

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 30, 2007

In Reply Refer To:  
Midwest Independent Transmission System  
Operator, Inc.  
Docket No. ER06-1420-004

Midwest Independent Transmission System Operator, Inc.  
Attn: Gregory A. Troxell, Esq.  
Assistant General Counsel  
701 City Center Drive  
Carmel, IN 46032

Dear Mr. Troxell:

1. In this order, we accept Midwest Independent Transmission System Operator, Inc.'s (the Midwest ISO) submittal of the Contingency Reserve Sharing Group Agreement (CRSG Agreement), subject to the conditions set forth in the October 24, 2006 Order.<sup>1</sup> The CRSG Agreement is effective September 1, 2006, with the exception of Schedule CR-1 (Contingency Reserves Settlements and Charges) which is to be effective January 1, 2007. The CRSG Agreement was filed on January 31, 2007, with the sole purpose of providing a designation for the agreement to comply with Order No. 614.<sup>2</sup>

2. The Midwest ISO states that for administrative convenience it submitted the CRSG Agreement on behalf of the individual public utility signatories to the CRSG Agreement, as if each such public utility had submitted a separate filing with the Commission. The CRSG Agreement provides the members of the East Central Area

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<sup>1</sup> *Midwest Independent Transmission System Operator, Inc.*, 117 FERC ¶ 61,092 (2006) (October 24, 2006 Order). In the October 24, 2006 Order, we directed the Midwest ISO to make three filings: 1) informational filings of its criteria for demand resources; 2) informational filings of its transmission and deliverability studies; and 3) tariff revisions to address billing and settlement issues.

<sup>2</sup> *Designation of Electric Rate Schedule Sheets*, Order No. 614, 90 FERC ¶ 61,352 (2000).

Reliability and Mid-America Interconnected Network reserve sharing groups the opportunity to continue sharing contingency reserves after 2006, when their respective pools cease operation, and further extends those benefits by integrating the reserves of the Mid-Continent Area Power Pool region and creating a common set of protocols to govern the practices and procedures used by balancing authorities when providing, or calling for, contingency reserves. The Commission previously conditionally accepted the CRSG Agreement the October 24, 2006 Order, providing for the same effective dates granted herein.

3. The Midwest ISO's filing was noticed in the *Federal Register*, 72 Fed. Reg. 6557 (2007), with protests or interventions due on or before February 14, 2007. Wisconsin Electric Power Company (Wisconsin Electric) filed a timely motion to intervene and comments. On March 1, 2007, the Midwest ISO filed an answer to Wisconsin Electric's comments.

4. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2006), Wisconsin Electric's timely, unopposed intervention makes it a party to the proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2)(2006), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the Midwest ISO's answer because it has provided information that assisted us in our decision-making process.

5. The Midwest ISO has properly designated the CRSG Agreement in compliance with Order No. 614, and Wisconsin Electric does not dispute the designations. However, in its comments, Wisconsin Electric requests that the Commission provide guidance regarding the reporting of Electric Quarterly Reports (EQR). Specifically, public utilities that make sales pursuant to the CRSG's Schedule CR-1 are required to report these transactions as sales in their EQRs. Since the Midwest ISO serves as Group Administrator for purposes of billing and payment, Wisconsin Electric believes that it is appropriate to report the Midwest ISO as the counterparty, despite the fact that the Midwest ISO does not take title to the energy and is not a signatory to the CRSG Agreement. Wisconsin Electric further states that there is no option on the EQR to leave the counterparty field blank. Wisconsin Electric requests that the Commission specify how counterparties to transactions under CRSG's Schedule CR-1 should be listed in the EQR. Wisconsin Electric asserts that, while the purchaser will actually be the Contingent System, it is not clear that the seller will know the identity of the Contingent System when it reports the transaction in the EQR. It also asks that the Midwest ISO be required to provide transaction data suitable for EQR reporting purposes.

6. In its answer, the Midwest ISO maintains that it should never be listed as the counterparty since it is not a signatory to the CRSG Agreement and does not buy or sell energy pursuant to the CRSG Agreement. In addition, the Midwest ISO states that it

does not operate or administer a market for reserves on behalf of its registered Market Participants, and it is not reasonable to list the Midwest ISO as the counterparty on a transaction initiated by the CRSG systems. The Midwest ISO further states that it already provides each party with monthly statements that specify the identity of the Contingent System. The Midwest ISO suggests the appropriate forum to determine the billing and invoicing details necessary for CRSG members is not the Commission, but the Contingency Reserve Committee. To the extent Wisconsin Electric seeks to require the Midwest ISO to provide it with additional information not required by the CRSG Agreement, the Midwest ISO avers that such request constitutes a collateral attack on the Commission's previous order accepting the CRSG Agreement and raises issues which should have been raised long ago.

7. In Order No. 2001-E,<sup>3</sup> the Commission recognized that many users do not have complete, final data for the full quarter by the EQR filing deadlines, particularly for certain sales to independent system operators, and the Commission required that any additions or changes to an EQR filing must be made by the end of the following quarter, at which time the public utility is expected to file the best available new data. Therefore, Wisconsin Electric should supply the most complete information available at the time of the filing, and submit a refiling by the end of the following quarter when the identity of the Contingent System is known. To the extent that questions remain, Wisconsin Electric should contact Commission staff directly for guidance. Contact information can be obtained from the Commission's website at <http://www.ferc.gov/docs-filing/eqr.asp>.

By direction of the Commission. Commissioner Moeller not participating.

Philis J. Posey,  
Acting Secretary.

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<sup>3</sup> *Revised Public Utility Filing Requirements*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003).