

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
and Jon Wellingshoff.

Midwest Independent Transmission System  
Operator, Inc.

Docket No. ER06-1439-000

ORDER REJECTING PROPOSED TARIFF REVISIONS

(Issued October 30, 2006)

1. On August 31, 2006, the Midwest Independent Transmission System Operator, Inc. (the Midwest ISO) filed proposed revisions to Attachment FF of its Open Access Transmission and Energy Markets Tariff (TEMT). The proposed revisions to Attachment FF - Transmission Expansion Planning Protocol would apply the Midwest ISO's recently approved new policy on cost allocation for network upgrades needed to interconnect new generators to certain existing generator interconnection agreements that pre-date the new policy. This order rejects the proposed tariff revisions, for the reasons discussed below, without prejudice to the Midwest ISO demonstrating, in a future filing, that application of the Midwest ISO's new cost sharing policy to a specific generator interconnection agreement is justified.

**I. Background**

2. In Order No. 2003 and its antecedents, the Commission adopted the higher of rolled-in or incremental pricing for generation interconnections.<sup>1</sup> However, it also discussed the advantages of participant funding and when participant funding may be acceptable. In its compliance filing to Order No. 2003-A (April 26, 2004 Filing), the Midwest ISO adopted the higher of rolled-in or incremental pricing scheme on an interim

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<sup>1</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,846 (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), *appeal docketed sub nom. Nat'l ASS'n of Regulatory Utils. Comm'rs v. FERC*, Nos. 04-1148, *et al.* (D.C. Cir. April 29, 2004 and later).

basis, but said that it was starting a stakeholder review process designed to generate a consensus approach to create a beneficiary-based test for cost allocation of network upgrades.<sup>2</sup> In our order on the Midwest ISO's April 26, 2004 Filing, we noted among other things, that the Midwest ISO's adoption of the Commission's pricing policy would remain in effect only until a pricing policy based on the principle of payment for upgrades by those that cause and benefit from the upgrades (sometimes called participant funding) can be established by the Midwest ISO and its stakeholders. We stated that we expected the Midwest ISO to work with stakeholders to have a permanent pricing policy in effect by December 1, 2004.<sup>3</sup>

3. On October 7, 2005, the Midwest ISO submitted its new pricing scheme that, among other things, proposed cost sharing between generator interconnection customers and transmission owners. We accepted the pricing scheme, subject to modification and subject to refund.<sup>4</sup> These cost sharing provisions (a form of participant funding) provide for an interconnection customer and a transmission owner to share network upgrade costs equally if the output of the generator is committed by a contract of at least one year to serve Midwest ISO network customers and the generation facility is designated as a network resource at the time of commercial operation. The Cost Allocation Order made the new provisions effective February 5, 2006, "without prejudice to the Midwest ISO's ability to seek modification to the applicable tariff language as to existing generator interconnection agreements."<sup>5</sup>

4. The Midwest ISO here proposes to make the new cost sharing provisions applicable to certain generator interconnection agreements entered into prior to February 5, 2006. It says that this would treat parties that completed the interconnection agreement process between April 26, 2004 and February 2006 the same as those that began negotiations during that period, but entered into their agreements after the Cost Allocation Order was approved. The three criteria that the Midwest ISO proposes in order to identify those agreements are: 1) the agreement was entered into after the Midwest ISO's submittal of its Order No. 2003-A compliance filing (April 26, 2004) where the Midwest ISO proposed its new cost sharing proposal;<sup>6</sup> 2) the network upgrades

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<sup>2</sup> See April 26, 2004 Filing at 5.

<sup>3</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,027 (July 8, 2004 Order) at P 38.

<sup>4</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 114 FERC ¶ 61,106, *reh'g pending* (2006) (Cost Allocation Order).

<sup>5</sup> *Id.* at P 70.

<sup>6</sup> Midwest ISO April 26, 2004 Filing, Docket No. ER04-458-001.

are not yet in service and not yet included in the transmission owner's recoverable rate base; and 3) the generation facility is not yet in commercial operation. The Midwest ISO proposes an effective date of September 1, 2006 for this proposal.

