

127 FERC 61,169  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Midwest Independent Transmission  
System Operator, Inc.

Docket No. OA08-53-001

Midwest Independent Transmission System Operator,  
Inc. and American Transmission Company, LLC

Docket No. OA08-42-001

ORDER ACCEPTING COMPLIANCE FILINGS, AS MODIFIED

(Issued May 21, 2009)

1. On August 13, 2008, Midwest Independent Transmission System Operator, Inc. (Midwest ISO) submitted revisions to Attachment FF (Transmission Expansion Planning Protocol)<sup>1</sup> of its Open Access Transmission and Energy Markets Tariff (TEMT or Third Revised Volume) and its Open Access Transmission, Energy and Operating Reserve Markets Tariff (ASM Tariff or Fourth Revised Volume),<sup>2</sup> in Docket No. OA08-53-001, in compliance with the Commission's directives in the Midwest ISO Planning Order.<sup>3</sup> In

---

<sup>1</sup> Midwest ISO incorporated its planning provisions into existing Attachment FF of its Tariff, which contains its current transmission planning process. Throughout this order, however, the transmission planning process required by Order No. 890 is sometimes referred to generically as the "Attachment K process."

<sup>2</sup> With Commission acceptance of Midwest ISO's proposals for an Ancillary Services Market (ASM), effective January 6, 2009, the Midwest ISO Open Access Transmission and Energy Markets Tariff, or "TEMT," became the Open Access Transmission, Energy, and Operating Reserve Markets Tariff, or "ASM Tariff." See *Midwest Indep. Transmission Sys. Operator, Inc.*, 125 FERC ¶ 61,321 (2008). Throughout this order, however, we generically refer to both the TEMT and ASM Tariff as "Midwest ISO's Tariff."

<sup>3</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 123 FERC ¶ 61,164 (2008) (Midwest ISO Planning Order).

addition, on August 13, 2008, American Transmission Company LLC (American Transmission Company) and Midwest ISO submitted revisions to Attachment FF-ATCLLC of Midwest ISO's ASM Tariff,<sup>4</sup> in Docket No. OA08-42-001, in compliance with the Commission's directives in the American Transmission Company Planning Order.<sup>5</sup>

2. In this order, we will accept Midwest ISO's compliance filing in Docket No. OA08-53-001, as modified, as in compliance with the Midwest ISO Planning Order, subject to a further compliance filing. In addition, we will accept American Transmission Company's compliance filing in Docket No. OA08-42-001, as modified, as in compliance with the American Transmission Company Planning Order, subject to a further compliance filing.

### **Background**

3. In Order No. 890,<sup>6</sup> the Commission reformed the *pro forma* OATT to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. One of the Commission's primary reforms was designed to address the lack of specificity regarding how customers and other stakeholders should be treated in the transmission planning process. To remedy the potential for undue discrimination in planning activities, the Commission directed all transmission providers to develop a transmission planning process that satisfies nine principles and to clearly describe that process in a new attachment to their OATT (Attachment K).

4. The nine planning principles each transmission provider was directed by Order No. 890 to address in its Attachment K planning process are: (1) coordination;

---

<sup>4</sup> American Transmission Company is a transmission-owning member of Midwest ISO and Midwest ISO provides for service over its facilities under the Tariff. As administrator of the Tariff, Midwest ISO joined American Transmission Company in this compliance filing to amend the Tariff; however, in this order, we refer to the proposed revisions as American Transmission Company's proposals.

<sup>5</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 123 FERC ¶ 61,165 (2008) (American Transmission Company Planning Order).

<sup>6</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

(2) openness; (3) transparency; (4) information exchange; (5) comparability;<sup>7</sup> (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission explained that it adopted a principles-based reform to allow for flexibility in implementation of and to build on transmission planning efforts and processes already underway in many regions of the country. The Commission also explained, however, that although Order No. 890 allows for flexibility, each transmission provider has a clear obligation to address each of the nine principles in its transmission planning process and all of these principles must be fully addressed in the tariff language filed with the Commission. The Commission emphasized that tariff rules, as supplemented with web-posted business practices when appropriate,<sup>8</sup> must be specific and clear in order to facilitate compliance by transmission providers and place customers on notice of their rights and obligations.

5. As for Regional Transmission Organizations (RTO) and Independent System Operators (ISO) with Commission-approved transmission planning processes already on file, such as Midwest ISO, the Commission explained that when it initially approved these processes, they were found to be consistent with or superior to the existing *pro forma* OATT. However, because the *pro forma* OATT was being reformed by Order No. 890, the Commission found that it was necessary for each RTO and ISO either to reform its planning process or show that its planning process is consistent with or superior to the *pro forma* OATT, as modified by Order Nos. 890 and 890-A.<sup>9</sup>

6. On December 7, 2007, Midwest ISO made its filing in compliance with Order No. 890's planning requirements in Docket No. OA08-53-000. In the Midwest ISO Planning Order, the Commission accepted that compliance filing, as modified, to be effective December 7, 2007. The Commission also directed Midwest ISO to file, in a compliance filing to be submitted within 90 days of the date of the order, revisions to Attachment FF addressing, among other things: (1) Information Exchange; (2) Comparability; (3) Regional Participation; (4) Recovery of Planning Costs;

---

<sup>7</sup> In Order No. 890-A, the Commission clarified that the comparability principle requires each transmission provider to identify, as part of its Attachment K planning process, how it will treat resources on a comparable basis and, therefore, how it will determine comparability for purposes of transmission planning. *See* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216.

<sup>8</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649-55.

<sup>9</sup> *See* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 439; Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 174-75.

and (5) Stakeholder Involvement at Local Planning Level and Integration of Transmission Owners' Local Plans at the Sub-Regional Planning Meeting Level.<sup>10</sup>

7. Also on December 7, 2007, American Transmission Company and Midwest ISO made American Transmission Company's filing in compliance with Order No. 890's planning requirements in Docket No. OA08-42-000. In the American Transmission Company Planning Order, the Commission accepted that compliance filing, as modified, to be effective December 7, 2007. The Commission also directed American Transmission Company to file, in a compliance filing to be submitted within 90 days of the date of the order, revisions to Attachment FF-ATCLLC addressing, among other things: (1) Comparability; and (2) Recovery of Planning Costs.

### **Docket No. OA08-53-001**

#### **A. Midwest ISO Compliance Filing**

8. On August 13, 2008, in Docket No. OA08-53-001, Midwest ISO filed proposed revisions to Attachment FF to its TEMT to comply with the Commission's directives in the Midwest ISO Planning Order (Midwest ISO Compliance Filing). Furthermore, Midwest ISO proposed revisions to its ASM Tariff in order to provide correctly paginated sheets that will be included in the ASM Tariff upon implementation of the Midwest ISO Ancillary Services Market.<sup>11</sup>

#### **B. Notice of Filing and Responsive Pleadings**

9. Notice of Midwest ISO's filing was published in the *Federal Register*, 73 Fed. Reg. 50,808 (2008), with interventions and protests due on or before September 3, 2008.

10. A motion to intervene and supporting comments were filed by MidAmerican Energy Company (MidAmerican). Integrys Energy Group for itself and three

---

<sup>10</sup> The Commission accepted Midwest ISO's proposal to integrate the majority of its transmission owners' local planning functions into Midwest ISO's Attachment FF regional planning process, in place of each transmission owner filing a separate planning process attachment. *See* Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 124, n.113. American Transmission Company declined to adopt this approach and will engage in local planning through a separate American Transmission Company-specific local planning process provided in Attachment FF-ATCLLC to the ASM Tariff. American Transmission Company's local planning process will be addressed by the Commission below under Docket No. OA08-42-001.

<sup>11</sup> *See supra* note 2.

subsidiaries<sup>12</sup> (collectively, Integrys); Consumers Energy Company (Consumers Energy); and Corn Belt Energy Corporation, Madison Gas & Electric Co., Midwest Municipal Transmission Group, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, and Wisconsin Public Power Inc. (collectively, Midwest TDUs) filed protests. Midwest ISO Transmission Owners (Midwest ISO TOs)<sup>13</sup> filed an answer to various protests. Midwest TDUs filed an answer to the Midwest ISO TOs' answer.

## **C. Discussion**

### **1. Procedural Matters**

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the timely, unopposed motion to intervene of MidAmerican serves to make it a party to this proceeding.

12. 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 filed in this proceeding because they have provided information that assisted us in our decision-making process.

### **2. Substantive Matters**

13. We find that Midwest ISO's revised Attachment FF transmission planning process, with certain modifications, complies with the Midwest ISO Planning Order. Accordingly, we will accept Midwest ISO's compliance filing in Docket No. OA08-53-

---

<sup>12</sup> The three subsidiaries are: Wisconsin Public Service Corporation; Upper Peninsula Power Company; and Integrys Energy Services, Inc.

