UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
and Jon Wellinghoff.

Midwest Independent Transmission System Operator, Inc. | Docket No. ER06-18-006

ORDER ON REHEARING AND CLARIFICATION

(Issued March 15, 2007)

1. On November 29, 2006,[1] the Commission issued an order on technical conference, requests for rehearing and clarification, and compliance filing that found, among other things, that the Midwest Independent Transmission System Operator, Inc.'s (Midwest ISO) proposed cost allocation methodology for Baseline Reliability Projects rated at 345 kV or above (high-voltage) was just and reasonable. Timely requests for rehearing and/or clarification were filed by the Midwest TDUs[2] and the Midwest ISO

[1] *Midwest Independent Transmission System Operator, Inc.*, 117 FERC ¶ 61,241 (2006) (November 29 Order).

[2] The Midwest TDUs include: Great Lakes Utilities; Madison Gas and Electric Company; Midwest Municipal Transmission Group; Missouri Joint Municipal Electric Utility Commission; Missouri River Energy Services; and Wisconsin Public Power Inc.

Transmission Owners (Midwest ISO TOs).[3] In this order the Commission grants in part and denies in part the requests for rehearing and clarification.

I. **Background**

2. On October 7, 2005, the Midwest ISO filed proposed tariff revisions to its Open Access Transmission and Energy Markets Tariff (TEMT) to implement the transmission expansion cost allocation policy of its Regional Expansion Criteria and Benefits (RECB) Task Force (RECB I Filing). The RECB I Filing addressed the cost allocation for various types of network upgrades, including reliability projects, requests for generator interconnection, requests for transmission service, and economic upgrades. The RECB I Filing also proposed an excluded projects list and an option to fund for transmission owners.[4]

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[3] The Midwest ISO TOs include: Ameren Services Company, as agent for Union Electric Company d/b/a AmerenUE, Central Illinois Public Service Company d/b/a AmerenCIPS, Central Illinois Light Co. d/b/a AmerenCILCO, and Illinois Power Company d/b/a AmerenIP; Alliant Energy Corporate Services, Inc. on behalf of its operating company affiliate Interstate Power and Light Company (f/k/a IES Utilities Inc. and Interstate Power Company); American Transmission Systems, Incorporated, a subsidiary of FirstEnergy Corp.; Aquila, Inc. d/b/a Aquila Networks (f/k/a Utilicorp United, Inc.); City of Columbia Water and Light Department (Columbia, MO); City Water, Light & Power (Springfield, IL); Duke Energy Shared Services for Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., and Duke Energy Kentucky, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; and Wabash Valley Power Association, Inc.

[4] The RECB I Filing did not establish a permanent methodology for the treatment of economic projects, but stated that, until the Midwest ISO derived its new proposal through the "RECB II" process, cost responsibility for economic projects would be negotiated on a case-by-case basis. On November 1, 2006 (as amended on November 8, 2006) the Midwest ISO filed its proposed cost allocation methodology for economic projects (RECB II Filing). The RECB II Filing is addressed in a concurrent order in Docket Nos. ER06-18-004 and ER06-18-005 (concurrent RECB II Order).

3. Among the contested issues in the RECB I Filing was the cost allocation for Baseline Reliability Projects. These are defined as projects that are needed to maintain reliability while accommodating the ongoing needs of existing market participants and transmission customers. Under the Midwest ISO's proposal, for high-voltage Baseline Reliability Projects, 20 percent of the Baseline Reliability Project's cost is allocated across the Midwest ISO footprint on a load ratio share basis and 80 percent is allocated sub-regionally based on a Line Outage Distribution Factor (LODF) analysis.[5]

4. On February 3, 2006, the Commission issued an order conditionally accepting the RECB I Filing and suspending it for a nominal period, to become effective February 5, 2006, subject to refund.[6] The February 3 Order also directed a technical conference to discuss the proposed postage-stamp cost allocation for high-voltage Baseline Reliability Projects. The technical conference was held on April 21, 2006.

5. On November 29, 2006, the Commission issued an order on the technical conference, requests for rehearing and clarification, and compliance.[7] The November 29 Order found that, based on the record, the Midwest ISO's proposed cost allocation for high-voltage Baseline Reliability Projects was just and reasonable. The November 29 Order also denied requests for rehearing, granted in part and denied in part requests for clarification, and accepted the Midwest ISO's compliance filing.

