
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket No. EC01-156, et al.

COMMISSION ACTIONS BOLSTER DEVELOPMENT OF MIDWEST REGIONAL POWER MARKETS

In separate orders today, the Federal Energy Regulatory Commission conditionally approved the formation of the nation's largest independent transmission company (ITC) and gave additional guidance for development of for-profit transmission companies in the Midwest. These actions will help expand the scope of the Midwest independent system operator (ISO), bring greater reliability and enhance the competitiveness of power markets in that region.

In the first order, the Commission conditionally approved the formation of an ITC, TRANSLink Transmission Company (Docket Nos. EC01-156-000, et al.). Three members of the Midwest ISO--Alliant Energy Corporate Services, MidAmerican Energy Company and Xcel Energy--along with the Nebraska Public Power District, Omaha Public Power District and Corn Belt Power Cooperative, plan to form the ITC. TRANSLink will serve as the vehicle through which its members will participate in the Midwest ISO.

The Commission conditionally approved TRANSLink's participation in the Midwest ISO, but said that the RTO must have the overall authority and ultimate responsibility for the region. In today's order, the Commission discussed in detail the appropriate balance of delegation of functions to an ITC. The Commission considers ITCs to be attractive vehicles for infrastructure investment, but clarified its interest in one-stop shopping for transmission through the RTO.

Therefore, in a second order, the Commission addressed the Alliance Companies and National Grid USA's request to participate in the Midwest ISO as a for-profit transmission company--Alliance GridCo. Alliance is comprised of seven companies

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along with their 18 subsidiaries and would operate as a transmission business under the umbrella of the Midwest ISO. National Grid USA would be GridCo's managing member.

In December 2001, the Commission, after reviewing the Alliance and Midwest RTO proposals, approved the Midwest RTO proposal, concluding that it more fully complied with the vision and requirements of Order No. 2000. The Commission determined that the Alliance Companies lacked sufficient scope to form a stand-alone RTO and directed Alliance to explore joining Midwest ISO.

As in the TRANSLink order, the Commission addressed in detail the delegation of numerous responsibilities between the RTO and Alliance. In addition, the Commission directed Alliance to file a compliance report within 30 days detailing which RTO the companies plan to join and whether such participation will be collective or individual.

In a separate order involving National Grid USA, the Commission reiterated its determination in a December 20, 2001 order that National Grid was not a market participant in the Midwest (Docket Nos. EL01-80-003, et al.). National Grid plans to become the managing member of the Alliance RTO. The Commission explained that it has not addressed the issue of whether National Grid is a market participant as it relates to the New England or New York markets.

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