<sup>13</sup> Midwest ISO Transmission Owners consist of: Ameren Services Company; Alliant Energy Corporate Services, Inc.; American Transmission Systems, Incorporated; City of Columbia Water and Light Department (Columbia, MO); City Water, Light & Power (Springfield, IL); Duke Energy Business Services, LLC; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company, LLC; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; Michigan Public Power Agency; Minnesota Power; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company (MN) and Northern States Power Company (WI); Northwestern Wisconsin Electric Company; Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association; and Wolverine Power Supply Cooperative, Inc.

001, as modified, to be effective December 7, 2007, as requested, for the Third Revised Volume, and January 6, 2009 for the Fourth Revised Volume.<sup>14</sup> We also direct Midwest ISO to file, within 60 days of the date of this order, a further compliance filing as discussed below.

14. Although the Commission accepts Midwest ISO's compliance filing below, subject to a further compliance filing to address certain discrete issues, the Commission remains interested in the development of transmission planning processes and will continue to examine the adequacy of the processes accepted to date. We reiterate the encouragement made in prior orders for further refinements and improvements to the planning processes as transmission providers, their customers, and other stakeholders gain more experience through actual implementation of the processes. As part of the Commission's ongoing evaluation of the implementation of the planning processes, the Commission intends to convene regional technical conferences later this year to determine if further refinements to these processes are necessary. The focus of the 2009 regional technical conferences will be to determine the progress and benefits realized by each transmission provider's transmission planning process, obtain customer and other stakeholder input, and discuss any areas that may need improvement. The conferences will examine whether existing transmission planning processes adequately consider needs and solutions on a regional or interconnection-wide basis to ensure adequate and reliable supplies at just and reasonable rates. The Commission will also explore whether existing processes are sufficient to meet emerging challenges to the transmission system, such as the development of interregional transmission facilities, the integration of large amounts of location-constrained generation, and the interconnection of distributed energy resources.

---

<sup>14</sup> See *supra* note 2. We note that Midwest ISO requested an effective date of September 12, 2008 for the Fourth Revised Volume to coincide with the effective date of Midwest ISO's ASM Tariff. However, on August 26, 2008, Midwest ISO gave notice that the previously proposed September 9, 2008 effective date for the commencement of the Ancillary Services Market would be deferred, and requested that the Commission defer action in certain Ancillary Services Market-related dockets. See *Notice of the Midwest Independent Transmission System Operator, Inc.'s Deferral of Effective Dates*, Docket No. ER07-1372-002, *et al.* (Aug. 26, 2008). On November 3, 2008, Midwest ISO notified the Commission that its Ancillary Services Market would commence on January 6, 2009, and requested that the Commission act in certain Ancillary Services Market-related dockets. On December 18, 2008, the Commission approved the January 6, 2009 start-up date of the Ancillary Service Market. See *Midwest Indep. Transmission Sys. Operator, Inc.*, 125 FERC ¶ 61,318 (2008).

**a. Information Exchange**

**i. Midwest ISO Planning Order**

15. The Commission found that Midwest ISO's Attachment FF provides clear guidelines and schedules for the submittal of customer information as required by Order No. 890. However, the Commission directed Midwest ISO to remove the phrase "major end-use" from section I.B.1.a.iii.b. The Commission found that, as proposed, transmission owners would be limited to obtaining load forecasts used in the transmission planning process from only major end-use customers in the study area. The Commission stated that, by removing this limitation, transmission owners will be able to obtain load forecasts from all customers, including major end-use customers and transmission dependent utilities.<sup>15</sup>

**ii. Midwest ISO Filing**

16. Midwest ISO states that it has complied with the Commission's directive by removing the phrase "major end-use" from section I.B.1.a.iii.b of Attachment FF.

**iii. Commission Determination**

17. We find that Midwest ISO has complied with the Commission's directive to remove the phrase "major end-use" from section I.B.1.a.iii.b of Attachment FF.

**b. Comparability**

**i. Midwest ISO Planning Order**

18. The Commission found in the Midwest ISO Planning Order that Midwest ISO's Attachment FF describes how the planning process will satisfy the comparability principle.<sup>16</sup> In particular, Midwest ISO submitted tariff language providing that demand response resources will be treated comparably.<sup>17</sup> However, the Commission also found that, because Order No. 890-A was issued on December 28, 2007, subsequent to Midwest ISO and its transmission owners submitting their Order No. 890 Attachment K compliance filing, Midwest ISO did not have an opportunity to demonstrate that it

---

<sup>15</sup> Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 52.

<sup>16</sup> *Id.* P 55.

<sup>17</sup> *Id.* P 56.

complies with the comparability requirement of Order No. 890-A.<sup>18</sup> Specifically, Order No. 890-A required that the transmission provider needs to identify as part of its Attachment K planning process “how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning.”<sup>19</sup> Therefore, the Commission directed Midwest ISO to make a compliance filing addressing the necessary demonstration required by Order No. 890-A.

**ii. Midwest ISO Filing**

19. Midwest ISO did not directly address in its transmittal letter the Commission’s direction with respect to the additional comparability compliance requirements of Order No. 890-A, although its Attachment FF includes provisions that address comparability. Specifically, with regard to the development of base-line assumptions and models, section I.A.7 of Attachment FF provides that Midwest ISO will collaborate with transmission owners, other transmission providers, transmission customers, and other stakeholders to develop appropriate planning models that reflect expected system conditions for the planning horizon. The planning models will reflect the projected load growth of existing network customers and other transmission service and interconnection commitments.<sup>20</sup> Midwest ISO will hold one or more meetings with stakeholders to discuss the assumptions set forth for inclusion in the Midwest ISO Transmission Expansion Plan (MTEP)<sup>21</sup> and the models and assessment tools that will be used to perform the assessment.<sup>22</sup> Models will be posted on a file transfer protocol site maintained by Midwest ISO that will be accessible to stakeholders. Midwest ISO will provide an opportunity for stakeholders to review and comment on the posted models before commencing planning studies.

---

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* (citing Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216).

<sup>20</sup> Section 3.3.2 of the Transmission Planning Business Practice Manual (Transmission Planning BPM) provides that demand-side management is identified when submitting load data into the model development software.

<sup>21</sup> The MTEP is “[a] long range plan used to identify expansions or enhancements to support competition in bulk power markets and to maintain reliability, developed biennially or more frequently, and subject to review and approval by the Transmission Provider Board.” FERC Electric Tariff, Third Revised Volume No. 1, First Revised Sheet No. 99A.

<sup>22</sup> *See* sections 4.1.1 and 4.1.2 of the Transmission Planning BPM.



20. Section I.A.9 provides that Midwest ISO, using these assumptions and models, will determine the solutions to system needs based on input from stakeholders, the plans of any transmission owner with its own Commission-approved transmission planning process, and the MTEP aggregate system analysis against applicable planning criteria. Initially, stakeholders have an opportunity to propose solutions to identified needs during the Sub-Regional Planning Meetings. However, section I.A.9 also provides that stakeholders may propose alternatives at subsequent Planning Advisory Committee and Planning Subcommittee meetings. Section 2.3(III) of the Transmission Planning BPM provides that Midwest ISO staff in collaboration with stakeholders will evaluate projects against alternatives to determine the preferred solutions, as follows:

(III) Evaluate Alternatives

- Midwest ISO staff performs reliability and economic analyses needed to assess reliability and economic benefits;
- Midwest ISO staff review cost estimates of identified alternatives with [Transmission Owners];
- Midwest ISO staff in collaboration with stakeholders evaluate projects against alternatives to determine the preferred solutions. The project justification process includes consideration of a variety of factors including urgency of need and comparison from amongst alternatives of operating performance, initial investment costs, robustness of the solution, longevity of the solution provided, and performance against other economic and non-economic metrics as developed with stakeholders.<sup>[23]</sup>

21. Finally, Midwest ISO does not perform request-based economic studies but instead has integrated economic planning into its broader transmission planning process. Specifically, Midwest ISO identifies and prioritizes both economic and reliability planning issues collectively with all stakeholders. In the Midwest ISO Planning Order, the Commission found that Midwest ISO's approach of integrating economic planning into its transmission planning process is consistent with or superior to Order No. 890's requirement of responding to a select number of economic studies on a request-by-request basis. With regard to comparable treatment of resources in that process, as described above, Midwest ISO considers all alternatives proposed by stakeholders under the criteria discussed above.

---

<sup>23</sup> Transmission Planning BPM at section 2.3(III).

