

Final Draft

**Proposed letter from MGA to Utility regulatory commissions requesting feedback on commission authority to consider regional benefits in transmission cost recovery.**

MGA Letterhead

Dear Commissioners,

I am writing to request your assistance in providing feedback to the Midwestern Governors Association (MGA) on your jurisdiction's regulatory authority with regards to approving cost recovery for regional transmission projects.

Last November, Midwestern governors and the premier of Manitoba endorsed a broad range of goals and policy commitments at the MGA's Energy Security and Climate Stewardship Summit. One of those commitments was the enclosed regional transmission adequacy resolution.

Since then, the governors and premier have convened a number of stakeholder advisory groups to begin implementing Summit commitments. A special Transmission Adequacy Subgroup has been formed and tasked with implementing the transmission resolution. Subgroup participants include representatives of the investor-owned, cooperative and municipal electric utility industry, regulatory commissions, renewable energy advocates, and regional transmission organizations.

Among several deliverables, the Subgroup has been charged with developing recommendations for allocating the costs of transmission projects that state and federal regulators determined to be beneficial to the Midwest and to individual jurisdictions in the region. In this discussion, a number of subgroup participants have expressed concern that some state/provincial regulatory commissions might face statutory impediments to: (1) Consider the benefits to the region of a transmission project built in their jurisdiction, in a proceeding to approve construction of, or cost recovery for, that project; or (2) Authorizing cost recovery for a transmission project to be built outside their jurisdiction, even if that transmission project is shown to provide net benefits to ratepayers in that jurisdiction and to the region.

Subgroup participants have therefore asked us to survey every regulatory commission or responsible regulatory body in the 12-state MGA footprint, plus the province of Manitoba, to ascertain which jurisdictions, if any face such statutory impediments.

We are also collaborating with the Organization of MISO States (OMS) and are hoping to share the results from their recent survey to OMS commission members concerning possible approaches to transmission cost allocation issues.

Toward that end, we would be grateful for your responses to the following questions:

1. Does your commission or regulatory body have specific statutory authority for transmission siting in your jurisdiction?
2. If not, which agency does, if any?
3. Does your commission have specific statutory authority to consider regional or inter-jurisdictional transmission projects, such as the benefits a regional transmission project may

offer? Alternatively, is your commission specifically prohibited by statute from considering the regional nature of transmission projects? Please share the citation and language of any applicable statutes.

4. Does a state statute specifically authorize your commission to coordinate with other state or jurisdictional agencies or commissions on any aspect of the approval of regional or inter-jurisdictional transmission projects? Alternatively, does a statute specifically prohibit your commission from such coordination? Please share the citation and language of any relevant statutes.
5. Are there other relevant sources of law that would inform your commission's authority to consider regional transmission projects or to coordinate with other jurisdictions, such as case law, administrative rules or administrative opinions? If so, could you share citations for those sources of law?
6. In practice, has your commission considered the regional nature of transmission projects in the past in decisions related to transmission project approval (e.g., siting, determinations of need, etc.)? If so, how? Please share citations to dockets or other relevant records.
7. In practice, has your commission coordinated with the agencies or commissions in other states or provinces in a decision-making process on a regional or inter-jurisdictional transmission project? If so, how?
8. Does your commission have authority to authorize cost recovery for a transmission project to be built outside your jurisdiction, if that transmission project is shown to provide net benefits to the ratepayers in your state and to the region?

Thank you in advance for your attention to this request. We would appreciate a response from you or your staff by Monday, December 22nd, if possible. You can send replies to Daniel Stenberg at [dstenberg@csg.org](mailto:dstenberg@csg.org) . If you have any questions or need further information, please contact Mike Gregerson at [mngreg@comcast.net](mailto:mngreg@comcast.net).

Sincerely,

Jesse Heier  
Staff Director

Enclosure