## **II. Notices of Filing, Interventions and Protests**

5. Notice of the Midwest ISO's filing was published in the *Federal Register*, 71 Fed. Reg. 54,050 (2006), with interventions, comments and protests due on or before September 21, 2006. Consumers Energy Company (Consumers); Great River Energy; Calpine Corporation; Duke Energy Shared Services, Inc.; American Municipal Power – Ohio, Inc.; Forward Energy; and Otter Tail Power Company filed timely motions to intervene. Ameren Services Company (Ameren) filed a timely motion to intervene and comments in support of the proposal. Wisconsin Electric Power Company (WEPCo), Midwest Stand-Alone Transmission Companies (MSATs),<sup>7</sup> Indianapolis Power & Light Company (IPL), Prairie State Generating Company, LLC (Prairie State), Endeavor Power Partners, LLC (Endeavor), Midwest TDUs,<sup>8</sup> Wisconsin Public Service Corporation and Upper Peninsula Power Company (Wisconsin Public Service); Darlington Wind Farm LLC (Darlington Wind), High Prairie Wind Farm II LLC, Okoboji Wind Farm, LLC, Forward Energy LLC (collectively, Wind Group); Wind on the Wires and the American Wind Energy Association; Power Partners Midwest, LLC (Power Partners), and Fenton Power Partners I, LLC (Fenton Power) filed timely motions to intervene and protests or adverse comments. Kentucky Municipal Power Agency filed an untimely motion to intervene and adopt the protest of the Midwest TDUs. Soyland Power Cooperative, Inc. (Soyland) also filed an untimely motion to intervene and comments. Ameren filed a response to Prairie State's protest. The Midwest ISO filed a motion to answer and answer to protests and comments on October 13, 2006. Prairie State filed a response to Ameren's response. Wind Group also filed an answer to the Midwest ISO's answer. Ameren filed a response to Prairie State's response.

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<sup>7</sup> The Midwest Stand Alone Transmission Companies are American Transmission Company LLC, International Transmission Company d/b/a ITCTransmission, and Michigan Electric Transmission Company, LLC.

<sup>8</sup> The Midwest TDUs are Indiana Municipal Power Agency, Madison Gas & Electric Company, Missouri Joint Municipal Electric Utility Commission, and Wisconsin Public Power Inc.

### **III. Discussion**

#### **A. Procedural Matters**

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,<sup>9</sup> the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. We will accept Soyland's untimely protest, given its interest in this proceeding, the early stage of this proceeding, and the absence of any undue burden or prejudice to the parties.

7. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure<sup>10</sup> prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answers by Ameren, the Midwest ISO, Prairie State, and Wind Group because these have provided information that has assisted us in our decision-making process.

#### **B. Arguments**

##### **1. General**

8. The Midwest ISO argues that the Cost Allocation Order's "without prejudice" language<sup>11</sup> permits the Midwest ISO to make this proposal. According to the Midwest ISO, it is fair to apply the proposal to existing interconnection agreements because parties to those agreements had reason to believe that new participant funding provisions would be developed as early as August 2004, even though the process of implementing participant funding was not completed until February 5, 2006. The Midwest ISO maintains that interconnection customers have been aware since April 26, 2004, when the Midwest ISO submitted its filing proposing a form of participant funding that the Midwest ISO intended to establish a comprehensive participant funding plan.

9. The Midwest ISO further states that its proposal to apply its new pricing scheme to certain existing interconnection agreements is consistent with Order No. 2003-A's principle of permitting an independent entity to propose participant funding for Network Upgrades when the interconnection customer receives congestion rights in return. It points out that in the Cost Allocation Order, the Commission recognized that interconnection customers will benefit from the new cost allocation provisions because they will receive financial transmission rights in exchange for their transmission

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<sup>9</sup> 18 C.F.R § 385.214 (2006).

<sup>10</sup> 18 C.F.R § 385.213(a)(2) (2006).

<sup>11</sup> The Cost Allocation Order states that its determination "is without prejudice to the Midwest ISO's ability to seek modification to the applicable tariff language as to existing generator interconnection agreements." Cost Allocation Order at P 70.

expansion investments. Additionally, the Midwest ISO contends that its proposal also expressly allows parties to make alternate arrangements for cost allocation, which equitably allows those parties to maintain their existing agreements.

