

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Midwest Independent Transmission System Operator, Docket No. ER06-194-000
Inc.

ORDER CONDITIONALLY ACCEPTING INTERCONNECTION AGREEMENT

(Issued January 9, 2006)

1. On November 10, 2005, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed an unexecuted Large Generator Interconnection Agreement (Interconnection Agreement) among the Midwest ISO, Wisconsin Electric Power Company (Wisconsin Electric or Interconnection Customer) and American Transmission Company, LLC (American Transmission or Transmission Owner). In this order, we accept and suspend the Interconnection Agreement, to become effective November 11, 2005, subject to refund and subject to conditions and the outcome of another proceeding, as discussed below.

I. Background

2. On September 12, 2005, as amended September 15 and 16, 2005, the Midwest ISO filed, in Docket Nos. ER05-1475-000, ER05-1475-001 and ER05-1475-002, proposed revisions to its Open Access Transmission and Energy Markets Tariff (EMT), Attachment X, which contains the Midwest ISO's Large Generator Interconnection Procedures (LGIP) and *pro forma* Large Generator Interconnection Agreement (LGIA).

3. The Interconnection Agreement is based on the version of Midwest ISO's LGIP and LGIA pending in Docket No. ER05-1475-000, *et al.* It governs the interconnection of a 98 megawatt generator facility to the American Transmission transmission grid. The facility is a wind farm comprised of 49 units rated at 2.0 megawatts each.

4. The Interconnection Agreement contains three substantive deviations from the version of the LGIA pending in Docket No. ER05-1475-000, *et al.* Specifically, the Interconnection Agreement contains deviations to the following: the definition of Distribution System; the language of Article 9.6.1 (Power Factor Design Criteria); and the language of Article 11.5 (Provision of Security).

5. While the Interconnection Agreement only contains these three deviations, the Midwest ISO's transmittal letter describes other non-conforming provisions requested by American Transmission and/or Wisconsin Electric and requests Commission resolution of these issues. The Midwest ISO states that the Interconnection Agreement is being filed unexecuted because the Midwest ISO does not support these deviations and also because certain deviations requested by American Transmission and/or Wisconsin Electric involve issues pending before the Commission in Docket No. ER05-1475-000, *et al.*

6. First, the Midwest ISO states that American Transmission proposes a deviation to Article 18.1 (Limitation of Liability). The Midwest ISO notes that American Transmission proposed similar language in a protest in Docket No. ER05-1475-000.

7. Second, the Midwest ISO states that American Transmission requests modification of Article 11.4.1 (Repayment of Amounts Advanced for Network Upgrades). The Midwest ISO informs the Commission that American Transmission contends that the modification is not only superior to the provisions of the LGIA, but is consistent with the Commission's interconnection pricing policy.

8. The third proposed revision concerns Article 18.3 (Consequential Damages). The Midwest ISO states that Wisconsin Electric requests this deviation and that American Transmission supports the request.

9. The Midwest ISO requests waiver of the Commission's 60-day prior notice requirement so that the proposed Interconnection Agreement may become effective on November 11, 2005.

II. Notice Of Filing And Responsive Pleadings

10. Notice of the Midwest ISO's filing was published in the *Federal Register*, 70 Fed. Reg. 71,124 (2005), with comments, interventions and protests due on or before December 1, 2005. American Transmission and Wisconsin Electric filed a joint motion to intervene and comments.

11. American Transmission and Wisconsin Electric state in their comments that they are not seeking further changes to the Interconnection Agreement other than those set forth in the Midwest ISO's transmittal letter, but rather are requesting changes to certain exhibits attached to the Interconnection Agreement that was filed by the Midwest ISO in order to reflect the financial assurances to be provided under the Interconnection Agreement. American Transmission and Wisconsin Electric state that, as set forth in the

Midwest ISO's transmittal letter, there are several provisions that warrant modification. American Transmission and Wisconsin Electric were consulted prior to the filing of the Interconnection Agreement and believe that the transmittal letter reflects their concerns.

