

125 FERC ¶ 61,037
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Midwest Independent Transmission
System Operator, Inc. and
Transmission Owners of the Midwest Independent
Transmission System Operator, Inc.

Docket No. ER08-637-003

ORDER CONDITIONALLY ACCEPTING COMPLIANCE FILING
AND REQUIRING A FURTHER COMPLIANCE FILING

(Issued October 16, 2008)

1. In an order issued June 13, 2008,¹ the Commission conditionally accepted Midwest Independent Transmission System Operator, Inc.'s (Midwest ISO's) proposal to offer Reliability Coordination Service (Reliability Service) and Interconnected Operations and Congestion Management Service (Seams Service) under its Open Access Transmission and Energy Markets Tariff (TEMT),² subject to compliance. The Commission also found the proposed Market Coordination Service (Market Service) to be deficient and required additional information to evaluate the proposal. In this order, we conditionally accept Midwest ISO's compliance filing submitted in response to the Commission's conditional acceptance of Midwest ISO's Reliability and Seams Services and require a further compliance filing, as discussed below.

I. Background

2. On March 4, 2008, Midwest ISO filed a proposal to offer its Reliability, Seams, and Market Services to Mid-Continent Area Power Pool (MAPP) members and other eligible entities under Module F of its TEMT. Under the Reliability Service proposal, Midwest ISO proposed to make available to all eligible customers the reliability coordination services that Midwest ISO currently provides to Midwest ISO transmission owners and MAPP members. Under the Seams Service proposal, Midwest ISO proposed

¹ *Midwest Independent Transmission System Operator, Inc.*, 123 FERC ¶ 61,265, at P 34, 49 (2008) (June 13 Order).

² Midwest ISO, FERC Electric Tariff, Third Revised Vol. No. 1.

to offer to all eligible customers its market-to-non-market seams coordination services, which are currently provided under existing individual seams coordination or joint operation agreements with non-market transmission providers. Under the Market Service proposal, Midwest ISO and the Midwest ISO Transmission Owners propose to allow the integration of MAPP members and other eligible entities into Midwest ISO's energy and ancillary services markets without transferring control of their transmission systems to Midwest ISO or providing transmission service over their transmission systems under Module B of the TEMT.

3. In the June 13 Order, the Commission conditionally accepted Midwest ISO's proposed Reliability and Seams Services, subject to a compliance filing to be made within 30 days of the date of the order.³ The Commission also found the Market Service proposal to be incomplete and therefore deficient and required Midwest ISO and the Midwest ISO Transmission Owners to amend their application to address a series of deficiency questions regarding the proposed Market Service.⁴

4. On July 14, 2008, Midwest ISO submitted its 30-day compliance filing in response to the Commission's Reliability and Seams Services directives in the June 13 Order. In its compliance filing, Midwest ISO provides further clarifications and tariff revisions that, among other things, outline transition timelines for moving to Reliability and Seams Services, discuss governance under Reliability Service and describe the calculation of redispatch costs and the treatment of the North Dakota Export flowgate (NDEX) under Seams Service. We discuss Midwest ISO's compliance filing in greater detail below.

II. Notice of Filing and Responsive Pleadings

5. Notice of Midwest ISO's July 14, 2008 filing was published in the *Federal Register*, 73 Fed. Reg. 44,712 (2008), with interventions and protests due on or before August 4, 2008. MAPP submitted a motion to intervene out-of-time. Comments and protests were submitted by: Ameren Services Company (Ameren);⁵ Basin Electric Power Cooperative (Basin Electric) and Western Area Power Administration (WAPA);

³ June 13 Order, 123 FERC ¶ 61,265 at P 34, 49.

⁴ *Id.* P 154. The questions that the Commission required Midwest ISO to address in its 60-day amendment filing can be found in Appendix B to the June 13 Order, 123 ¶ 61,265.

⁵ Ameren filed its comments on behalf of its affiliated public utility operating companies, Union Electric Co., Central Illinois Public Service Co., Central Illinois Light Co., and Illinois Power Co., and on behalf of its affiliated marketing company, Ameren Energy Marketing (collectively, Ameren).