10. Ameren supports the Midwest ISO's proposal, stating that the continued use of the Midwest ISO's old pricing policy (rolled-in pricing) would unfairly require transmission owners and customers to subsidize the costs of network upgrades needed to interconnect generators, particularly when the power from the interconnection customer's generating facility is delivered outside the transmission owner's pricing zone. Ameren states that the proposal implements the policy stated in the Cost Allocation Order, which was that the Midwest ISO could file to apply cost-sharing mechanisms to large generator interconnection agreements (LGIAs) entered into before February 5, 2006. According to Ameren, the parties have been on notice since the Midwest ISO's January 20, 2004 compliance filing that the Midwest ISO's rolled-in pricing policy was being adopted on an interim basis only and that other alternatives were being considered. Prairie State, in particular, has been on notice since the initial Prairie State LGIA was filed on November 15, 2004 that AmerenIP, one of the parties to the LGIA, considered use of rolled-in pricing to be unreasonable. Ameren further states that rolled-in pricing does not work in an Regional Transmission Organization (RTO) because it gives interconnection customers false price signals about the costs of interconnecting at a specific location. Ameren points out that the transmission owner may not receive any transmission revenues for providing service from the generation facility.

11. Protestors disagree that the April 26, 2004 Filing constituted notice that their contracts might be revised to adopt a different pricing scheme. Many say there was no notice or evidence when these interconnection agreements were executed that the Midwest ISO would seek to apply future cost allocation changes on a retroactive basis. Wisconsin Public Service argues that a "strong showing of good cause" is necessary to obtain a waiver of the 60-day notice requirement for rate increases that do not implement contract requirements. It says that this alone warrants rejection of the proposal.<sup>12</sup> Some maintain that the Midwest ISO's contention that they were on notice of the proposed changes since April 2004 is incorrect because their interconnection agreements were already effective at that time.<sup>13</sup>

12. Protestors assert that generators and others reasonably relied on the pricing regime in effect when they made decisions pertaining to the projects, and thus it is unfair, and

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<sup>12</sup> *Citing Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, at 61,338-39 (1992), *reh'g denied*, 61 FERC ¶ 61,089 (1992).

<sup>13</sup> Prairie State Protest at 8, 15, MSATs Comment at 3-4, Endeavor Protest at 3, and Fenton Power Protest at 10, among others.

would result in unexpected financial difficulties, to change the pricing retroactively.<sup>14</sup> Endeavor, for example, asserts that 100% crediting was part of the decision-making process it engaged in to make decisions about its project.<sup>15</sup> Protestors also argue that changing the pricing in existing contracts would have an anticompetitive effect. Fenton Power and Power Partners argue that if the Midwest ISO's proposal is accepted, it "would send a signal to potential investors that project economics are subject to change at some uncertain point in the future, even after the contracts are finally executed and filed."<sup>16</sup> Both entities contend that the proposal thus will jeopardize the viability of projects. Likewise, MSATs suggests that changing the "rules of the road" after they have been relied upon would discourage market participants and transmission customers from doing business with and within the Midwest ISO.<sup>17</sup> Prairie State similarly states that if the Commission establishes a principle that fully executed interconnection agreements can have their cost allocations significantly changed years later, it will have a chilling effect on project development activities.<sup>18</sup>

13. Two protestors asserted that the proposal undermines the logic relied upon by the Commission in approving the new participant funding scheme. In the Cost Allocation Order, the Commission accepted the Midwest ISO's proposed list of transmission projects that would not be eligible for cost sharing because cost responsibility for these projects had been established before the projects' participants knew what cost sharing would be proposed by the Midwest ISO.<sup>19</sup> Some protestors ask how the proposal comports with Order No. 2003, where the Commission found that participant funding could encourage more efficient siting of generation.<sup>20</sup> However, they say, for the 27

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<sup>14</sup> See Protests by Endeavor, Wisconsin Public Service Corporation, Wind Group, Wind on the Wires, Power Partners, and Fenton Power.

<sup>15</sup> Endeavor Protest at 9.

<sup>16</sup> Fenton Power Protest at 8; Power Partners Protest at 6.