III. Discussion

A. Procedural Matters

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), the timely, unopposed motion to intervene serves to make American Transmission and Wisconsin Electric parties to this proceeding.

B. Analysis

13. In Order No. 2003,¹ the Commission required Transmission Providers (such as the Midwest ISO) to file *pro forma* interconnection documents and to offer their customers interconnection service consistent with these documents. The use of *pro forma* documents ensures that Interconnection Customers receive non-discriminatory service and that all Interconnection Customers are treated on a consistent and fair basis. Using *pro forma* documents also streamlines the interconnection process by eliminating the need for an Interconnection Customer to negotiate each individual agreement. This reduces transaction costs and reduces the need to file interconnection agreements with the Commission to be evaluated on case-by-case basis.²

14. At the same time, the Commission recognized in Order No. 2003 that there would be a small number of extraordinary interconnections where reliability concerns, novel legal issues or other unique factors would call for non-conforming agreements.³ The Commission made clear that the filing party must clearly identify the portions of the

¹ See *Standardization of Generator Interconnection Agreement and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (Mar. 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004), *order on reh'g*, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, 70 Fed. Reg. 37,661 (June 30, 2005), FERC Stats & Regs. ¶ 31,190 (2005).

² See Order No. 2003 at P 10 ("it has become apparent that the case-by-case approach is an inadequate and inefficient means to address interconnection issues").

³ Order No. 2003 at P 913-15.

interconnection agreement that differ from its *pro forma* agreement and explain why unique circumstances of the interconnection require a non-conforming interconnection agreement.⁴ The Commission analyzes such non-conforming filings, which we do not expect to be common, to ensure that operational or other reasons necessitate the non-conforming agreement. Based on this policy, the Commission accepts in part the Midwest ISO's filing, subject to conditions and the outcome of Docket No. ER05-1475-000, *et al.*, effective November 11, 2005.

1. The Interconnection Agreement's Non-Conforming Provisions

a. Definition of Distribution System

i. Proposed Deviation

15. The Midwest ISO states that American Transmission wants to revise the definition of Distribution System and that Wisconsin Electric and the Midwest ISO do not object to the proposed deviation. The Midwest ISO states that the non-conforming language recognizes American Transmission's status as a stand-alone transmission company. As American Transmission explained in its protest in Docket No. ER05-1475-000, *et al.*, the Midwest ISO has three stand-alone transmission companies within its region that collectively comprise almost 30 percent of the transmission facilities in the Midwest ISO to which new generators may seek to interconnect. American Transmission noted that the definition of Distribution System in the LGIA refers to a Transmission Owner's facilities, making it appropriate for Transmission Owners that own both transmission facilities and distribution facilities, but that the definition does not accommodate stand-alone transmission companies, such as American Transmission, or those situations where there is more than one distribution system interconnected to the transmission system.

16. Specifically, the Midwest ISO proposes to change the definition by adding the following underlined language:

Distribution System shall mean the Transmissions Owner's facilities, or the Distribution System of another party that is interconnected with the Transmission Owner's Transmission System, and equipment, if any, connected to the Transmission System...

This definition reflects the revision to the LGIA proposed by American Transmission in its protest in Docket No. ER05-1475-000, *et al.*

⁴ Order No. 2003-B at P 140.

ii. **Commission Determination**

17. This non-conforming provision is necessary to reflect the circumstance of American Transmission as a stand-alone transmission company, and we find it an acceptable deviation from the LGIA. However, proposed revisions to the LGIA to address this issue generically are pending before the Commission in Docket No. ER05-1475-000, *et al.* Accordingly, we will accept the proposed revision to the Interconnection Agreement subject to the outcome of that proceeding to the extent that revisions to the definition of Distribution System in the LGIA are adopted to accommodate stand-alone transmission companies. Thus, if revisions to the definition of Distribution System in the LGIA to accommodate stand-alone transmission companies are adopted in Docket No. ER05-1475-000, *et al.*, the Midwest ISO is directed to file, within 30 days of the date of the order adopting such revisions to the LGIA, revisions to the Interconnection Agreement necessary to conform to the definition of Distribution System in the LGIA.

b. **Article 9.6.1 and Appendix C**

i. **Proposed Deviation**

18. With respect to Article 9.6.1 (Power Factor Design Criteria), the Midwest ISO proposes the following non-conforming language, which is underlined:

Article 9.6.1. Power Factor Design Criteria. Interconnection Customer shall design the Generating Facility to be capable of maintaining a composite power delivery at all power factors over 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area as detailed in Appendix C on a comparable basis....

