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FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 30, 2009

In Reply Refer To:  
Midwest Independent Transmission  
System Operator, Inc.  
Docket No. ER09-1002-000

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Reference: Open Access Transmission, Energy and Operating Reserve Markets Tariff  
Revisions

Dear Mr. Kessler:

1. On April 15, 2009, Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed, under section 205 of the Federal Power Act,<sup>1</sup> proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff (ASM Tariff) (April 15 filing). Midwest ISO proposes to revise the ASM Tariff to make the respective calculations of the ex ante real-time locational marginal price (LMP) and the ex post real-time LMP for each dispatch interval consistent with the calculation of the ex post real-time LMP for each hour. In the April 15 filing, Midwest ISO requests waiver to permit an effective date of April 16, 2009, one day after the date of the filing. On May 1, 2009, Midwest ISO filed an amendment to the April 15 filing requesting that the Commission grant a limited waiver of the ASM Tariff provisions regarding the interval LMP calculation for the period between January 6, 2009, the initial effective date of the ASM Tariff, and the effective date of the proposed ASM Tariff modifications (May 1 filing).<sup>2</sup> In this letter order, we accept Midwest ISO's proposed ASM Tariff revisions,

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<sup>1</sup> 16 U.S.C. § 824d (2006).

<sup>2</sup> Midwest ISO May 1, 2009 Filing at 2.

effective April 16, 2009, and grant limited waiver of the current ASM Tariff provisions regarding the interval LMP calculation for the period between January 6, 2009 and the effective date of the proposed modification (i.e., April 16, 2009).

2. Midwest ISO states that the proposed revisions to its ASM Tariff address an inconsistency between the real-time ex ante and ex post interval LMPs and the real-time ex post hourly LMPs due to differences in the weighting basis.<sup>3</sup> Midwest ISO explains that the proposed revisions do not impact market settlement because only the real-time ex post hourly LMPs are used for settlement purposes.<sup>4</sup> Rather, Midwest ISO states that making the interval LMP calculations consistent with the hourly LMP calculations assures that the interval LMPs will be consistent with: (1) the real-time hourly ex post LMP for the same set of dispatch intervals; and (2) the day-ahead LMP.

3. Notice of the April 15 filing was published in the *Federal Register*, 74 Fed. Reg. 19,074 (2009), with interventions and comments due no later than May 6, 2009. Notice of the May 1 filing was published in the *Federal Register*, 74 Fed. Reg. 22,536 (2009), with interventions and comments due no later than May 22, 2009. Consumers Energy Company, Constellation Energy Commodities Group, Inc., Constellation NewEnergy, Inc., Wisconsin Electric Power Company, Hoosier Energy Rural Electric Cooperative, Inc., Southern Illinois Power Cooperative, and Exelon Corporation filed timely motions to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

4. As requested in the April 15 filing, the Commission accepts Midwest ISO's proposed revisions to its ASM Tariff and grants waiver of the sixty-day notice requirement to permit an effective date of April 16, 2009. In addition, we grant Midwest ISO's request for a limited waiver of the ASM Tariff's current provisions regarding the interval LMP calculation for the period between January 6, 2009 and the effective date of the proposed ASM Tariff modifications (i.e., April 16, 2009) to enable Midwest ISO to

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<sup>3</sup> Midwest ISO notes that under the ASM Tariff, the weighting factor for the real-time interval ex ante LMP uses the state estimator results at the start of each dispatch interval while the real-time interval ex post LMP uses the state estimator results at the end of each dispatch interval. These calculations contrast with the calculation of real-time ex post hourly LMP that uses a demand weighting factor based on the average of state estimator solution results for the seventh day before the operating day. Midwest ISO April 15, 2009 Filing at 3.

<sup>4</sup> Midwest ISO states that because hourly LMP values are used for settlement, the interval LMPs have no impact on settlement. Midwest ISO May 1, 2009 Filing at 2.

avoid the above-described inconsistencies and because the interval LMPs have no impact on market settlement.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.