<sup>17</sup> MSATs, however, indicate that if the Commission approves this proposal, it should impose two conditions: (1) that the retroactive funding mechanism be subject to pending requests for rehearing in ER06-18-000 and (2) that the outcome of this proceeding will not prejudice the right of other transmission owners to file alternate reimbursement provisions to Attachment FF.

<sup>18</sup> Fenton Power Protest at 8; Power Partners Protest at 6, MSATs Protest at 3,4; and Prairie State Protest at 12.

<sup>19</sup> The protestors that raised this issue are IPL and the Midwest TDUs.

<sup>20</sup> The protestors that raised this issue are Wind Group, Wind on the Wires, Power Partners, and Fenton Power.

potentially affected projects, siting has already been determined. Therefore, the policy behind participant funding (encouraging efficient siting) is inapplicable in this case because the projects were sited prior to the filing of the Midwest ISO's proposal.

14. Prairie State protests that the proposal should not focus effects on transmission owners, and that the Midwest ISO pre-filing consultation with transmission owners, and not generation owners, was unfair.<sup>21</sup> The Midwest TDUs argue that the proposal will allow transmission owners to select different pricing for existing agreements and that all transmission owners will not act consistently.<sup>22</sup>

15. The Midwest ISO's response to protestors' arguments about notice is that its "use of the April 26, 2004 date refers to *notice of the potential for revision* of the crediting provisions, not to notice of a particular imminent revision or confirmed stakeholder consent to revise the Tariff."<sup>23</sup> The Midwest ISO asserts that the parties did have sufficient notice of further impending revisions and that "requiring notice of a consensus to revise these revisions is unnecessary because the Midwest ISO does not need a consensus to make these revisions."<sup>24</sup> The Midwest ISO points out that its current Attachment FF was accepted by the Commission even though it did not receive the complete support of stakeholders. Thus, the Midwest ISO argues that the degree of stakeholder support and the lack of a definite timeline do not eliminate the notice afforded to stakeholders in this case.

16. In response to the argument that the Midwest ISO may not rely on the fact that the Cost Allocation Order provisions were subject to change, as prior notice of the current proposal, the Midwest ISO states that there appears to be confusion regarding what the Midwest ISO meant by "knowledge." According to the Midwest ISO, the Cost Allocation Order relied on the parties' lack of knowledge to find that "no stakeholder knew that MTEP 05 would be used as the basis for cost sharing."<sup>25</sup> However, the Midwest ISO maintains that in its current filing, it refers to parties having "knowledge" that the provisions were subject to change. Therefore, the Midwest ISO points out that its positions in the two filings are not contradictory because they refer to knowledge of two different things.

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<sup>21</sup> Prairie State Protest at 24.

<sup>22</sup> Midwest TDUs Protest at 7.

<sup>23</sup> Midwest ISO Answer at 5.

<sup>24</sup> *Id.*

<sup>25</sup> Midwest ISO Answer at 6 (*quoting* Cost Allocation Order, 114 FERC ¶ 61,106 at P 111).

17. With regard to the protestors' contention that the proposal violates contractual agreements, the Midwest ISO states that the Commission expressly indicated in the Cost Allocation Order that the Midwest ISO could seek to apply its proposal to existing interconnection agreements. The Midwest ISO further points out that its proposal permits affected parties to make alternate arrangements, with mutual consent.

18. Wind Parties responded to the Midwest ISO's Answer, reiterating the arguments Wind Parties raised in their protest, and contending that the Midwest ISO has not sufficiently addressed those arguments.

19. Prairie State specifically protests application of the proposal to its interconnection agreement.<sup>26</sup> According to Prairie State, its interconnection agreement with Illinois Power has been effective since 2002 and was later merely revised when Illinois Power joined the Midwest ISO. Therefore, Prairie State states that its agreement is not the type that the Midwest ISO intended to cover with these proposed revisions because while its agreement was revised, the original agreement essentially remained the same, and thus had an effective date in 2002, well before April 26, 2004. Prairie State further contends that it had 100% crediting in both agreements and that it never expected that pricing to be changed.<sup>27</sup> Prairie State points out that after Illinois Power was acquired by Ameren, a dispute arose between Prairie State and AmerenIP about whether the interconnection agreement should contain a provision that automatically incorporated any future changes to the Midwest ISO *pro forma* transmission crediting policy. The Commission rejected automatic incorporation in the contract.<sup>28</sup>

