

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

Thunder Spirit Wind, LLC

)

Docket No. ER15-\_\_\_\_-000

**APPLICATION FOR MARKET-BASED RATE AUTHORIZATION, AND  
REQUEST FOR RELATED WAIVERS AND BLANKET APPROVALS**

Pursuant to Section 205 of the Federal Power Act (“FPA”),<sup>1</sup> Rules 204 and 205 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”)<sup>2</sup> and Part 35 of the Commission’s regulations,<sup>3</sup> Thunder Spirit Wind, LLC (“TSW”) hereby requests that the Commission: (i) authorize TSW to sell energy, capacity, and certain ancillary services at market-based rates; (ii) accept for filing the proposed market-based rate tariff (“Tariff”) for TSW contained in Attachment A hereto, effective July 25, 2015; and (iii) grant such waivers and blanket authorizations described in Sections V and VI of this application (the “Application”).

TSW does not currently own facilities subject to the Commission’s jurisdiction. However, TSW currently is developing a 107.5 MW wind farm in Adams County, North Dakota (“Project”) pursuant to an Asset Purchase Agreement (“APA”) with Montana-Dakota Utilities Co. (“Montana-Dakota”) (the “Transaction”). Pursuant to the APA, TSW is developing the Project, and subject to the necessary regulatory approvals, Montana-Dakota will purchase the Project either shortly before or shortly after the Project enters commercial operation. In the event Montana-Dakota fails to obtain the necessary regulatory approvals, TSW will sell the Project’s output to Montana-Dakota pursuant to a Power Purchase Agreement (“PPA”).

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> 18 C.F.R. §§ 385.204, 385.205 (2015).

<sup>3</sup> See generally 18 C.F.R. Pt. 35.

Regardless, TSW and Montana-Dakota anticipate that sales of “test energy” may occur before the expected closing date in the event that Montana-Dakota does purchase TSW’s assets. Whether the sales are for long-term or test energy, TSW will require market-based rate authority. Montana-Dakota and TSW submitted their FPA Section 203 application for MDU to purchase the Project on July 14, 2015 in Docket No. EC15-169-000.

Accordingly, TSW is requesting authority to sell output at market-based rates in the above-captioned proceeding. As discussed below, TSW and its affiliates lack the ability to exercise horizontal or vertical market power or erect barriers to entry, and TSW satisfies the Commission’s requirements for authorization to transact at market-based rates.

## **I. COMMUNICATIONS**

TSW provides the following contact information and requests that service be made upon, and communications be directed to, the persons below:<sup>4</sup>

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<sup>4</sup> The Applicants request waiver of 18 C.F.R. §§ 385.203 and 385.2010 to the extent necessary to permit the designation of more than two individuals to receive service in this proceeding.

## **II. DESCRIPTION OF APPLICANT AND RELEVANT ENTITIES**

### **A. Applicant**

TSW is a Delaware limited liability company and is an indirect, wholly owned subsidiary of ALLETE Clean Energy, Inc. (“ACE”). TSW was formed to develop a 107.5 MW Project to be located in Adams County, North Dakota. As stated above, pursuant to the APA, TSW is developing the Project and, subject to the necessary regulatory approvals, Montana-Dakota will purchase the Project either shortly before or shortly after the Project enters commercial operation. In the event Montana-Dakota fails to obtain the necessary regulatory approvals, TSW will sell the Project’s output to Montana-Dakota pursuant to a PPA.

The Project is currently under construction and is expected to begin generating and selling test energy in late 2015. The Project will be located in the Midcontinent Independent System Operator, Inc. (“MISO”) Balancing Authority Area (“BAA”) and will interconnect to the Montana-Dakota transmission system. TSW does not own any generation or transmission assets other than the Project assets.

### **B. ALLETE Clean Energy, Inc.**

ACE is a subsidiary of ALLETE Enterprises, Inc., which is a wholly-owned subsidiary of ALLETE, Inc. (“ALLETE”). ACE was formed for the purpose of, among other things, owning and developing renewable generation projects throughout North America. ACE currently has market-based rate authority and is a public utility regulated by the Commission. ACE—through its indirect, wholly-owned subsidiaries—currently owns four (4) wind-powered exempt wholesale generators (“EWG”) with market-based rate authority in the MISO BAA. These EWGs have a combined capacity of 377.5 MW. In addition to the EWGs in the MISO BAA, ACE owns one (1) wind-powered EWG with a capacity of 49.8 MW in the Bonneville Power

Administration BAA.<sup>5</sup> ACE indirectly owns eight (8) qualifying facilities located in the MISO BAA with a combined capacity of 12 MW. Finally, ACE also recently acquired Armenia Mountain Wind, LLC (“Armenia Mountain”), a 100.5 MW wind-powered EWG located in the PJM Interconnection, L.L.C. (“PJM”) BAA.<sup>6</sup>

### C. ALLETE, Inc.

ALLETE is an energy services company headquartered in Duluth, Minnesota.<sup>7</sup> The Commission originally granted ALLETE market-based rate authority on July 15, 1996, in Docket No. ER96-1823-000.<sup>8</sup> Through its operating division, Minnesota Power, ALLETE generates, transmits and distributes electricity in a 26,000-square-mile region of northern Minnesota, serving 143,000 retail customers and providing wholesale electric service to 16 municipalities. Minnesota Power has approximately 2,552.3 MW (summer) and 2,538.2 MW (winter) electric generation capacity through its ownership of generation facilities and third-party purchases. Minnesota Power owns 11 hydroelectric generating stations totaling approximately

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<sup>5</sup> See *Condon Wind Power, LLC*, 145 FERC ¶ 62,217 (2013) (authorizing disposition of jurisdictional facilities); *Condon Wind Power, LLC*, Notification of Closing, Docket No. EC14-29-000 (filed Feb. 7, 2014) (notifying the Commission that the respective transaction closed on January 30, 2014); *Storm Lake Power Partners I LLC*, 149 FERC ¶ 62,147 (2014) (authorizing disposition of jurisdictional facilities); *Storm Lake Power Partners I LLC*, Notice of Consummation, Docket No. EC15-20-000 (filed Dec. 22, 2014) (notifying the Commission that the transaction was consummated on December 17, 2014); *Chanarambie Power Partners, LLC*, 150 FERC ¶ 62,107 (2015) (authorizing disposition of jurisdictional facilities); *Chanarambie Power Partners, LLC*, Notice of Consummation, Docket No. EC15-58-000 (filed April 17, 2015).

<sup>6</sup> *AES Armenia Mountain Wind, LLC*, 151 FERC ¶ 62,194 (2015) (authorizing disposition of jurisdictional facilities (Class B membership interests)); *AES Armenia Mountain Wind, LLC*, Notice of Consummation, Docket No. EC15-137-000 (filed July 7, 2015); *ALLETE Clean Energy, Inc.*, 151 FERC ¶ 62,221 (2015) (authorizing disposition of jurisdictional facilities (Class A membership interests)); *ALLETE Clean Energy, Inc.*, Notice of Consummation, Docket No. EC15-137-000 (filed July 7, 2015).

