

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

December 21, 2006

In Reply Refer To:
Midwest Independent Transmission
System Operator, Inc.
Docket No. ER06-731-003

Midwest Independent Transmission System Operator, Inc.
Attn: Lori A. Spence, Esq.
Associate General Counsel
701 City Center Drive
Carmel, IN 46032

Dear Ms. Spence:

1. On August 21, 2006, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed proposed revisions to its Open Access Transmission and Energy Markets Tariff (TEMT or tariff) in compliance with an earlier Commission order.¹ On October 11, 2006, the Midwest ISO submitted an amendment to revise several of the proposed tariff sheets. The Commission will accept the proposed revisions, to become effective April 1, 2006 and July 21, 2006, as requested, subject to the submission of further modifications, as discussed below.
2. For the period from April 1, 2006 to July 20, 2006, the proposed tariff sheets remove Broad Constrained Area (BCA) mitigation tariff provisions, in accordance with the Commission's May 9 Order rejecting Midwest ISO's request for an extension of BCA mitigation. For the prospective period beginning July 21, 2006, the proposed tariff sheets reinsert the tariff provisions relating to BCA mitigation, in accordance with the July 20 Order that granted rehearing and permitted a one-year extension of BCA mitigation.
3. Notice of the August 21 compliance filing was published in the *Federal Register*, 71 Fed. Reg. 57,939 (2006), with interventions and protests due on or before September 11, 2006. Notice of the October 11 amendment was published in the

¹ *Midwest Independent Transmission System Operator, Inc.*, 115 FERC ¶ 61,158 (May 9 Order), *order on reh'g*, 116 FERC ¶ 61,068 (2006) (July 20 Order).

Federal Register, 71 Fed. Reg. 61,757 (2006), with interventions and protests due on or before November 1, 2006. No interventions or protests were filed.

4. We will accept for filing Midwest ISO's revisions to its TEMT, effective April 1, 2006 and July 21, 2006, subject to a further compliance filing due within 30 days of the date of this order to address the concerns below.

5. The current time-based and other offer parameter thresholds for identifying economic withholding by units within a Narrow Constrained Area (NCA) in tariff section 64.1.2.d.iii refer only to the BCA mitigation thresholds in section 64.1.2.a. However, for the April 1, 2006 to July 20, 2006 period, the thresholds for identifying economic withholding by units within a BCA are removed from tariff section 64.1.2.a. Thus, with the BCA thresholds removed from the proposed tariff sheets, the time-based and other offer parameter thresholds applicable to NCAs also are effectively omitted. And Midwest ISO's proposed reference to "section 64.1.2" on proposed Third Revised Sheet No. 772 does not adequately reinsert the NCA thresholds into section 64.1.2.d.iii. As a consequence, we will require the Midwest ISO to ensure that time-based and other offer parameter thresholds for NCA mitigation regarding economic withholding are included in the tariff by expressly incorporating all necessary language into section 64.1.2.d.iii and not simply a reference to section 64.1.2.

6. For the prospective period beginning July 21, 2006, section 64.1.2.d.iii on proposed Fifth Revised Sheet No. 772 refers only to section 64.1.2.a.iii for its "Time-based and other Offer parameters" mitigation thresholds. However, the "other Offer parameters" are contained in section 64.1.2.a.iv, and so a reference to section 64.1.2.a.iv should be added to section 64.1.2.d.iii.²

By direction of the Commission.

Magalie R. Salas,
Secretary.

² Substitute Fourth Revised Sheet Nos. 3 and 4 for the period beginning July 21, 2006 are not compliant with 18 CFR § 35.9(b)(2) and should instead be labeled "Fifth Revised" Sheet Nos. 3 and 4, because they have a different effective date than the sheets being superseded and are not considered substitute sheets. Also, Fifth Revised Sheet No. 772 is not compliant with 18 CFR § 35.9(a), because it is not sequentially numbered, and 18 CFR § 35.9(b)(2), because it does not refer to the sheet being superseded. The sheet for the period beginning July 21, 2006 should instead be designated "Fourth Revised Sheet No. 772 Superseding Third Revised Sheet No. 772."