### iii. Commission Determination

22. We find that Midwest ISO's Attachment FF, with certain revisions directed below, complies with the Commission's directives to identify how it will treat resources on a comparable basis and determine comparability for purposes of transmission planning. Specifically, Attachment FF and the Transmission Planning BPM indicate when and where in the planning process sponsors of transmission, generation and demand response have an opportunity to provide their input regarding the development of base-line assumptions (i.e., an identification of the resources Midwest ISO assumes are going to exist in the future and where load will be located) and the potential solutions, including alternatives, being considered by Midwest ISO to meet future needs.<sup>24</sup> In addition, Attachment FF and the Transmission Planning BPM clearly indicate how Midwest ISO will select the preferred solution from competing alternatives such that all types of resources are considered on a comparable basis.<sup>25</sup> However, although Attachment FF provides the opportunity for stakeholders to propose solutions in response to identified needs, in order to ensure the comparable treatment of resources we will require Midwest ISO to submit, in the compliance filing directed below, revised tariff language to clarify that the alternatives stakeholders can propose may include transmission, generation, and demand resources and, that Midwest ISO will review and evaluate such alternatives on a comparable basis. In addition, we will require Midwest ISO to revise section 2.3(III) of the Transmission Planning BPM to also specifically include stakeholders in the process of reviewing cost estimates of identified alternatives.<sup>26</sup>

---

<sup>24</sup> The Commission notes that the Transmission Planning BPM provides additional details not contained within Attachment FF. For instance, sections 4.1.1 through 4.1.3 provide a schedule that specifically identifies when and where planning process sponsors of transmission, generation and demand response have an opportunity to provide their input.

<sup>25</sup> As noted above, Midwest ISO identifies and prioritizes both economic and reliability planning needs collectively with all stakeholders in the Attachment FF planning process. In the initial compliance order, the Commission found that Midwest ISO's approach of integrating economic planning into its transmission planning process is consistent with or superior to Order No. 890's requirement of responding to a select number of economic studies on a request-by-request basis. Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 74.

<sup>26</sup> Section 2.3(III) states, in part: "Midwest ISO staff review cost estimates of identified alternatives with [Transmission Owners][.]"

**c. Regional Participation**

**i. Midwest ISO Planning Order**

23. The Commission found in the Midwest ISO Planning Order that it was insufficient for Midwest ISO to simply reference joint operating agreements (JOA) with certain neighboring utilities without elaborating on how the obligations of the agreements will meet the inter-regional coordination requirement found in the regional participation principle. The Commission directed Midwest ISO to describe how the provisions of each of the JOAs and other agreements with its neighboring regions, with the exception of its JOA with PJM Interconnection, LLC (PJM),<sup>27</sup> meet the inter-regional coordination requirement of the regional participation principle of Order No. 890 (and, if necessary, include proposed revised Attachment FF language).<sup>28</sup> Furthermore, the Commission required Midwest ISO to describe the procedures it will use to coordinate with Mid-Continent Area Power Pool (MAPP) and its members to meet this Order No. 890 requirement.

**ii. Midwest ISO Filing**

24. Midwest ISO states that it has complied with the Commission's directives with respect to the regional participation principle. Midwest ISO states that it has revised section I.C (Joint Regional Planning Coordination) of Attachment FF to provide that the MTEP will be developed in accordance with the principles of inter-regional coordination through collaboration with representatives from adjacent transmission providers or their designated agents, or with RTOs. Additionally, Midwest ISO states that it will offer the coordinated planning provisions contained in Attachment FF to any adjacent planning entity that does not have a parallel Commission-approved JOA with Midwest ISO. Finally, Midwest ISO states that the section I.C provisions will accommodate coordination with MAPP entities either on an individual basis or through coordination with MAPP as agent for such entities.

25. With regard to its JOA with Southwest Power Pool (SPP), Midwest ISO explains that this agreement provides for the coordination of planning and transmission system

---

<sup>27</sup> The Commission found that, although Midwest ISO did not describe how the provisions of its JOA with PJM meet the inter-regional participation requirement, PJM had provided sufficient explanation of the PJM-Midwest ISO JOA to determine that it provides the necessary inter-regional coordination between Midwest ISO and PJM. *See* Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 65 (citing *PJM Interconnection, L.L.C.*, 123 FERC ¶ 61,163 (2008)).

<sup>28</sup> *Id.*

expansion that mirrors that of the PJM-Midwest ISO JOA. Midwest ISO states that the Tennessee Valley Authority Joint Reliability Coordination Agreement (TVA Joint Reliability Coordination Agreement) is also similar to the PJM-Midwest ISO JOA. Midwest ISO states that both the SPP JOA and TVA Joint Reliability Coordination Agreement provide for data exchange and outage coordination, and pursues a multi-regional approach that will strengthen coordination for the regions in transmission, operations and other transactions. Furthermore, Midwest ISO states that both agreements establish a Joint Planning Committee that is required to meet at least semiannually to review and coordinate transmission-planning activities. Midwest ISO states that both the SPP JOA and TVA Joint Reliability Coordination Agreement contain provisions for coordinated planning in the areas of interconnection requests, long-term transmission service requests, and analyses in support of coordinated transmission planning.

26. Midwest ISO states that it collaborated with MAPP in developing the regional planning coordination process that it has included in section I.C (Joint Regional Planning Coordination) of Attachment FF.<sup>29</sup> Midwest ISO and MAPP will follow these new provisions to fulfill the regional participation requirements of Order No. 890. Specifically, Midwest ISO and MAPP will form a Joint Planning Committee that will meet at least semiannually to coordinate transmission-planning activities, including interconnection requests, long-term transmission service requests, and analysis in support of coordinated transmission planning. Section I.C provides that Midwest ISO and MAPP will conduct a Coordinated Regional Transmission Planning Study, in consultation with stakeholders, to develop a Coordinated System Plan, which will identify all reliability and expansion issues, and will propose potential resolutions to be considered by the relevant transmission provider.

27. Midwest ISO states that the Coordination Agreement between itself and Manitoba Hydro provides for the exchange of operating data, as well as the exchange of planning information to coordinate planning activities on the two systems.<sup>30</sup> Midwest ISO states that although Manitoba Hydro plans for its own transmission system, its projects are integrated into the MTEP studies.

---

<sup>29</sup> Although Midwest ISO had a Seams Operating Agreement with MAPP when it submitted its compliance filing, that agreement expired on March 31, 2009. *See Midwest Indep. Transmission Sys. Operator, Inc.*, 126 FERC ¶ 61,287 (2009).

<sup>30</sup> Midwest ISO states that although Manitoba Hydro and Midwest ISO also have a Seams Operating Agreement that mirrors much of the provisions in the PJM JOA, SPP JOA, and TVA Joint Reliability Coordination Agreement with respect to data exchange and congestion management, that planning is addressed in the Coordination Agreement, which preceded the Seams Operating Agreement.

28. In addition, Midwest ISO states that the agreement it has with Ontario's Independent Electricity System Operator (IESO Agreement) provides for coordinated operations similar to the other JOAs or Seams Operating Agreements, but that it does not provide for coordination of regional planning activities. Midwest ISO states that, unlike Manitoba, IESO is not a member of Midwest ISO and does not participate in non-pancaked transmission service or congestion management practices. However, Midwest ISO states that the IESO Agreement provides for the exchange of basic operating data, including outages, and the coordination of outages. Midwest ISO states that a key provision in the IESO Agreement is the creation of a Coordination Committee to address, among other things: (1) data exchange requirements, formats, and methodologies; (2) developing and issuing operating instructions and security limits; (3) implementing the respective requirements of NERC and the appropriate regional coordinating council with respect to Midwest ISO's transmission system and the Ontario transmission system; and (4) providing assistance in an emergency, and system restoration.<sup>31</sup> Furthermore, Midwest ISO states that several operating instructions have been developed under the IESO Agreement, which provides information useful for the Midwest ISO planning process. In addition, Midwest ISO states that under the regional coordination planning principles in the instant filing, IESO can choose to participate as an interested party in the Midwest ISO planning process, with or without specific planning provisions in the existing Coordination Agreement.

### iii. Comment

29. MidAmerican states that it supports the development of the Midwest ISO Joint Regional Planning Coordination section of Attachment FF. Specifically, MidAmerican states that the inter-regional coordination provisions proposed by Midwest ISO in the instant filing (i.e., section I.C) are similar to the provisions included in MidAmerican's August 12, 2008 Attachment K filing<sup>32</sup> and, since revisions to both tariffs provide the necessary commitment to the inter-regional coordination process, no separate MAPP-Midwest ISO agreement is required to satisfy the requirements of the regional coordination principle.

30. MidAmerican states that proposed revisions to Attachment FF provide for collaboration with representatives from "adjacent regional transmission providers, their designated regional planning organizations, or regional transmission organizations" that

---

<sup>31</sup> Midwest ISO Transmittal at 4.

<sup>32</sup> MidAmerican Energy submitted its August 12, 2008 filing in response to the Commission's directives included in *MidAmerican Energy Co.*, 123 FERC ¶ 61,160 (2008).

would include MAPP and its members.<sup>33</sup> MidAmerican states that section I.C of Attachment FF provides for the development of a Joint Planning Committee with Regional Planning Coordination Entities, which would likewise include MAPP and its members. MidAmerican states that the Joint Planning Committee will coordinate the development of common power system analysis models, conduct a Coordinated Regional Transmission Planning study on a regular basis, maintain a website and email lists for the communication of information related to coordinated planning, meet at least semiannually to review and coordinate transmission planning activities, establish working groups as necessary, perform data and information exchange activities in accordance with CEII policy, conduct a stakeholder review process, coordinate the analyses of interconnection requests, and coordinate the analyses of long-term firm transmission service requests.<sup>34</sup> MidAmerican states that it encourages the Commission to accept Midwest ISO's proposed provisions for inter-regional coordination.

