
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE

July 31, 2002
Docket Nos. EL02-65-000, et al

COMMISSION CONDITIONALLY APPROVES MIDWEST RTO CHOICES, CITES BENEFITS OF LARGE, SINGLE MARKET, AND ADDRESSES STAKEHOLDER CONCERNS

In keeping with its desire to encourage and accelerate the establishment of regional transmission organizations (RTOs) around the country, the Federal Energy Regulatory Commission today conditionally accepted the choices of the former Alliance companies over which regional entity they would like to join—the Midwest Independent System Operator (MISO) or the PJM Interconnection (PJM)—and required the creation of a single market.

The Commission emphasized that the companies will need to deal with the concerns of numerous stakeholders regarding additional costs to customers, barriers to entry, the isolation of certain geographic areas, reliability, operational impacts, and seams issues. The companies will be required to submit technical and information plans on these matters.

The Commission noted that significant benefits will accrue to customers as a result of the expeditious creation of a single market spanning an area from New Jersey to the Rocky Mountains. The Commission emphasized that the expeditious creation of a single market between PJM and MISO is a prerequisite for approving the RTO selections of the former Alliance companies.

In a separate order (Docket No. EC02-90-000 and ER02-2233-000), the Commission also conditionally accepted a bid by GridAmerica to become part of the MISO as a for-profit independent transmission company (ITC) and directs GridAmerica to provide additional details regarding their proposals.

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In conditionally accepting the filings of the former Alliance companies, the Commission required that a single market be implemented by October 1, 2004. The Commission said that National Grid's participation in both the MISO within GridAmerica and in PJM could bridge both organizations and help to manage the seams between PJM and MISO.

The Commission further required, among other things, that PJM modify its tariff and agreements to permit participation by independent transmission companies, that an agreement to form an ITC between National Grid, American Electric Power, Commonwealth Edison, Dayton Power and Light Company and PJM be filed within 30 days of today's order, and that protesters' concerns about the isolation of parts of Wisconsin and Michigan be addressed.

Today's order also institutes a Section 206 investigation with regard to the rates for through and out service under MISO and PJM tariffs and with respect to the protocols relating to the distribution of those revenues. However, the Commission provides MISO and PJM until September 16, 2002, to find a way to resolve the rate issues. Finally, the order requires that the North American Electric Reliability Council (NERC) sign off to ensure reliability.

The Commission's decision is based on an extensive record, including the various compliance filings, three on-the-record Commission meetings, a meeting on PJM's and MISO's efforts to develop a common market, and additional information submitted at the request of the Commission.