MAPP; and Midwest Transmission Dependent Utilities (Midwest TDUs).⁶ Midwest ISO submitted an answer opposing MAPP's motion to intervene out-of-time and responding to MAPP's comments. Midwest ISO contends that MAPP does not provide good cause for intervening out-of-time because MAPP's interests are adequately represented by several MAPP members that previously intervened in this proceeding. MAPP filed an answer in response to Midwest ISO's answer.

III. Discussion

A. Procedural Issues

6. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedures, 18 C.F.R. § 385.214(d) (2008), the Commission will grant MAPP's late-filed motion to intervene. Despite Midwest ISO's opposition, we find that MAPP has demonstrated that it has an interest in the proceeding and, given the early stage of the proceeding, that its participation will not delay the proceeding or unduly prejudice the rights of any other party.

7. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2008), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept the answers of Midwest ISO and MAPP because they have provided information that assisted us in our decision-making process.

B. Reliability Service

1. Transition Timeline

8. The Commission, in the June 13 Order, accepted Midwest ISO's commitment to assist customers with the transition from their existing bridge agreements to Reliability Service. The Commission required Midwest ISO to submit, in a subsequent compliance filing, a schedule for moving from existing bridge agreements to Reliability Service, so that there is a smooth transition between these agreements.⁷

9. In its compliance filing, Midwest ISO states that the only bridge agreement currently relating to Reliability Service is the MAPP Reliability Coordination

⁶ Midwest TDUs consist of Great Lakes Utilities, Madison Gas & Electric Co., Midwest Municipal Transmission Group, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, Municipal Electric Agency of Nebraska, and Wisconsin Public Power Inc.

⁷ June 13 Order, 123 FERC ¶ 61,265 at P 34.

Agreement.⁸ According to Midwest ISO, that agreement contains an applicable transition schedule and process in its terms and conditions.⁹ Accordingly, Midwest ISO proposes a transition schedule¹⁰ to move customers from that agreement to Reliability Service during a transitional period beginning with the effective date of Reliability Service on June 1, 2008 through to the expiration of the MAPP Reliability Coordination Agreement on June 1, 2009.

10. Ameren does not object to Midwest ISO's proposed transition schedule. However, Ameren argues that Midwest ISO should also create a general schedule that would provide a Reliability Service transition timeline for all parties that may consider becoming Module F customers, rather than only parties to the MAPP Reliability Coordination Agreement. Ameren states that such a general schedule need not provide specific dates but could list milestones within which Midwest ISO would commit to take actions necessary for a customer's transition to Reliability Service.

11. We find that Midwest ISO's proposed timeline satisfies the Commission's requirement in the June 13 Order that Midwest ISO submit a schedule for moving from existing bridge agreements to Reliability Service. The Commission, in that order, stated that it expected Midwest ISO to work with its customers so that there is no gap between when a customer's bridge agreement expires and the effectiveness of Reliability Service for that customer. It also required Midwest ISO to provide this transition assistance on a non-discriminatory basis to all customers that need to transition from the existing bridge agreements to Reliability Service under the TEMT. However, the Commission only directed Midwest ISO to address the transition from the existing bridge agreement, the MAPP Reliability Coordination Agreement. Midwest ISO was not directed to deal with transition more broadly. Accordingly, we will not require Midwest ISO to submit to the Commission a general schedule for transitioning to Reliability Service, as Ameren requests. Instead, we expect Midwest ISO to provide transition assistance to all parties moving to Reliability Service, on a non-discriminatory basis.

⁸ Midwest ISO July 14, 2008 Filing referencing "Reliability Coordination Agreement Between Contractor and Reliability Coordinator" (January 22, 2008) (MAPP Reliability Coordination Agreement), provided in Tab C of the July 14, 2008 Filing.

⁹ See MAPP Reliability Coordination Agreement at section 5, Original Sheet Nos. 15-18.

¹⁰ Midwest ISO July 14, 2008 Filing at 4.

