### UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

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

Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C. Docket No. ER04-375-007

### ORDER ON CLARIFICATION AND DENYING REHEARING

(Issued November 18, 2004)

1. Exelon Corporation, American Electric Service Corporation on behalf of certain operating companies of the American Electric Power System,<sup>1</sup> and Ameren Corporation (collectively, Companies) have requested clarification or, in the alternative, rehearing of the Commission's August 5, 2004 Order<sup>2</sup> concerning the Joint Operating Agreement (JOA)<sup>3</sup> between the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and PJM Interconnection, L.L.C. (PJM). Companies' request concerns the methodology in the JOA by which Midwest ISO and PJM allocate available capacity on coordinated flowgates and how that allocation affects their evaluation of new requests for transmission service. For the reasons discussed below, we will deny Companies' request for clarification or rehearing. This order benefits customers by eliminating regional seams issues, clarifying the JOA, and encouraging existing Regional Transmission Organization (RTO) coordination efforts.

<sup>2</sup>Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., 108 FERC ¶ 61,143 (2004) (August 5 Order).

<sup>3</sup> The JOA provides for Midwest ISO and PJM to progressively integrate their operations. As approved by the August 5 Order, the JOA includes, as Attachment 2, the April 2, 2004 Congestion Management Process (CMP), which outlines specifics of the integration process.

<sup>&</sup>lt;sup>1</sup> Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

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#### BACKGROUND

2. The August 5 Order addressed requests for rehearing of the Commission's March 18, 2004 order that conditionally accepted the JOA, enabling Midwest ISO and PJM to closely coordinate their operations.<sup>4</sup> The August 5 Order also addressed Midwest ISO and PJM's April 2, 2004 joint compliance filing, submitted pursuant to the JOA Order, which made certain clarifications and required further compliance.

3. In their request for clarification or rehearing, Companies state that the JOA Order and the August 5 Order, when read together, are unclear as to whether the Commission approved the use of historic network native load (NNL) as the basis for the RTOs to allocate flowgate capacity only for current-day operations (real-time and day-ahead operating timeframes), as Companies prefer, or also as the basis to evaluate new requests for future transmission service, as they fear the orders have been interpreted to mean. Companies allege that the latter reading permits an RTO to hold available transmission capacity for its customers and to deny that capacity to other users of its system in contravention of Order No. 888.<sup>5</sup> Companies cite to specific statements in the

<sup>5</sup> Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21,540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996), Order No. 888-A, 62 Fed. Reg. 12,274 (March 14, 1997), FERC Stats. & Regs. ¶ 31,048 (1997), order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), aff'd in relevant part sub nom. Transmission Access Policy Study Group, et al. v. FERC, 225 F.3d 667 (D.C. Cir. 2000), aff'd sub nom. New York v. FERC, 535 U.S. 1 (2002) (Order No. 888).

<sup>&</sup>lt;sup>4</sup> Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., 106 FERC ¶ 61,251, order on rehearing, 108 FERC ¶ 61,143 (2004) (JOA Order). Phase 1 of the JOA took effect with the integration of ComEd into PJM on May 1, 2004, pursuant to the Commission's April 27, 2004 order. *Midwest* Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., 107 FERC ¶ 61,087 (2004) (April 27 Order).

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August 5 Order<sup>6</sup> and the JOA Order<sup>7</sup> as creating confusion on this issue. In addition, Companies argue that using the JOA's NNL allocation process to evaluate new requests for future transmission service violates Order No. 888.

4. Companies argue that allocating currently unused capacity to one RTO, even though that RTO has not received a transmission service request that will use that capacity, will needlessly restrict transmission customers' open access rights to use the transmission system. Companies argue that Order No. 888 prohibits a customer from reserving transmission capacity for the purpose of preventing others from using that capacity and making its own generation the only alternative to the market. They argue that the RTOs' setting aside of transmission capacity for one RTO's use has the same effect of limiting the generation available to the market. They ask the Commission to clarify that the August 5 Order approved the NNL allocation process in the JOA only for current-day operations, and not for new requests for future transmission service. If the Commission denies this clarification, Companies request rehearing on this issue and ask that the Commission direct Midwest ISO and PJM to modify the allocation process to conform to an alternative allocation process that Companies propose.

