

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
William L. Massey, and Nora Mead Brownell.

Commonwealth Edison Company                      Docket Nos. ER03-949-000  
ER03-949-001

ORDER ACCEPTING TARIFF SHEET

(Issued September 5, 2003)

1. Commonwealth Edison Company (ComEd) has arranged for PJM Interconnection, L.L.C. (PJM) to administer some of the functions of ComEd's Open Access Transmission Tariff (OATT) prior to joining PJM. To help effectuate the transfer of functions, ComEd filed a revised tariff sheet, proposing to delete a reference specifying that it receives updated power flow models from MidAmerica Interconnected Network (MAIN). The Commission accepts the proposed tariff sheet for filing to be effective June 5, 2003, as requested. This order benefits customers because it provides for the independent calculation and posting of Available Transfer Capability (ATC) as outlined in Order No. 2000.<sup>1</sup>

**Background**

2. On June 5, 2003, ComEd made an informational filing (Interim Report) in Docket Nos. ER03-262-000 and ER03-262-006,<sup>2</sup> to notify the Commission that from June 1, 2003 to October 1, 2003,<sup>3</sup> PJM will perform services related to ComEd's role as the transmission provider under its OATT. The Interim Report states that PJM and ComEd will execute an agreement under which PJM will: (1) administer the OASIS postings at

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<sup>1</sup> Regional Transmission Organizations, Order No. 2000, 65 Fed. Reg. 809 (Jan. 6, 2000), FERC Stats. & Regs. ¶ 31,089 (2000), order on reh'g, Order No. 2000-A, 65 Fed. Reg. 12,088 (Feb. 25, 2000), FERC Stats & Regs. ¶ 31,092 (2000), aff'd, Public Utility District No. 1 of Snohomish County, Washington v. FERC, 272 F.3d 607 (D.C. Cir. 2001).

<sup>2</sup> As explained further below, the Commission subsequently redocketed the Interim Report as Docket No. ER03-949-000.

<sup>3</sup> ComEd explains that this is a transition period before ComEd is integrated into PJM in accordance with the Commission's order of April 1, 2003.

MAIN; (2) calculate ATC; (3) evaluate and respond to requests for daily and hourly non-firm transmission service; and (4) oversee ComEd's evaluation and response to requests for firm and long-term non-firm service.<sup>4</sup>

3. ComEd states that it is currently using the MAIN ATC calculator and that it expects that it will take two to three weeks for ComEd and PJM to verify that the PJM ATC engine is generating the correct information for the ComEd control area. Once the PJM ATC engine is verified, all transmission service requests will be evaluated using the PJM ATC engine. The Interim Report provides that ComEd's engineers will use the PJM ATC calculation as the starting point for evaluating firm and longer-term non-firm transmission service requests, and that the evaluation will be based on PJM's models. ComEd will compensate PJM for these services on an actual cost basis.

4. The Commission understood the Interim Report to propose changes to the rates, terms and conditions of ComEd's tariff. Accordingly, the Commission established a separate docket for this matter in its Notice of Filing, and on July 1, 2003, issued a deficiency letter stating that the Interim Report contemplates changes to the methodology used to calculate ATC in Schedule C of ComEd's OATT. The Commission stated that the changes required a filing, pursuant to Part 35 of the Commission's regulations, to revise ComEd's tariff sheets to reflect the changed methodology for calculating ATC.

5. On July 8, 2003, ComEd filed a revised tariff sheet<sup>5</sup> in Docket No. ER03-949-001 that eliminates the identification of MAIN as the entity providing power flow models used to calculate ATC. ComEd explains that the change is necessitated by PJM's taking over the function of determining ComEd's ATC, as a preliminary step toward ComEd's ultimate full integration into PJM. ComEd requests an effective date of June 5, 2003, the date it filed its Interim Report and the date PJM began its phase in of performing ComEd's ATC calculation.