<sup>7</sup> Through its subsidiary, ALLETE Properties, ALLETE owns land holdings in southwest and northeast Florida. ALLETE acquires these properties at bulk prices, adds value through entitlements and infrastructure improvements and then resells such property to developers, investors and other end-users. Through its subsidiary, BNI Coal, Ltd. (“BNI Coal”), ALLETE also owns interests in coal mining operations in North Dakota.

<sup>8</sup> *Minn. Power & Light Co.*, 76 FERC ¶ 61,033 (1996); *ALLETE, Inc.*, Letter Order, Docket No. ER10-2819-000 (Dec. 9, 2010); *ALLETE, Inc.*, Letter Order, Docket No. ER10-2819-002 (Jun. 6, 2014) (accepting change in status); *ALLETE Inc.*, Letter Order, Docket No. ER15-772-000 (July 2, 2015) (accepting tariff revisions).

103.5 MW throughout northern and central Minnesota. Minnesota Power currently owns and operates approximately 506 MW of wind generation located in North Dakota.

In addition to power it produces through its own generation facilities, Minnesota Power buys power to satisfy its native load obligations through several PPAs. Minnesota Power's PPAs include a power supply contract with the Square Butte Electric Cooperative for purchases from Unit 2 of the Milton R. Young Generation Facility, a coal-fired generation facility in Center, North Dakota. Minnesota Power also has PPAs with the Oliver Wind I and II Energy Centers owned by NextEra Energy, LLC, and the Wing River Wind Project owned by Wing River LLC. In addition, Minnesota Power makes long-term firm purchases from Manitoba Hydro through several legacy agreements. Finally, Minnesota Power purchases energy and capacity in the open market, primarily through ALLETE's membership in MISO.

Through Minnesota Power, ALLETE owns electric transmission and distribution lines of 500-kV (8 miles), 230-kV (605 miles), 161-kV (43 miles), 138-kV (126 miles), 115-kV (1,209 miles) and less than 115-kV (6,875 miles). Minnesota Power owns and operates 169 substations with a total capacity of 9,525 megavolt amperes. In addition to these facilities, ALLETE owns a 465-mile, +/-250-kV, high-voltage direct-current ("HVDC") transmission line and associated substation facilities (collectively, the "HVDC Facilities") running from the east side of the Square Butte Substation near Center, North Dakota, to ALLETE's Arrowhead Substation near Duluth, Minnesota. MISO administers transmission-related services over ALLETE's HVDC Facilities as ALLETE's agent under ALLETE's and MISO's Agency Agreement and Section 27A of the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff

(“MISO Tariff”), as accepted by the Commission in Docket No. ER09-1727-000.<sup>9</sup> Functional control of Minnesota Power’s transmission facilities has been transferred to MISO.

ALLETE also owns approximately 8% of the stock of American Transmission Company LLC, which owns and maintains electric transmission assets that are subject to MISO functional control.<sup>10</sup>

#### **D. SWL&P**

ALLETE’s subsidiary, Superior Water, Light & Power Company (“SWL&P”), is a regulated electric, natural gas and water service company with an exclusive service territory in northwestern Wisconsin. Through SWL&P, ALLETE provides service to 14,000 electric customers, 12,000 natural gas customers and 10,000 water customers. SWL&P operates under the jurisdiction of the Public Service Commission of Wisconsin. SWL&P does not own or control any electric generation facilities and makes no electric sales at market-based rates. Functional control of SWL&P’s transmission facilities has been transferred to MISO.<sup>11</sup>

#### **E. CapX2020**

Through Minnesota Power, ALLETE is a participant in the CapX2020 initiative, which represents an effort to ensure electric transmission and distribution reliability in Minnesota and the surrounding region for the future. CapX2020, which consists of electric cooperatives, municipals, and investor-owned utilities, including Minnesota’s largest transmission owners, has assessed the transmission system and projected growth in customer demand for electricity through 2020. These studies show that the region’s transmission system will require major

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<sup>9</sup> The Commission conditionally accepted ALLETE’s and MISO’s Agency Agreement and Section 27A of the MISO Tariff, as well as other related filings, in Docket Nos. ER09-1727-000, ER09-1728-000 and ER09-1729-000. *Midwest Indep. Transmission Sys. Operator, Inc.*, 129 FERC ¶ 61,172 (2009); *Midwest Indep. Transmission Sys. Operator, Inc.*, 129 FERC ¶ 61,289 (2009); *Midwest Indep. Transmission Sys. Operator, Inc.*, Letter Order, Docket No. ER09-1727-003 (Feb. 5, 2010).

<sup>10</sup> *Rainy River Energy Corp. - Wisconsin*, 113 FERC ¶ 62,219 (2005).

<sup>11</sup> *Minn. Power Inc.*, 96 FERC ¶ 61,153 (2001).

upgrades and expansion to accommodate increased electricity demand, as well as support renewable energy expansion through 2020.

Minnesota Power is currently participating in three (3) CapX2020 projects. The first two (2) CapX2020 projects are the Fargo, North Dakota, to St. Cloud, Minnesota project and the Monticello, Minnesota, to St. Cloud, Minnesota project, which together comprise a 238-mile, 345-kV transmission line from Fargo, North Dakota, to Monticello, Minnesota. Minnesota Power holds a 14.7% ownership interest in each of these two (2) projects. The third CapX2020 project in which Minnesota Power is currently participating is the 70-mile, 230-kV transmission line between Bemidji, Minnesota, and Minnesota Power's Boswell Energy Center near Grand Rapids, Minnesota. Minnesota Power has a 9.3% ownership interest in this project.

### **III. REQUEST FOR MARKET-BASED RATE AUTHORITY**

The Commission permits wholesale sales of energy and capacity at market-based rates, provided the seller and each of its affiliates in the relevant region do not have, or have adequately mitigated, horizontal and vertical market power.<sup>12</sup> As demonstrated below, TSW does not possess or have the ability to exercise horizontal or vertical market power in the relevant geographic market, which is the MISO BAA.<sup>13</sup>

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<sup>12</sup> See *Market Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. By Pub Utils.*, Order No. 697, 119 FERC ¶ 61,295 at PP 13–22 (2007) (“Order No. 697”); *clarified*, 121 FERC ¶ 61,260 (2007) (“Order No. 697 Clarifying Final Rule”); *order on reh’g*, Order No. 697-A, 123 FERC ¶ 61,055 (2008) (“Order No. 697-A”), *clarified*, 124 FERC ¶ 61,055 (2008); *order on reh’g*, Order No. 697-B, 125 FERC ¶ 61,326 (2008); *order on reh’g*, Order No. 697-C, 127 FERC ¶ 61,284 (2009); *order on reh’g*, Order No. 697-D, 130 FERC ¶ 61,206 (2010), *clarified*, 131 FERC ¶ 61,021 (2010); *aff’d sub nom. Mont. Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011); *cert. denied Pub. Citizen, Inc. v. FERC*, 133 S. Ct. 26 (2012).