2. Governance

12. In its June 13 Order, the Commission conditionally accepted the formation of the Reliability Coordination Technical Committee to perform several duties necessary for the implementation, administration, or operation of Reliability Service, subject to the submission of further clarifications and tariff revisions in a subsequent compliance filing. Specifically, the Commission required Midwest ISO to clarify whether the membership of the Reliability Coordination Technical Committee should be expanded to include other entities potentially affected by Reliability Service and, if so, to propose any associated tariff revisions. The Commission also directed Midwest ISO to revise section 78 to clarify that any tariff revisions developed by the Reliability Coordination Technical Committee will be subject to review and discussion by Midwest ISO's Advisory Committee. Finally, the Commission required Midwest ISO to define "[r]eliability [s]ubcommittee," to expand its definition of the Reliability Coordination Technical Committee, and to correct a typographical error.¹¹

13. Midwest ISO contends in its compliance filing that it is not necessary to expand the Reliability Coordination Technical Committee membership because the committee has only a limited purpose to "provide suggestions to improve the terms and conditions" of Reliability Service.¹² Midwest ISO argues that entities that are not members of the Reliability Coordination Technical Committee may participate in other industry forums and, in some cases, existing Midwest ISO stakeholder committees that deal with issues more likely to directly affect their interests. Midwest ISO adds that, even though they would lack voting rights, such entities can be heard at Reliability Coordination Technical Committee meetings because they are open to the public. Instead, Midwest ISO proposes to revise section 78.4 to provide that the Reliability Coordination Technical Committee, by a vote of three-fourths of its voting members, may decide to expand its membership and voting rights to include transmission service customers. In addition, Midwest ISO proposes various revisions to sections 1.266f, 78.5.d, and 78.9, as required.

14. Ameren and Midwest TDUs oppose the proposed composition of the Reliability Coordination Technical Committee. Ameren argues that Midwest ISO should consider expanding Reliability Coordination Technical Committee membership to include all non-Reliability Service customers that may be affected and not just entities within MAPP. According to Ameren, failure to consider the interests of all affected entities in the committee is contrary to the Commission's compliance requirement and may lead to discriminatory and unfair treatment.

¹¹ June 13 Order, 123 FERC ¶ 61,265 at P 39-41.

¹² Midwest ISO July 14, 2008 Filing at 5.

15. Midwest TDUs contend that section 78.5 gives the Reliability Coordination Technical Committee broad, potentially substantive functions, and that Reliability Service customers should not be able to decide whether non-transmission owners should have representation and/or voting rights on the committee. According to Midwest TDUs, the inequity of this structure is exacerbated by the requirement that a super-majority of three-quarters of transmission owners that take Reliability Service must vote in favor of expanding Reliability Coordination Technical Committee membership. Midwest TDUs conclude that the Reliability Coordination Technical Committee's composition is contrary to Midwest ISO's founding principles that "a privileged class" of transmission owners should not have "voting rights that are superior to the rights of other members."¹³

16. We find that Midwest ISO's proposed TEMT revisions regarding the Reliability Coordination Technical Committee satisfy the requirements of the June 13 Order.¹⁴ It is reasonable for Midwest ISO and Reliability Service customers to form an advisory committee to address technically complex matters relating to Reliability Service, including their compliance with mandatory reliability standards. While the Commission required Midwest ISO to *consider* expanding Reliability Coordination Technical Committee membership, it did not require Midwest ISO to include entities, such as Midwest ISO stakeholders, that "do not have a substantial interest in Reliability Service issues."¹⁵ Commenters have not explained whether or how any third party has an interest in Reliability Service issues sufficient to warrant expanding Reliability Coordination Technical Committee membership or voting rights at this time. Moreover, we agree with Midwest ISO that third parties have adequate opportunities to influence issues related to Reliability Service through public Reliability Coordination Technical Committee meetings and several alternate industry forums. Third parties also retain their rights to raise concerns to the Commission if Reliability Coordination Technical Committee actions result in actions that violate the FPA. Furthermore, Midwest ISO's proposed TEMT revision to allow the Reliability Coordination Technical Committee to decide whether to expand its membership in the future provides additional assurance that Reliability Coordination Technical Committee membership will continue to include the appropriate parties. The requirement that the Reliability Coordination Technical

¹³ Midwest TDUs August 4, 2008 Comments at 3-4 (citing *Midwest Indep. Transmission System Operator, Inc.*, 84 FERC ¶ 61,231, at 62,151 n.96 (1998)).

¹⁴ We note that any governance matters concerning aspects of Reliability Service that are unique to Reliability Service being taken in conjunction with Midwest ISO's proposed Market Service will be addressed with respect to the Joint Coordinating Committee responsibilities and governance in an order addressing the merits of the Market Service proposal after the Technical Conference.