### **Notice of Filing and Responsive Pleadings**

6. Notice of ComEd's June 5, 2003 filing was published in the Federal Register, 68 Fed. Reg. 37,148 (2003), with comments, protests and interventions due on or before June 26, 2003. The Notice also established the instant docket, in which all documents

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<sup>4</sup> ComEd states that PJM staff will be solely responsible for accepting and denying requests for daily and hourly non-firm transmission service on the ComEd transmission system. ComEd personnel will continue to evaluate firm and longer-term non-firm transmission service requests under PJM oversight.

<sup>5</sup> First Revised Sheet No. 237 under FERC Electric Tariff, Second Revised Volume No. 5 (Superseding Original Sheet No. 237).

subsequent to the Interim Report have been filed. Reliant Energy Northeast Generation, Inc. and Dayton Power & Light Company filed timely motions to intervene, raising no substantive issues. MidAmerican Energy Company (MidAmerican) filed a timely motion to intervene and comment. Edison Mission Energy, Edison Mission Marketing & Trading, Inc. and Midwest Generation EME, LLC (collectively, EME Companies) filed a timely motion to intervene and protest.

7. Notice of ComEd's July 8, 2003 filing was published in the Federal Register, 68 Fed. Reg. 42,698 (2003), with comments, protests and interventions due on or before July 29, 2003. Wisconsin Public Service Corporation and Upper Peninsula Power Company filed a timely motion to intervene, raising no substantive issues.

8. EME Companies states that the proposed integration of ComEd's transmission facilities into PJM without AEP raises numerous issues that have not been adequately described by the proponents or considered by the Commission. They advocate that the Commission should not allow a flawed market design to go forward only to have to be undone later at great cost and potential harm to the market.

9. MidAmerican states that it does not oppose ComEd's proposed transfer of services to PJM. However, MidAmerican notes that the schedule for ComEd's integration into PJM is presently the subject of requests for rehearing in Docket No. ER03-262-003. It requests that any Commission approval of the transfer of functions to PJM in this proceeding should not predispose the outcome of those requests for rehearing.

## **Discussion**

### **Procedural Matters**

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2003), the timely, unopposed motions to intervene of Reliant Energy Northeast Generation, Inc., Dayton Power & Light Company, MidAmerican, EME Companies, and Wisconsin Public Service Corporation and Upper Peninsula Power Company serve to make them parties to this proceeding.

### **Commission Decision**

11. We will accept the proposed tariff sheet for filing effective June 5, 2003, as requested.<sup>6</sup> Our review of the tariff sheet indicates that it appears to be just and

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<sup>6</sup> See Central Hudson Gas & Electric Corporation, et al., 59 FERC ¶ 61,380, order clarifying waiver policy, 60 FERC ¶ 61,106 (1992).

reasonable and has not been shown to be unjust and unreasonable, unduly discriminatory or preferential, or otherwise unlawful.

12. Under ComEd's proposal, Com Ed will transfer certain functions, including the calculation of ATC, to PJM. In this regard, the PJM ATC engine will continue to utilize the MAIN power flow model and update it to calculate ATC for ComEd's system. The transfer of functions to PJM will permit the independent calculation of ATC consistent with Order No. 2000. Because the ATC calculations will take into account both ComEd's and PJM's transmission systems, ATC will be more accurate. Thus, we conclude that the independent calculation of ATC will provide benefits to ComEd's customers.

13. EME Companies and MidAmerican both raise concerns about the timing of ComEd's full integration into PJM, including integration into PJM's energy markets.<sup>7</sup> Those issues are currently pending on rehearing in Docket No. ER03-262-003. Our acceptance of this filing does not prejudice the requests for rehearing in Docket No. ER03-262-003.

The Commission orders:

The proposed tariff sheet is hereby accepted for filing effective June 5, 2003, as designated and as discussed in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>7</sup> On August 20, 2003, PJM announced that it is delaying the full integration of Com Ed into PJM to assess the events surrounding the August 14 blackout and to ensure that the lessons learned from the outage are incorporated into the plans for the integration of Com Ed and other transmission owners.