<sup>13</sup> Order No. 697 at P 231. The default relevant geographic market is the seller’s BAA or the Regional Transmission Operator (“RTO”)/Independent System Operator (“ISO”) market or submarket, as applicable, where the seller’s generation is physically located. *Id.* For traditional (non-RTO/ISO) markets, the default market is the BAA where the seller is physically located and the first-tier markets. *Id.* at P 232. Where a generator is interconnecting to a non-affiliate owned or controlled transmission system, there is only one (1) relevant market (*i.e.*, the BAA in which the generator is located.). *Id.* at P 232 n.217. If a transmission-owning federal power marketing agency (*e.g.*, the BPA) is the home or first-tier market to the seller, then the agency’s BAA is the relevant geographic market for the market power analysis. *See id.* at P 232.

The Commission permits applicants to file streamlined applications to show that they pass the Indicative Screens.<sup>14</sup> The Commission has indicated that a generation company applicant filing for initial market-based rate approval can use data to develop its Indicative Screens based on, *inter alia*, the most recently filed triennial studies submitted by transmission owners in the applicant's region, provided that the applicant shows what its market shares would have been in each season based on those studies and states whether there would be a significant increase in the market shares during any season if more recent data had been used.<sup>15</sup>

Consistent with Commission precedent, TSW's streamlined Indicative Screens utilize simplifying assumptions and rely on historical data based on TSW's potential control, for purposes of market-based rate regulation, of the Project in the MISO BAA. With respect to the MISO BAA, TSW relies on the data and assumptions for ALLETE's and its energy affiliates' most recent triennial filing submitted to the Commission on December 30, 2014, in Docket No. ER10-2819, et al., and supplemented on May 14, 2015. The study period for this filing was December 2012 – November 2013.<sup>16</sup> ALLETE's Triennial is still pending at the Commission.

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<sup>14</sup> See Order No. 697 at PP 215, 321; see also *AEP Power Marketing, Inc.*, 108 FERC ¶ 61,026 at P 107 (2004).

<sup>15</sup> See Order No. 697 Clarifying Final Rule at P 12. For generation companies filing for initial market-based rate approval, the Commission has indicated that the data used to develop the screens be based on either "(i) the most recently available actual historical data for each complete season of: winter (December-February), spring (March-May), summer (June-August) and fall (September-November), or (ii) the same seasons in their market share studies that were used in the most recently filed triennial studies submitted by the transmission owners in their region, provided that the non-transmission owning applicant shows what its market shares would have been in each season based on those studies, and states whether there would be a significant increase in the market shares during any season if more recent data had been used (as well as the basis for this claim)." *Id.*

<sup>16</sup> *ALLETE, Inc.*, Triennial Market Power Analysis Update for Central Region of ALLETE, Inc., Docket No. ER10-2819-003 (filed Dec. 30, 2014), as supplemented on May 14, 2015, in Docket No. ER15-1718-000 ("Triennial"). See *Chanarambie Power Partners, LLC*, Letter Order, Docket No. ER15-1718-000 (July 13, 2015).



## **A. TSW Does Not Possess Horizontal Market Power**

The Commission reviews horizontal market power by assessing the market power of the seller and any of its affiliates that own or control generation in the relevant market. The Commission requires that an applicant proposing to sell power at market-based rates shows its lack of horizontal market power by demonstrating that it passes the Pivotal Supplier and the Wholesale Market Share Screens in the relevant geographic markets. If the applicant fails either screen, then the applicant or seller can provide other evidence showing lack or mitigation of horizontal market power.<sup>17</sup> If the applicant passes both screens, there is a rebuttable presumption that the applicant or seller does not possess horizontal market power in the relevant geographic market.<sup>18</sup>

### **1. Pivotal Supplier Screen and Wholesale Market Share Screen**

The Pivotal Supplier Screen compares the amount of uncommitted capacity owned or controlled by an applicant in the relevant market and the total net uncommitted capacity in that market. If the applicant's total uncommitted capacity in the market is less than the difference between the total uncommitted supply and the market's wholesale load, the applicant passes the Pivotal Supplier Screen.

The Wholesale Market Share Screen calculates the applicant's share of uncommitted capacity in the relevant market for each of the four (4) seasons. If an applicant's share of uncommitted capacity in the relevant market is under 20% in each season, the applicant passes

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<sup>17</sup> Order No. 697 at PP 33–44; 18 C.F.R. § 35.37.

<sup>18</sup> Order No. 697 at P 33; 18 C.F.R. § 35.37.

the Wholesale Market Share Screen.<sup>19</sup> TSW evaluates the impact of its potential control of the Project with respect to the MISO BAA.

**a. Pivotal Supplier Screen**

As demonstrated in the tables below, the sum of uncommitted capacity of TSW and its affiliates in the MISO BAA is approximately 1,632.5 MW.<sup>20</sup> In contrast, the total uncommitted supply in the MISO BAA is 41,023 MW.<sup>21</sup> Using the conservative assumption that the Project should be evaluated as uncommitted capacity notwithstanding the existence of a long-term contract conveying all output to Montana-Dakota,<sup>22</sup> TSW's and its affiliates' ownership or control over uncommitted capacity in MISO will increase to (at most) approximately 1,740 MW following the TSW Project coming online. This amount of uncommitted capacity remains significantly below the total net uncommitted supply in the MISO BAA. Thus, TSW and its affiliates easily pass the Pivotal Supplier Screen in the MISO BAA.

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<sup>19</sup> An applicant's uncommitted capacity in a relevant market is defined as the sum of its installed capacity from generating units that it owns, plus long-term firm purchases, less long-term firm sales, planned outages, operating reserves and native load commitments. An applicant's appropriate share of imports into the market area (if any) is also included.

<sup>20</sup> See Triennial at 10, Line Q in Attachment 3 to Exhibit A, plus the 100.5 MW capacity of Armenia Mountain (notwithstanding that Armenia Mountain is in the PJM, not MISO, BAA).

<sup>21</sup> See Triennial at 10, Line P in Attachment 3 to Exhibit A.