5. In response to Companies' request, the Commission issued an order noting that the JOA is the first such agreement between two RTOs and could potentially serve as the model for future coordination between other RTOs. For this reason, and also to develop

<sup>7</sup> Companies cite the following statement from the JOA Order as creating the confusion: "Using a historic allocation allows market participants to protect the service that they used prior to the implementation of the JOA. It also represents an equitable way to allocate the use of remaining capacity over those flowgates for future needs of both RTOs, since the remaining capacity will be available on a non-discriminatory, first-come, first-served basis pursuant to the RTOs' OATTs" (P 78).

<sup>&</sup>lt;sup>6</sup> Companies believe that the following statements in the August 5 Order support the use of the allocation process only for current-day operations: "Use of historic NNL to allocate transmission capacity on Coordinated Flowgates under the JOA ensures that the capacity formerly available in each RTO prior to the JOA will still be available for that RTO's future transactions" (P23); and "Our understanding of the JOA AFC allocation process using historic NNL is that the transmission capacity related to past transactions will be allocated and available to each RTO, but specific past transactions are not necessarily guaranteed use of that capacity. Each RTO's use of its allocated capacity is governed by the RTO's OATT" (note 15).

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more completely the issue of flowgate capacity allocation, the Commission required Midwest ISO and PJM to file briefs in response to Companies' motion. It also invited briefs from other parties.<sup>8</sup>

6. The following parties filed initial briefs in response to the September 17 Order: Midwest ISO, PJM, Companies, MidAmerican Energy Company (MidAmerican), The Detroit Edison Company (Detroit Edison), and International Transmission Company (International Transmission). Reply Briefs were filed by Midwest ISO, PJM, Companies, Detroit Edison, Wisconsin Public Service Corporation (Wisconsin Public Service), Consumers Energy Company (Consumers Energy) and the Organization of MISO States (OMS).

7. Dayton Power & Light Company (Dayton P&L) filed, on September 17, 2004, a motion to intervene in this proceeding, stating support of Companies' position. PSEG Energy Resources & Trade LLC (PSEG Energy), which had filed a motion to intervene out of time in the Docket No. ER04-375-000 proceeding, on June 1, 2004, filed comments, on October 21, 2004, supporting Companies' Reply Brief.

## **INITIAL BRIEFS**

8. PJM states that the allocation process in the JOA, as presented to and approved by the Commission, applies to both current-day operations and to evaluations of new requests for transmission service. PJM argues that the forward-looking allocation process in the JOA is an improvement over pre-existing inter-regional operations and mitigates seams by offering a degree of protection against potential loop flows from service requests under consideration by the other RTO. According to PJM, the allocation methodology that requires each RTO to recognize, and act to mitigate, the effects of its dispatch on the other RTO also requires each RTO to take account of, and limit the effect of, prospective new transmission services on the other RTO. As evidence that the RTOs are implementing this new authority reasonably, PJM states that it and Midwest ISO instituted a procedure in August 2004 to address the concerns raised by Companies whereby the RTOs agree to coordinate when a new service request to one RTO cannot be granted because available capacity is allocated to the other RTO. Based on this coordination, PJM explains, it has regularly given Midwest ISO access to PJM's share of

<sup>8</sup>*Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.,* 108 FERC ¶ 61,248 (2004) (September 17 Order). The Commission also dismissed that portion of Companies' filing that requested consideration of Companies' filing as a conditional complaint as an impermissible attempt to combine a complaint with another type of filing. Docket No. ER04-375-007 - 5 -

capacity on coordinated flowgates, thus allowing Midwest ISO to grant new transmission service requests. PJM also volunteers to facilitate a joint stakeholder process with Midwest ISO to develop and consider how to create a more systematic process that would provide greater certainty to market participants than the current case-by-case approach.