19. Appendix C to the Interconnection Agreement provides the interconnection and/or operating guidelines that further define the requirements of the Interconnection Agreement. Section 1.11 of Appendix C provides in part as follows:

Power Factor Design Criteria. Interconnection Customer shall design the Generating Facility to be capable of maintaining a composite power delivery at continuous rated power output at the Point of Interconnection at all power factors over 0.95 leading (when a facility is consuming reactive power from the Transmission System) to 0.90 lagging (when a facility is supplying reactive power to the Transmission System).

20. The Midwest ISO states that the revised language to Article 9.6.1 allows American Transmission to account for the power factor range consistently applied to American

Transmission's control area. The Midwest ISO notes that American Transmission, in its protest to the Midwest ISO's filing in Docket No. ER05-1475-000, *et al.*, indicated that American Transmission has consistently required that interconnecting generators be capable of operating within a power factor range of 0.95 leading to 0.90 lagging, and that any new generator interconnected to American Transmission's transmission system that does not adopt this power factor range would effectively "lean" on existing generators for the supply of or absorption of reactive power. The Midwest ISO responded to American Transmission's protest in that docket that American Transmission should reflect such power factor requirements in Appendix C to specific interconnection agreements and proposed to modify Article 9.6.1 to direct the reader to these power factor requirements in Appendix C. The Midwest ISO further states that it supports the deviation.

ii. Commission Determination

21. We will reject the power factor design criteria contained in Appendix C and the proposed revisions to Article 9.6.1. In Order No. 2003-A, the Commission decided that the power factor design criteria of Article 9.6.1 of the *pro forma* LGIA should not apply to wind generators.⁵ Article 9.6.1 of the Midwest ISO's currently-effective LGIA and Article 9.6.1 of the proposed Interconnection Agreement state that the power factor design criteria of Article 9.6.1 shall not apply to wind generators. However, the Midwest ISO has not demonstrated that it is operationally necessary to apply the proposed power factor design criteria to this wind generator. Nor has it acknowledged or reconciled the apparent inconsistency between the proposed provisions of Appendix C and the provision in Article 9.6.1 of the Interconnection Agreement stating that the power factor design criteria of Article 9.6.1 shall not apply to wind generators. The Commission recognizes that reliability and safety are paramount concerns and that non-conforming provisions may sometimes be necessary to preserve them.⁶ Therefore, while we reject the non-conforming provisions proposed by the Midwest ISO that relate to the provision of reactive power, we do so without prejudice to the Midwest ISO refiling these provisions with an explanation as to why they are operationally necessary. If it does so, the Midwest ISO must show, via a system impact study, why it is necessary that the

⁵ Order No. 2003-A at P 407. More recently, in its final rule on interconnection for wind generators, the Commission adopted specific power factor requirements for wind generators, effective for LGIAs signed or filed in unexecuted form or as non-conforming agreements, on or after January 1, 2006. *Interconnection for Wind Energy*, Order No. 661, 70 Fed. Reg. 34,993 (June 16, 2005), FERC Stats. & Regs. ¶ 31,186 (Final Rule), *order on reh'g*, Order No. 661-A, FERC Stats. & Regs. ¶ 31,198 (2005).

⁶ See *PJM Interconnection, LLC*, 111 FERC ¶ 61,163 at P 17 (2005).