<sup>22</sup> The Commission previously found no adverse effect on competition when the output of a generation facility is fully committed under long-term PPAs. See *Nev. Sun-Peak Ltd. P'ship, et al.*, 97 FERC ¶ 62,017 at 64,023 (2001) (holding that the proposed transaction will not increase market concentration or have an adverse effect on competition, since the output would be sold under long-term contracts); *Am. Ref-Fuel Co. of Essex Cnty., et al.*, 94 FERC ¶ 62,113 at 64,180 (2001) (same); *Morgan Stanley Capital Grp., Inc.*, 69 FERC ¶ 61,175 at 61,692 (1994) (citing *Enron Power Mktg., Inc.*, 65 FERC ¶ 61,305 (1993), *order on reh'g*, 66 FERC ¶ 61,244 (1994)) (holding that generating units raise no "generation dominance concerns" when the output is committed under long-term contracts); *Kincaid Generation, L.L.C.*, 78 FERC ¶ 61,082 at 61,300 (1997) (same). Indeed, the Commission's Indicative Screens only analyze a seller's uncommitted capacity. See Order No. 697 at P 38. Order No. 697 states that the uncommitted capacity from the sellers' remote generation (i.e., generation located in an adjoining BAA) must be included in the total uncommitted capacity amounts. *Id.*

**MISO Market Area  
Pivotal Supplier Screen**

<b>Row</b>	<b>MW</b>	<b>Reference</b>
A ALLETE Uncommitted Capacity in December 2014 Triennial	1,532	ALLETE Triennial, Frame-Korman Affidavit, Attachment 3, Line Q
B Armenia Mountain (PJM BAA)	100.5	Acquisition approved in Docket No. EC15-140
C ALLETE Pre-Project Uncommitted Capacity	1,632.5	Row A + Row B
D TSW Project	107.5	New Capacity
E Post-Project Uncommitted Capacity	1,740	Row C + Row D
F Net Uncommitted Supply	41,023	ALLETE Triennial, Frame-Korman Affidavit, Attachment 3, Line P
<b>G Result of Pivotal Supplier Screen</b>	<b>PASS</b>	Pass if Row E<Row F, Fail if Row E>Row F

**b. Wholesale Market Share Screen**

Again, because the output of the Project is committed under a long-term PPA, it is questionable whether the Project should be assigned to TSW and its affiliates for purposes of indicative screen computations.<sup>23</sup> However, assuming that the Project did not have a long-term PPA in place, TSW and its affiliates currently own or control less than the 20% market share threshold in MISO in each season. Based on the Triennial data, as adjusted to reflect the capacity of Armenia Mountain, TSW's and its affiliates' total share of uncommitted capacity in the MISO BAA after the Project enters commercial operation would represent approximately 2% of the total uncommitted capacity in MISO for all four (4) seasons: winter, 2.28%; spring, 2.09%; summer, 2.87%; and fall, 2.23%. Therefore, TSW and its affiliates pass the Wholesale Market Share Screen in the MISO.

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<sup>23</sup> See *supra* note 22.

**MISO Market Area  
Market Share Screen**

Row		Winter (MW)	Spring (MW)	Summer (MW)	Fall (MW)	Reference
A	ALLETE Uncommitted Capacity in December 2014 Triennial	1,436	1,411	1,547	1,471	ALLETE Triennial, Frame-Korman Affidavit, Attachment 4, Line R
B	Armenia Mountain (PJM BAA)	100.5	100.5	100.5	100.5	Acquisition approved in Docket No. EC15-140
C	ALLETE Pre-Project Uncommitted Capacity	1,536.5	1,511.5	1,647.5	1,571.5	Row A + Row B
D	TSW Project	107.5	107.5	107.5	107.5	New Capacity
E	Post-Project Uncommitted Capacity	1,644	1,619	1,755	1,679	Row C + Row D
F	Total Seasonal Uncommitted Capacity	72,110	77,396	61,089	75,392	ALLETE Triennial, Frame-Korman Affidavit, Attachment 4, Line S
G	Seller's Market Share	2.28%	2.09%	2.87%	2.23%	Row E/Row F
H	<b>Result of Market Share Screen</b>	<b>PASS</b>	<b>PASS</b>	<b>PASS</b>	<b>PASS</b>	Pass if G < 20%, Fail if Row G > 20%

Therefore, TSW and its affiliates lack horizontal market power in the MISO BAA because they are not pivotal suppliers and, in any given season, pass the Commission's Wholesale Market Share Screen.

## 2. The Applicant Does Not Have Vertical Market Power

For an applicant to receive market-based rate authority, the applicant and its affiliates: (i) must not have, or must have adequately mitigated, any vertical market power; and (ii) cannot erect barriers to entry.<sup>24</sup>

### a. Transmission Market Power

To demonstrate a lack of vertical market power, an applicant (or affiliate) that owns, operates or controls transmission facilities must have an Open Access Transmission Tariff ("OATT") on file with the Commission.<sup>25</sup> As a result of the Transaction, TSW will not own, operate or control any transmission facilities in any market other than the facilities necessary to

<sup>24</sup> Order No. 697 at PP 21–22, 399, 408; 18 C.F.R. § 35.37(d) and (e).

<sup>25</sup> See Order No. 697 at PP 408–10; 18 C.F.R. § 35.27(d).

interconnect the Project to the bulk power system. With respect to the MISO BAA, TSW's affiliates, ALLETE and SWL&P filed an OATT with the Commission on July 9, 1996, in Docket No. OA96-164-000.<sup>26</sup> On July 27, 2001, the Commission approved ALLETE's and SWL&P's request to transfer operational control of their transmission facilities to MISO.<sup>27</sup> MISO provides transmission services under its Commission-approved Tariff.

**b. The Applicant and its Affiliates Cannot Erect Barriers to Entry**

In addition to assessing generation and transmission market power issues, the Commission also analyzes whether the applicant seeking market-based rates owns or controls other potential barriers to entry.<sup>28</sup> The Commission has adopted a rebuttable presumption that market-based rate sellers cannot erect barriers to entry with regard to the ownership or control of, or affiliation with any entity that owns or controls: (i) intrastate natural gas transportation; (ii) intrastate natural gas storage or distribution facilities; (iii) sites for generation capacity development; and (iv) sources and transportation of coal supplies.<sup>29</sup>

Neither TSW nor its affiliates own or control barriers to entry in the electric power generation business in the MISO BAA. SWL&P owns a natural gas distribution system consisting of approximately 291 miles of pipelines. ALLETE indirectly owns BNI Coal which is located in Center, North Dakota. BNI Coal mines lignite used to fuel Square Butte's Young Units 1 and 2. As required by Section 35.37(e)(4) of the Commission's regulations, TSW

<sup>26</sup> See *Allegheny Power System, Inc.*, 77 FERC ¶ 61,266 (1996) (accepting OATT filing); *Allegheny Power System, Inc.*, 80 FERC ¶ 61,143 (1997) (same). Minnesota Power and SWL&P revised their OATT on August 15, 1997 in Docket No. OA96-164-001. See *Minn. Power & Light Co.*, Letter Order, Docket No. OA96-164-001(Nov. 19, 1997) (approving revisions to OATT).

<sup>27</sup> See *Minn. Power, Inc.*, 96 FERC ¶ 61,153 (2001).

<sup>28</sup> Order No. 697 at PP 440–49; Order No. 697-A at PP 176–80; 18 C.F.R. § 35.37(e).