¹⁵ June 13 Order, 123 FERC ¶ 61,265 at P 40.

Committee may expand its membership by a vote of three-fourths of voting Reliability Coordination Technical Committee members is also consistent with sections 78.4 and 78.6 requiring a similar three-fourths majority to determine the frequency of Reliability Coordination Technical Committee meetings and to approve Reliability Coordination Technical Committee recommendations and other actions.¹⁶

C. Seams Service

1. Transition Timeline

17. Similar to its requirement that Midwest ISO provide a schedule for the transition of parties from existing individualized bridge agreements to Reliability Service, the Commission required Midwest ISO to submit, in a compliance filing, a schedule for moving parties from existing individualized seams agreements to Seams Service, so that there is a smooth transition between the agreements.¹⁷

18. In its compliance filing, Midwest ISO states that the only existing seams agreement currently expected to transition to Seams Service is the Midwest ISO-MAPP Seams Operating Agreement (SOA) that provides coordination across the Midwest ISO/MAPP market-to-non-market seam. Midwest ISO has described its plan to move customers from the Midwest ISO-MAPP SOA to Seams Service during a transitional period beginning with the effective date of Seams Service on June 1, 2008 through to the expiration of the Midwest ISO-MAPP SOA on December 31, 2008. Midwest ISO argues that its proposed schedule provides a reasonable timeline for interested parties to successfully transition to Seams Service.

19. Ameren and MAPP request that the Commission require Midwest ISO to provide further transition schedule information. Similar to its comments regarding Reliability Service, Ameren argues that Midwest ISO should create a general schedule that would provide a Seams Service transition timeline for all parties that may consider becoming Module F customers, rather than only parties to the Midwest ISO-MAPP SOA. MAPP argues that Midwest ISO needs to provide additional milestones and dates to help MAPP members transition to Seams Service. MAPP contends that greater coordination between Midwest ISO and affected stakeholders is needed to develop additional transition schedule details. In the absence of such specific details, MAPP concludes that the transition period may need to continue beyond the expiration of the Midwest ISO-MAPP SOA on December 31, 2008.

¹⁶ Midwest ISO, FERC Electric Tariff, Third Revised Vol. No. 1, Original Sheet Nos. 850T and 850U.

¹⁷ June 13 Order, 123 FERC ¶ 61,265 at P 54.

20. In addition, MAPP requests that Midwest ISO provide two further clarifications. First, MAPP contends that Midwest ISO should clarify that MAPP members that take Seams Service will continue to have the option of being treated as a single reciprocal entity and of using a contracting entity to coordinate with Midwest ISO, consistent with the current congestion management process under the Midwest ISO-MAPP SOA. MAPP argues that Midwest ISO may add unnecessary complexity and necessitate a longer transition period if it instead treats MAPP entities as individual coordinating entities. Second, MAPP requests that Midwest ISO clarify that the Midwest ISO-MAPP SOA's total transfer capability (TTC)/available transfer capability (ATC)/available flowgate capability (AFC) and Transmission Service Request Evaluation Coordination Protocol will continue in a similar form under Seams Service.¹⁸ MAPP argues that the possible use of that protocol is not addressed in section 81 of the TEMT regarding the future development of the TTC/ATC/AFC Protocol for Seams Service. MAPP concludes that Midwest ISO's proposed transition schedule should include any future coordination of such TTC/ATC/AFC language.

21. In response to MAPP, Midwest ISO contends that MAPP raises issues that are unrelated to any aspect of the compliance filing, collaterally attack the June 13 Order, and that should instead be resolved through meetings with Midwest ISO regarding such implementation details. Consistent with MAPP's requests, Midwest ISO clarifies that the tariff allows two or more Seams Service customers to request that their flows be aggregated for modeling purposes and that Service Agreement KK-2 permits Seams Service customers to designate an agent, such as MAPP, to represent them. Midwest ISO assumes, and *hopes*, that MAPPCOR will continue to act as the representative for MAPP entities who take Seams Service and that their flows will be aggregated for modeling purposes as they are today. However, Midwest ISO explains that Seams Service customers (and not their agents) are considered to be "[r]eciprocal [e]ntities" under Attachment KK-2 and the TEMT, with the associated legal obligation to institute responsive measures to manage congestion under the Congestion Management Process.¹⁹ According to Midwest ISO, one of the primary objectives of Seams Service for the MAPP region is to clarify this contractual relationship, so that it is clear that Seams Service customers are the "[r]eciprocal [e]ntities," regardless of whether they have a

¹⁸ ATC and TTC are defined in sections 1.16 and 1.313a of Midwest ISO's tariff, respectively. AFC is described in Attachment C, "Methodology to Assess Available Transfer Capability," of the tariff.