9. Midwest ISO agrees with PJM that the use of historic NNL to allocate capacity on coordinated flowgates to evaluate requests for new transmission service was approved, without modification, in the JOA Order. Midwest ISO states that Companies' request for rehearing on this issue is therefore an impermissible attack on the JOA Order. It also details its view that a forward-looking allocation process is critical to accommodating the two RTOs' interactions, and that removal of such a process from the JOA would have serious reliability and equity implications for both RTOs. Midwest ISO also states that Companies' alternative proposal should be rejected because it undermines the collaborative process that Midwest ISO and PJM have used and are using to address allocation issues, including the ones raised by Companies' alternative proposal. However, Midwest ISO supports a joint stakeholder process to address the issues raised by Companies. It explains that, in the interim, the RTOs have devised a pragmatic approach to be used on a case-by-case basis to address Companies' concerns.

10. Companies incorporate by reference the arguments in their original filing to support their position that the allocation process in the JOA should not be used for requests for new transmission service or, in the alternative, that the allocation process be changed according to their proposal.

11. Detroit Edison agrees with Companies that the current JOA allocation process needs to be changed, and outlines how it believes the process is being used to lead to perverse outcomes. Detroit Edison asks the Commission to modify the JOA with the alternative proposal made by Companies because it is an improvement over the existing JOA procedures. Detroit Edison also identifies and asks the Commission to address a different issue involving potential double counting of flowgate impacts.

12. International Transmission agrees that Companies have identified a problem with the current allocation of capacity on coordinated flowgates. International Transmission states that the JOA is the result of many months, if not years, of study and negotiation, was approved by the Commission, and should not be altered absent a clear need. If the Commission orders any changes to the process used to allocate flowgate capacity, it must be careful not to lose sight of the original purpose of the JOA and thereby forfeit the reliability gains that the RTOs were able to obtain by entering into the JOA. For example, simply abandoning the forward allocation process, as advocated by Companies, may have adverse impacts on economic dispatch. Therefore, International Transmission requests that the Commission require the RTOs to inform affected parties and the

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Commission of the full results of the allocation process before the parties are required to submit substantive analysis of the propriety of the flowgate allocation scheme. In addition, International Transmission requests the Commission to require the RTOs, as part of their 60-day reporting requirements, to include a detailed review, with supporting work papers, of the allocations that they have made at key flowgates. The Commission should also require the RTOs to conduct system impact studies whenever Midwest ISO and PJM reject a substantial request for system capacity or whenever the allocation of flowgate capacity under the JOA indicates that a key flowgate is oversubscribed. Lastly, International Transmission asks the Commission to issue a notice calling for comments on the possible elimination of Step 8(e) of the allocation process in the CMP.<sup>9</sup>

13. MidAmerican states that there should be changes made to the allocation process in the JOA to make sure that transmission service requests are not rejected when adequate capacity exists, and that transmission service requests should be processed on a first-come, first-served basis. MidAmerican also states that the JOA reflects a significant level of coordination between Midwest ISO and PJM, and that the JOA is likely to minimize the negative reliability and economic impact that could result if each RTO were to sell the same transmission capacity to different users, thereby overselling the transmission system. However, according to MidAmerican, the JOA as implemented has apparently created a condition in which available capacity may not be sold at all. While noting that Companies' alternative proposal may be one means to address this issue, MidAmerican takes no position at this time as to whether it is the only acceptable solution.

### **REPLY BRIEFS**

14. Companies state that all parties that filed initial briefs essentially agree that there is a problem with the JOA process allocating capacity on flowgates that should be addressed in some fashion. Companies dispute Midwest ISO's procedural arguments and its arguments regarding the need for a forward-looking allocation process for available capacity. Companies continue to believe that the forward-looking process should be abandoned, or that their alternative proposal should be implemented. However, Companies also ask the Commission to direct the institution of a stakeholder process to resolve the issue with a target date for resolution. Companies state that they have always

<sup>&</sup>lt;sup>9</sup> Step 8(e) in section 6 of the CMP, Reciprocal Operations, states, "Any remaining capacity will be considered Firm and allocated to signatories of reciprocal agreements based on their Historic Ratio (as described in step 5)" (Step 8(e)). CMP at Original Sheet No. 141.

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been ready, willing, and able to attempt to resolve the issue in an open collaborative process, but that flexibility on the part of all parties is necessary to make the process work.