<sup>29</sup> Order No. 697 at P 446. The Commission, however, requires applicants to provide a description of their ownership of, or affiliation with, entities that own or control such facilities. See *id.* at PP 447–48; 18 C.F.R. § 35.37(e)(1)–(3).

affirmatively states that it has not erected barriers to entry into the relevant market and will not erect barriers to entry into the relevant market.<sup>30</sup>

Therefore, the Commission should presume that TSW does not have vertical market power<sup>31</sup> because: (i) TSW will not have any transmission facilities other than those facilities necessary to interconnect to the bulk power system; (ii) TSW's affiliates (ALLETE and SWL&P) transferred operational control of their transmission facilities to MISO; and (iii) neither TSW nor its affiliates will erect barriers to the markets in which they are located.

#### **IV. SELLER CATEGORY**

TSW requests that the Commission designate it as a Category 2 Seller in the Central Region.<sup>32</sup>

TSW requests that the Commission designate it as a Category 1 Seller in all other regions because TSW and its affiliates: (i) own or control 500 MW or less of generation capacity in aggregate per region; (ii) do not own, operate or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid; (iii) are not affiliated with anyone that owns, operates or controls transmission facilities in the same regions; (iv) are not affiliated with a franchised public utility in those regions; and (v) do not raise other vertical market power issues. Therefore, TSW meets the requirements of a Category 1 Seller in all regions outside of the Central Region.<sup>33</sup>

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<sup>30</sup> See Order No. 697 at P 22; 18 C.F.R. § 35.37(e)(4).

<sup>31</sup> See Order No. 697 at P 408; 18 C.F.R. § 35.37(e).

<sup>32</sup> See 18 C.F.R. § 35.36(a)(3).

<sup>33</sup> *Id.* § 35.36(a)(2).

## V. REQUEST FOR WAIVERS AND ADDITIONAL BLANKET AUTHORITY

TSW requests that the Commission grant it waivers and authorizations consistent with those granted to entities similar to TSW with market-based rate authority. Specifically, TSW requests the following waivers and blanket approvals:

- Waiver of Subparts B and C of Part 35 of the Commission's regulations regarding the filing of tariffs, except 18 C.F.R. §§ 35.12(a), 35.13(b), 35.15, and 35.16;
- Waiver of the accounting and related reporting requirements under Parts 41, 101, and 141 in the Commission's regulations, except 18 C.F.R. §§ 141.14, and 141.15;<sup>34</sup>
- Blanket approval under Part 34 of the Commission's regulations<sup>35</sup> of all future issuances of securities and assumptions of obligations or liabilities as guarantor, endorser, surety or otherwise with respect to any security of any person, pursuant to Section 204 of the FPA; and
- Such other waivers and authorizations as the Commission may deem appropriate.

## VI. EFFECTIVE DATE

TSW respectfully requests waiver of the Commission's 60-day notice period to permit its Tariff and the authorizations and waivers requested herein to be accepted and made effective as of July 25, 2015.<sup>36</sup> TSW expects that its construction schedule will result in sales of test energy in late 2015, but TSW is nevertheless requesting waiver of the Commission's 60-day notice period in the event that construction progresses more rapidly than expected and sales of energy (whether they are long-term or test energy) are made sooner than expected. Good cause exists to

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<sup>34</sup> See generally 18 C.F.R. Pts. 41, 101 and 141.

<sup>35</sup> See generally 18 C.F.R. Pt. 34.

<sup>36</sup> 18 C.F.R. § 35.2(f).

grant TSW's requested waiver. TSW's Application does not raise market power concerns because TSW and its affiliates do not have horizontal or vertical market power, have not erected barriers to market entry, and will not erect such barriers in the future. Indeed, subject to the necessary regulatory approvals, TSW's only customer will most likely purchase the Project. Therefore, a July 25, 2015 effective date will not prejudice the Commission or any party.

The Commission has waived the 60-day prior notice period in similar circumstances.<sup>37</sup> Granting such waiver is not inconsistent with or otherwise prohibited by the Commission's regulations.

## **VII. ASSET APPENDIX**

Section 35.37 of the Commission's regulations requires market-based rate sellers to include an appendix of assets in the form provided in Appendix B of Order No. 697 when submitting a market power analysis. An asset appendix for TSW and its affiliates is provided in Attachment B to this filing.

## **VIII. NOTIFICATION OF PRICE REPORTING STATUS**

Section 35.41(c) of the Commission's regulations<sup>38</sup> requires that a seller with market-based rate authority notify the Commission whether it engages in the reporting of transactions to publishers of electricity or natural gas price indices. TSW hereby notifies the Commission that it will not engage in such reporting.

## **IX. LIST OF MATERIALS SUBMITTED**

TSW submits the following in support of this Application:

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<sup>37</sup> See, e.g., *2014 ESA Project Company, LLC*, Letter Order, Docket No. ER15-1496-001 (July 23, 2015) (granting an application for market-based rate authority on one (1) day's prior notice); *K Road Modesto Solar LLC*, 140 FERC ¶ 61,238 (2012) (same); *ORNI 14 LLC*, Letter Order, Docket No. ER11-3980-001 (Oct. 13, 2011) (same).

<sup>38</sup> 18 C.F.R. § 35.41(c).



1. Attachment A: TSW's proposed Tariff (FERC Electric Tariff No. 1);<sup>39</sup>
2. Attachment B: Asset Appendices; and
3. Attachment C: Corporate Organizational Chart.

## **X. CONCLUSION**

For the reasons set forth herein, TSW submits that it satisfies all of the Commission's requirements to sell power at market-based rates and respectfully requests that the Commission issue an order: (i) authorizing TSW to sell energy, capacity and certain ancillary services at market-based rates; (ii) accepting TSW's proposed Tariff to become effective on July 25, 2015; and (iii) granting the waivers and authorizations requested herein.

Respectfully submitted,

/s/ Joseph C. Hall

Joseph C. Hall

Rabeha S. Kamaluddin

Ruth M. Porter

DORSEY & WHITNEY LLP

1801 K Street, N.W., Suite 750

Washington, D.C. 20006

Dated: July 25, 2015

*Attorneys for Thunder Spirit Wind, LLC*

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<sup>39</sup> TSW's proposed Tariff conforms to the Commission's revised tariff language adopted in Order No. 784 with respect to the provision of third-party ancillary services. *Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies*, Order No. 784, 144 FERC ¶ 61,056 at P 200 (2013) (codified at 18 C.F.R. Pts. 35, 101, 141) (directing sellers to include specific language in their market-based rate tariffs addressing third-party sales of ancillary services), *order on clarification*, Order No. 784-A, 146 FERC ¶ 61,114 (2014).