Interconnection Customer provide the reactive power support.⁷ The Midwest ISO is directed to file, within 30 days of the date of this order, revisions to the Interconnection Agreement to remove the proposed deviations in Article 9.6.1 and the power factor design criteria in Appendix C.

c. Article 11.5

i. Proposed Deviation

22. Regarding the third deviation to the Interconnection Agreement, Article 11.5 (Provision of Security), the Midwest ISO proposes to add the following underlined phrase:

11.5 Provision of Security. Unless otherwise provided in Appendix B, at least thirty (30) Calendar Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of an initial element of the Transmission Owner's Interconnection Facilities...Transmission Customer shall provide Transmission Owner, at Interconnection Customer's selection, a guarantee, a surety bond, letter of credit or other form of security...⁸

23. The Midwest ISO states that the revision was added at the request of the Transmission Owner. This revision is also pending before the Commission in Docket No. ER05-1475-000, *et al.* In that docket, the Midwest ISO indicated that it does not agree with American Transmission's interpretation of the provisions of the LGIA and Appendix B, but that it does not oppose this additional language.

ii. Commission Determination

24. This proposed deviation has not been shown to be necessary to reflect operating requirements, novel legal issues or other unique factors that would warrant deviation from the LGIA and would be more appropriately addressed in the generic LGIA proceeding in Docket No. ER05-1475-000, *et al.* Therefore, we will reject the proposed

⁷ See Midwest Independent Transmission System Operator, Inc., 111 FERC ¶ 61,421 at 16 (2005).

⁸ Appendix B lists milestones that are required to be met in order to interconnect the Generating Facility. For example, the first table in Appendix B applies to the Interconnection Customer and contains descriptions of requirements and the associated dates for those requirements. The second table contains Transmission Owner Milestones and the third table contains Interconnection Customer Milestones.

deviation to Article 11.5. However, we note that we are accepting the Interconnection Agreement subject to the outcome of Docket No. ER05-1475-000, *et al.* and, given that this non-conforming revision is pending before the Commission in that proceeding, the Midwest ISO must refile this revision to the Interconnection Agreement to conform to the outcome of Docket No. ER05-1475-000, *et al.*, if the deviation is accepted in that proceeding. Our action here is without prejudice to the issue raised in the proceeding in Docket No. ER05-1475-000, *et al.* The Midwest ISO is directed to file, within 30 days of the date of this order, revisions to the Interconnection Agreement to remove the proposed deviations in Article 11.5.

2. Deviations not included in the Interconnection Agreement

a. Article 18.1

i. Proposed Deviation

25. The first of the proposed deviations that are not in the Interconnection Agreement yet discussed in the transmittal letter involves a revision to Article 18.1 (Limitation of Liability). The Midwest ISO does not support this deviation. The proposed provision is as follows:

During the period of construction of the Interconnection Facilities, Network Upgrades and Stand Alone Network Upgrades, a Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Parties (each an “Indemnified Party”) harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property...and all other obligations by or to non-parties, arising out of or resulting from Indemnifying Party’s action or inactions of its obligations under this LGIA except in cases of gross negligence or intentional wrongdoing by the Indemnified Party. Following Commercial Operation of the Generating Facility, a party shall not be liable to another Party or to any third party or another person for any damages...except as provided in the Tariff. The limitations of liability and damages set forth in section 10.3 and 10.4 shall be additionally applicable to Interconnection Customer acting in good faith to implement or comply with the directives of the Transmission Provider or Transmission Owner under this LGIA.

26. This language is similar to revisions to Article 18.1 of the LGIA proposed by American Transmission in its protest in Docket No. ER05-1475-000, *et al.* The Midwest ISO states that American Transmission maintains that this proposed revision to Article 18.1 conforms to the Commission’s view of the circumstances that exist during the construction phase associated with the interconnection process and differentiates it from the circumstances that exist once the interconnection service commences following the

commercial operation of the generating facility. The Midwest ISO states that it does not share this view and therefore seeks Commission determination on this proposed modification.

