

131 FERC ¶ 61,195
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 28, 2010

In Reply Refer To:
Midwest Independent Transmission
System Operator, Inc.
Docket No. ER07-1372-015

Midwest Independent Transmission System Operator, Inc.
720 City Center Drive
Carmel, IN 46032

Attention: Arthur W. Iler, Assistant General Counsel

Reference: Ancillary Service Market Compliance Filing

Dear Mr. Iler:

1. On January 22, 2009, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) made a compliance filing to address the Commission's directives set out in an order issued December 18, 2008.¹

2. In the December 18 Order, the Commission denied rehearing and conditionally accepted in part and rejected in part Midwest ISO's July 23, 2008 compliance filing in Docket No. ER07-1372-010 that, as relevant here, modified mitigation plans for constrained reserve zones in Midwest ISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). Among other things, the Commission directed Midwest ISO to make a further compliance filing to: (1) remove from section 53.1.a language regarding the thresholds in Tariff section 64.1.2,² (2) remove the language from section 53.1.a stating that "in monitoring [d]ay-[a]head or [r]eal-[t]ime [r]evenue [s]ufficiency [g]uarantee [c]redits, the [Independent Market Monitor] will

¹ *Midwest Independent Transmission System Operator, Inc.* 125 FERC ¶ 61,322 (2008) (December 18 Order).

² *Id.* P 55.

consider economic withholding, as defined in [s]ection 63.3.a.ii, and uneconomic production, as defined in [s]ection 63.3.a.iii,”³ (3) remove from Tariff section 53.1.a repetitive language, i.e., “including, but not limited to, [o]ffers resulting in any [d]ay-[a]head or [r]eal-[t]ime [r]evenue [s]ufficiency [g]uarantee [c]redits, [Day-Ahead Marginal Assurance Payments] and/or [Real-Time Offer Revenue Sufficiency Guarantee Payments], and other similar payments, including [Manual Redispatch Make Whole Payments]”;⁴ and (4) revise Tariff section 53.3.d to include references to “Local Balancing Authority Area” rather than “Local Balancing Authority.”⁵

3. The Commission also required Midwest ISO to (1) refer to the defined terms “Binding Transmission Constraint” and/or “Binding Reserve Zone Constraint,” as appropriate, throughout its monitoring and mitigation plan and any associated definitions, including in sections 1.54, 1.433, 63.4.1.c, 63.4.1.e, 63.4.2a, 65.2.2.b, and 65.3.1.d,⁶ and (2) insert language in section 53.3 that requires the Independent Market Monitor to apply the thresholds in section 64.1.2.iii and 64.1.2.iv to determine whether to make a Commission referral regarding the [Real-Time Offer Revenue Sufficiency Guarantee Payments and the Day-Ahead Marginal Assurance Payments].⁷

4. Notice of Midwest ISO’s filing was published in the *Federal Register*, 74 Fed. Reg. 6147 (2009), with interventions or protests due on or before March 20, 2009. No interventions or protests were filed.

5. We will conditionally accept the Midwest ISO’s compliance filing with the revisions that pertain to the Third Revised Vol. 1 of the Tariff effective December 31, 2008, and the revisions that pertain to the Fourth Revised Vol. 1 of the Tariff effective January 6, 2009, subject to Midwest ISO making a further compliance filing.

6. While Midwest ISO states that it has fulfilled all of the requirements noted above from the December 18 Order, in fact, our review of the compliance tariff sheets indicates that Midwest ISO has not complied with the Commission’s directive that it submit tariff revisions to refer to the defined terms “Binding Transmission Constraint” and/or “Binding Reserve Zone Constraint,” as appropriate, throughout its monitoring and

³ *Id.* P 56.

⁴ *Id.* P 57.

⁵ *Id.* P 60.

⁶ *Id.* P 47.

⁷ *Id.* P 55.

mitigation plan and any associated definitions, including in sections 1.54, 1.433, 63.4.1.c, 63.4.1.e, 63.4.2.a, 65.2.2.b, and 65.3.1.d. Our review also indicates that Midwest ISO has not complied with the Commission's directive in the December 18 Order to insert language in section 53.3 that requires the Independent Market Monitor to apply the thresholds in sections 64.1.2.iii and 64.1.2.iv to determine whether to make a Commission referral regarding the [Real-Time Offer Revenue Sufficiency Guarantee Payments and the Day-Ahead Marginal Assurance Payments].⁸

7. Accordingly, we direct Midwest ISO to submit a compliance filing within 30 days of the date of this order that complies with the December 18 Order directives discussed above.

By direction of the Commission

Kimberly D. Bose,
Secretary.

⁸ Midwest ISO failed to submit Tariff sheets pertaining to Midwest ISO's Third Revised Volume No. 1 in the present compliance filing. In Midwest ISO's next compliance filing, it must reference sections 64.1.2.iii and 64.1.2.iv in section 53.3 for the Third Revised Volume No. 1. However, we note that section 53.3 of the Fourth Revised Volume No.1 should reference sections 64.1.2.a.iii and 64.1.2.a.iv due to formatting changes that were made to this volume of the Tariff.