

120 FERC ¶ 61,176
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Alliant Energy Corporate Services, Inc.

Docket Nos. ER07-881-000
ER07-881-001
ER07-881-002

ORDER CONDITIONALLY ACCEPTING
SYSTEM COORDINATION AND OPERATING AGREEMENT

(Issued August 21, 2007)

1. On May 10, 2007, as amended on May 21, 2007 and June 22, 2007, Alliant Energy Corporate Services, Inc. (Alliant), on behalf of Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (WPL), submitted a revised System Coordination and Operating Agreement (SCOA) among Alliant, IPL, and WPL. In this order, the Commission conditionally accepts the revised SCOA and requires a further compliance filing.

I. Background

2. In its May 10, 2007 filing, as amended, Alliant submitted a revised SCOA, which provides for the coordinated planning, construction, operation, and maintenance of the interconnected electric generation and transmission systems of Alliant, IPL, and WPL. Alliant states that the revised SCOA accommodates: the 2002 merger between IES Utilities, Inc. (IES) and Interstate Power Company (IPC) to form IPL; the entry of IPL and WPL into the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) energy market; and the requirements of state regulatory agencies. Among other things, the proposed revisions include a new definition of Regional Transmission Organization (RTO). In addition, the revised SCOA includes language agreed upon in consultation with certain state regulatory agencies to allow their tacit approval of future SCOA amendments unless state law, state regulations, or a jurisdictional state regulatory commission require affirmative action on the amendment. Alliant requests that the revised SCOA be effective July 15, 2007.

II. Notice of Filing and Responsive Pleadings

3. Notice of the May 10, 2007 filing was published in the *Federal Register*,¹ with comments, protests, and interventions due on or before May 31, 2007. Notice of the May 21, 2007 filing was published in the *Federal Register*,² with comments, protests, and interventions due on or before June 11, 2007. Notice of the June 22, 2007 filing was published in the *Federal Register*,³ with comments, protests, and interventions due on or before July 13, 2007. On June 11, 2007, Midwest ISO filed a timely motion to intervene and comments.

4. Midwest ISO contends that the definition of “Transmission Services Organization” (TSO) in existing section 2.52 and delegation to the TSO of the responsibility and authority to act as transmission provider in proposed section 4.04 are inconsistent with Midwest ISO’s role under the Midwest ISO Transmission and Energy Markets Tariff (TEMT) as the sole provider of transmission service over facilities under its functional control. To ensure that the SCOA is consistent with the TEMT and the Midwest ISO Transmission Owners Agreement,⁴ Midwest ISO proposes that the following language be added to the SCOA:

Nothing in this Agreement shall modify the Companies’ obligations under the Midwest ISO Open Access Transmission and Energy Markets Tariff and/or the Midwest Transmission Owners Agreement. To the extent that there is any conflict between this Agreement and the Midwest ISO Open Access Transmission and Energy Markets Tariff and/or the Midwest Transmission Owners Agreement, the latter two documents shall control.

In addition, Midwest ISO requests that Alliant revise the proposed definition of “Open Access Transmission Tariff” (OATT) in existing section 2.31 of the SCOA to encompass the TEMT or its successor tariff.

¹ 72 Fed. Reg. 28,483 (2007).

² 72 Fed. Reg. 30,585 (2007).

³ 72 Fed. Reg. 36,445 (2007).

⁴ “Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc.,” FERC Electric Tariff, First Revised Rate Schedule No. 1 (Transmission Owners Agreement).

5. On June 22, 2007, as amended July 3, 2007, Alliant filed an answer. Alliant opposes Midwest ISO's intervention but provides no arguments why Midwest ISO should not be a party to the proceeding. Alliant objects to including the language sought by Midwest ISO.

III. Discussion

A. Procedural Matters

6. Notwithstanding Alliant's opposition to Midwest ISO's timely motion to intervene, given Midwest ISO's interest in this proceeding, we find good cause to grant Midwest ISO's motion to intervene.

7. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(1)(2) (2006), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We are not persuaded to accept Alliant's answer or its amendment thereto and will, therefore, reject them.

B. Commission Determination

8. We will conditionally accept Alliant's revised SCOA and require a compliance filing due within 60 days of the date of this order to ensure consistency and clarity between the revised SCOA and the Midwest ISO TEMT as explained below.

9. First, we are concerned that certain proposed provisions in the SCOA do not reflect Midwest ISO's role as the sole provider of transmission service under the TEMT. These provisions include: (1) the definition of RTO in proposed section 2.39; (2) the definition of TSO in existing section 2.52; (3) the delegation to the TSO of the responsibility and authority to act as a transmission provider in proposed section 4.04; and (4) the discussion of network services billing in proposed section 7.05(e). We will require Alliant to modify the SCOA, in consultation with the parties to the revised SCOA, to delineate the respective roles and responsibilities of Alliant and Midwest ISO.

10. Furthermore, we are concerned that the following language may cause confusion regarding the applicability of the Alliant OATT versus the Midwest ISO TEMT, and will direct Alliant to revise the SCOA accordingly: (1) existing section 2.31 defines OATT to be the Alliant OATT, but proposed section 2.41 uses "Midwest ISO OATT"; (2) proposed section 7.05(e) specifies that network services will be billed by the "RTO under the OATT"; and (3) the existing language in section 7.07(a)(3) provides for the availability of capacity for ancillary services "to accomplish the purposes of...the OATT." While we will not require Alliant to include the specific SCOA language sought

by Midwest ISO, we will require Alliant, in consultation with the parties to the revised SCOA, to amend the SCOA to indicate that the TEMT controls in the event of a dispute.

11. In addition, given that the SCOA governs “the coordinated operations and joint planning of the Alliant Energy Operating Companies’ electric transmission facilities,”⁵ it appears that Midwest ISO must be a signatory to the SCOA consistent with Commission precedent.⁶ Midwest ISO has the responsibility to reliably operate and plan for transmission facilities under its management and control, including the facilities of Alliant, IPL, and WPL. Therefore, we will require the applicants to file, within 60 days of the date of this order, a revised SCOA that includes Midwest ISO as a signatory, or explain why Midwest ISO should not be a signatory to the agreement, consistent with Commission precedent.

12. As a final matter, proposed section 7.03 refers to “Alliant Energy Companies,” but the revised SCOA’s introduction on proposed Sheet No. 7 defines “Alliant Energy” and “Alliant Energy Operating Companies.” Proposed section 2.03 and existing sections 2.48, 6.03, and 6.05 also refer to “Buyer’s Decremental Energy Cost,” “System Operating Capability,” “Provision to Achieve Planning Reserve Levels,” and “Energy Exchange Among the Companies,” which are different from the section titles listed on the index on proposed Sheet Nos. 2, 3, and 4. We will require Alliant to revise the SCOA to use consistent terms.⁷

The Commission orders:

(A) Alliant’s revised SCOA, as amended, is hereby conditionally accepted, effective July 15, 2007.

(B) Alliant is hereby directed to submit a compliance filing within 60 days of the date of this order, as discussed in the body of this order. The compliance filing shall

⁵ See Transmittal Letter at page 2.

⁶ See *Cinergy Services, Inc.*, 107 FERC ¶ 61,260 at P 12-16 (2004).

⁷ We also note that proposed Sheet No. 13 refers to “regional Transmission Organization” rather than “Regional Transmission Organization, and proposed Sheet No. 14 contains a superfluous bracket in section “2.29].”

include Midwest ISO as a signatory to the SCOA, or an explanatory statement, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.
Acting Deputy Secretary.