¹⁹ Midwest ISO adds that the question of whether MAPP should be considered a reciprocal entity for the purpose of entering into Reciprocal Coordination Agreements under the Congestion Management Process should instead be addressed if and when such an agreement is signed and filed with the Commission.

designated agent and whether they are members of any regional group. Given these clarifications, Midwest ISO contends that the transition to Seams Service will be nearly invisible to MAPP entities that take Seams Service and designate MAPP as their agent. Finally, Midwest ISO concludes that MAPP does not present any concrete examples of greater details needed in the proposed transition schedule.

22. We find that Midwest ISO's proposed timeline satisfies the Commission's requirement in the June 13 Order that Midwest ISO submit a schedule for moving from existing individualized seams agreements to Seams Service. While the Commission, in that order, also accepted Midwest ISO's commitment to assist all customers with the transition from their existing agreements to Seams Service, it did not direct Midwest ISO to submit a general transition schedule that accommodates moving to Seams Service from every foreseeable, pre-existing arrangement. Accordingly, we will not require Midwest ISO to submit to the Commission a general schedule for transitioning to Reliability Service, as Ameren requests. Instead, we expect Midwest ISO to provide transition assistance, including developing a transition timeline, as appropriate, to all parties moving to Seams Service, on a non-discriminatory basis, consistent with the June 13 Order.

23. Furthermore, we find that the proposed timeline describes the major milestones needed to understand the general transition schedule for moving from existing individualized seams agreements to Seams Service. We note that MAPP does not identify any specific, significant details that have been omitted from the proposed timeline. Thus, we will not require Midwest ISO to submit a more detailed transition schedule. We expect Midwest ISO to continue to work with the relevant parties to provide additional details and to resolve issues that may arise with respect to the proposed timeline.

24. We disagree that additional transition time is needed to address MAPP's concerns regarding the treatment of Seams Service customers as single reciprocal entities or the inclusion of certain Midwest ISO-MAPP SOA information in the TEMT's TTC/ATC/AFC protocols. We find that Midwest ISO's explanations in its answer clarify that Seams Service customers may choose to designate an agent or to request that Midwest ISO aggregate their flows for modeling purposes. As this arrangement is consistent with the current treatment under the Midwest ISO-MAPP SOA, the timeline should provide customers with sufficient time to transition to Seams Service.

25. While Midwest ISO indicated that the Seams Service provisions are based in large part on the Midwest ISO-MAPP SOA,²⁰ Module F does not appear to reflect the TTC/ATC/AFC and Transmission Service Request Evaluation Protocol in the Midwest

²⁰ Midwest ISO March 4, 2008 Filing at 12; *see also* Moeller Test. at 6.

ISO-MAPP SOA.²¹ The TEMT at section 81 instead indicates that Midwest ISO will negotiate these types of protocols with individual Seams Service customers and that it will include those protocols in the customer's service agreement. Midwest ISO does not explain whether all MAPP members that take Seams Service will have the same protocols (as they do today under the Midwest ISO-MAPP SOA) or whether the protocols may vary for different MAPP members. We will therefore require Midwest ISO, in a compliance filing due within 30 days of the date of this order, to clarify the use of those Midwest ISO-MAPP SOA protocols for MAPP members that take Seams Service and to submit, as appropriate, any TEMT revisions needed to reflect the incorporation of such protocols into the service agreements with Seams Service customers. Based on Midwest ISO's contention that the transition to Seams Service will be nearly invisible to MAPP entities that take Seams Service and designate MAPP as their agent, we expect Midwest ISO will allow continued use of the existing TTC/ATC/AFC and Transmission Service Request Evaluation Protocol in the Midwest ISO-MAPP SOA for those MAPP members taking Seams Service after December 31, 2008, to the extent necessary to provide a smooth transition from the Midwest ISO-MAPP SOA to Seams Service. MAPP can raise its concerns about protocols that will apply to MAPP-member Seams Service customers either when Midwest ISO files this compliance filing, when customer-specific service agreements for Seams Service are filed, or when Midwest ISO files an application seeking to cancel the Midwest ISO-MAPP SOA.