#### iv. Commission Determination

31. We find that Midwest ISO complies with the Commission's directive to describe how the JOAs and other agreements comply with the requirements of the regional participation principle. Specifically, as the Commission explained in the Midwest ISO Planning Order, Order No. 890 requires that regions should coordinate as necessary to share data, information and assumptions to maintain reliability and allow customers to consider resource options that span the regions.<sup>35</sup> We find that Midwest ISO has adequately explained in its compliance filing how each of the agreements it has entered into with its neighboring transmission providers provides a forum for the sharing of data, information, and assumptions in order to coordinate planning among the regions. For example, the SPP JOA and TVA Joint Reliability Coordination Agreement require, among other things, coordination of planning and transmission system expansion information, the goal of which is to strengthen coordination in transmission, operations and other transactions. Moreover, the SPP JOA and TVA Joint Reliability Coordination Agreement contain provisions for coordinated planning for interconnection and long-term firm transmission service requests. Stakeholder involvement under the SPP JOA is conducted through the Inter-regional Planning Stakeholder Advisory Committee which

---

<sup>33</sup> MidAmerican Comments at 5.

<sup>34</sup> MidAmerican Comments at 5 (citing to Midwest ISO Transmittal, Attachment FF at section I.C. "Joint Regional Planning Coordination").

<sup>35</sup> Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 65 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 527; Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 226).

facilitates stakeholder review and input into coordinated system planning for the development of the Coordinated System Plan. Likewise, transmission system planning under the TVA Joint Reliability Coordination Agreement is also subject to stakeholder review and approval.

32. In addition, we find that the Manitoba Hydro Coordination Agreement also provides for the exchange of operating data and planning information to coordinate planning between the Manitoba Hydro and Midwest ISO transmission systems. Similarly, the IESO Agreement provides for coordinated operation of interconnected systems between Ontario and Midwest ISO to maintain reliability for both power systems through sharing of operating data. With regard to MAPP, we find that the provisions of section I.C (Joint Regional Planning Coordination) adequately describe the coordination of transmission planning activities with MAPP.

**d. Recovery of Planning Costs**

**i. Midwest ISO Planning Order**

33. The Commission found that Midwest ISO's Attachment FF did not address the recovery of planning costs because Attachment FF failed to identify the specific tariff schedule(s) through which Midwest ISO will recover planning costs (i.e., schedule 10). The Commission directed Midwest ISO to revise Attachment FF to provide this specificity.<sup>36</sup>

**ii. Midwest ISO Filing**

34. Midwest ISO revises section I of Attachment FF, in part, to include the following language:

The costs incurred by the Transmission Provider in the performance of data collection, analyses and review, and in the development of the MTEP report, costs incurred under Section I.B of this Attachment FF, and costs incurred under Section I.C of this Attachment FF shall be recovered from all Transmission Customers under Schedule 10 of the Tariff.<sup>[37]</sup>

---

<sup>36</sup> *Id.* P 86.

<sup>37</sup> Midwest ISO Compliance Filing, Redlined Tariff Sheet, Third Revised Vol. No. 1, Second Revised Sheet No. 1833.

**iii. Protests**

35. Consumers Energy states that it believes Midwest ISO inadvertently deleted the following language from Sheet No. 1833 when it inserted proposed language addressing the recovery of planning costs:

A. Development of the MTEP: The Transmission Provider, working in collaboration with representatives of the Transmission Owners and the Planning Advisory Committee, shall develop the MTEP, consistent with Good Utility Practice and taking into consideration long-range planning horizons, as appropriate. The Transmission Provider shall develop the MTEP for expected use patterns and analyze the performance of the Transmission System in meeting both reliability needs and the needs of the competitive bulk power market, under a wide variety of contingency conditions. The MTEP will give full consideration to the needs of all Market Participants, will include consideration of demand-side options, and will identify expansions or enhancements needed to support competition in bulk power markets and in maintaining reliability. This analysis and planning process shall integrate into the development of the MTEP among other things:<sup>[38]</sup>

**iv. Commission Determination**

36. We find that Midwest ISO has complied with the Commission's directive to specify in Attachment FF that Midwest ISO will recover planning costs through schedule 10. However, we agree with Consumers Energy that Midwest ISO inappropriately removed language from Sheet No. 1833. We therefore require Midwest ISO to revise Attachment FF to include this language as part of the compliance filing directed below.

**e. Midwest ISO Transmission Owner Local Planning****i. Midwest ISO Planning Order**

37. The Commission found that Midwest ISO's proposal to integrate the majority of its transmission owners' local planning functions into Midwest ISO's Attachment FF regional planning process, in place of each transmission owner filing a separate planning process attachment, is permissible under Order No. 890. However, the Commission found that the method Midwest ISO used to accomplish this integration was not in compliance with the planning principles of Order No. 890. The Commission found that

---

<sup>38</sup> Consumers Energy Protest at 4 (citing Midwest ISO Compliance Filing, Third Revised Vol. No. 1, at First Revised Sheet No. 1833).



the proposed process would result in transmission owners' local plans being developed without participation and input from stakeholders, which puts stakeholders at a disadvantage by not allowing them to provide timely and effective feedback in the transmission planning process. The Commission stated that stakeholders should have information about the scope of the individual transmission owner's plan, as well as the assumptions and models, as they are formulated by the transmission owners, prior to the submittal of the local plans to the Sub-Regional Planning groups.<sup>39</sup> The Commission therefore found that, in order for Midwest ISO's planning process to comply with the planning principles of Order No. 890, the transmission owners' local planning processes must also meet the planning principles.<sup>40</sup>

38. The Commission also found that Attachment FF was unclear with respect to how specific plans and projects submitted by a transmission owner that chooses to have a separate Attachment K for its local planning process (i.e., American Transmission Company) will be evaluated as part of the Sub-Regional Planning Meetings for potential inclusion in the MTEP and to what extent local plans developed by American Transmission Company will be subject to further review and approval by stakeholders and Midwest ISO. The Commission directed Midwest ISO to revise Attachment FF to state specifically how projects submitted by a transmission owner with a separate local planning process will be evaluated as part of the Sub-Regional Planning Meeting process. The Commission stated that stakeholders must have the opportunity to review and comment on transmission plans submitted by American Transmission Company for inclusion in the MTEP at Sub-Regional Planning Meetings.<sup>41</sup>

39. The Commission stated that, in order to comply with Order No. 890's local planning requirements, Midwest ISO must modify Attachment FF to: (1) require each transmission owner's local plan to be made available on a website for review by the Planning Advisory Committee, the Planning Subcommittee and the Sub-regional Planning group (subject to CEII and existing Attachment FF confidentiality provisions); (2) provide links to each transmission owner's local plan on Midwest ISO's website; (3) require transmission owners to post the planning criteria and assumptions used in its current local plan; (4) provide links to each transmission owner's planning criteria and assumptions on Midwest ISO's website; and (5) require transmission owners to provide a reasonable opportunity for written comments after the posting of their local plan.<sup>42</sup>

---

<sup>39</sup> Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 124.

<sup>40</sup> *Id.* P 127.

<sup>41</sup> *Id.* P 131.

<sup>42</sup> *Id.* P 132.

40. The Commission also directed Midwest ISO to delete from section I.B.2 the phrase “that is part of their Commission-approved tariffs.”<sup>43</sup> Second, the Commission directed Midwest ISO to revise section I.A to state:

(iii) the transmission needs, including proposed transmission projects, identified by the Transmission Owners in connection with their planning analyses in accordance with the local planning process described in Section I.B.1.a to this Attachment FF and the coordination processes of Section I.B.1.b, or developed by Transmission Owners utilizing their own FERC-approved local transmission planning process [described in section I.B.2], as applicable, to provide reliable power supply to their connected load customers and to expand trading opportunities, better integrate the grid and alleviate congestion;<sup>[44]</sup>

41. Finally, the Commission directed Midwest ISO to revise section I.B.2 to allow for out-of-cycle review procedures to apply to American Transmission Company, as follows:

With the exception of sections I.B.1.a and I.B.1.b, the provisions of the Attachment FF remain applicable to all Transmission Owners notwithstanding the filing by any Transmission Owner of an Attachment K pursuant to the Order [No.] 890 Final Rule.<sup>[45]</sup>

## ii. Midwest ISO Filing

42. Midwest ISO states that it has complied with the Commission’s directives. Specifically, Midwest ISO states that its revised Attachment FF provides that, for transmission owners that have chosen to integrate their local planning into Midwest ISO’s overall planning process, each transmission owner must post the planning criteria and assumptions used in local planning. Midwest ISO will then post links to those criteria and assumptions on Midwest ISO’s website. In addition, Midwest ISO has revised section I.B.1.b of Attachment FF to provide that prior to the Sub-Regional Planning Meeting, each transmission owner’s local plan, consisting of a list of planned and proposed projects, shall be made available on the Midwest ISO website for review by the Planning Advisory Committee, Planning Subcommittee, and the Sub-Regional

---

<sup>43</sup> *Id.* P 138.