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[5] For Baseline Reliability Projects rated between 100 kV and 344 kV, 100 percent of costs are allocated sub-regionally, to one or more zones, based on LODF analysis. LODF represents the percentage of flow from Line A which is transferred to Line B as a result of the loss of Line A. Thus, all Baseline Reliability Projects at or above 100 kV that either cost $5 million or more, or comprise more than five percent of the Transmission Owners' Net Plant are subject to some form of cost sharing.

[6] *Midwest Independent Transmission System Operator, Inc.*, 114 FERC ¶ 61,106 (2006) (February 3 Order).

[7] November 29 Order, *supra* note 1.

II. Discussion

A. Cost Allocation Methodology for High-Voltage Baseline Reliability Projects

1. The November 29 Order

6. In the RECB I Filing, the Midwest ISO proposed a 20 percent postage-stamp cost allocation for high-voltage Baseline Reliability Projects. In the November 29 Order, the Commission found that, based on the record established by parties' filings and the April 21 technical conference, the cost allocation methodology for high-voltage Baseline Reliability Projects is just and reasonable.

2. Request for Rehearing

7. The Midwest TDUs argue that the Commission erred in accepting the Midwest ISO's proposed cost allocation for high-voltage Baseline Reliability Projects. The Midwest TDUs maintain that the 20 percent postage-stamp cost allocation should be increased to reflect the regional benefits of these high-voltage backbone facilities and promote their construction. The Midwest TDUs maintain that, "[c]onsistent with the Energy Policy Act of 2005 [(EPAct 2005)], the Commission's prior orders, and record evidence, a regional share of 50% or 100% would be amply justified; at minimum a one-third regional cost share, consistent with the Commission's [Southwest Power Pool, Inc. (SPP)] orders, should have been adopted."[8]

8. The Midwest TDUs argue that the November 29 Order summarizes, but does not address, the argument that a 20 percent postage-stamp cost allocation fails to reflect the true regional benefits of such facilities. They argue that "due to the dynamic and highly integrated nature of the AC grid, high-voltage backbone transmission lines provide benefits beyond the immediate geographic area where they are constructed."[9] The Midwest TDUs maintain that these major upgrades strengthen the entire Midwest ISO grid, have broad economic and reliability benefits, expand trading opportunities, and make future expansion and power supply planning easier. In support, the Midwest TDUs argue that over 90 percent of the generation in the Midwest ISO footprint is available for

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[8] Midwest TDUs Request for Rehearing at 2.

[9] *Id.* at 4.

designation as a network resource throughout the region.[10] The Midwest TDUs also note that the Commission has previously found that all Midwest ISO loads and generators have access to and benefit from a Midwest ISO-wide regional generation market.[11]

9. The Midwest TDUs further argue that EPAct 2005 supports reconsideration of the 20 percent postage-stamp cost allocation. The Midwest TDUs maintain that EPAct 2005 provides federal authority to site high-voltage National Interest Electric Transmission Corridors and directs the Commission to facilitate transmission grid expansion to support the needs of Load Serving Entities. In addition, the Midwest TDUs note that EPAct 2005 contains a provision for incentive/performance-based rates to ensure reliability and reduce delivered power costs, which they interpret as endorsing a higher regional cost allocation.

10. Moreover, the Midwest TDUs argue that acceptance of the 20 percent postage-stamp cost allocation is not consistent with recent Commission orders.[12] The Midwest TDUs argue, in particular, that the cost allocation methodology for SPP[13] "comes closer to the actual distribution of benefits provided by all transmission facilities."[14] The Midwest TDUs note that the Midwest ISO's proposed postage-stamp cost allocation is more restrictive than the SPP's cost allocation because the regional cost allocation in the Midwest ISO only applies to high-voltage projects.

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[10] *Id.*

[11] *Id.* at 5 (citing *Wisconsin Electric Power Company*, 110 FERC ¶ 61,340 at P 21, *reh'g denied*, 111 FERC ¶ 61,361 (2005)).

