

108 FERC ¶ 61,228
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Mid-Continent Area Power Pool

Docket Nos. ER04-960-000
ER04-960-001

ORDER REJECTING TARIFF SHEET

(Issued September 10, 2004)

1. On June 25, 2004, as supplemented on July 13, 2004, Mid-Continent Area Power Pool (MAPP), on behalf of its public utility members, filed proposed amendments to Schedule F of its FERC Electric Tariff, First Revised Volume No. 1 (Schedule F). As discussed below, we reject MAPP's proposed amendments to Schedule F. This order benefits customers by coordinating the operation of neighboring regions to reduce seams issues.

Background

2. Schedule F is a limited services tariff, providing firm and non-firm point-to-point transmission service over the MAPP members' transmission systems. Currently, service under the tariff is short-term and is limited to a maximum six-month duration.

3. MAPP is proposing herein to extend the reservation rights for firm transmission service to existing customers for periods up to twelve consecutive months, and for non-firm transmission service for periods up to six consecutive months.¹

¹ While physically in the footprint of the Midwest Independent Transmission System Operator, Inc. (Midwest ISO), some MAPP members are also members of the Midwest ISO; others are not.

Although the actual transmission providers under Schedule F are the MAPP transmission owners, under MAPP's proposal, the Midwest ISO is the administrator of Schedule F, by contract.

4. Separately, the Midwest ISO is currently a party to a Joint Operating Agreement (JOA) with PJM Interconnection, LLC (PJM), pursuant to which each party respects the Available Flowgate Capability (AFC) limits established by the other party for the flowgates of that other party.² MAPP is neither a party to the Midwest ISO-PJM JOA nor has it executed a JOA with the Midwest ISO. MAPP has no contractual obligation to honor the same AFC limits that the Midwest ISO is obligated by the JOA to honor.

Notices, Interventions and Protests

5. Notices of MAPP's filings were published in the *Federal Register*, 69 Fed. Reg. 41,468 (2004); 69 Fed. Reg. 44,528 (2004), with protests and interventions due on or before July 26, 2004. A timely motion to intervene was filed by MidAmerican Energy Company (MidAmerican). Exelon Corporation (Exelon) filed a timely motion to intervene and protest. On July 30, 2004, MAPP filed a motion for leave to answer and answer to Exelon's protest.

6. Exelon comments that it is not clear from MAPP's filing whether the Midwest ISO will follow all procedures laid out in the Midwest ISO-PJM JOA with regard to respecting AFC limits for flowgates on the Commonwealth Edison Company (ComEd) system. Exelon explains that such AFC limits are subject to the Midwest ISO-PJM JOA. Exelon points out a conflict: the Midwest ISO must coordinate AFC limits with PJM under the JOA with respect to service under the Midwest ISO tariff; however, the Midwest ISO would not be obligated to do so in its role as Schedule F administrator. Exelon asserts that if the ComEd AFC limits are not respected under Schedule F, MAPP transactions administered by the Midwest ISO could result in additional congestion on the ComEd system, resulting in greater costs for those in the Northern Illinois Control Area (*i.e.*, NICA).

Discussion

Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the timely, unopposed motions to intervene serve to make MidAmerican and Exelon parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2004), prohibits the filing of an answer to a protest unless permitted by the decisional authority. We are not persuaded to allow the answer; accordingly, MAPP's answer is rejected.

² The Midwest ISO-PJM JOA addresses operations and information sharing at the seams, including the issue of respecting AFC limits.

Proposed Amendments

8. Schedule F currently provides for a six-month limit on service; therefore, the Midwest ISO is not faced with the prospect of a conflict because, under the Midwest ISO's open access transmission tariff, any long-term service the Midwest ISO provides has priority over short-term service provided for by MAPP's Schedule F. Amending Schedule F to provide for long-term firm service raises the potential for conflict.

