

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Midwest Independent Transmission System
Operator, Inc.

Docket Nos. EL02-111-004
EL02-111-005
EL02-111-006
EL02-111-007
EL02-111-008

PJM Interconnection, L.L.C.

and all Transmission Owners
(including the entities identified below)

Union Electric Company

Central Illinois Public Service Company

Appalachian Power Company

Columbus Southern Power Company

Indiana Michigan Power Company

Kentucky Power Company

Kingsport Power Company

Ohio Power Company

Wheeling Power Company

Michigan Electric Transmission Company

Dayton Power and Light Company

Commonwealth Edison Company

Commonwealth Edison Company
of Indiana, Inc.

American Transmission Systems, Inc.

Illinois Power Company
Northern Indiana Public Service Company

Virginia Electric and Power Company

IES Utilities, Inc.

Interstate Power Company

Aquila, Inc. (formerly UtiliCorp United, Inc.)

PSI Energy, Inc.

Union Light Heat & Power Company

Dairyland Power Cooperative

Great River Energy

Hoosier Energy Rural Electric Cooperative

Indiana Municipal Power Agency

Indianapolis Power & Light Company

Louisville Gas & Electric Company

Kentucky Utilities Company

Lincoln Electric (Neb.) System

Minnesota Power, Inc. and its subsidiary
Superior Water, Light & Power Company

Montana-Dakota Utilities

Northwestern Wisconsin Electric Company

Otter Tail Power Company

Southern Illinois Power Cooperative
Southern Indiana Gas & Electric Cooperative

Southern Minnesota Municipal Power Agency

Sunflower Electric Power Corporation
Wabash Valley Power Association, Inc.

Wolverine Power Supply Cooperative

International Transmission Company

Alliant Energy West

Xcel Energy Services, Inc.

MidAmerican Energy Company

Corn Belt Power Corporation

Allegheny Electric Cooperative, Inc.

Atlantic City Electric Company

Baltimore Gas & Electric Company

Delmarva Power & Light Company

Jersey Central Power & Light Company

Metropolitan Edison Company

PECO Energy Company

Pennsylvania Electric Company

PPL Electric Utilities Corporation
Potomac Electric Power Company

UGI Utilities, Inc.

Allegheny Power

Carolina Power & Light Company

Central Power & Light Company

Conectiv

Detroit Edison Company

Duke Power Company

GPU Energy

Northeast Utilities Service Company

Old Dominion Electric Cooperative

Public Service Company of Colorado

Public Service Electric & Gas Company

Public Service Company of Oklahoma

Rockland Electric Company

South Carolina Electric & Gas Company

Southwestern Electric Power Company

Cincinnati Gas & Electric Company

Missouri Public Service

WestPlains Energy

Cleco Corporation

Kansas Power & Light Company

OG+E Electric Services

Southwestern Public Service Company

Empire District Electric Company

Western Resources

Kansas Gas & Electric Co.

Ameren Services Company

on behalf of:

Union Electric Company

Central Illinois Public Service Company

Docket Nos. EL03-212-000

EL03-212-001

American Electric Power Service Corporation

On behalf of:

Appalachian Power Company

Columbus Southern Power Company

Indiana Michigan Power Company

Kentucky Power Company

Kingsport Power Company

Ohio Power Company

Wheeling Power Company

Dayton Power and Light Company

Exelon Corporation

On behalf of:

Commonwealth Edison Company

Commonwealth Edison Company

of Indiana, Inc.

Illinois Power Company

ORDER GRANTING CLARIFICATION

(Issued December 17, 2003)

1. In this order, we clarify that the Commission's November 17, 2003 Orders in the captioned proceedings¹ eliminated the existing rates for through and out (T&O) service

¹ Midwest Independent Transmission System Operator, Inc., et al., 105 FERC ¶ 61,212 (2003); and Ameren Services Co., et al., 105 FERC ¶ 61,216 (2003) (collectively, November 17 Orders).

commencing on or after April 1, 2004, and sinking within the combined region of PJM Interconnection, LLC (PJM), Midwest Independent Transmission System, Inc. (Midwest ISO) and certain of the former Alliance Companies² (Combined Region), when the service is requested on or after November 17, 2003.

Filings

2. On November 21, 2003, Edison Mission Energy, Edison Mission Marketing & Trading, Inc. and Midwest Generation EME, LLC (collectively, EME Companies) filed a motion for expedited clarification of the November 17 Orders. EME Companies assert that, according to the November 17 Orders, transmission service sinking within the Combined Region requested after the issuance of the November 17 Orders for service commencing on or after April 1, 2004 will not be subject to the transmission providers' existing T&O rates. EME Companies state that ComEd, which intends to charge the EME Companies the existing T&O rates for such requests, is interpreting the November 17 Orders to provide that the existing T&O rates will only be eliminated for service pursuant to requests made on or after April 1, 2004. EME Companies also assert that charges associated with reservations pursuant to requests made after the issuance of the November 17 Orders do not represent sunk costs or the results of past behavior and, thus, there is no reason for assessing the existing T&O rates for such reservations.

3. Cinergy Services, Inc. (Cinergy) and AEP filed answers in response to EME Companies' motion, stating that eliminating the existing T&O rates might cause transmission capacity hoarding. Cinergy states that the Commission's reliance, in the July 23 Order,³ on the PJM and Midwest ISO market monitors to monitor and mitigate hoarding is insufficient to address hoarding under the tariffs of the former Alliance Companies that have not yet joined PJM or Midwest ISO. ComEd also filed an answer in response to EME Companies' motion. EME Companies filed an answer in response to Cinergy and AEP's answers.

² American Electric Power Service Corp. (AEP) on behalf of Appalachian Power Co., Columbus Southern Power Co., Indiana Michigan Power Co., Kentucky Power Co., Kingsport Power Co., Ohio Power Co., and Wheeling Power Co., Ameren Services Co. (Ameren) on behalf of Union Electric Co. and Central Illinois Public Service Co., Commonwealth Edison Co. on behalf of itself and Commonwealth Edison Co. of Indiana (collectively, ComEd), Illinois Power Co. and Dayton Power and Light Co.

³ Midwest Independent Transmission System Operator, et al., 104 FERC ¶ 61,105 (2003) (July 23 Order).

Clarification

4. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2003), prohibits an answer to an answer unless otherwise ordered by the decisional authority. We are not persuaded to accept the EME Companies' answer and will, therefore, reject it.

5. We clarify that the November 17 Orders eliminated the existing T&O rates for reservations pursuant to requests made on or after November 17, 2003, for service commencing on or after April 1, 2004 and sinking within the Combined Region. Those transmission providers concerned about hoarding may address the issue in their compliance filings.

The Commission orders:

EME Companies' request for clarification is hereby granted, as discussed in the body of this order.

By the Commission.

Magalie R. Salas,
Secretary.