[12] *Id.* at 6-8 (citing *Midwest Independent Transmission System Operator, Inc.*, 117 FERC ¶ 61,237, at P 16, 22-23 (2006); *Southwest Power Pool, Inc.*, 111 FERC ¶ 61,118, at P 25-35 (2005) (*SPP*); *TRANSLink Development Co., LLC*, 101 FERC ¶ 61,316, at P 35 (2002), *order on reh'g*, 103 FERC ¶ 61,208, at P 25-26, *order on reh'g*, 104 FERC ¶ 61,148 (2003)).

[13] The SPP cost allocation methodology provides for one-third of the costs of "Base Plan" facilities of 60 kV and above through a postage-stamp rate and the remaining two-thirds assigned locally to affected zones based on each zone's share of the incremental megawatt-mile benefits as computed under the SPP tariff. Midwest TDUs Request for Rehearing at 6-7 (citing *SPP*, 111 FERC ¶ 61,118 at P 25-35).

[14] *Id.* at 7.

11. The Midwest TDUs further argue that the November 29 Order fails to recognize the need to promote the construction of critically needed transmission facilities, and maintain that a 100 percent postage-stamp cost allocation will "not only better match cost imposition to those who benefit, but also will reduce local consumers' burden and therefore resistance to construction."[15] The Midwest TDUs note that the November 29 Order acknowledges that "the Commission has already used regional rates to encourage transmission investment."[16]

12. The Midwest TDUs also assert that the record does not support the Commission's finding that the 20 percent postage-stamp cost allocation is just and reasonable. They argue that power flow studies conducted to measure the extent to which Midwest ISO sub-regions relied on external transmission to supply their loads demonstrated an average of 34 percent reliance on external transmission throughout the Midwest ISO footprint.[17] The Midwest TDUs further argue that when the power flow study assumptions were modified to reflect in-zone loads served by an efficient Midwest ISO market dispatch, rather than just in-zone generation, the Midwest ISO average was 75 percent.[18] The Midwest TDUs maintain that the November 29 Order fails to explain why this data does not support a higher regional component. The Midwest TDUs state that the historic sharing of investment in the Western region of the Midwest ISO, described at the April 21 Technical Conference by Mr. Clair Moeller on behalf of Midwest ISO as a reason to discount study results for the Mid-Continent Area Power Pool (MAPP) region, in fact favors a higher postage-stamp cost allocation because "MAPP's history of shared investment and integrating resources for the benefit of multiple loads is the direction of [the Midwest ISO's] future."[19]

13. Finally, the Midwest TDUs argue that the 20 percent postage-stamp cost allocation is only "based on a lowest-common-denominator 'consensus' of the

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[15] *Id.* at 9.

[16] *Id.* at 11 (citing November 29 Order, 117 FERC ¶ 61,241 at n.56).

[17] *Id.* at 13 (citing Midwest ISO Staff Presentation, "FERC April 21 TC Appropriate Levels of Postage Stamp," for April 27, 2006 meeting of the RECB Task Force at slides 14-15 (Midwest ISO Staff Presentation), included as Appendix A to the Midwest TDUs' Post-Technical Conference Comments).

[18] *Id.* at 13-14 (citing Midwest ISO Staff Presentation at slide 17, *supra* note 17).

[19] *Id.* at 16.

unbalanced RECB Task Force, not a reasoned technical analysis."[20] The Midwest TDUs maintain that the Commission should not have deferred to the "compromise" reached by the RECB Task Force.

3. Commission Determination

14. We deny the Midwest TDUs' request for rehearing on this issue and affirm the finding of the November 29 Order. To begin, we disagree that the November 29 Order failed to consider the Midwest TDUs' arguments that a higher postage-stamp cost allocation is appropriate. As noted therein, "while we understand the arguments advanced to promote greater regional cost sharing, these arguments ignore the practical challenges of implementing regional cost sharing for new facilities across such an expansive and diverse region, as was articulated by several panelists at the technical conference."[21] While we do not believe the November 29 Order was vague, to the extent necessary, we clarify that, based on the case record, as supplemented by the presentations at the technical conference and post-technical conference comments, we find that the proposed 20 percent postage-stamp cost allocation for high-voltage Baseline Reliability Projects is just and reasonable.