2. Calculating Redispatch Costs

26. In the June 13 Order, the Commission conditionally accepted Midwest ISO's proposed compensation provisions for Seams Service customers that redispatch their systems at Midwest ISO's request. Among other things, the Commission required Midwest ISO, in a subsequent compliance filing, to outline the compensation provisions that will apply when Midwest ISO redispatches its system at the request of a Seams Service customer. To provide information regarding redispatch events, the Commission also required Midwest ISO "to meet the same posting requirements the Commission accepted in the East Kentucky Order."²²

²¹ "Seams Operating Agreement Between the Midwest Independent Transmission System Operator, Inc. and MAPP COR" at Article 5 and Att. A (Midwest ISO-MAPP SOA).

²² June 13 Order, 123 FERC ¶ 61,265 at P 80 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 119 FERC ¶ 61,338, at P 15 (2007) (East Kentucky Order) (accepting the redispatch agreement between Midwest ISO and East Kentucky)).

27. In its compliance filing, Midwest ISO proposes tariff revisions to specify the compensation provisions for generation redispatch by Midwest ISO at the request of a Seams Service customer. To provide such redispatch, Midwest ISO clarifies that it may apply the tariff's manual redispatch provisions and charge the Seams Service customer pursuant to the manual redispatch provisions of Schedule 27. Alternatively, Midwest ISO may provide redispatch by binding the affected flowgate, allowing the security constrained economic dispatch system to issue redispatch instructions, and charging the Seams Service customer an amount equal to the corresponding redispatch costs on Midwest ISO's system. Midwest ISO adds that the Seams Service customer must arrange and pay for any transmission service needed for a Seam's Service customer's generation that is redispatched by Midwest ISO.

28. Ameren argues that neither Midwest ISO's compliance filing nor the June 13 Order have provided detailed information regarding the posting of information on redispatch events. Ameren contends that the Commission should require Midwest ISO to submit tariff revisions describing how such postings will be conducted, including the circumstances that would prompt a posting, where the information will be posted, what information will be posted, and a template for the anticipated postings.

29. We accept Midwest ISO's proposed tariff revisions as meeting its compliance obligation to clarify the redispatch compensation provisions. We will not direct Midwest ISO to provide further clarifications or TEMT revisions to the Commission regarding the posting of redispatch information. In the East Kentucky Order, the Commission accepted Midwest ISO's proposal to post certain non-commercially sensitive information for each redispatch event and to report aggregate data on an annual basis.²³ We expect Midwest ISO to post similar individual redispatch event information and aggregate, annual data here. Consistent with the East Kentucky Order, we will not require Midwest ISO to revise its TEMT to provide for such postings. However, we direct Midwest ISO to determine, in conjunction with the relevant stakeholders, procedures for posting redispatch information and the specific data to be contained therein and to revise, as appropriate, its Business Practices Manuals to reflect such information.

²³ Specifically, Midwest ISO stated that at the time a redispatch event occurs, it would post "a general notice of the flowgate involved, the time of the event, the relief provided in megawatts, and the amount of energy, if any, flowing into or out of the Midwest ISO energy market as a result of the relief provided...during the event." In addition, Midwest ISO said that it would post, on an annual basis, "a report aggregating the redispatch events, the amount paid for redispatch service during the year, and the estimated costs avoided by using the redispatch service." East Kentucky Order, 119 FERC ¶ 61,338 at P 12.