<sup>44</sup> *Id.* (The underlined portion refers to language the Commission specifically required Midwest ISO to include in section I.A in the instant compliance filing.)

<sup>45</sup> *Id.* (The underlined portion refers to language the Commission specifically required Midwest ISO to include in section I.B.2 in the instant compliance filing.)

Planning Meeting participants. Each transmission owner's proposed local plan will be posted by September 15 each year and stakeholders will have 45 days to submit initial written comments on the proposed plans (and can also make comments on the proposed local plans at the Sub-Regional Planning Meetings).

43. Midwest ISO has also revised section I.A.2.c.ii to allow stakeholders at the Sub-Regional Planning Meeting to review the transmission plans developed by those transmission owners that have their own Attachment K process for local planning (i.e., American Transmission Company). Midwest ISO states that this will ensure coordination of the projects set forth in such plans with the potential regional planning solutions developed in the Sub-Regional Planning Meetings process, consistent with the requirements of Appendix B to Midwest ISO's Transmission Owners Agreement.<sup>46</sup>

44. Finally, Midwest ISO states that it has revised sections I.A. and I.B.2 of Attachment FF to comply with the Commission directives.<sup>47</sup>

### **iii. Protests/Comments**

45. Integrys states that Midwest ISO failed to address the Commission's directives to allow stakeholder input in transmission owners' local planning processes that are incorporated into the overall Midwest ISO transmission planning process in Attachment FF.<sup>48</sup> Integrys asserts that Midwest ISO ignores paragraphs 124 through 129 of the Midwest ISO Planning Order, which require the transmission owners' local planning processes to also satisfy the nine transmission planning principles of Order No. 890. Integrys asserts that Midwest ISO's compliance filing only addresses the Commission's local planning directives in paragraphs 131 and 132 of the Midwest ISO Planning Order. Specifically, Integrys asserts that Midwest ISO's compliance filing fails to provide for stakeholder input within the local transmission owner planning process prior to the draft plans being submitted for review at the Sub-Regional Planning Meetings. Integrys asserts that the Midwest ISO Planning Order contemplated two separate local planning processes, one for local planning by transmission owners that have a separate local planning process, such as American Transmission Company, and one for local planning by utilities who depend entirely on the Midwest ISO planning process.<sup>49</sup> With respect to

---

<sup>46</sup> "Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc.," FERC Electric Tariff, First Revised Rate Schedule No. 1 (Transmission Owners Agreement).

<sup>47</sup> *See supra* P 40-41.

<sup>48</sup> Integrys Protest at 1.

<sup>49</sup> *Id.* at 2-3.

local planning by transmission owners that depend entirely on the Midwest ISO planning process, Integrys asserts that Midwest ISO must address all of the requirements in the Midwest ISO Planning Order. To this end, Integrys requests that the Commission reject Midwest ISO's compliance filing and direct Midwest ISO to file a further compliance filing addressing the directives in paragraphs 124 through 129 of the Midwest ISO Planning Order.

46. Consumers Energy also contends that Midwest ISO's Attachment FF does not provide for adequate stakeholder input within the transmission owners' local planning processes. Specifically, Consumers Energy states that the Commission should require Midwest ISO to revise Attachment FF to require that the assumptions and models be made available to stakeholders, as they are formulated by the transmission owners, prior to the submittal of the local plans to the Sub-Regional Planning groups.<sup>50</sup> Consumers Energy states that while Midwest ISO's compliance filing partially addresses this on sheet 1835e by requiring transmission owners to "post the planning criteria and assumptions used in each Transmission Owner's current local plan," the proposed language does not contain any provisions for stakeholder input on the assumptions and models themselves.<sup>51</sup>

47. Consumers Energy also states that Midwest ISO's proposal to post the transmission owner's local plan on the Midwest ISO's website by September 15 of each year, and allow stakeholders 45 days to comment, is also inadequate.<sup>52</sup> Consumers Energy argues that having 45 days to comment on a proposal does not bring the stakeholders into the process at the "conceptual level."<sup>53</sup> Consumers Energy states that, at a minimum, stakeholders should be given 90 days to comment on a proposal.

48. Midwest TDUs assert that Midwest ISO proposed only minimal changes that will not result in the meaningful, timely participation of stakeholders in local transmission planning.<sup>54</sup> Midwest TDUs request that the Commission order Midwest ISO to further revise Attachment FF to provide for stakeholder involvement in the entire local

---

<sup>50</sup> Consumers Energy Protest at 2 (citing Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 124).

<sup>51</sup> *Id.* at 2-3 (citing Midwest ISO Compliance Filing, Redlined Tariff Sheet, Third Revised Vol. No. 1, at First Revised Sheet No. 1835e).

<sup>52</sup> *Id.* at 3 (citing Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 128).

<sup>53</sup> *Id.*

<sup>54</sup> Midwest TDUs Protest at 1.

transmission plan development process (including opportunities to comment on proposed planning criteria, low voltage issues, non-MTEP projects, and each of the steps transmission owners go through in developing their local plans).<sup>55</sup> Midwest TDUs argue that for the local plans to be timely and effective, the transmission owners' planning must be interactive, addressing stakeholders' comments and concerns before the Sub-Regional Planning Meetings begin.

49. Midwest TDUs argue that Midwest ISO proposes no mechanism for participation in the “[t]ariff-defined steps” followed by the individual transmission owners, but only an opportunity to comment at the conclusion of that process, when the transmission owner posts its draft plan on a website for review.<sup>56</sup> Midwest TDUs argue that stakeholders must also be actively involved in the development of planning criteria used by transmission owners in developing their local system plan, as required by the Midwest ISO Planning Order.<sup>57</sup> Midwest TDUs argue, however, that Midwest ISO merely proposed that such planning criteria be posted on the transmission owner's website, while providing no opportunity to question the data, models and assumptions used to collaboratively develop plans.<sup>58</sup>

50. Midwest TDUs also contend that Midwest ISO's September 15 posting deadline for transmission owners' plans and the 45-day comment period means that stakeholders comments will be submitted approximately a month before stakeholders begin review of the transmission owners' proposals at the Sub-Regional Planning Meetings, “long after the plans are drafted and shortly before planning moves to a regional level.”<sup>59</sup> Moreover, Midwest TDUs argue that Attachment FF must specify to whom stakeholder comments should be directed. Midwest TDUs state that they presume that comments would be submitted to the individual transmission owner, since any comments outside of the 45-day period must be submitted as part of the Sub-Regional Planning Meetings process. Midwest TDUs also argue that transmission owners should be required to examine these comments, and respond to the comments or work with stakeholders to incorporate such comments or changes into the plans. The Midwest TDUs state that the Commission should require Midwest ISO to specify that stakeholders be able to participate from the

---

<sup>55</sup> *Id.* at 5, 6.

<sup>56</sup> *Id.* at 6.

<sup>57</sup> *Id.* at 7.

<sup>58</sup> *Id.* at 7-8 (citing Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 136).

<sup>59</sup> *Id.* at 8.

beginning of and throughout the individual transmission owner's planning process "in a manner that is collaborative and responsive."<sup>60</sup>

51. To implement these revisions, Midwest TDUs state that Midwest ISO should be directed to remove the following statement from section I.B.1.a of Attachment FF: "The Transmission Owners shall include the following specific local planning steps in order to develop plans for potential inclusion in the regional plan, after which such plans and alternatives shall be evaluated and discussed with stakeholders through the annual regional planning process ..."<sup>61</sup> Midwest TDUs state that, instead, Attachment FF should make clear that stakeholder participation is possible throughout the transmission planning process.

52. Finally, Midwest TDUs argue that, even if paragraph 132 of the Midwest ISO Planning Order constituted the full extent of the Commission's local planning directives, Midwest ISO still failed to comply with even those directives. Midwest TDUs argue that Midwest ISO has not proposed revisions that "require transmission owners to provide a reasonable opportunity for written comments after the posting of their local plan."<sup>62</sup> Midwest TDUs argue that the "reasonable opportunity" requirement should involve the ability to "work collaboratively with the transmission owner, allow the [t]ransmission [o]wner to respond to the issues and concerns raised by stakeholders that are more appropriately resolved at the local level, and truly give stakeholders an opportunity to be heard from the beginning of, and throughout, the [transmission owner's] planning process."<sup>63</sup>

#### iv. Answers

53. In response to Midwest TDUs, Integrys, and Consumers Energy, Midwest ISO TOs state that they support Midwest ISO's revisions to the local planning provisions and urge the Commission to accept the proposed Attachment FF as filed. Specifically, Midwest ISO TOs state that Midwest ISO complies with the Midwest ISO Planning Order regarding the local planning process because the Midwest ISO complied with the Commission directives in paragraph 132. Midwest ISO TOs state that Attachment FF includes revisions to provide for formal stakeholder comments before the Sub-Regional

---

<sup>60</sup> *Id.* at 11.