**Attachment A**

FERC Electric Tariff No. 1  
of  
Thunder Spirit Wind, LLC

**FERC Electric Tariff No. 1**  
**of**  
**Thunder Spirit Wind, LLC**

1. Availability. Thunder Spirit Wind, LLC (“Seller”) makes electric energy, electric capacity, and the following ancillary services available under this FERC Electric Tariff No. 1 (“Tariff”) to any purchaser, except as prohibited below:
  - (a) MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midwest Independent Transmission System Operator, Inc. (“MISO”) and to others that are self-supplying ancillary services to MISO.
  - (b) Third-party ancillary services: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. Sales will not include the following: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider’s OATT rate for the same service or where the Commission has granted authorization.
2. Applicability. This Tariff is applicable to all wholesale sales by Seller of electric energy, electric capacity and ancillary services listed in Section 1 of this Tariff not otherwise subject to a tariff or rate schedule of Seller that is on file with the Commission.
3. Rates. All sales shall be made at rates established by agreement between the purchaser and Seller.
4. Other Terms and Conditions. All other terms and conditions of sales shall be established by agreement between the purchaser and Seller.
5. Revisions. This Tariff may be revised by Seller by unilaterally making the appropriate filing with the Commission pursuant to the provisions of Section 205 of the Federal Power Act.
6. Duration. This Tariff shall continue to be effective until terminated or changed. Such termination or change shall take effect in accordance with the applicable regulatory requirements.

7. Compliance with Commission Regulations. Seller shall comply with the provisions of 18 C.F.R, Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 C.F.R. Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this Tariff.
8. Limitations and Exemptions Regarding Market-Based Rate Authority.  
In *Thunder Spirit Wind, LLC*, Docket No. ER15-\_\_\_\_-000, the Commission granted Seller the following waivers and blanket authorization:
  - (a) Waiver of the accounting, reporting, and other requirements of 18 C.F.R. Parts 41 (accounts, records and memorandum), 101 (uniform system of accounts) and 141 (statement and reports), except Sections 141.14 and 141.15;
  - (b) Waiver of the reporting requirements of Subparts B and C of Part 35 of the Commission's regulations, except Sections 35.12(a), 35.13(b), 35.15 and 35.16; and
  - (c) Blanket authorization under 18 C.F.R. Part 34 of all future issuances of securities and assumptions of liability.
9. Seller Category. Seller is a Category 2 Seller in the Central Region, as defined in 18 C.F.R. § 35.36(a). Seller is a Category 1 Seller in all other regions, as defined in 18 C.F.R. § 35.36(a).
10. Effective Date. This Tariff is effective upon the date specified by the Commission.

**Attachment B**  
Asset Appendices

### Market-Based Rate Authority and Generation Assets

Filing Entity and Its Energy Affiliates	Docket No. Where MBR Authority was Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Nameplate and/or Seasonal Rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)		
Thunder Spirit Wind, LLC	ER15-____-000	N/A	Thunder Spirit Wind, LLC	Thunder Spirit Wind, LLC	N/A	MISO	Central	Not yet in service	107.5 MW
Armenia Mountain Wind, LLC	ER10-3147	N/A	Armenia Mountain Wind, LLC	Armenia Mountain Wind, LLC	N/A	MISO	Central	December 18, 2009	100.5 MW
Chanarambie Power Partners, LLC	ER10-2431	N/A	Chanarambie Power Partners, LLC	Chanarambie Power Partners, LLC	N/A	MISO	Central	December 15, 2003	85.5 MW
Condon Wind Power, LLC	ER14-1389	N/A	Condon Wind Power, LLC	Condon Wind Power, LLC	N/A	BPA	Northwest	December 2001 (Phase 1) June 2002 (Phase 2)	49.8 MW
Lake Benton Power Partners LLC	ER14-1390	N/A	Lake Benton Power Partners LLC	Lake Benton Power Partners LLC	N/A	MISO	Central	December 1998	106 MW
Storm Lake Power Partners I LLC	ER10-2358	N/A	Storm Lake Power Partners I LLC	Storm Lake Power Partners I LLC	N/A	MISO	Central	June 1999	108 MW
Storm Lake Power Partners II, LLC	ER14-1397	N/A	Storm Lake Power Partners II, LLC	Storm Lake Power Partners II, LLC	N/A	MISO	Central	March 1999	78 MW
Buffalo Ridge Wind Farm, LLC (QF)	N/A	N/A	Buffalo Ridge Wind Farm, LLC	Buffalo Ridge Wind Farm, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW

Filing Entity and Its Energy Affiliates	Docket No. Where MBR Authority was Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Nameplate and/or Seasonal Rating (MW)	
						Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)			
Moulton Heights Wind Power Partners, LLC (QF)	N/A	N/A	Moulton Heights Wind Power Partners, LLC	Moulton Heights Wind Power Partners, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
Muncie Power Partners, LLC (QF)	N/A	N/A	Muncie Power Partners, LLC	Muncie Power Partners, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
North Ridge Wind Farm, LLC (QF)	N/A	N/A	North Ridge Wind Farm, LLC	North Ridge Wind Farm, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
Vandy South Project, LLC (QF)	N/A	N/A	Vandy South Project, LLC	Vandy South Project, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
Viking Wind Farm, LLC (QF)	N/A	N/A	Viking Wind Farm, LLC	Viking Wind Farm, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
Vindy Power Partners, LLC (QF)	N/A	N/A	Vindy Power Partners, LLC	Vindy Power Partners, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
Wilson-West Wind Farm, LLC (QF)	N/A	N/A	Wilson-West Wind Farm, LLC	Wilson-West Wind Farm, LLC	N/A	MISO	Central	December 18, 2003	1.5 MW	
ALLETE Clean Energy, Inc.	ER14-413	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Superior Water, Light & Power Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
ALLETE, Inc.	ER01-2636	Blanchard Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	10.7 Summer	10.7 Winter

<sup>1</sup> Approximate in-service date.

Filing Entity and Its Energy Affiliates	Docket No. Where MBR Authority was Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Nameplate and/or Seasonal Rating (MW)	
						Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)			
ALLETE, Inc.	ER01-2636	Boswell Energy Center <sup>2</sup>	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	Unit 1 1958 Unit 2 1960 Unit 3 1973 Unit 4 1980	964.7 Summer	964.7 Winter
ALLETE, Inc.	ER01-2636	Cloquet Energy Center	ALLETE, Inc.	ALLETE, Inc.	2001	MISO	Central	N/A	14.0 Summer	15.0 Winter
ALLETE, Inc.	ER01-2636	Fond Du Lac Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	11.1 Summer	11.1 Winter
ALLETE, Inc.	ER01-2636	Hibbard Energy Center	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	Unit 3 1949 Unit 4 1951	58.0 Summer	58.0 Winter
ALLETE, Inc.	ER01-2636	Knife Falls Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	0.9 Summer	0.9 Winter
ALLETE, Inc.	ER01-2636	Laskin Energy Center	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	Unit 1 1953 Unit 2 1953	96.8 Summer	96.8 Winter
ALLETE, Inc.	ER01-2636	Little Falls Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	3.2 Summer	3.2 Winter
ALLETE, Inc.	ER01-2636	Pillager Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	1.4 Summer	1.4 Winter
ALLETE, Inc.	ER01-2636	Prairie River Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	0.6 Summer	0.6 Winter

<sup>2</sup> Rating reflects only ALLETE's share of the jointly-owned facility.