20. Ameren contends that Prairie State's interconnection agreement is properly subject to the current proposal because the Prairie State LGIA was initially filed on November 15, 2004, seven months after the Midwest ISO's threshold date.<sup>29</sup> Ameren contends that Prairie State's reasoning that the execution date for its interconnection agreement is in 2002 is flawed because the 2002 and 2004 agreements are "different and distinct."<sup>30</sup> According to Ameren, "the Prairie State LGIA reflects a significant change in the network upgrades identified as necessary to interconnect the Prairie State facility, as well as a significant increase in expected costs."<sup>31</sup>

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<sup>26</sup> See, e.g., Fenton Protest at 4-6.

<sup>27</sup> Prairie State Protest at 2.

<sup>28</sup> *Id.* at 16.

<sup>29</sup> Ameren Response at 8.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.* Ameren states that the costs increased from approximately \$31.7 million to \$68.5 million.

21. Regarding Prairie State's argument that notice was inadequate, Ameren states that "the Midwest ISO as early as January 20, 2004 specifically stated it was adopting the Commission's default crediting provisions as an interim measure while it evaluated alternatives that better allocate costs and protect against unfair cost shifts."<sup>32</sup> Ameren states that Prairie State was an active participant in the RECB process and that during that process, "the Midwest ISO clearly stated that network upgrades resulting from existing LGIAs were not necessarily excluded from the proposed RECB treatment."<sup>33</sup> Ameren further asserts that the list of excluded projects specifically does not list planned projects associated with generation interconnection network upgrades, so Prairie State should have been aware of the pricing changes.<sup>34</sup>

22. Prairie State responds to Ameren's Answer regarding the differences between the original 2002 LGIA and the revisions made in 2004, stating that first, Illinois Power and Ameren are the same transmission owner because the original agreement was assumed by Ameren after the corporate acquisition of Illinois Power.<sup>35</sup> Further, Prairie State argues that while the LGIA was revised, the result of those amendments did not alter the transmission crediting provision in effect.<sup>36</sup> Because the crediting provisions remained the same in both versions, Prairie State maintains that it expected to receive full transmission crediting, and the Midwest ISO's subsequent filings did not change these expectations.<sup>37</sup> Prairie State also contends that while the LGIA was reformatted in 2004, a number of exceptions to the generally applicable Attachment X were incorporated into the revised agreement, to correspond to the Midwest ISO's standard terms and conditions.<sup>38</sup>

23. In response to Ameren's argument that Prairie State had notice of future cost sharing proposals as an active participant in the RECB process, Prairie State argues that its "actions and expectations regarding its interconnection were based on bilateral actions with its transmission owner and were not altered by the vague statements that the Midwest ISO might be changing policies at some unspecified point in the future."<sup>39</sup>

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<sup>32</sup> *Id.* at 12.

<sup>33</sup> *Id.* at 13.

<sup>34</sup> *Id.* at 13-14.

<sup>35</sup> Prairie State Response at 7.

<sup>36</sup> *Id.* at 10.

<sup>37</sup> *Id.* at 11.

<sup>38</sup> *Id.* at 11-12.

<sup>39</sup> *Id.* at 15-16.

Prairie State acknowledges that it did participate in the RECB process, but points out that it did not have any reason to believe that the Midwest ISO intended to seek non-prospective application of transmission crediting provisions.<sup>40</sup>

24. Ameren's response to Prairie State's response raises the same arguments that it made in its previous pleadings.

### **C. Commission Determination**

25. We find that the Midwest ISO has not demonstrated that applying its new cost sharing policy to all generation interconnections that meet the Midwest ISO's proposed criteria produces just and reasonable results. As recognized in Order No. 2003, under the right circumstances, a well-designed participant funding scheme can encourage efficient siting of generation and avert improper subsidy.<sup>41</sup> However, the Midwest ISO has not shown that the proposal here will accomplish either purpose. With regard to making an efficient siting decision, we note that the proposal would apply to generators that are already sited. Moreover, the Midwest ISO has not shown that the interconnection agreements with rolled-in pricing will generally result in improper subsidies.