15. We disagree that the provisions of EPAct 2005 necessarily support reconsideration of the 20 percent postage-stamp allocation for high-voltage Baseline Reliability Projects. The Midwest TDUs do not provide any evidence that the directives of EPAct 2005 require a higher regional cost allocation. Moreover, while the Midwest TDUs summarize the Commission's authority to site transmission in Department of Energy designated corridors, they have not established a link between the Commission's EPAct 2005 transmission siting authority and the appropriate degree of regional cost allocation for high-voltage Baseline Reliability Projects in the Midwest ISO.

16. As noted in the February 3 Order, the RECB I Filing references studies that suggest a range for a postage-stamp cost allocation between 20 and 30 percent, and the "compromise" proposal adopts the low end of that range.[22] The Midwest TDUs argue that the November 29 Order does not explain why the market dispatch studies were not used to determine the appropriate postage-stamp rate. In addition, the Midwest TDUs assert that the studies put forth by Midwest ISO indicate that the average reliance on

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[20] *Id.* at 13.

[21] November 29 Order, 117 FERC ¶ 61,241 at P 65.

[22] February 3 Order, 114 FERC ¶ 61,106 at P 42.

transmission facilities external to the sub-region serving an internal load is 34 percent and thus, the postage stamp rate for the entire Midwest ISO Region should be something between 33 percent (as it is in SPP) and 100 percent. However, we clarify that our review of the Midwest ISO's study indicates that Mid-America Interconnected Network, Inc. (analogous to the proposed Central sub-region) represents 57 percent of Midwest ISO's load, but only relies 19 percent on external transmission. Similarly, East Central Area Reliability Council (analogous to the proposed East sub-region) represents 27 percent of Midwest ISO's load, but only relies 21 percent on external transmission. In contrast, MAPP (analogous to the West sub-region) represents only 16 percent of Midwest ISO's load, but relies 63 percent on transmission that is external to it. Our conclusion is that 84 percent of Midwest ISO's load relies approximately on 20 percent external transmission facilities and that the 34 percent average is heavily skewed by the sparse topography of the MAPP region. Thus, the Commission is satisfied that the 20 percent postage stamp rate is a reasonable starting point because it represents a reasonable facsimile of the current use of external transmission facilities in the Midwest ISO Region.[23]

17. With respect to the Midwest TDUs' argument that under 100 percent efficient dispatch the average dependence on external transmission facilities climbs to 74 percent; we note that the dramatic deviation between the three sub-region's reliance on external transmission disappears. We expect that, as Midwest ISO continues to improve its dispatch efficiency, further review of the appropriate level of the postage stamp rate may be warranted.

18. While the case record may support a range of possible just and reasonable proposals,[24] as stated in the November 29 Order, if the Midwest ISO has successfully supported the justness and reasonableness of its proposal, we must approve it.[25]

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[23] Midwest ISO Staff Presentation at slides 14-15, *supra* note 17.

[24] *FPC v. Conway Corp.*, 426 U.S. 271, 278 (1976) (finding that "there is no single cost-recovering rate, but a zone of reasonableness").

[25] November 29 Order, 117 FERC ¶ 61,241 at P 62.

19. Moreover, as noted in the November 29 Order, the Commission has approved different levels of transmission cost allocations for different regions of the country.[26] We continue to find that the unique electric topography of individual markets, as well as other factors, may warrant differing levels of regional transmission cost allocation.

20. This being said, however, we reiterate that the November 29 Order directed the Midwest ISO and Midwest ISO TOs to revisit the 20 percent postage-stamp cost allocation when they review the rate design for existing transmission facilities.[27] This reporting requirement (as amended in the concurrent RECB II Order) is to ensure that the Midwest ISO and its stakeholders have the opportunity to re-examine the effectiveness of the cost allocation and to ensure the Commission has the information to assess the appropriateness of the cost allocation.