15. PJM states that the Commission should defer to the stakeholder approach suggested by both RTOs. It requests that the Commission dismiss the request for clarification and rehearing, encourage stakeholder discussions, and, if appropriate, establish procedures to report on the results of those discussions. PJM also states that no party disputes that the JOA is being implemented as intended and as approved by the Commission. PJM also states that it agrees with MidAmerican that any allocation process should honor the first-come, first-served principle. It states its intention to so advocate in the further stakeholder discussions. In response to requests for changes recommended by International Transmission and Detroit Edison in their initial briefs, PJM states that the Commission should reject any changes to the JOA requested in addition to or as alternatives to the changes proposed by Companies. PJM believes that those additional or alternative proposals were not preserved through any pending request for rehearing and should be dismissed. Besides this procedural deficiency, PJM also states that International Transmission's request for further reporting requirements and audits of the allocation calculations is unsupported and should be rejected.

16. Midwest ISO objects to the review and audit procedures proposed by International Transmission as needlessly burdensome, believing that they will delay resolution of the issues raised in this proceeding. Midwest ISO also points out that it has already supplied the data requested by International Transmission in response to the Commission's May 17, 2004 Data Request issued in Docket No. ER04-375-001, and has supplemented that data with additional information and discussions thereafter. However, Midwest ISO agrees with another of International Transmission's concerns, and suggests that the question of when a system impact study is needed and how it is paid for be added to a joint-stakeholder process on the flowgate capacity allocation issue. In response to International Transmission's suggestion to eliminate Step 8(e) of the allocation process, and to Detroit Edison's concerns on potential double counting, Midwest ISO argues these matters are beyond the scope of the instant proceeding.

17. Detroit Edison reiterates its concerns about the process being used by the RTOs to allocate capacity on flowgates in reviewing new requests for transmission service. However, Detroit Edison revises its support for Companies' alternative proposal, stating that the initial briefs filed by itself, Midwest ISO, and PJM all contain different understandings of the alternative proposal offered by Companies. If Midwest ISO's understanding of Companies' alternative proposal is correct, then Detroit Edison states that it joins Midwest ISO in asking the Commission to reject Companies' proposal. If, on the other hand, Detroit Edison's own understanding of the Companies' alternative

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proposal is correct, then it asks the Commission to remedy the allocation issues by requiring the implementation of alternative proposal. Detroit Edison also repeats its concern regarding the potential double counting of impacts on flowgate capacity.

18. Wisconsin Public Service states that it agrees with Companies that the allocation methodology outlined in the JOA should apply only to real-time and day-ahead operations. However, it also agrees with PJM that there should be a joint stakeholder process to both evaluate and resolve this issue. In the interim, Wisconsin Public Service requests that the RTOs be instructed to continue to address new transmission service requests in accordance with Order No. 888 and their respective Open Access Transmission Tariffs (OATTs).

19. Consumers Energy agrees that there are improvements that should be made to the flowgate allocation process, but takes no position at this time as to an appropriate solution. It asks the Commission to resolve the issue so that the allocation of capacity on flowgates ensures that transmission service requests will not be rejected when adequate capacity exists and that all transmission service requests are processed on a first-come, first serve basis.

20. OMS agrees with Midwest ISO and PJM that a negotiated process to determine the methodology for the forward allocation of flowgate capacity is appropriate. It states that a stakeholder process, through its very nature of involving many parties, offers an opportunity for a variety of options and viewpoints to be considered and can lead to a solution that is satisfactory to a large number of parties.

### **DISCUSSION**

# **Procedural Matters**

21. We find that Dayton P&L and PSEG Energy have shown good cause for seeking to intervene out-of-time in these proceedings and will grant their motions. Their late interventions will not disrupt these proceedings or otherwise prejudice any party to them, and no party has opposed their interventions. We require, however, that they accept the record as it now stands.<sup>10</sup>

<sup>&</sup>lt;sup>10</sup> See 18 C.F.R. § 385.214(d) (2004).

