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# FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

December 18, 2002  
Docket Nos. ER02-2233-001,  
et al.

### COMMISSION ACTIONS EXPAND, SHARPEN ROLE OF MIDWEST RTO

In four related orders today, the Federal Energy Regulatory Commission increased the size and scope of the Midwest Independent System Operator (MISO), the nation's first operational regional transmission organization (RTO).

These orders, when fully implemented, will allow for service under a single tariff over a broad region covering MISO, the Arkansas-based Southwest Power Pool, and the multi-state participants of TRANSLink and GridAmerica. The Indiana-based MISO covers an area ranging from Manitoba to Kentucky.

In the first of the orders, the Commission conditionally accepted operation agreements and an independent transmission company (ITC) agreement between GridAmerica participants and MISO and a master agreement by and among GridAmerica companies regarding transfer of transmission facilities to the ITC (Docket Nos. ER02-2233-001, et al.). The Commission also determined that National Grid is not a market participant and is sufficiently independent to serve as the managing member of GridAmerica—a for-profit ITC.

The GridAmerica Companies are Ameren Services Company—Union Electric Company and Central Illinois Public Service Company—American Transmission Systems, Inc., a FirstEnergy subsidiary, and Northern Indiana Public Service Company.

In the second order, the Commission accepted, with modifications, MISO's revised open access transmission tariff (OATT) ( Docket No. ER03-86-000). The revised tariff, to be effective December 23, 2002, allows for independent transmission companies'

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(ITCs) participation within MISO. ITCs would be able to assume certain RTO functions. ITCs can result in significant benefits to electric markets through independent operation and investment in the nation's transmission grid.

The third order addresses the consolidation of MISO and the Southwest Power Pool. The Commission conditionally accepted the companies' agreement and tariff, setting the matters for hearing. The order holds the hearing in abeyance and establishes settlement judge procedures in order to facilitate mutual resolution of certain issues among the parties.

The Commission accepted, with modifications, proposed rate schedules to MISO's OATT for service on the TRANSLink Transmission Company transmission system in a fourth action taken today (Docket No. ER03-83-000). The rates, effective December 24, 2002, are subject to refund, pending the outcome of a hearing.

TRANSLink, an ITC covering a broad area from the western Great Lakes to Colorado and New Mexico, anticipates commercial operation by the third quarter of 2003. TRANSLink's members are Alliant Energy, Corn Belt Power Cooperative, MidAmerican Energy, Nebraska Public Power District, Omaha Public Power District and Xcel Energy, Inc.

RTOs are evolving throughout the United States as a means to remedy the economic inefficiencies that stem from the lack of regional coordination and the undue discrimination that currently mars the nation's transmission grid. RTOs, coupled with the Commission's recently proposed standard market design (SMD) rule, will help ensure that the three essential elements--adequate infrastructure, balanced market rules and market monitoring-- are in place to ensure a truly competitive electric market.

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