3. North Dakota Export Flowgates (NDEX)

30. The Commission, in the June 13 Order, conditionally accepted Midwest ISO's proposal to continue treating NDEX under Seams Service the same way it currently treats the interface under existing agreements. Among other things, the Commission required Midwest ISO to submit tariff revisions in a subsequent compliance filing to reflect "changes that it agreed to make in response to concerns raised by protestors regarding the treatment of NDEX under Seams Service."²⁴

31. In its compliance filing, Midwest ISO proposes to revise section 82.5 and Attachment KK-2 regarding the treatment of NDEX under Seams Service to make the sections consistent with the corresponding provisions in section 90.2.2 regarding the treatment of NDEX under its Market Service proposal.

32. Basin Electric and WAPA argue that Midwest ISO's proposed revisions to section 82.5 do not mirror all of the applicable language in section 90.2.2. To ensure consistency with section 90.2.2, Basin Electric and WAPA request that the Commission direct Midwest ISO to make two further revisions to section 82.5: (1) delete the requirement that "one or more owners of such rights are either [t]ransmission [o]wners or [Market Service customers] under this [t]ariff;" and (2) add a sentence requiring Midwest ISO and each Seams Service customer to "honor each other's rights when evaluating requests for transmission service under their respective tariffs."²⁵ Basin Electric and WAPA state that Midwest ISO has agreed to make both of these revisions.

33. We find that Midwest ISO's proposed revisions to section 82.5 are not consistent with all of the applicable provisions of section 90.2.2, despite Midwest ISO having agreed to make these changes, as we noted in the June 13 Order.²⁶ Accordingly, we require Midwest ISO to submit, in the compliance filing due within 30 days of the date of this order, tariff revisions to ensure that the description of the treatment of NDEX in section 82.5 is consistent with the applicable provisions of section 90.2.2.

4. Other Clarifications

34. In its June 13 Order, the Commission required Midwest ISO to include in a subsequent compliance filing any additional modifications it agreed to make in response

²⁴ June 13 Order, 123 FERC ¶ 61,265 at P 108.

²⁵ Basin Electric and WAPA August 4, 2008 Comments at 1-2.

²⁶ June 13 Order, 123 FERC ¶ 61,265 at P 102.

to commenters' concerns. The Commission stated that it will address those changes as part of the proceeding on the compliance filing.²⁷

35. Midwest ISO proposes a variety of clarifications and editorial revisions in its compliance filing. Among other things, Midwest ISO proposes to revise sections 83.1 and 83.3.1 to clarify the circumstances that will necessitate redispatch and its redispatch operational procedures.

36. Basin Electric and WAPA request that the Commission require Midwest ISO to add additional language to sections 83.1 and 83.3.1 regarding the purposes and procedures of redispatch. Specifically, Basin Electric and WAPA suggest that Midwest ISO split section 83.1 into two sentences and modify the second sentence to read, as shown in redline strike-out format: "Redispatch under this [s]ection shall be implemented for the purpose of relieving actual or contingency overloads on flowgates when the party requesting redispatch determines that meeting theits assigned relief obligation would be operationally burdensome or the cost of relieving the actual or contingency overload would be substantial."²⁸ Basin Electric and WAPA also request that Midwest ISO reference transmission arrangements in section 83.3.1, so that the section reads, in part, as shown in redline strike-out format: "[t]he operation procedures shall include but not be limited to generator ramp rates, ~~and~~ time commitment for [Midwest ISO's] or the [Seams Service customer's] generators such as minimum run times, minimum down times and/or a fuel delivery commitment period, and transmission arrangements."²⁹ Basin Electric and WAPA state that Midwest ISO has agreed to make both of these tariff revisions.

37. We accept Midwest ISO's clarifications and editorial revisions as set forth in its compliance filing, with one condition. We require Midwest ISO to submit, in the compliance filing due within 30 days of the date of this order, tariff revisions to incorporate Basin Electric and WAPA's suggested changes to sections 83.1 and 83.3.1 specifying the purposes and procedures of redispatch, as discussed above or clarify how the determination of the need for redispatch would occur. Alternatively, Midwest ISO can provide an explanation of why such modifications are unnecessary or why they should be further modified.

²⁷ June 13 Order, 123 FERC ¶ 61,265 at P 90.

²⁸ Basin Electric and WAPA August 4, 2008 Comments at 2.

²⁹ *Id.* at 3.

The Commission orders:

(A) Midwest ISO's compliance filing is conditionally accepted in part as discussed in the body of this order.

(B) Midwest ISO is hereby required to submit a compliance filing, within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.