<sup>61</sup> *Id.* at 9 (citing Midwest ISO December 7 Filing at Midwest ISO, FERC Electric Tariff, Third Revised Vol. No. 1, Original Sheet No. 1835B).

<sup>62</sup> *Id.* at 12 (citing Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 132).

<sup>63</sup> *Id.*

Planning Meetings, as directed by the Commission. Midwest ISO TOs argue that the proposed revisions provide an opportunity for stakeholders to comment and participate at the conceptual level, and very early on in the process. Midwest ISO TOs state that the local plans at that stage are an initial list of proposed projects and are subject to additional comments and stakeholder review throughout the entire planning process.

54. In addition, Midwest ISO TOs state that the process advocated by Midwest TDUs and Integrys would paralyze the development of local plans. Further, Midwest ISO TOs argue that providing for stakeholder input at every turn would greatly increase the time and expense required for development of the local proposals that are submitted for further stakeholder review. Midwest ISO TOs argue that the process would be unwieldy and would impede efficient transmission planning. Midwest ISO TOs state that the Commission found in Order No. 890 that

[i]n response to the suggestion by some commenters that we require transmission providers to allow customers to collaboratively develop transmission plans with transmission providers on a co-equal basis, we clarify that transmission planning is the tariff obligation of each transmission provider[.] Therefore, the ultimate responsibility for planning remains with transmission providers.<sup>64</sup>

55. Finally, Midwest ISO TOs state that, contrary to Midwest TDUs contentions, the 45 day comment period provides stakeholders a reasonable opportunity to comment on the proposed plans.

56. In response to Midwest ISO TOs claims that the stakeholder participation sought by Midwest TDUs would paralyze the transmission planning process, Midwest TDUs argue that the revisions they seek are only for the level of stakeholder participation required by the Midwest ISO Planning Order and Order No. 890.<sup>65</sup>

#### v. Commission Determination

57. We find that Midwest ISO's Attachment FF, with certain revisions directed below, complies with the Commission's directives to provide for an open and transparent local planning process. We find that Attachment FF, as revised below, provides for, among other things, stakeholder input and involvement in the transmission owners' local planning processes prior to the first Sub-Regional Planning Meeting of each planning

---

<sup>64</sup> Midwest ISO TOs Answer at 6-7 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 454).

<sup>65</sup> Midwest TDUs Answer at 2-3.

cycle, including: (1) stakeholder review of local planning criteria, models and assumptions; and (2) an opportunity for stakeholders to review and comment on transmission owner's local system plans.

58. Specifically, Midwest ISO has revised section I.B.1.a.xii of Attachment FF to provide that the transmission owner's local planning criteria and assumptions used in each transmission owner's local plan will be posted on the transmission owner's website with links to such posting on Midwest ISO's website. In addition, section I.B.1.b of Attachment FF requires that each transmission owner's local plan, consisting of a list of planned and proposed projects, be posted on Midwest ISO's website by September 15 each year for review by the Planning Advisory Committee, Planning Subcommittee, and the Sub-Regional Planning Meeting participants. In addition, Attachment FF provides that stakeholders can submit initial written comments on such draft plans within 45 days of the postings (i.e., by October 30 of each year), or may otherwise comment on the transmission owner's local plans at the Sub-Regional Planning Meetings.

59. However, we find that Midwest ISO must make certain changes to Attachment FF to fully comply with the Commission's directives in the Midwest ISO Planning Order. First, we agree with Consumers Energy that Midwest ISO must make a compliance filing to revise section I.B.1.a.xii to provide that the models each transmission owner uses in its planning process be made available in addition to the criteria and assumptions the transmission owner uses in its local planning.

60. Second, we agree with Consumers Energy and the Midwest TDUs that further revisions to Attachment FF are required to allow stakeholders the ability to review the criteria, assumptions and models used by transmission owners in the planning process. It is imperative that stakeholders have the ability to participate at the local level to achieve an open and transparent planning process as required by Order No. 890. While Midwest ISO commits to posting the criteria and assumptions used by transmission owners in their local planning activities, no opportunity is provided for stakeholders to comment on those criteria or assumptions before incorporation in the transmission owner's local plan. The same is true for the models used by the transmission owner, which we require above to be made available to stakeholders. Therefore, we further require Midwest ISO to make a compliance filing to define the process by which stakeholders can comment on the transmission owner's criteria, assumptions and models, prior to draft transmission plans being completed. We remind Midwest ISO, however, that it is ultimately its responsibility to ensure that stakeholder issues are addressed. Therefore, we would expect that stakeholders that have unresolved issues can raise them at the Sub-Regional Planning Meeting and that Midwest ISO will ensure that stakeholder issues are addressed.

61. We disagree that granting stakeholders the ability to review and comment on the criteria, assumptions and models used by transmission owners in local planning activities



will paralyze the development of local plans or unreasonably impede the planning process. The local plans provided by transmission owners to Midwest ISO identify both planned and proposed projects. Transmission owners are therefore developing plans for particular transmission facilities without providing stakeholders the opportunity to comment on the criteria, assumptions and models used to determine which facilities are included. By the time the local plan is submitted to Midwest ISO for review by the Sub-Regional Planning Meeting, decisions have therefore already been made by the transmission owners regarding the particular solutions to be submitted to Midwest ISO for consideration. Stakeholders must have an opportunity to review those criteria, assumptions and models in order to ensure that those decisions are open and transparent.

62. We agree with Midwest ISO, however, that it is adequate for Midwest ISO to post transmission owner's draft local plans by September 15 of each year and provide stakeholders with 45 days to provide initial written comments. We find that this process, coupled with the opportunity for stakeholders to comment on criteria, assumptions and models at the local level, as revised above, provides stakeholders a reasonable opportunity to review and comment on local draft plans, beginning at the conceptual level, without being overly burdensome. With respect to Consumers Energy's request that, at a minimum, stakeholders should be given 90 days to review and comment on posted local plans, we find that 90 days may be too restrictive in all instances. Therefore, we find it is appropriate to allow Midwest ISO reasonable discretion in defining deadlines for stakeholders' to review and comment on the transmission owners' local draft plans.<sup>66</sup> However, we agree with Midwest TDUs that Attachment FF does not specify to whom the comments should be addressed, whether in regards to the local plans or underlying criteria, assumptions and models. We will therefore require Midwest ISO to provide this specificity in the compliance filing ordered below.

63. With respect to Midwest TDUs' concerns that stakeholders must explicitly be given opportunities to comment on proposed low voltage and non-transferred facilities, we find that the integrated local planning processes, as revised above, will allow stakeholders to review and comment on plans for these facilities at the local level, before transmission owners submit any plans to Midwest ISO for further review by stakeholders at the Sub-Regional Planning Meetings. Furthermore, we remind Midwest TDUs that the Commission stated in the Midwest ISO Planning Order, which Midwest ISO recognized, that although many of these issues will be fully vetted prior to the Sub-Regional Planning

---

<sup>66</sup> The Commission notes that the Midwest ISO Planning Order similarly rejected a proposal by AMP-Ohio to require Midwest ISO to allow stakeholders 60 days to review and comment on the posted models, data and assumptions used by Midwest ISO in its own regional planning studies and allowed Midwest ISO to use its own discretion when setting such deadlines. *See* Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 28.

Meetings, stakeholders are not precluded from reviewing and commenting on proposed low voltage and non-transferred facilities at these meetings as well.<sup>67</sup> Therefore, we find that no further revisions to Attachment FF are necessary in this regard.

64. We also find that Midwest ISO properly revised section I.B.2. However, we find that Midwest ISO appears to have made an inadvertent error in its compliance filing with the Commission's specific directive to include the phrase "including proposed transmission projects" in section I.A.iii of Attachment FF.<sup>68</sup> Midwest ISO included the required phrase in I.A.i instead of I.A.iii. Therefore, we direct Midwest ISO to include in the compliance filing ordered below such revisions to sections I.A.i and I.A.iii.<sup>69</sup>

65. We also agree with Midwest TDUs that Midwest ISO must revise section I.B.1.a of Attachment FF to remove the implication that stakeholder participation in a transmission owner's planning process will not begin until the end of the transmission owner's own planning process. Therefore, we direct Midwest ISO to include in the compliance filing ordered below the following revision to section I.B.1.a of Attachment FF:

The Transmission Owners shall include the following specific local planning steps in order to develop plans for potential inclusion in the regional plan, ~~after which such plans and alternatives shall be evaluated and discussed with stakeholders through~~ in accordance with the annual regional planning process as described in Section I.B.1.b of this Attachment FF, and in accordance with the regional planning principles of Section I.A of this Attachment.