ii. Commission Determination

27. This proposed deviation has not been shown to be necessary to reflect operating requirements, novel legal issues or other unique factors that would warrant deviation from the LGIA. Therefore, we find that this proceeding is not the appropriate forum to consider this issue. This issue would be more appropriately addressed, for instance, in the generic LGIA proceeding in Docket No. ER05-1475-000, *et al.* Our action here is without prejudice to the issue raised in the proceeding in Docket No. ER05-1475-000, *et al.*

b. Article 18.3

i. Proposed Deviation

28. Wisconsin Electric requests the following change to Article 18.3 (Consequential Damages) as underlined:

Article 18.3 Consequential Damages. Other than Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to the loss profit or revenue...provided; however, that for the period subsequent to the completion of the construction of any necessary Network Upgrades or Standalone Network Upgrades, damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

29. The Midwest ISO states that Wisconsin Electric believes that the proposed revision would eliminate the proviso to the limitation on consequential damages during the construction period. Wisconsin Electric is concerned about exposure to consequential damages that may be permissible under agreements not related to the construction of the interconnection facilities. Wisconsin Electric maintains that while such a clause may be rational during the actual operation phase after construction of any transmission upgrades and the actual interconnection of the facility, by tying in other agreements, the clause is rendered meaningless with the potential of being exposed to potential liability that in the ordinary course of business would have been negotiated away. In support of the deviation, Wisconsin Electric concludes that the Transmission Owner and the

Transmission Provider are benefited by knowing that there will be no exposure to consequential damages for which it is currently protected under the EMT. The Midwest ISO seeks resolution from the Commission with regard to Article 18.3.

ii. Commission Determination

30. We will reject Wisconsin Electric's proposed revision. This proposed deviation has not been shown to be necessary to reflect operating requirements, novel legal issues or other unique factors that would warrant deviation from the LGIA. Therefore, we find that this proceeding is not the appropriate forum to consider this issue. This issue would be more appropriately addressed, for instance, in the generic LGIA proceeding in Docket No. ER05-1475-000, *et al.* Our action here is without prejudice to the issue raised in the proceeding in Docket No. ER05-1475-000, *et al.*

c. Article 11.4.1

i. Proposed Deviation

31. The transmission pricing provisions of the Midwest ISO's LGIA largely reflect the default pricing provisions adopted in Order No. 2003 and Order No. 2003-A. Article 11.4.1 (Repayment of Amounts Advanced for Network Upgrades) provides that the Interconnection Customer is entitled to cash repayment of amounts advanced for network upgrades on a dollar for dollar basis for the non-usage sensitive portion of transmission charges, including interest. Further, the Interconnection Customer, Transmission Owner and Transmission Provider may adopt an alternative payment schedule that is mutually agreeable to the parties so long as the Transmission Owner, within 5 years of the generator's commercial operation date, has either returned to the Interconnection Customer any amounts advanced for network upgrades and not previously repaid, or declared that it will continue to provide payments on a dollar for dollar basis for the non-usage sensitive portion of transmission charges or on an alternative schedule that is mutually agreeable and provides for return of all amounts advanced for network upgrades not previously repaid.

32. The Midwest ISO states that American Transmission proposes the following change to Article 11.4.1 as underlined, maintaining that the modification is superior to the provisions in the LGIA:

Article 11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment by the Transmission Owner equal to the total amount paid Transmission Owner under this LGIA, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not repaid to the Interconnection Customer pursuant

to Article 5.17.8 or otherwise, to be paid to Interconnection Customer within ninety (90) Calendar Days following the date the Generating Facility is deemed under this LGIA to have achieved Commercial Operation. Any repayment shall include interest calculated in accordance with the methodology...Interconnection Customer may assign such repayment rights to any person.

33. The Midwest ISO states that American Transmission's crediting of the full amount of the sums contributed by the Interconnection Customer within 90 days following the commercial operation of the generating facility comports with the Commission's view that the crediting mechanisms of Order No. 2003, as modified by Order No. 2003-A, are limits within which the crediting is to occur. The Midwest ISO states that repaying the Interconnection Customers within 90 days following commercial operation of the facility falls within the limits established by the Commission.