9. As Exelon points out, the Midwest ISO is a party to the Midwest ISO-PJM JOA, pursuant to which each party respects the AFC limits established by the other party. MAPP is not a party to the Midwest ISO-PJM JOA, and as stated above, has not independently executed a JOA with the Midwest ISO. Because MAPP has no contractual obligation to honor the same AFC limits that the Midwest ISO must honor, a very real potential exists for the Midwest ISO—in administering its tariff, as well as Schedule F—to be bound by inconsistent obligations.³

10. While claiming to resolve seams with the Midwest ISO, MAPP is, in fact, breathing life into a dormant seams issue by attempting to improve its competitive position given limited flowgate capacity in the region. Such a change may be acceptable and even appropriate in the context of a MAPP-Midwest ISO JOA or other seams agreement bridging the non-market MAPP to the market Midwest ISO. However, no such document is forthcoming, despite our attempts to encourage this agreement.⁴ In short, MAPP's proposal would do little more than increase conflict over limited flowgate capacity in the Midwest ISO-PJM region.

11. MAPP has not demonstrated that, in the absence of a JOA or other seams agreement with the Midwest ISO that respects the Midwest ISO-PJM JOA, its proposal is just and reasonable. MAPP's proposal expands the access rights of some but not all flowgate users (*i.e.*, MAPP members only) to sometimes oversubscribed flowgates without resolving or even addressing the additional conflicting demands on those flowgates that its proposal will create. Accordingly, we reject MAPP's filing, without

³ For example, MAPP's using an AFC limit for a particular flowgate that is greater than the Midwest ISO would otherwise use for that same flowgate could result in MAPP over-selling the flowgate. This over-selling could affect both the Midwest ISO and PJM.

⁴ Most recently, in our order accepting the Midwest ISO Open Access Transmission and Energy Market Tariff (*i.e.*, TEMT), the Commission required the Midwest ISO to negotiate a seams agreement with MAPP or, absent an agreement, to file a status report with detailed plans as to how the parties will address the existence of these seams. Midwest Independent Transmission System Operator, Inc., 108 FERC ¶ 61,163, at P 639 (2004).

prejudice to MAPP refiling after it has completed a non-market to market JOA with the Midwest ISO which, *inter alia*, addresses flowgate issues and respects the Midwest ISO-PJM JOA.

The Commission orders:

The proposed amendments are hereby rejected, without prejudice to MAPP refiling, as discussed in the body of this order.

By the Commission. Commissioner Kelliher dissenting with a separate statement attached.

(S E A L)

Magalie R. Salas,
Secretary.

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Mid-Continent Area Power Pool

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Joseph T. KELLIHER, Commissioner *dissenting*:

I dissent from the Commission's decision to reject Mid-Continent Area Power Pool's (MAPP) proposed tariff amendments to Schedule F of its FERC Electric Tariff, First Revised Volume No. 1 (Schedule F) to extend the reservation rights for its firm transmission service customers for periods up to twelve consecutive months. Schedule F currently limits MAPP to providing only short-term transmission service. As a result, MAPP's Schedule F short-term service is subordinate to any other long-term transmission service provided by the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and the PJM Interconnection, LLC (PJM). MAPP's filing would eliminate this preference currently accorded Midwest ISO's and PJM's transmission service.

The Commission's rationale for rejecting MAPP's filing stems from a problem that exists under the *status quo*, namely, that public utilities can set different Available Flowgate Capability (AFC) limits on shared flowgates, which could in turn result in congestion. This is a nascent problem with respect to flowgates MAPP shares with the Midwest ISO and PJM because up to this point MAPP's Schedule F-restricted short-term transmission service has always been subordinate to any long-term service provided by PJM or Midwest ISO. In other words, the AFC problem highlighted by the Commission exists irrespective of MAPP's filing. I do not support rejecting MAPP's filing as a means of addressing this preexisting problem.

The Commission's order, however, indicates that MAPP must do much more than simply mitigate the prospect of varying AFC limits before its tariff filing is acceptable. The order states that the Commission has previously encouraged MAPP to enter into a Joint Operating Agreement (JOA) with the Midwest ISO and rejects MAPP's filing until it

enters into a JOA with the Midwest ISO.⁵ Significantly, a JOA would have a much broader scope than establishment of consistent AFC limits.

I would approve MAPP's filing without condition.

Joseph T. Kelliher

⁵ Order at P10 and P11.