

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Midwest Independent Transmission
System Operator, Inc.

Docket No. ER06-1059-000

ORDER CONDITIONALLY ACCEPTING INTERCONNECTION AGREEMENT

(Issued July 27, 2006)

1. In this order, we conditionally accept an executed Large Generator Interconnection Agreement (LGIA) between the Midwest Independent Transmission System Operator, Inc.'s (Midwest ISO) and Ameren Services Company, to become effective June 1, 2006, subject to the Midwest ISO revising its *pro forma* LGIA as discussed below.

Background

2. On May 31, 2006, the Midwest ISO filed an executed LGIA among itself and Ameren Services Company as agent for and on behalf of both Ameren Energy Generating Company (Ameren) (the interconnection customer) and Central Illinois Public Service Company (the transmission owner). The proposed LGIA governs the interconnection of enhancements at two existing generating plants in Newton County, Illinois that increase gross MW output of the Newton Plant Unit No. 1 from 605 to 630 MW and of the Newton Plant Unit No. 2 from 610 to 635 MW.

3. The proposed LGIA deviates from Midwest ISO's *pro forma* LGIA in Attachment X to the Midwest ISO Open Access Transmission and Energy Market Tariff in one respect; Midwest ISO states that the non-conforming article 4.1 (Interconnection Product Options) of the executed LGIA allows Ameren to obtain conditional network resource interconnection service until a higher queued project goes into service. At that time, Midwest ISO explains, Ameren may need to be re-designated for energy resource interconnection service or, in the alternative, may request to be restudied to determine what amount of its new generating capacity may continue to receive network resource interconnection service.

4. Midwest ISO states that the non-conforming provision in article 4.1 addresses the situation where, because of existing constraints on the transmission system, the interconnection customer seeking network resource status does not qualify for unconditional network resource status until additional studies or upgrades are completed. Midwest ISO states that if the interconnection customer does not opt to fund the additional studies to determine the extent of upgrades necessary to obtain unconditional network resource status, the interconnection customer can seek to obtain conditional network resource status to the extent such service is available on the transmission system at that time. Midwest ISO states that the non-conforming provision in article 4.1 clarifies the concept addressed in article 5.9 (Limited Operation) of the *pro forma* IA,¹ and offers the interconnection customer an additional option that maximizes the efficiency and use of the grid while higher-queued projects are being completed.

5. Midwest ISO further explains that the non-conforming provision in article 4.1 comports with section 3.2 of the large generator interconnection procedures (LGIP), which provides that once an interconnection customer requests network resource service, it may also request that it be concurrently studied for energy resource service. Under section 3.2, the interconnection customer may elect to proceed with network resource service or proceed under a lower level of interconnection service to the extent only certain upgrades will be completed. According to Midwest ISO, the proposed non-conforming provision in article 4.1 is consistent with section 3.2 of the LGIP because article 4.1 lets the interconnection customer obtain conditional network resource service, which is a step down from non-conditional network resource service, and thus a lower level of interconnection service.

6. The Midwest ISO requests waiver of the Commission's 60-day prior notice requirement as required by Section 35.3(a) of the Commission's regulations, 18 C.F.R. § 35.3(a) (2006) so that the LGIA can become effective June 1, 2006.

Notice of Filing and Responsive Pleadings

7. Notice of Midwest ISO's May 31 Filing was published in the *Federal Register*, 71 Fed. Reg. 34,911 (2006), with comments, interventions and protests due on or before June 21, 2006. None were filed.

¹ LGIA article 5.9 allows an interconnection customer to request that the transmission provider perform operating studies to determine the extent to which its generating facility may operate pending completion of other interconnection facilities or upgrades.

Discussion

8. We conditionally accept the executed LGIA, subject to the Midwest ISO revising its *pro forma* LGIA, as discussed below. We also find good cause exists to grant the Midwest ISO's request for waiver of the 60-day notice requirement to permit an effective date of June 1, 2006, as requested.²

9. In Docket No. ER06-30-000, the Midwest ISO proposed an identical non-conforming provision in an executed LGIA.³ On rehearing in that proceeding, the Commission agreed with Midwest ISO that the revised article 4.1, which allows an interconnection customer to receive a higher level of interconnection service on a conditional basis, can provide benefits. The Commission reasoned that the independence of the Midwest ISO and the fact that the Midwest ISO must go through its stakeholder process before it can file to amend its *pro forma* LGIA, argued in favor of allowing the provision.⁴ The Commission waived its regulation at 18 C.F.R. § 35.28(f)(1)(ii) to permit the non-conforming provision and instructed the Midwest ISO to file to amend its *pro forma* agreement to include this language in order to ensure that the service continues to be offered to all customers. We adopt the same reasoning and approach here.

10. Accordingly, the Commission will conditionally accept the LGIA, subject to the Midwest ISO filing, and the Commission approving, the amendment to its *pro forma* LGIA discussed in Docket No. ER06-30-002. If the Midwest ISO chooses not to amend its *pro forma* agreement, it must revise this agreement to remove the non-conforming provision, and notify the Commission that it has done so.

The Commission orders:

(A) Midwest ISO's proposed LGIA is hereby conditionally accepted, as discussed in the body of this order.

² See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at 61,984, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (explaining that the Commission will grant waiver of notice for a service agreement filed under an umbrella tariff if the agreement is filed within 30 days after service commences).

³ *Midwest Independent Transmission System Operator, Inc.*, 114 FERC ¶ 61,078, *order on reh'g*, 116 FERC ¶ 61,009 (2006).

⁴ *Midwest Independent Transmission System Operator, Inc.*, 116 FERC ¶ 61,009 at P 10.

(B) If the Midwest ISO chooses not to amend its *pro forma* LGIA, it must notify the Commission that it has modified the agreement to remove the non-conforming provision.

(C) Waiver of the 60-day prior notice requirement is granted, as discussed in the body of this order, to allow the LGIA to become effective June 1, 2006.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.