21. The Midwest TDUs, as well as other parties, raised concerns on rehearing of the February 3 Order about the Commission's "deference" to the RECB Task Force.[28] We again reject these arguments. While we find the procedure used to adopt the RECB I Filing's cost allocation proposal was sound,[29] "[t]he stakeholder process is not the end of the analysis,"[30] and affording it "due consideration"[31] does not mean that we merely

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[26] *Id.* P 62 (citing *SPP*, 111 FERC ¶ 61,118, at P 25, 31, *order on reh'g*, 112 FERC ¶ 61,319 (2005) (permitting 33 percent of new Base Plan upgrades to be allocated on a regional basis); *New England Power Pool and ISO New England, Inc.*, 105 FERC ¶ 61,300, at P 3, 21-23 (2003), *order on reh'g*, 109 FERC ¶ 61,252 (2004) (allowing 100 percent of costs of upgrades rated at 115 kV and above that meet certain non-voltage criteria to be allocated on a regional basis)).

[27] November 29 Order, 117 FERC ¶ 61,241 at P 66.

[28] November 29 Order, 117 FERC ¶ 61,241 at P 21-23.

[29] In the February 3 Order we found the RECB Task Force process adopted by the Midwest ISO to be "an open, transparent, and collaborative stakeholder process . . ." and found that the "[c]oncerns regarding the precise makeup of the RECB Task Force, although relevant, are not sufficient to alter the Commission's decision." February 3 Order, 114 FERC ¶ 61,106 at P 24. We noted that the proposals set forth in the RECB I Filing reflect the "independent judgment of the Midwest ISO," and we considered, separately, "each of the substantive issues raised by protestors." *Id.*

[30] *Southwest Power Pool, Inc.*, 118 FERC ¶ 61,120, at P 23 (2007).

[31] November 29 Order, 117 FERC ¶ 61,241 at P 21.

defer to its conclusions. The Midwest ISO is ultimately responsible for making the filing and must provide sound justification for its proposal to demonstrate that its proposed cost allocation methodology is just and reasonable.[32] And the Commission retains its statutory duty to examine the Midwest ISO's proposal on its merits and objectively determine whether it is just and reasonable.[33] For the reasons stated in the November 29 Order, the concurrent RECB II Order and as explained herein, we have fully considered the Midwest TDUs' concerns regarding the 20 percent postage-stamp cost allocation. We affirm the finding of the November 29 Order that the Midwest ISO has successfully supported the justness and reasonableness of its proposal and, therefore, deny rehearing. Should the Midwest ISO find at some later date that the market would benefit from a different cost allocation, it can ask the Commission for such a change.

B. Relationship between the Cost Allocation Methodology for High-Voltage Baseline Reliability Projects and the Midwest ISO's Post-Transition Rate Design

1. Request for Rehearing

22. The Midwest TDUs state that they support the November 29 Order's characterization of the proposed cost allocation as an "initial step" and support the Commission's requirement for the Midwest ISO and Midwest ISO TOs to study the effectiveness of the cost allocation methodology when they revisit base rates for existing facilities. The Midwest TDUs express concern, however, that the RECB I proposal does not become the default proposal for the Midwest ISO's post-transition rate design and all future investment. The Midwest TDUs ask that the Commission clarify that:

> (1) the November 29 Order does *not* pre-judge the appropriate regional share for purposes of the Post-Transition period;
> (2) the Commission expects a significantly larger regional share to be part of any Post-Transition Rate Design; and

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[32] "[J]ust because those contested provisions were a product of stakeholder process, that fact is not dispositive as to whether those provisions are unjust, unreasonable or unduly discriminatory." *Id.* P 23.

[33] *See Midwest Independent Transmission System Operator, Inc.*, 115 FERC ¶ 61,296, at P 16 and n.13 (2006) (citing *PJM Interconnection, L.L.C.*, 104 FERC ¶ 61,309, at P 19 (2003), *order on reh'g*, 109 FERC ¶ 61,286 (2004)).

> (3) the RECB I Order should *not* be interpreted to mean that a 20% regional cost component would be considered just and reasonable if proposed for the Post-Transition period.[34]

2. Commission Determination

23. We agree with the Midwest TDUs that our acceptance of the 20 percent postage-stamp allocation for Baseline Reliability Projects does not pre-judge any future cost-allocation proceedings, including the upcoming proceeding to address post-transition rate design. Furthermore, we clarify that the November 29 Order did not establish a “default” rate design, nor did it establish a greater burden on an applicant, beyond what is required by section 205 of the Federal Power Act (FPA), in seeking to establish a new rate design or cost-allocation methodology.[35] While we did not impose a sunset date on our acceptance of the RECB I Filing, as stated in the November 29 Order, we view the 20 percent postage-stamp cost allocation as an “initial step” toward regional cost sharing in the Midwest ISO.[36]

