

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Valley Link Transmission Maryland,  
LLC, Valley Link Transmission  
Virginia, LLC, and Valley Link  
Transmission West Virginia, LLC

Docket No. ER25-1633-000

**MOTION FOR LEAVE TO ANSWER AND LIMITED ANSWER  
OF THE MARYLAND OFFICE OF PEOPLE’S COUNSEL**

The Maryland Office of People’s Counsel (“MPC”), pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission<sup>1</sup>, submits this motion for leave to answer and answer (“Answer”) to Valley Link’s April 21, 2025 motion for leave to answer and answer (“Valley Link Answer”).

MPC filed a timely motion for leave to intervene in this proceeding on March 21, 2025, which the Commission accepted, and filed a protest to Valley Link’s application for tariffs on April 4, 2025. MPC is the statutory representative of the residential ratepayers of utility services in Maryland. Pursuant to Maryland Public Utility Companies Code Annotated, Section 2-205(b), the People’s Counsel “may appear before any federal or state agency as necessary to protect the interests of residential...users of [gas, electricity or other regulated services].”

**MOTION FOR LEAVE TO ANSWER**

MPC respectfully moves for leave to file and requests the Commission’s consideration of this Answer. Good cause exists to waive the prohibition on answers to

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<sup>1</sup> 18 C.F.R. §§ 385.212. 385.213 (2025).

protests when an answer explicates important issues and aid's the Commission's decision making process.<sup>2</sup> Good cause exists for the Commission's acceptance of this answer to Valley Link's Answer because it will aid the Commission's understanding of the issues in the proceeding, provide additional information to assist the Commission's decision-making process, and ensure a complete and accurate record in the proceeding.

## ANSWER

The Valley Link Answer is unpersuasive. Valley Link repeats arguments it has already made, including arguments which MPC noted in its protest the Commission rejected in *PG&E*.<sup>3</sup> To avoid further recursiveness and to correct the record, MPC submits a limited answer to address: (1) Valley Link's citation to erroneous testimony which has since been revised; and (2) the importance of considering the current capital market landscape.

First, the beta is a core aspect of the CAPM analysis, not a "subsidiary data point."<sup>4</sup> Valley Link's Answer asserts FERC Trial Staff testified that Value Line betas

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<sup>2</sup> See, e.g., *N.Y. State Pub. Serv. Comm'n v. N.Y. Indep. Sys. Operator, Inc.*, 158 FERC ¶ 61,137, at 29 (2017) ("We will accept the Companies' and the Complainants' answers because they have provided information that assisted us in our decision-making process."); *Colonial Pipeline Co.*, 157 FERC ¶ 61,173, at P23 (2016) ("In the instant case, the Commission will accept the Protestors' Answers and Colonial's Answer because they have provided information that assisted us in our decision-making process."); *Minonk Stewardship Wind*, 176 FERC ¶ 61,135, at P 40 (2021); *Southwest Power Pool, Inc.*, 143 FERC ¶ 61,018, at P 15 (2013) (accepting answer that assisted in the decision-making process); *Texas Eastern Transmission, LP*, 122 FERC ¶ 61,205, at P 8 (2008) (accepting answer that completed the record); *California Independent System Operator Corp.*, 105 FERC ¶ 61,284, at P 10 (2003) (accepting answer that clarified the issues).

<sup>3</sup> See Protest and Request for Evidentiary Hearing of the Maryland Office of People's Counsel at 5–6, n. 14–17 (hereinafter "MPC Protest"); *Pac. Gas & Elec. Co.*, 178 FERC ¶ 61,175, at P 254 (2022) ("We are not persuaded by PG&E's arguments to include the Expected Earnings model when determining the just and reasonable ROE in this proceeding, most of which constitute collateral attacks on the Commission's findings in Opinion Nos. 569 and 569-A.").

<sup>4</sup> Valley Link Answer at 9.

were used in a CAPM analysis.<sup>5</sup> Valley Link relies on stale testimony. In *Southwest Power Pool, Inc.*, Commission Trial Staff filed revised testimony correcting its discussion of the source of beta values in its CAPM analysis. The testimony initially stated that the beta values were sourced “from [the] Value Line market screener” and that the market premium was “multiplied by each company’s Value Line beta.” The revised testimony replaces “Value Line” with “Bloomberg.”<sup>6</sup> Indeed, each mistaken reference to “Value Line” was corrected to “Bloomberg” in Trial Staff’s testimony in *Southwest Power Pool, Inc.*<sup>7</sup> Valley Link’s assertion thus has no bearing on the Commission’s repeated preference for Bloomberg-sourced beta values and should be ignored.<sup>8</sup>

Second, Valley Link attempts to mischaracterize MPC’s analysis of the impact of the decline in beta values as “foreclosing the Commission’s ability to rule on [Valley Link’s] filing.”<sup>9</sup> The role of the Commission is to emulate competition and the outcomes which would be achieved in effective, competitive markets.<sup>10</sup> MPC is not advocating for a “mix and match” approach regarding financial modeling inputs.<sup>11</sup> Instead, MPC maintains its request for evidentiary proceedings—if Valley Link’s application is not denied— and an assessment of the base ROE using the most current capital market

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<sup>5</sup> *Id.*

<sup>6</sup> See *Southwest Power Pool, Inc.*, Exhibit No. S-0001, Answering Testimony of Commission Staff Witness Jacob B. Nye, Docket No. ER24-254-002, at 43 (filed April 21, 2025).

<sup>7</sup> See *Southwest Power Pool, Inc.*, Exhibit No. S-0013, Errata Summary of the Answering Testimony of Commission Staff Witness Jacob B. Nye, Docket No. ER24-254-002, at 1 (filed April 21, 2025).

<sup>8</sup> See *Constellation Mystic Power, LLC*, 176 FERC ¶ 61,019 at P 85 (2021); see also *DATC Path 15, LLC*, 177 FERC ¶ 61,115 at P 111 (2021).

<sup>9</sup> Valley Link Answer at 9–10.

<sup>10</sup> See *Fed. Power Comm’n v. Hope Nat. Gas Co.*, 320 U.S. 591, 610 (1944).

<sup>11</sup> Indeed, MPC made clear in its protest that it acknowledged a complete update of all financial data is required when updating an ROE analysis. See MPC Protest at 11, n. 34.

conditions. Determining the interrelationship between a decline in first quarter beta values and the risk-free rate or expected market rate of return is a material fact that should be settled in an evidentiary hearing.

### **CONCLUSION**

Valley Link's Answer only highlights the material facts in dispute in this proceeding rather than demonstrating an absence of dispute. Valley Link relies on stale FERC testimony which has since been revised to support its answer. If relied upon, this testimony would distort the Commission's decision-making process. MPC respectfully requests the Commission to accept MPC's motion for leave to answer to clarify the record.

Respectfully submitted,

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Dated: May 1, 2025

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 1st day of May 2025, the foregoing “Answer for Leave to File and Answer of the Maryland Office of People’s Counsel” was either hand-delivered, e-mailed or mailed first-class, postage prepaid to all parties of record to this proceeding.

Respectfully submitted,

**/electronic signature/**

Alexis H. Lewis

Assistant People’s Counsel