### Allocation of Available Capacity

22. Preliminarily, we wish to highlight that the JOA, including the portion of the forward-looking allocation process in dispute here, represents a considerable improvement over the situation in effect prior to the JOA, which allowed the RTOs to oversell flowgate capacity without regard to the impact of loop flow on other systems. No party argues that a return to the old way of doing things is better than the current process under the JOA. In fact, all parties support the allocation process in the JOA for use in day-ahead and real-time operations. All parties also seem to support the allocation to each RTO of flowgate capacity which has historically been used to serve load, and that the allocated capacity could be used to meet new requests for transmission service (*i.e.*, once allocated, the flowgate capacity would remain with the RTO, even if a particular transaction using the flowgate terminated). The only dispute arises as to whether the Commission intended for the JOA to allocate the remaining available flowgate capacity between the two RTOs based, again, on relative historical use by the two RTOs rather than allowing the remaining capacity to be sold on a first come, first served basis by either RTO.

23. We deny Companies' clarification and, in the alternative, rehearing requests that we find that the JOA's allocation process is limited only to the real-time and day-ahead timeframe and will not be used to evaluate new requests for transmission service. We conclude that the use of historic NNL to allocate available capacity on a forward-looking basis is appropriate. Midwest ISO and PJM both state in their briefs that the allocation process as written in the JOA correctly uses historic NNL to allocate coordinated flowgate capacity both in current-day operations and for evaluating new requests for transmission service, and that this is a necessary part of the JOA collaborative process.

24. We agree with Midwest ISO and PJM and find that the forward-looking allocation process for flowgate capacity in the JOA is a reasonable method of allocating available flowgate capacity between the RTOs for new transmission requests. Eliminating this forward-looking allocation method, as Companies request, could result in the RTOs overselling flowgate capacity, possibly leading to adverse consequences for system reliability. Both Midwest ISO and PJM agree that such a forward-looking allocation process is needed to ensure that capacity is not over-allocated. As Companies themselves point out, in their September 7, 2004 motion for clarification, they cannot definitively say that allocation beyond next-day and real-time is unnecessary without more historical data.<sup>11</sup> Thus, the allocation process contained in the JOA is just and reasonable and far superior to having no such forward-looking allocation method.

<sup>&</sup>lt;sup>11</sup> Companies' September 7, 2004 filing at 16.

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25. We further disagree with the Companies' argument that this allocation process for available flowgate capacity violates Order No. 888's requirement for utilities to offer their available capacity on a non-discriminatory basis. Under the JOA, each RTO offers the full amount of capacity that is defined as available under its OATT. That one RTO cannot approve, without further coordination with the other, a request for transmission service that impacts a coordinated flowgate in excess of a designated amount (in this case, a share based on historic flows) does not constitute an anticompetitive withholding of transmission service as was prohibited in Order No. 888.<sup>12</sup> Although a customer may not have access to the total of the available flowgate capacity under one RTO's OATT, all available flowgate capacity will be offered on a first-come, first-served basis under Midwest ISO's and PJM's OATTs. For these reasons, we deny Companies' request for clarification and also its alternative request for rehearing.

26. Moreover, Midwest ISO and PJM instituted a practice, in August 2004, whereby they share their allocations of available flowgate capacity so that a new transmission request is not denied when there is sufficient available capacity to approve the request. Under the process the RTOs worked out, PJM states that it has routinely agreed, on a case-by-case basis, to allow new service requests to go forward under Midwest ISO's OATT even if the service would impinge on PJM's allocation of available flowgate capacity.<sup>13</sup> This process appears to be working since no party has alleged in this proceeding that it was ultimately denied service when there was sufficient available capacity. We commend Midwest ISO and PJM for their proactive approach in addressing the allocation issue. As a result of this effort, complications feared by Companies have not materialized. The JOA provides a strong foundation on which to build an on-going collaborative process between the RTOs. New issues are sure to emerge, and changes to the JOA may be proposed. But, as this proceeding shows, with cooperation and communication, sensible solutions can result.

27. As an alternative to abandoning the forward-looking allocation process for available flowgate capacity, Companies submitted their own proposal, in their September 7, 2004 filing, and ask us to modify the JOA to include it. As a procedural matter, a request for rehearing or clarification is not the proper forum to address an alternative proposal. Nevertheless, as explained above, we find that the current allocation

<sup>13</sup> We understand this to mean that Midwest ISO has agreed to give PJM the same consideration.

