

126 FERC ¶ 61,287
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Midwest Independent Transmission
System Operator, Inc.

Docket No. ER09-592-000

ORDER ACCEPTING NOTICE OF CANCELLATION

(Issued March 30, 2009)

1. In this order, we accept Midwest Independent Transmission System Operator, Inc.'s (Midwest ISO's) notice of cancellation of the Seams Operating Agreement between Midwest ISO and MAPPCOR¹ (Midwest ISO-MAPP SOA).

I. Background

2. Under a new Module F to Midwest ISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff), Midwest ISO offers Interconnected Operations and Congestion Management Service (Seams Service) to all eligible customers. Seams Service is essentially the same market-to-non-market seams coordination service that Midwest ISO provides under existing individual seams operating agreements with non-market transmission providers, such as the Midwest ISO-

¹ MAPPCOR is the contractor to Mid-Continent Area Power Pool (MAPP).

MAPP SOA.² Seams Service is intended to replace the Midwest ISO-MAPP SOA, which is scheduled to expire on March 31, 2009.³

3. In its June 13, 2008 order conditionally accepting Seams Service, the Commission, among other things, required Midwest ISO to work with MAPP members to establish a schedule to transition from the Midwest ISO-MAPP SOA to Seams Service and to file that schedule in a compliance filing.⁴ On July 14, 2008, Midwest ISO submitted a filing in compliance with the directives in the Initial Order that addressed, among other things, issues related to the transition from the Midwest ISO-MAPP SOA to Seams Service. In response to this filing, MAPP requested that Midwest ISO clarify that certain TTC/ATC/AFC⁵ and Transmission Service Request Evaluation Protocols (TTC/ATC/AFC Protocols or protocols) that Midwest ISO followed under the Midwest ISO-MAPP SOA would not change once MAPP members transitioned to Seams Service.⁶ In an order addressing the July 14 compliance filing, the Commission directed

² In particular, Seams Service establishes protocols for the exchange of real-time data and projected information; allows the parties to coordinate and exchange calculations of total transfer capability (TTC), available transfer capability (ATC) and available flowgate capability (AFC); provides for reciprocal coordination of flowgates through the binding Congestion Management Process; and provides opportunities for generation redispatch to relieve congestion.

³ The original term of the Midwest ISO-MAPP SOA continued until February 1, 2008. However, the term was subsequently extended twice by mutual agreement of the parties, first through December 31, 2008, and again through March 31, 2009. *See* Midwest ISO's October 31, 2008 filing in Docket No. ER09-245-000, which was accepted by unpublished letter order dated December 12, 2008.

⁴ *Midwest Indep. Transmission Sys. Operator, Inc.*, 123 FERC ¶ 61,265 (2008) (Initial Order). Seams Service was part of a larger Midwest ISO proposal that also included Reliability Coordination Service and Market Coordination Service. For purposes of this order, we only reference the Seams Service aspects of the relevant orders since only Seams Service is at issue in this proceeding.

⁵ TTC is defined in the Midwest ISO-MAPP SOA as the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions. ATC and AFC are used synonymously in the Midwest ISO-MAPP SOA to refer to a measure of the transfer capability remaining on a flowgate for further commercial activity over and above already committed uses.

⁶ In particular, MAPP members wanted to continue the existing practice from the Midwest ISO-MAPP SOA of including certain transmission requests that are in study-

Midwest ISO to make a further compliance filing to clarify the use of the TTC/ATC/AFC Protocols from the Midwest ISO-MAPP SOA.⁷ The Commission also stated that it expected Midwest ISO to allow continued use of the existing TTC/ATC/AFC Protocols for those MAPP members taking Seams Service to the extent necessary to provide a smooth transition from the Midwest ISO-MAPP SOA to Seams Service.⁸