24. With the reporting requirements directed in the November 29 Order and the concurrent RECB II Order, the Midwest ISO and its stakeholders will have ample and transparent opportunity to review the necessary data in order to evaluate the impact of the cost allocation methodology and its continued effectiveness. In addition, as noted above, the Midwest ISO and the Midwest ISO TOs are required to consider the cost allocation for new facilities when they consider the pricing methodology for existing transmission facilities, and so is the Commission. This is necessary to ensure that any post-transition period rate design adopted for existing facilities does not operate in relation to the cost allocation for new facilities to produce overall transmission rates that are unreasonable or unduly discriminatory. We will judge any new proposals for Baseline Reliability Project cost allocation, or complaints on the existing cost allocation, on the merits of the filings and pursuant to our statutory duties under section 205 and 206 of the FPA, respectively.

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[34] Midwest TDUs Request for Rehearing at 19 (emphasis in original).

[35] Similarly, the November 29 Order did not affect the rights of any party that seeks modification to the 20 percent postage-stamp cost allocation pursuant to a complaint filed under section 206 of the FPA.

[36] November 29 Order, 117 FERC ¶ 61,241 at P 65.

25. We deny, however, the Midwest TDUs' request for clarification that "the Commission expects a significantly larger regional share to be part of any Post-Transition Rate Design." We will not set such an expectation in advance of the supporting evidence.

C. Requirement to Revisit the Cost Allocation Methodology for High-Voltage Baseline Reliability Projects

1. The November 29 Order

26. Although the Commission found the proposed cost allocation for high-voltage Baseline Reliability Projects to be just and reasonable, in the November 29 Order the Commission directed the Midwest ISO and Midwest ISO TOs "to study the effectiveness of the cost sharing methodology . . . for new facilities in June 2007, when they will revisit base rates for existing facilities as part of the transition period."[37]

2. Request for Clarification

27. The Midwest ISO TOs state that Appendix C of the Midwest ISO Agreement requires the Midwest ISO to revisit its base rates in August 2007 (six months prior to the end of the transition period on February 1, 2008), not June 2007 as stated in the November 29 Order.[38] The Midwest ISO TOs ask the Commission to clarify that it intended for the Midwest ISO and Midwest ISO TOs to "study the effectiveness of the cost allocation of new transmission facilities in August 2007, commensurate with the revisiting of base rates, and that the Commission did not intend for the Midwest ISO and Midwest ISO [TOs] to submit a separate filing two months in advance of the August 2007 filing contemplated in the Midwest ISO Agreement to address only the cost sharing methodology for new facilities."[39]

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[37] November 29 Order, 117 FERC ¶ 61,241 at P 66.

[38] Midwest ISO TOs Request for Clarification at 3 (citing Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., A Delaware Non-Stock Corporation, FERC Electric Tariff, First Revised Schedule No. 1, Appendix C, at § II.B.1.d).

[39] *Id.* at 4 (emphasis in original).

3. Commission Determination

28. We agree with the Midwest ISO TOs that the November 29 Order misstated the Midwest ISO and Midwest ISO TOs' requirement to revisit its base rates. We clarify that the Midwest ISO and Midwest ISO TOs should study the effectiveness of the cost sharing methodology accepted for new facilities when they revisit the pricing methodology for existing transmission facilities in *August* 2007.

29. The November 29 Order also directs the Midwest ISO to file, by November 29, 2007, an informational report on its experience under its innovative cost recovery methodology for generator interconnection and additional information regarding the impact of the cost allocation methodology on remotely located, smaller-scale generation.[40] This requirement is not affected by the clarification granted herein.

The Commission orders:

The Midwest TDUs and Midwest ISO TOs' requests for rehearing and clarification are hereby granted in part and denied in part, as discussed in the body of this order.

By the Commission. Commissioner Moeller not participating.

(S E A L)

Philis J. Posey,
Acting Secretary.

[40] November 29 Order, 117 FERC ¶ 61,241 at P 83 and Ordering Paragraphs (C) and (D).