<sup>&</sup>lt;sup>12</sup> In addition, allocation of transmission capacity for a broader benefit, *e.g.*, capacity benefit margin and transmission reliability margin, does not violate Order No. 888.

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process is appropriate and, therefore, find no need to replace it at this time. The allocation methodology in the JOA was subject to an extensive stakeholder process and several Commission proceedings. It would be unjust to adopt a proposal submitted by one set of participants before allowing the stakeholder process time to evaluate and consider other alternatives. The briefs on this issue demonstrate that more deliberation is needed. For example, OMS, MidAmerican and Consumers Energy believe that the alternative proposal may not be the only appropriate resolution, and Detroit Edison either supports or does not support the proposal, depending on how it is implemented.<sup>14</sup>

28. Furthermore, there appears to be little need to mandate adoption of an alternative proposal in light of Midwest ISO's and PJM's institution of a coordination process to prevent the type of service denials feared by Companies. We do, however, need to remain informed on the effectiveness of the RTOs' coordination. We therefore direct PJM and Midwest ISO to include, as part of the JOA progress reports they file every 60 days,<sup>15</sup> any instances where an RTO's refusal to share its allocation of available capacity on a coordinated flowgate causes a denial of a request for transmission service.

29. While the RTOs' current allocation procedures seem to have avoided unintended service denials, all parties in this proceeding appear to agree that enhancements to the allocation procedure in the JOA should be considered. PJM and Midwest ISO state that they have already been negotiating more systematic procedures to replace the *ad hoc* approach implemented in August. PJM also volunteers to facilitate a joint stakeholder process with Midwest ISO to develop and consider options for tackling this issue. Companies, OMS, Detroit Edison, PSE&G, and Wisconsin Public Service also agree that a solution can be found through a joint stakeholder process.

30. We agree that subjecting any proposals to the vigor of a joint stakeholder process, where all parties can express their views and may be exposed to new perspectives, is the best way to consider any potential changes to the JOA allocation process. We therefore urge all stakeholders to participate in the process that PJM has volunteered to facilitate. In order to remain informed on the progress being made on this issue, we direct PJM and Midwest ISO to include a status report on this process also as part of the JOA progress reports they file every 60 days.<sup>16</sup>

<sup>16</sup> See id.

<sup>&</sup>lt;sup>14</sup> At this time, we do not make a finding as to whether any particular proposal would be a reasonable way to modify the current JOA allocation process.

<sup>&</sup>lt;sup>15</sup> See JOA Order at P 105.

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31. Regarding Detroit Edison's and International Transmission's requests for other changes to the JOA, in addition to, or as alternatives to, the changes requested by Companies (*i.e.*, double counting of flowgate capacity, new reporting requirements, system impact studies, and deletion of Step 8(e) from the CMP) we find that these requests are unrelated to this proceeding, which concerns the JOA's method of allocating available capacity on coordinated flowgates as raised by Companies' in their request for clarification or rehearing and outlined in the September 17 Order.

### The Commission orders:

(A) Companies' motion for clarification of the Commission's August 5, 2004 order in these proceedings is hereby granted and denied as discussed in the body of this order; Companies' alternative motion for rehearing of the August 5, 2004 order is hereby denied.

(B) Midwest ISO and PJM are hereby directed to include in the 60-day JOA progress reports already required by the Commission, in the March 18, 2004 order in these proceedings, the status of two additional items – a report of any denial of a request for transmission service not prevented by the institution of their enhanced coordination process, and the status of the joint stakeholder process to address allocation of available capacity at coordinated flowgates.

(C) The motion filed by Dayton P&L, on September 17, 2004, for untimely intervention in the ER04-375-007 proceeding is hereby granted.

(D) The motion filed by PSEG Energy, on June 1, 2004, to intervene in the ER04-375-000 proceeding is hereby granted.

(E) Detroit Edison's and International Transmission's requests concerning matters unrelated to this proceeding are hereby dismissed, as discussed in the body of this order.

By the Commission.

(SEAL)

Magalie R. Salas, Secretary.