4. On November 17, 2008, Midwest ISO submitted a second compliance filing confirming that if MAPP members preferred that Midwest ISO continue to use the existing TTC/ATC/AFC Protocols from the Midwest ISO-MAPP SOA, Midwest ISO would make reasonable efforts to comply.⁹ In response, MAPP again raised concerns about Midwest ISO changing the protocols. In the order addressing the November 17 compliance filing, the Commission again noted that the protocols were subject to negotiation and added that it would not prejudge any future proceedings regarding the continued use of the existing TTC/ATC/AFC Protocols. The Commission also reiterated its expectation that Midwest ISO allow continued use of the existing TTC/ATC/AFC Protocols from the Midwest ISO-MAPP SOA for those MAPP members taking Seams Service after March 31, 2009, to the extent necessary to provide a smooth transition from the Midwest ISO-MAPP SOA to Seams Service.¹⁰

Notice of Cancellation

5. On January 29, 2009, Midwest ISO filed a notice of cancellation of the Midwest ISO-MAPP SOA and requested a March 31, 2009 effective date.

6. Notice of Midwest ISO's filing was published in the *Federal Register*, 74 Fed. Reg. 7416 (2009), with comments due on or before February 19, 2009. MAPP COR, on status in the parties' respective AFC calculations.

⁷ *Midwest Indep. Transmission Sys. Operator, Inc.*, 125 FERC ¶ 61,037, at P 25 (2008) (First Compliance Order).

⁸ *Id.*

⁹ While the Tariff indicates and Midwest ISO stated that it would negotiate these types of protocols with Seams Service customers, Midwest ISO also stated in its November 17, 2008 compliance filing that it wanted to standardize the TTC/ATC/AFC Protocols under Seams Service to match the protocols under all of Midwest ISO's other seams operating agreements, which do not include transmission requests that are in study-status in the AFC calculations.

¹⁰ *Midwest Indep. Transmission Sys. Operator, Inc.*, 126 FERC ¶ 61,142, at P 41 (2009) (Second Compliance Order).

behalf of MAPP; MidAmerican Energy Company (MidAmerican); Western Area Power Administration (WAPA); Basin Electric Power Cooperative (Basin); Dairyland Power Cooperative (Dairyland); and Corn Belt Power Cooperative (Corn Belt) (collectively, MAPP Protesters) filed timely motions to intervene and limited protests. The Board of Water, Electric and Communications Trustees for the City of Muscatine, Iowa, and Duke Energy Corporation filed timely motions to intervene. On March 10, 2009, Midwest ISO filed an answer to the protests. On March 11, 2009, MidAmerican withdrew its intervention and protest.¹¹ On March 17, 2009, Basin filed an answer to Midwest ISO's answer.

II. Discussion

A. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

8. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2008), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept Midwest ISO's and Basin's answers, because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

1. Protests

9. MAPP COR and WAPA state that there are several outstanding issues regarding the transition to Seams Service that must be addressed before the service takes effect. Although they expect most of these issues to be resolved by April 1, 2009, they nevertheless request that the Commission condition acceptance of the notice of cancellation on Midwest ISO resolving transition issues associated with implementation of Seams Service for MAPP members that have already notified Midwest ISO in writing that they intend to take Seams Service. Alternatively, the Commission should require Midwest ISO to file unexecuted forms of service agreements for Seams Service if all transition issues are not resolved before April 1, 2009.

10. Corn Belt and Dairyland state that they support the limited protest filed by MAPP COR. Basin states that it supports MAPP COR's limited protest, and that if the

¹¹ MidAmerican states that the issues that caused it to file its intervention and limited protest in this docket no longer exist.

Midwest ISO and MAPP members do not reach agreement on all terms and conditions of Seams Service by March 31, 2009, there would be a complete absence of any effective seams service agreement between the parties.