34. Additionally, the Midwest ISO states that the Commission has commented that one of the reasons for crediting or reimbursing the Interconnection Customer earlier than what is provided for in Order No. 2003-A is to reduce interest costs.⁹ It states that American Transmission asserts that its proposed change to Article 11.4.1 achieves the Commission's objectives of appropriate reimbursement of those costs advanced by Interconnection Customers, falls within the parameters for reimbursement established by the Commission, and has the benefit of reducing interest costs to the Transmission Owner.

ii. Commission Determination

35. We will reject the non-conforming provision because it is unnecessary. The current Article 11.4.1 provides the flexibility to accommodate American Transmission's full repayment of amounts advanced for network upgrades within 90 days of the generator's commercial operation date. We see nothing in the LGIA that would preclude American Transmission from continuing to provide full repayment within 90 days.

3. Appendix H of the Interconnection Agreement

a. American Transmission's and Wisconsin Electric's Comments

36. In their comments, American Transmission and Wisconsin Electric state that they believe that portions of the LGIA need to be revised to reflect their agreement concerning the financial assurances to be provided during the construction of the required Network

⁹ See Order No. 2003-A at P 617.

Upgrades and Interconnection Facilities. American Transmission and Wisconsin Electric state that as a result of either clerical error or miscommunication between American Transmission, Wisconsin Electric and the Midwest ISO, elements of Appendix H were not accurately included in the filing. They state that Appendix H should consist of three parts, arranged in the following order: Appendix H (1), the credit standards or practices of American Transmission; Appendix H (2), a form of Parental Guarantee; and Appendix H (3), a form of irrevocable Letter of Credit. They explain that the Midwest ISO did not include the form of Parental Guarantee and that it included the provisions of American Transmission's credit policies and form of Letter of Credit in an inaccurately arranged order.

b. Commission Determination

37. It appears that Appendix H was filed incorrectly. Accordingly, the Commission will require the Midwest ISO to file a revised Appendix H, within 30 days of the date of this order, to correctly reflect American Transmission's credit standards, form of Parental Guarantee, and form of irrevocable Letter of Credit.

4. Interconnection Agreement Provisions Pending in Docket No. ER05-1475-000, et al.

38. Insofar as provisions of the Interconnection Agreement reflect proposed revisions to the LGIA filed and pending in Docket No. ER05-1475-000, *et al.*, the Commission accepts and suspends for a nominal period the Interconnection Agreement, makes it effective subject to refund and subject to the outcome of Docket No. ER05-1475-000, *et al.*, effective November 11, 2005.¹⁰ The Midwest ISO is directed to file, within 30 days of an order directing revisions to the LGIA proposed in Docket No. ER05-1475-000, *et al.*, any necessary revisions to the Interconnection Agreement to conform to the LGIA provisions adopted in Docket No. ER05-1475-000, *et al.*

The Commission orders:

(A) The Midwest ISO's Interconnection Agreement is hereby conditionally accepted and suspended, to become effective November 11, 2005, subject to refund and

¹⁰*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) (waiver of notice will be granted for service agreements filed within 30 days after the commencement of service).

subject to the outcome of Docket No. ER05-1475-000, *et al.*, as discussed in the body of this order.

(B) The Midwest ISO is directed to file revisions to the Interconnection Agreement, within 30 days of the issuance of this order, as discussed in the body of this order.

(C) The Midwest ISO is directed to file any necessary revisions to the Interconnection Agreement reflecting the outcome of Docket No. ER05-1475-000, *et al.*, as discussed in the body of this order.

By the Commission. Chairman Kelliher dissenting in part with a separate statement attached.

(S E A L)

Magalie R. Salas,
Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Midwest Independent Transmission System
Operator, Inc.

Docket No. ER06-194-000

(Issued January 9, 2006)

Joseph T. KELLIHER, Chairman, *dissenting in part*:

I agree with most of the Commission's order, however, I dissent from the portion of the order that shifts the burden on to the Midwest ISO to demonstrate that it is operationally necessary to require the interconnection customer to provide reactive power support¹¹ for the reasons explained in my partial dissent in the Order on Rehearing and Clarification of the Final Rule on Interconnection for Wind Energy.¹²

Joseph T. Kelliher

¹¹ Order at P 21.

¹² *Interconnection for Wind Energy*, Order No. 661-A, 113 FERC ¶ 61,254 (2005).