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Customers Defend FERC's Ability to Correct Errors and Recoup Payments for Excessive Transmission Rates

March 19, 2026 | Jeffrey M. Bayne, Stephen C. Pearson, David E. Pomper

On March 17, 2026, firm partner Jeff Bayne, on behalf of a group of customers and their representatives, argued in the D.C. Circuit (recording) in support of Federal Energy Regulatory Commission (FERC) orders implementing a reduction in the return on equity component used to set transmission rates in the Midcontinent Independent System Operator, Inc. (MISO) region of the country. Mr. Bayne, along with Stephen Pearson and David Pomper, represent the Public Utilities Staff of the Mississippi Public Service Commission, Missouri Public Service Commission, and Missouri Joint Municipal Electric Utility Commission d/b/a the Missouri Electric Commission in this case.

Customers in MISO brought a complaint in 2013 arguing that the return on equity transmission rate component in MISO was excessive. In September 2016, FERC agreed that the existing rate was excessive, but there was extensive litigation in the following years over the proper replacement return on equity value. In October 2024, FERC adopted a lower replacement return on equity value, which the transmission owners in MISO did not dispute. The transmission owners, however, challenged FERC's authority to impose that rate effective as of September 2016.

Customers and their representatives, including those represented by the firm, intervened in support of FERC to ensure that ratepayers do not suffer hundreds of millions of dollars in excessive rates due to FERC's earlier errors in setting too high a replacement return on equity value.

Press coverage:

Nadia Dreid, *DC Circ. To Decide How Far Back FERC Can Order Refunds*, Law360, Mar. 17, 2026, https://www.law360.com/articles/2453868/dc-circ-to-decide-how-far-back-ferc-can-order-refunds.

Related Practices and Services

- Electric
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