26. Moreover, we are not persuaded by the claim that generators should have known that the Midwest ISO was going to propose to apply a new pricing scheme to pre-existing contracts. Even a contract that can be revised under the just and reasonable standard (as opposed to the more stringent public interest standard)<sup>42</sup> is not to be lightly revised.<sup>43</sup> This is because a degree of stability and predictability is crucial to the functioning of businesses and markets and to attracting investment in the utility business. In fact, several protestors articulate these general concerns, contending that if the filing is permitted to stand, "countless business decisions...will be undermined, which could lead to unexpected financial liabilities."<sup>44</sup> Instead of a demonstration of how its proposal produces just and reasonable results, the Midwest ISO's partially relies on generator interconnection customers being aware of the extent and application of future cost

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<sup>40</sup> *Id.* at 16.

<sup>41</sup> Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at 30,523 (2003).

<sup>42</sup> See *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956); *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

<sup>43</sup> See *Potomac Elec. Power Co. v. Allegheny Power System*, 85 FERC ¶ 61,160, at 61,632 (1998), *reh'g denied*, 87 FERC ¶ 61,030 (1999).

<sup>44</sup> See, e.g., Wind on the Wires Protest at 8.

sharing. This reasoning is insufficient and contradicts reasoning relied upon by the Midwest ISO in its filing in Docket No. ER06-18-000, *et al.*, and by this Commission in its Cost Allocation Order.<sup>45</sup>

27. However, this is without prejudice to the Midwest ISO making a future filing demonstrating, for example, that a particular interconnection agreement will result in an improper subsidy if rolled-in pricing is used. We explained in Order No. 2003-B that while in most cases, our policy of allowing the higher of rolled-in or incremental pricing will ensure that other transmission customers will be held harmless, “[i]f a transmission provider...believes that for an actual interconnection, it faces circumstances where native load and other customers are not held harmless, it should make that demonstration in an actual transmission rate filing.”<sup>46</sup> When we approved the Midwest ISO’s 50/50 cost sharing policy (a form of participant funding) in the Cost Allocation Order on a prospective basis, it was certainly not our intent that situations such as that described in Order No. 2003-B could not be addressed merely because the applicable interconnection agreement had been previously filed. As a result, we disagree with assertions that the Midwest ISO does not have the right to make a unilateral filing to apply its new cost sharing policy to an existing LGIA to ensure against an improper subsidy because, as argued, it would abrogate an existing agreement. The *pro forma* LGIA under section 30.11 clearly gives the transmission provider the right to make a unilateral filing with the Commission to modify the LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205.<sup>47</sup>

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<sup>45</sup> In the Cost Allocation Order at P 109, the Commission accepted the proposed list of excluded projects because “[a]ll stakeholders were on equal footing in so far as they were unaware of what, if any, future cost sharing might be available and were therefore unable to manipulate the process by how they designated their projects.” In fact, in reviewing the Attachment Ff-1 and the Midwest ISO’s Board-Approved 2005 MTEP, four projects that will not benefit from cost sharing under the RECB proposal are indicated as partly meeting a generator interconnection need (Project Numbers 1241, 161, 508 and 509). Thus, the Midwest ISO asked the Commission to approve exclusion of these four projects (that in part meet a generator interconnection need) from cost sharing on the basis that the sponsors were unaware of what, if any future cost sharing would be available and therefore could not manipulate the process. Here, the Midwest ISO asks the Commission to approve cost sharing for projects (that solely meet interconnection needs) at least partly because these sponsors were aware that the Midwest ISO was going to propose to apply a new pricing scheme to their contracts.

<sup>46</sup> Order No. 2003-B at P 56.

<sup>47</sup> This section of the *pro forma* LGIA also provides the interconnection customer unilateral filing rights under the FPA section 206.

The Commission orders:

The Midwest ISO's proposed revisions to Attachment FF of its TEMT are hereby rejected, as discussed in the body of this order, without prejudice.

By the Commission. Commissioner Moeller not participating.

( S E A L )

Magalie R. Salas,  
Secretary.