66. Finally, with regard to American Transmission Company's submitting their local plans and projects to Midwest ISO for inclusion in the MTEP, we find that Midwest ISO has explained how American Transmission Company's transmission plans will be integrated into Midwest ISO's regional MTEP process for review and approval. Specifically, section I.A.2.c.ii.b of Attachment FF provides that Sub-Regional Planning Meeting participants will review American Transmission Company's transmission plans (or plans of other transmission owners that have their own approved Attachment K planning process) to ensure coordination of the projects with the potential regional planning solutions developed in the Sub-Regional Planning Meetings. Therefore, we will accept the revisions to section I.A.2.c.ii.b.

---

<sup>67</sup> Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 133.

<sup>68</sup> *Id.* P 138.

<sup>69</sup> *See supra* P 40.

**f. Other Issues**

**i. Midwest ISO Planning Order**

67. The Commission found that Midwest ISO's filing contained tariff language that was previously rejected by the Commission. Therefore, the Commission directed Midwest ISO to revise Attachment FF to remove language that the Commission previously rejected.<sup>70</sup> The Commission also directed Midwest ISO to substitute "ITC Midwest, LLC" (ITC Midwest) for "Alliant Energy Corporate Services, Inc. on behalf of Interstate Power and Light Company" (Interstate Power) in Attachment FF-4.<sup>71</sup> Furthermore, the Commission directed Midwest ISO to separately list and reference transmission owners with their own local transmission planning process filed with the Commission in a new Attachment FF-5.<sup>72</sup>

68. In addition, the Commission directed Midwest ISO to clarify why Aquila, Inc. (Aquila) was listed as a transmission owner filing separate transmission planning processes in Attachment FF-4.<sup>73</sup> The Commission stated that Aquila filed its transmission planning processes in Docket No. OA08-18-000 to comply with Order No. 890.<sup>74</sup>

**ii. Midwest ISO Filing**

69. Midwest ISO states that it has complied with the Commission's directives to remove language previously rejected by the Commission. In addition, Midwest ISO states that it has complied with the Commission's directives to substitute ITC Midwest for Interstate Power in Attachment FF-4 and to separately list and reference transmission owners with their own local transmission planning process filed with the Commission in a new Attachment FF-5.

70. With regard to Aquila being referenced in Attachment FF-4, Midwest ISO explains that, at the time Attachment FF-4 was compiled, any transmission owning member of Midwest ISO that did not affirmatively indicate a desire to have Midwest ISO

---

<sup>70</sup> Midwest ISO Planning Order, 123 FERC ¶ 61,164 at P 145.

<sup>71</sup> *Id.* P 149.

<sup>72</sup> *Id.*

<sup>73</sup> *Id.* P 151.

<sup>74</sup> *Id.* n.137.

coordinate local planning on its behalf was listed as filing its own Attachment K. Midwest ISO states that Aquila obtains planning services from SPP and did not affirmatively indicate a desire to have Midwest ISO perform planning services, and was inadvertently shown as filing its own Attachment K. Midwest ISO states that it has removed Aquila from the list of transmission owners filing their own local transmission planning process.

**iii. Protests/Comments**

71. Consumers Energy states that Midwest ISO did not redline Sheet No. 1834G to show the language that was moved to new Sheet No. 1834G.01.<sup>75</sup>

**iv. Commission Determination**

72. The Commission finds that Midwest ISO properly removed language that the Commission previously rejected. In addition, the Commission finds that Midwest ISO substituted ITC Midwest for Interstate Power in Attachment FF-4. Finally, the Commission finds that Midwest ISO separately listed and referenced transmission owners with their own local transmission planning process in a new Attachment FF-5. With regard to Aquila, the Commission finds that Midwest ISO properly removed the reference.

73. However, we agree with Consumers Energy that Midwest ISO did not properly include a redline Sheet No. 1834G to show language was moved to Original Sheet No. 1834G.01. We find that provisions in section I.A.2.c.ii.b through I.A.2.c.ii.d on Original Sheet No. 1834G are redundant on Original Sheet No. 1834G.01. We believe that Midwest ISO inadvertently provided this redundant language on both sheets. Therefore, we direct Midwest ISO to revise Attachment FF to remove this redundant language.

**Docket No. OA08-42-001**

**A. American Transmission Company Compliance Filing**

74. On August 13, 2008, in Docket No. OA08-42-001, American Transmission Company and Midwest ISO filed proposed revisions to Attachment FF-ATCLLC to

---

<sup>75</sup> We note that Midwest ISO did not include Sheet No. 1834G as part of the instant filing.

Midwest ISO's ASM Tariff to comply with the Commission's directives in the American Transmission Company Planning Order.<sup>76</sup>

**B. Notice of Filing and Responsive Pleadings**

75. Notice of American Transmission Company's filing in Docket No. OA08-42-001 was published in the *Federal Register*, 73 Fed. Reg. 50808 (2008), with interventions and protests due on or before September 3, 2008. None was filed.

**C. Discussion**

76. We find that American Transmission Company's revised Attachment FF-ATCLLC transmission planning process, with certain modifications, complies with the American Transmission Company Planning Order. Accordingly, we will accept American Transmission Company's compliance filing in Docket No. OA08-42-001, as modified, to be effective January 6, 2009,<sup>77</sup> subject to a further compliance filing.<sup>78</sup> In the compliance filing directed below, we will also require American Transmission Company to make revisions to Midwest ISO's TEMT in the Third Revised Volume (i.e., revisions to Attachment FF-ATCLLC accepted in the instant filing) since the Third Revised Volume was the currently effective Tariff as of the date American Transmission Company made its compliance filing to comply with the American Transmission Company Planning Order.

---

<sup>76</sup>American Transmission Company is a transmission-owning member of Midwest ISO and Midwest ISO provides for service over its facilities under the ASM Tariff. As administrator of the ASM Tariff, Midwest ISO joined American Transmission Company in this compliance filing to amend the tariff; however, in this section of order, we refer to the proposed revisions as American Transmission Company's proposals.

<sup>77</sup> See *supra* notes 2, 14.

<sup>78</sup> Although we are accepting American Transmission Company's compliance filing, subject to a further compliance filing, as noted above, the Commission remains interested in the development of transmission planning processes and will continue to examine the adequacy of the processes accepted to date. To that end, the Commission intends to convene regional technical conferences later this year to determine if further refinements to these processes are necessary.

## 1. Comparability

### a. American Transmission Company Planning Order

77. The Commission found in the American Transmission Company Planning Order that Attachment FF-ATCLLC describes how the planning process will satisfy the comparability principle.<sup>79</sup> In particular, the Commission stated that American Transmission Company's Ten Year Assessment<sup>80</sup> factors in its customers' demand response elements to determine what transmission projects may be necessary to meet their overall needs.<sup>81</sup> However, the Commission found that, because Order No. 890-A was issued on December 28, 2007, subsequent to American Transmission Company submitting its Order No. 890 Attachment K compliance filing, that American Transmission Company did not have an opportunity to demonstrate that it complies with the comparability requirement of Order No. 890-A.<sup>82</sup> Specifically, Order No. 890-A required that the transmission provider needs to identify as part of its Attachment K planning process "how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning."<sup>83</sup> Therefore, the Commission directed American Transmission Company to make a compliance filing addressing the necessary demonstration required by Order No. 890-A.

### b. American Transmission Company Filing

78. American Transmission Company states that it has revised Attachment FF-ATCLLC to clarify how it will treat resources on a comparable basis in its transmission planning process. With regard to the development of base-line assumptions and models, section VI.D.2 of Attachment FF-ATCLLC requires American Transmission Company to solicit information from all interconnection customers, transmission customers, and owners of all distribution facilities interconnected to American Transmission Company's transmission facilities regarding each party's current and projected use of the system, including, but not limited to, load forecast, generation requirements, generation

---

<sup>79</sup> American Transmission Company Planning Order, 123 FERC ¶ 61,165 at P 24.

<sup>80</sup> The Ten Year Assessment is "the report published by [American Transmission Company] relating to its [n]etwork [a]dequacy." FERC Electric Tariff, Fourth Revised Volume No. 1, Original Sheet No. 3506.

<sup>81</sup> American Transmission Company Planning Order, 123 FERC ¶ 61,165 at P 24.

<sup>82</sup> *Id.* P 25.

<sup>83</sup> *Id.* (citing Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216).

retirements, generation outage schedules, demand response availability, including any demand response resources available to reduce demand for any interconnected entity, and distribution construction programs.<sup>84</sup> American Transmission Company states that, by soliciting information regarding the nature, extent, and availability of demand response in connection with its annual transmission planning assessment, it will be able to consider the amount, characteristics, and effect of the availability of demand response resources in determining what future changes, modifications or additions to its transmission system may be required as a result of the needs of its transmission customers.