Filing Entity and Its Energy Affiliates	Docket No. Where MBR Authority was Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Nameplate and/or Seasonal Rating (MW)	
						Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)			
ALLETE, Inc.	ER01-2636	Rapids Energy Center – Hydro	ALLETE, Inc.	ALLETE, Inc.	2000	MISO	Central	N/A	0.8 Summer	0.8 Winter
ALLETE, Inc.	ER01-2636	Rapids Energy Center – Steam	ALLETE, Inc.	ALLETE, Inc.	2000	MISO	Central	N/A	28.0 Summer	28.0 Winter
ALLETE, Inc.	ER01-2636	Scanlon Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	0.8 Summer	0.8 Winter
ALLETE, Inc.	ER01-2636	Sylvan Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	1.2 Summer	1.2 Winter
ALLETE, Inc.	ER01-2636	Taconite Harbor Energy Center	ALLETE, Inc.	ALLETE, Inc.	2001	MISO	Central	Unit 1 1957 Unit 2 1957 Unit 3 1967	238.5 Summer	238.5 Winter
ALLETE, Inc.	ER01-2636	Taconite Ridge	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	2008	25.0 Summer	25.0 Winter
ALLETE, Inc.	ER01-2636	Thomson Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	70.4 Summer	70.4 Winter
ALLETE, Inc.	ER01-2636	Winton Hydro	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	1900-1920 <sup>1</sup>	2.4 Summer	2.4 Winter
ALLETE, Inc.	ER01-2636	Young 2 (Purchase) <sup>3</sup>	ALLETE, Inc.	ALLETE, Inc.	1998	MISO	Central	1977	242.6 Summer	227.5 Winter

<sup>3</sup> ALLETE's Young 2 is ALLETE's purchase from the Square Butte Electric Cooperative's Young Unit 2 generation facility.

Filing Entity and Its Energy Affiliates	Docket No. Where MBR Authority was Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Nameplate and/or Seasonal Rating (MW)	
						Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)			
ALLETE, Inc.	ER01-2636	Other Purchases <sup>4</sup>	Various	Various	N/A	MISO, Manitoba Hydro	Central and Manitoba <sup>5</sup>	N/A	300.5 Summer	300.5 Winter
ALLETE, Inc.	ER01-2636	Bison Projects 1-3	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	December 2010 to January 2013	278.3 (approximate net output) <sup>6</sup>	
ALLETE, Inc.	ER01-2636	Bison Project 4	ALLETE, Inc.	ALLETE, Inc.	N/A	MISO	Central	January 2015	202.4 (approximate net output) <sup>7</sup>	

<sup>4</sup> ALLETE's Other Purchases are from Manitoba Hydro, NextEra's Oliver 1 and 2 wind facilities, and the Wing River wind facility.

<sup>5</sup> The Canadian province of Manitoba is not a part of any of the Geographic Regions included in Appendix D of Order No. 697.

<sup>6</sup> The individual capacity ratings of the Bison Projects 1-3 are: 75.9 (Bison Project 1); 101.2 (Bison Project 2); and 101.2 (Bison Project 3). The capacity ratings of Bison Projects 1-3 reflect net output based on Large Generator Interconnection Agreements ("LGIA") with MISO, which were filed on July 26, 2011, and accepted on January 6, 2012, in Docket No. ER11-4121. See *Midwest Indep. Transmission Sys. Operator, Inc.*, Letter Order, Docket No. ER11-4121, et al. (Jan. 6, 2012).

<sup>7</sup> The capacity rating of Bison Project 4 reflects net output based on a LGIA with MISO, which was filed on May 7, 2014, and accepted on June 16, 2014, in Docket No. ER14-1898. See *Midwest Indep. Transmission Sys. Operator, Inc.*, Letter Order, Docket No. ER14-1898-000 (Jun. 16, 2014).



Filing Entity and Its Energy Affiliates	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size
					Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)	
Viking Wind Farm, LLC (QF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vindy Power Partners, LLC (QF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wilson-West Wind Farm, LLC (QF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ALLETE Clean Energy, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Superior Water, Light & Power Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ALLETE, Inc.	500-kV Transmission	ALLETE, Inc.	Under MISO OATT	N/A	MISO	Central	8 miles
ALLETE, Inc.	Combined 230-kV Transmission	ALLETE, Inc.	Under MISO OATT	N/A	MISO	Central	605 miles
ALLETE, Inc.	Combined 161-kV Transmission	ALLETE, Inc.	Under MISO OATT	N/A	MISO	Central	43 miles
ALLETE, Inc.	Combined 138-kV Transmission	ALLETE, Inc.	Under MISO OATT	N/A	MISO	Central	126 miles
ALLETE, Inc.	Combined 115-kV Transmission	ALLETE, Inc.	Under MISO OATT	N/A	MISO	Central	1209 miles

Filing Entity and Its Energy Affiliates	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size
					Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)	
ALLETE, Inc.	Combined <115-kV Transmission and Distribution	ALLETE, Inc.	Under MISO OATT	N/A	MISO	Central	6875 miles
ALLETE, Inc.	250-kV HVDC Transmission	ALLETE, Inc.	MISO Agency Agreement <sup>1</sup>	December 2009	MISO	Central	Approx. 465 miles
ALLETE, Inc. (Fargo, ND to St. Cloud, MN)	345-kV Transmission	CAPX2020 (ALLETE 14.7%)	Under MISO OATT	N/A	MISO	Central	208 miles
ALLETE, Inc. (St. Cloud, MN to Monticello, MN)	345-kV Transmission	CAPX2020 (ALLETE 14.7%)	Under MISO OATT	N/A	MISO	Central	30 miles
ALLETE, Inc. (Bemidji, MN to Grand Rapids, MN)	230-kV Transmission	CAPX2020 (ALLETE 9.3%)	Under MISO OATT	N/A	MISO	Central	70 miles

<sup>1</sup> MISO administers transmission-related services over ALLETE's high-voltage direct-current facilities pursuant to an Agency Agreement executed under Appendix G of MISO's "Agreement of Transmission Facility Owners to Organize the Midwest Independent Transmission System Operator, Inc., A Delaware Non-Stock Corporation" and Section 27A of the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff ("MISO Tariff"). The Commission conditionally accepted ALLETE's Agency Agreement and Section 27A of the MISO Tariff, as well as other related filings, on November 24, 2009, in Docket Nos. ER09-1727-000, ER09-1728-000 and ER09-1729-000. *Midwest Indep. Transmission Sys. Operator, Inc. and ALLETE, Inc.*, 129 FERC ¶ 61,172, order on compliance filing, 129 FERC ¶ 61,289 (2009); *Midwest Indep. Transmission Sys. Operator, Inc.*, Letter Order, Docket No. ER09-1727-003 (Feb. 5, 2010).



