

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

Indianapolis Power & Light Company

Docket No. ER05-569-000

ORDER CONDITIONALLY ACCEPTING
AMENDED INTERCONNECTION AGREEMENT

(Issued April 11, 2005)

1. In this order we conditionally accept for filing Indianapolis Power & Light Company's (IPL) executed Amended Interconnection, Operation and Maintenance Agreement (New IA) with DTE Georgetown, L.P. (DTE) effective April 13, 2005. This order benefits customers because it assures that the terms, rates and conditions for interconnection service are just and reasonable, and provides the parties with a reasonable means to ensure the reliable operation, protection and integrity of the transmission system.

Background

2. On February 11, 2005, IPL filed with the Commission the New IA to supersede the Interconnection, Operation and Maintenance Agreement between IPL and DTE's predecessor (Original IA).¹

3. IPL asserts that the New IA accommodates DTE's reduced load requirements as a result of the sale of two of the three turbines at the site to Indiana Municipal Power Agency, which requires changes in the allocation of transmission infrastructure costs. In addition, the New IA would: (1) remove provisions providing for the construction of transmission infrastructure (as all necessary infrastructure is now in place); (2) provide for the allocation of charges assessed by the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) because IPL has now granted functional control of its transmission facilities to the Midwest ISO, and the Midwest ISO assesses fees for the use

¹ The Commission accepted the Original IA for filing by letter order dated February 14, 2001 in Docket Nos. ER01-718-000 and ER01-718-001.

of the Transmission System; and (3) reflect the revised rates DTE pays for maintenance expense from a proportionate sharing of maintenance and operations costs to a fixed monthly charge of \$945.

4. IPL requests waiver of the Commission's 60-day prior notice requirement² to allow the New IA to become effective on December 17, 2004. The New IA was executed by both parties on December 17, 2004, and filed on February 11, 2005.

Notice and Interventions

5. Notice of IPL's filing was published in the *Federal Register*, 70 Fed. Reg. 9,636 (2005), with protests or interventions due on or before March 4, 2005. DTE filed a motion to intervene in support of the filing. Midwest ISO filed a motion to intervene and comments.

6. The Midwest ISO states that as a regional transmission organization, it has the responsibility to reliably operate and plan the transmission facilities under its control, including those transmission facilities owned by IPL. The Midwest ISO provides transmission service and interconnection service over the transmission facilities under its control. Further, the Midwest ISO has established procedures by which the interconnection of generating facilities to such transmission facilities are evaluated.

7. In order to ensure that the Midwest ISO can operate a safe and reliable transmission system, and to account for changed circumstances in amended agreements, including the Midwest ISO's role as the regional Transmission Provider, Midwest ISO requests that the Commission direct the parties to revise the New IA to include the Midwest ISO as a signatory.

Discussion

A. Procedural Matters

8. 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 serve to make the entities that filed them parties to this proceeding.

² 18 C.F.R. § 35.3 (2004).

B. Commission Decision

9. In Order No. 2003, we required that ISO-related interconnection agreements be three-party agreements between the transmission owner, the transmission provider and the interconnection customer.³ Moreover, in other cases involving amended IAs, we have required that the Midwest ISO participate in the negotiations and become a signatory to the amendments. This is to ensure that the amendments that have been agreed to by the generating facility, transmission owner, and Midwest ISO, and are consistent with Midwest ISO's OATT.

10. While we recognize the Original IA at issue here predates Order No. 2003, the New IA does not, and Order No. 2003 does specify the Commission's requirement for ISO-related interconnection agreements to be three-party agreements between the transmission owner, transmission provider and the interconnection customer.⁴ Furthermore, the Commission has previously approved amended IAs that were codified in three-party agreements under the Midwest ISO tariff.⁵ Thus, consistent with Commission precedent, we will accept IPL's New IA subject to the condition that the parties file a signed three-party agreement.

11. IPL has omitted the designation from the New IA. Therefore, we will further direct IPL to provide a designation in compliance with Order No. 614.⁶

³ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs., Regulations Preambles ¶ 31,146 at P 909 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (March 5, 2004), FERC Stats. & Regs., Regulations Preambles ¶ 31,160 (2004) (Order No. 2003-B), *reh'g pending*.

⁴ *Id.*

⁵ *See e.g., Midwest Independent Transmission System Operator, Inc.*, 105 FERC ¶ 61,076 (2003).

⁶ *Designation of Electric Rate Schedule Sheets*, FERC Stats. & Regs., Regulations Preambles July 1996 - December 2000 P 31,096 (2000).

12. Finally, consistent with Commission precedent, we will deny IPL's request for waiver of our prior notice requirement because it has not shown good cause to justify granting waiver.⁷ We will thus make the New IA effective April 13, 2005, after 60 days' notice from the date IPL made this filing.

The Commission orders:

(A) The New IA is hereby conditionally accepted for filing effective April 13, 2005, as discussed in the body of this order.

(B) IPL is hereby directed to file a signed three-party agreement, with a designation in compliance with Order No. 614, as described in the body of this order, within 30 days from the date of this order.

(C) IPL's request for waiver of the Commission's prior notice requirement is hereby denied.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.

⁷ See *Central Hudson Gas and Electric Corp.*, 60 FERC ¶ 61,106, order on reh'g, 61 FERC ¶ 61,089 (1993).