79. Section VI.D.4 of Attachment FF-ATCLLC provides that American Transmission Company will then collaborate with customers and any stakeholders to discuss the assumptions to be used in the Ten Year Assessment and the inputs, models and assessment tools that will be used to perform the assessment. Furthermore, section VI.D.4 specifies that stakeholders and customers are entitled to comment on, provide additional information, or otherwise offer suggested revisions to the assumptions that will be used in performing the studies required by the Ten Year Assessment. In addition, stakeholders may comment on the inputs provided by customers, described above, and such comments will be considered for inclusion in the evaluation of the network requirements, and may be included in the Ten Year Assessment analysis.

80. American Transmission Company's Ten Year Assessment website<sup>85</sup> states that, after one or more future transmission system needs are identified, options that may address the identified needs are solicited from customers.<sup>86</sup> Section VI.D.8 of Attachment FF-ATCLLC provides that American Transmission Company will meet with customers and stakeholders to discuss the solution options in the Ten Year Assessment. American Transmission Company will then evaluate each solution option to determine whether it will in fact mitigate the identified needs. The results of the solution option evaluation are recorded in a project development document.<sup>87</sup>

81. With regard to American Transmission Company specifying how it will select the preferred solution from competing alternatives, American Transmission Company's Ten-Year Assessment website explains that it classifies all of the solution options that work as

---

<sup>84</sup> See American Transmission Company Compliance Filing, Relined Tariff Sheet, Fourth Revised Vol. No. 1, First Revised Sheet No. 3554.

<sup>85</sup> See <http://www.atc10yearplan.com>.

<sup>86</sup> See American Transmission Company's Transmission Planning Factors at 41, available at [http://www.atc10yearplan.com/documents/PlanningFactorsFull\\_000.pdf](http://www.atc10yearplan.com/documents/PlanningFactorsFull_000.pdf).

<sup>87</sup> *Id.*

alternatives.<sup>88</sup> Preliminary project scope and cost estimates are prepared and documented for each alternative. Any other relevant alternative considerations are also identified and documented. The alternatives are compared to each other to determine which one is the preferred alternative. The preferred alternative selection is reviewed and approved by American Transmission Company and any pertinent customers, and the comparisons and conclusion are recorded in a project scoping document.<sup>89</sup> The preferred alternatives are included in the Ten Year Assessment, which is provided to stakeholders for their input. Then, pursuant to section VI.E.7 of Attachment FF-ATCLLC, American Transmission Company will submit to Midwest ISO, for incorporation into the MTEP planning process, any provisional, proposed or planned projects identified in the Ten Year Assessment for consideration at the regional level.

**c. Commission Determination**

82. We find that American Transmission Company, with certain revisions directed below, complies with the Commission's directives to identify how it will treat resources on a comparable basis and determine comparability for purposes of transmission planning. Specifically, Attachment FF-ATCLLC indicates when and where in the planning process sponsors of transmission, generation and demand resources have an opportunity to provide their input regarding the development of base-line assumptions and the potential solutions, including alternatives, that could meet the needs identified by American Transmission Company. However, although Attachment FF-ATCLLC generally describes the process by which American Transmission Company will choose among workable solutions, we will require American Transmission Company to submit, in the compliance filing directed below, revised tariff language to clarify how that choice will be made. This tariff language should state clearly how American Transmission Company will evaluate competing solutions against each other.<sup>90</sup>

83. With regard to economic planning studies requested by stakeholders, American Transmission Company does not address how it will ensure comparable treatment of resources in its economic planning process. Section VI.F of Attachment FF-ATCLLC

---

<sup>88</sup> *Id.*

<sup>89</sup> *Id.*

<sup>90</sup> Tariff language could, for example, state that solutions will be evaluated against each other based on a comparison of their relative economics and effectiveness of performance. Although the particular standard a transmission provider uses to perform this evaluation can vary, it should be clear from the tariff language how one type of investment would be considered against another and how the transmission provider would choose one resource over another or a competing proposal.



provides that any interconnected party or customer may request that American Transmission Company assess whether the construction, modification, addition or extension of American Transmission Company's transmission facilities could provide economic benefits when compared to the cost of constructing the proposed transmission facilities. We will require American Transmission Company to submit, in the compliance filing directed below, revised tariff language clearly indicating that any stakeholder is able to submit a request for American Transmission Company to study potential upgrades or other investments necessary to integrate any resource, whether in transmission, generation or demand resources, identified by the stakeholder.

**2. Regional Participation**

**a. American Transmission Company Planning Order**

84. The Commission determined that American Transmission Company can meet the regional participation principle through participation in both the Midwest ISO planning process under Attachment FF and through its own planning process under Attachment FF-ATCLLC. However, the Commission found that American Transmission Company did not provide enough information about how its individual planning process will be incorporated into the Midwest ISO regional process. The Commission decided, however, that the issue was more appropriately addressed as part of Midwest ISO's Attachment K proposal in Docket No. OA08-53-000 and, therefore, made its finding regarding the regional participation principle subject to the outcome of Docket No. OA08-53-000.<sup>91</sup>

**b. American Transmission Company Filing**

85. American Transmission Company states it acknowledges that acceptance of the instant compliance filing is dependent upon the further compliance filing made by Midwest ISO in Docket No. OA08-53-001.

**c. Commission Determination**

86. As discussed above, the Commission finds that Midwest ISO adequately explained in Docket No. OA08-53-001 how American Transmission Company's plans will be integrated into Midwest ISO's regional planning process. Therefore, American Transmission Company's participation in the Midwest ISO transmission planning process complies with the requirements of the regional participation principle.<sup>92</sup>

---

<sup>91</sup> American Transmission Company Planning Order, 123 FERC ¶ 61,165 at P 31.

<sup>92</sup> See *supra* P 66.

### 3. Recovery of Planning Costs

#### a. American Transmission Company Planning Order

87. The Commission found in the American Transmission Planning Order that American Transmission Company did not address how its planning costs will be recovered.<sup>93</sup> Specifically, the Commission stated that American Transmission Company did not explain in Attachment FF-ATCLLC whether it will allocate the planning costs it incurs or the costs it incurs plus a share of the Midwest ISO planning costs. Therefore, the Commission directed American Transmission Company to file a further compliance filing detailing its plan to recover planning costs.<sup>94</sup>

#### b. American Transmission Company Filing

88. American Transmission Company proposes to add the following section to Attachment FF-ATCLLC:

##### VII. Planning Costs

The costs incurred by ATCLLC in connection with performing the planning functions set forth above will be collected by ATCLLC through Attachment O of the Midwest ISO Tariff as annual operating expense. Any planning costs incurred pursuant to Generator-Transmission Interconnections are determined in accordance with Attachments R and X of this Tariff and are collected pursuant to those Attachments.<sup>[95]</sup>

89. In addition, American Transmission Company states that the Commission asked for clarification on the manner in which it would collect planning costs that might be incurred by the Midwest ISO. American Transmission Company argues that it is not a Transmission Customer or a Market Participant as it is defined under the Midwest ISO Tariff and, therefore, to the extent that Midwest ISO's planning costs are collected through rates and charges of the Midwest ISO that are paid by Transmission Customers or Market Participants, American Transmission Company does not incur those costs, and,

---

<sup>93</sup> American Transmission Company Planning Order, 123 FERC ¶ 61,165 at P 10, 41.

<sup>94</sup> *Id.*

<sup>95</sup> *See* American Transmission Company Transmittal, Redlined Tariff Sheet, Fourth Revised Vol. No. 1, First Revised Sheet No. 3592.

therefore, there is no need to reflect the manner in which Midwest ISO planning costs will be collected under Attachment FF-ATCLLC.<sup>96</sup>

**c. Commission Determination**

90. We find that American Transmission Company's proposed planning cost recovery provisions in section VII of Attachment FF-ATCLLC comply with the requirements of the American Transmission Company Planning Order. American Transmission Company will collect planning costs it incurs, associated with its planning functions under its Attachment FF-ATCLLC, as an annual operating expense through its Attachment O rates under Midwest ISO's Tariff. Furthermore, planning costs associated with generator interconnections will be recovered pursuant to the Midwest ISO Tariff at Attachments R and X. In addition, we accept the American Transmission Company's clarification that it will not incur costs associated with planning functions under Attachment FF because it is neither a Transmission Customer nor Market Participant who pays planning costs through schedule 10 of the Midwest ISO Tariff.<sup>97</sup>

The Commission orders:

(A) Midwest ISO's compliance filing in Docket No. OA08-53-001 is hereby accepted, as modified, effective December 7, 2007 and January 6, 2009, subject to a further compliance filing, as discussed in the body of this order.

(B) Midwest ISO is hereby directed to submit a compliance filing, within 60 days of the date of this order, as discussed in the body of this order under Docket No. OA08-53-001.

(C) American Transmission Company's compliance filing in Docket No. OA08-42-001 is hereby accepted, as modified, effective January 6, 2009, subject to a further compliance filing, as discussed in the body of this order.

---

<sup>96</sup> American Transmission Company Transmittal at 5-6.

<sup>97</sup> See *supra* P 36.

(D) American Transmission Company is hereby directed to submit a compliance filing, within 60 days of the date of this order, as discussed in the body of this order under Docket No. OA08-42-001.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.