the interregional transmission planning process and that no benefits from these projects ever flow to ratepayers in either section.⁷² ITC Companies argue that SERTP Filing Parties and MISO should consider transmission projects which are physically located in only one of the two regions, rather than requiring interregional transmission projects to physically connect to existing or planned facilities in both regions. ITC Companies argue that there is no reason why a transmission project which provides significant benefits to both regions should not be approved and cost-allocated based on those benefits because of its physical location.⁷³

b. Commission Determination

48. Although styled as a motion to intervene out-of-time, we find that ITC Companies' intervention and protest amount to an impermissible out-of-time rehearing request of the First Compliance Order.⁷⁴ Therefore, we reject, as an out-of-time

⁷¹ ITC Companies Protest at 3-4.

⁷² *Id.* at 5.

⁷³ *Id.* at 4-5.

⁷⁴ Pursuant to section 313(a) of the FPA, an aggrieved party must file a request for rehearing within thirty days after the issuance of the Commission's order. *See* 16 U.S.C. § 8251(a) (2012). *See also* 18 C.F.R. § 713(b) (2015) (requiring that a request for

rehearing request, ITC Companies' protest regarding SERTP Filing Parties' and MISO's interregional and regional project criteria. As the Commission found in the First Compliance Order, SERTP Filing Parties and MISO have complied with the requirements of Order No. 1000 for joint evaluation by providing that in order for a transmission project to be eligible for interregional cost allocation purposes, the project must meet the criteria for transmission projects in the respective regional transmission plans of both the SERTP and MISO regions.⁷⁵ Moreover, we disagree with ITC Companies' argument that SERTP Filing Parties and MISO's proposal fails to meet Interregional Cost Allocation Principle 1 because SERTP Filing Parties and MISO do not consider the full range of benefits of interregional projects under the avoided cost-only cost allocation method. We note that Order No. 1000 did not require that an interregional cost allocation method consider every possible benefit that could be created by constructing a transmission facility. Rather, Interregional Cost Allocation Principle 1 requires that entities that pay for a transmission facility receive a roughly commensurate benefit.⁷⁶ Lastly, regarding ITC Companies' argument that SERTP Filing Parties and MISO should consider projects which are physically located in only one of the two regions, rather than requiring interregional projects to physically connect to existing or planned facilities in both regions, the Commission has already defined an interregional transmission facility as "one that is located in two or more transmission planning regions."⁷⁷ Thus, we find that ITC Companies' argument on this issue is an impermissible collateral attack on Order No. 1000.

7. Proposed Interregional Transmission Facilities

a. First Compliance Order

49. In the First Compliance Filing, the Commission found that, consistent with the requirement that public utility transmission providers make transparent the analyses undertaken and determinations reached by neighboring transmission regions in the identification and evaluation of interregional transmission facilities, SERTP Filing Parties and MISO must allow stakeholders to propose, and must keep a record of, interregional transmission facilities that are found not to meet the minimum threshold criteria for

rehearing "be filed not later than 30 days after issuance of any final decision . . ."). Because ITC Companies failed to timely raise these challenges, it is barred by the FPA from raising them here.

⁷⁵ First Compliance Order, 150 FERC ¶ 61,045 at P 84.

⁷⁶ *PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,250, at P 212 (2014).

⁷⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374.

transmission facilities potentially eligible for selection in a regional transmission plan for purposes of cost allocation in both the SERTP and MISO regions. The Commission stated that as part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures, SERTP Filing Parties and MISO must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.

b. Second Compliance Filings

50. SERTP Filing Parties and MISO commit to post on their respective websites a list of interregional transmission projects that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.⁷⁸

c. Commission Determination

51. We find that SERTP Filing Parties' and MISO's commitments regarding the posting requirements comply with the directives of the First Compliance Order.

8. Miscellaneous

52. We note that in its OATT, MISO revised the sequence of heading numbers in section X.D of Attachment FF. As a result, there are a number of inconsistent OATT references to sections X.D.1 and X.D.2 of Attachment FF. For instance, section X.C.2 includes a reference to section X.D.1 (instead of a reference to section X.D.a), and section X.C.5 includes a reference to section X.D.2 (instead of a reference to section X.D.b). Accordingly, we direct MISO to submit, within 30 days of the date of the issuance of this order, a further compliance filing to update the tariff references throughout Attachment FF of its OATT.⁷⁹

⁷⁸ *E.g.*, MISO Second Compliance Filing at 12; Alabama Power Company Second Compliance Filing at 11.

⁷⁹ We also note that the eTariff record that OVEC submitted is in redline. OVEC should ensure that the tariff record it submits in the required compliance filing is the clean version rather than the redline version.

The Commission orders:

(A) The requests for rehearing are hereby denied, as discussed in the body of this order.

(B) The compliance filings of Duke Carolinas, LG&E/KU, OVEC, Southern Companies, and MISO are accepted, subject to a further compliance filing, as discussed in the body of this order.

By the Commission. Commissioner Honorable is not participating.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.