2. Midwest ISO's Answer

11. Midwest ISO states that it has worked with MAPP for over a year to assure customers that the transition to Seams Service will be virtually undetectable. Midwest ISO explains that the only real point of contention that remained between the MAPP Protesters and Midwest ISO at the time the protests were filed was the issue of the TTC/ATC/AFC Protocols. However, on the same day the protests were filed, the Commission issued the Second Compliance Order, which, according to Midwest ISO, disposed of that issue by directing Midwest ISO to continue using the TTC/ATC/AFC Protocols from the Midwest ISO-MAPP SOA, at least on a transitional basis.¹² Midwest ISO states that in a conference call held with the MAPP Protesters on February 20, 2009, all parties agreed that the Commission had resolved the only remaining dispute between Midwest ISO and the MAPP Protesters. Accordingly, Midwest ISO states that no open issues remain in this proceeding and the Commission should accept the notice of cancellation without delay.

12. Midwest ISO adds that there is no threat to reliability if any MAPP members do not make a timely application for Seams Service and note that none of the MAPP Protesters give specific examples demonstrating how reliability would be adversely affected by a potential gap between when the Midwest ISO-MAPP SOA expires and when the parties sign up for Seams Service. It explains that those sections of the Midwest ISO-MAPP SOA (and other seams agreements) dealing with reliability issues, such as exchange of data and coordination of outages and voltage control, were essentially superseded once NERC reliability standards became mandatory.

3. Basin's Answer

13. Basin responds that although it agrees that the issue of the TTC/ATC/AFC Protocols has been resolved, negotiations between it and the Midwest ISO regarding the terms of Seams Service have not been completed. Basin further asserts that there will be an adverse impact if there is a gap between the cancellation of the Midwest ISO-MAPP SOA and commencement of Seams Service.¹³

¹² Midwest ISO Answer at 3, citing Second Compliance Order, 126 FERC ¶ 61,142 at P 41-42.

¹³ Basin Answer at 2.

4. Commission Determination

14. We will accept the notice of cancellation for the Midwest ISO-MAPP SOA, effective March 31, 2009, as requested. The MAPP members have had sufficient time to work with Midwest ISO to resolve any outstanding issues related to the transition from the Midwest ISO-MAPP SOA to Seams Service. The Commission issued the Initial Order conditionally accepting Seams Service in June 2008, providing the parties six months before the expected cancellation of the Midwest ISO-MAPP SOA, and directed the parties to establish a transition schedule.¹⁴ In the First Compliance Order, the Commission accepted Midwest ISO's proposed schedule for moving customers under the Midwest ISO-MAPP SOA to Seams Service and disagreed with MAPP that additional transition time was needed before the Midwest ISO-MAPP SOA expired, which at that time was scheduled to occur on December 31, 2008.¹⁵ The parties then extended the termination of the Midwest ISO-MAPP SOA from December 31, 2008 to March 31, 2009, providing an additional three months to negotiate the transition to Seams Service.¹⁶

15. In addition, the MAPP Protesters have not identified any outstanding issues which they have not had sufficient time to resolve, especially since the provisions of Seams Service are based in large part on the Midwest ISO-MAPP SOA. The only significant outstanding concern the MAPP Protesters raised relates to their request to continue using the TTC/ATC/AFC Protocols from the Midwest ISO-MAPP SOA after the MAPP members transition to Seams Service. That issue has been resolved because Midwest ISO has agreed to follow the TTC/ATC/AFC Protocols from the Midwest ISO-MAPP SOA for those entities transitioning from that agreement to Seams Service. We also note that MAPP COR, Basin and WAPA indicate that Midwest ISO is continuing to work with them on their transition to Seams Service and that they hope to be able to execute service agreements for Seams Service prior to April 1, 2009.

¹⁴ Initial Order, 123 FERC ¶ 61,265 at P 54.

¹⁵ First Compliance Order, 125 FERC ¶ 61,037 at P 22-24.

¹⁶ *See supra* note 3.

The Commission orders:

Midwest ISO's Notice of Cancellation is hereby accepted, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.