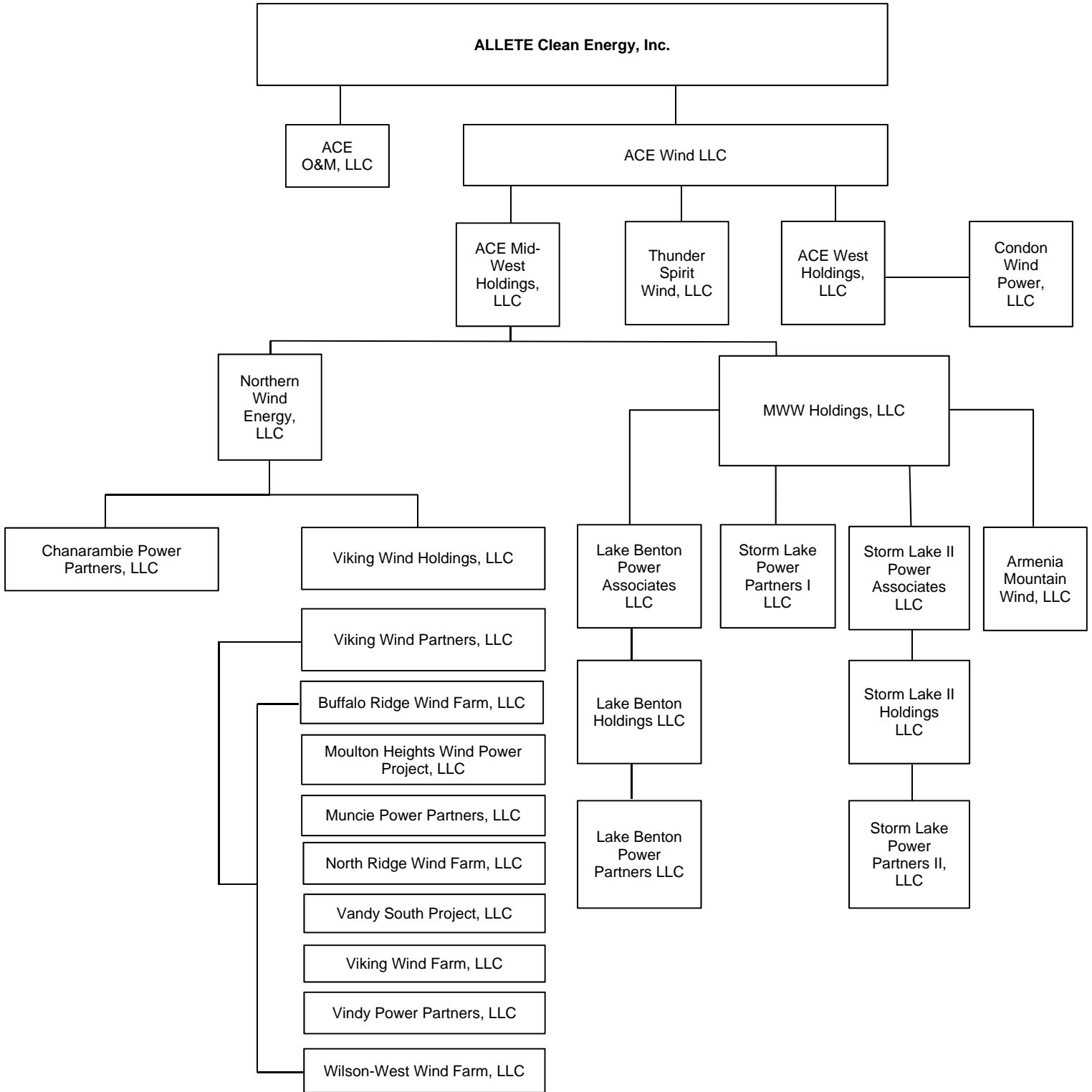
Filing Entity and Its Energy Affiliates	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size
					Balancing Authority Area	Geographic Region (per Appendix D of Order No. 697)	
Viking Wind Farm, LLC (QF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vindy Power Partners, LLC (QF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wilson-West Wind Farm, LLC (QF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ALLETE Clean Energy, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Superior Water, Light & Power Company	Gas Distribution Facilities	Superior Water, Light and Power Company	Superior Water, Light and Power Company	N/A	MISO	Central	Approx. 291 miles of gas mains
ALLETE, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## **Attachment C**

### **Corporate Organizational Chart**



**ALLETE, Inc.  
ALLETE Clean Energy, Inc.  
Legal Organization Chart**



FERC rendition of the electronically filed tariff records in Docket No. ER15-02270-000

Filing Data:

CID: C004895

Filing Title: Application for Market-Based Rate Authorization

Company Filing Identifier: 1

Type of Filing Code: 400

Associated Filing Identifier:

Tariff Title: Market-Based Rate Tariff

Tariff ID: 1

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Market-Based Rates, FERC Electric Tariff No. 1, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 1

Tariff Record Collation Value: 8388608 Tariff Record Parent Identifier: 0

Proposed Date: 2015-07-25

Priority Order: 1000000000

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

**FERC Electric Tariff No. 1**  
**of**  
**Thunder Spirit Wind, LLC**

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  - (b) Third-party ancillary services: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. Sales will not include the following: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its

own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

2. Applicability. This Tariff is applicable to all wholesale sales by Seller of electric energy, electric capacity and ancillary services listed in Section 1 of this Tariff not otherwise subject to a tariff or rate schedule of Seller that is on file with the Commission.
3. Rates. All sales shall be made at rates established by agreement between the purchaser and Seller.
4. Other Terms and Conditions. All other terms and conditions of sales shall be established by agreement between the purchaser and Seller.
5. Revisions. This Tariff may be revised by Seller by unilaterally making the appropriate filing with the Commission pursuant to the provisions of Section 205 of the Federal Power Act.
6. Duration. This Tariff shall continue to be effective until terminated or changed. Such termination or change shall take effect in accordance with the applicable regulatory requirements.
7. Compliance with Commission Regulations. Seller shall comply with the provisions of 18 C.F.R, Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 C.F.R. Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this Tariff.
8. Limitations and Exemptions Regarding Market-Based Rate Authority.

In *Thunder Spirit Wind, LLC*, Docket No. ER15-\_\_\_\_-000, the Commission granted Seller the following waivers and blanket authorization:

- (a) Waiver of the accounting, reporting, and other requirements of 18 C.F.R. Parts 41 (accounts, records and memorandum), 101 (uniform system of accounts) and 141 (statement and reports), except Sections 141.14 and 141.15;
- (b) Waiver of the reporting requirements of Subparts B and C of Part 35 of the Commission's regulations, except Sections 35.12(a), 35.13(b), 35.15 and 35.16; and
- (c) Blanket authorization under 18 C.F.R. Part 34 of all future issuances of securities and assumptions of liability.

9. Seller Category. Seller is a Category 2 Seller in the Central Region, as defined in 18 C.F.R. § 35.36(a). Seller is a Category 1 Seller in all other regions, as defined in 18 C.F.R. § 35.36(a).
  
10. Effective Date. This Tariff is effective upon the date specified by the Commission.

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