Federal Register

Tuesday,
June 8, 2004

Part II

Department of Energy

Federal Energy Regulatory Commission

Order Accepting and Suspending Tariff Sheets, Rejecting Tariff Sheets, Setting Timelines and Establishing Procedures for Certain Grandfathered Contracts; Notices

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket Nos. ER04–691–000 and EL04–104–000]

Order Accepting and Suspending Tariff Sheets, Rejecting Tariff Sheets, Setting Timelines and Establishing Procedures for Certain Grandfathered Contracts

Issued May 26, 2004.

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

Midwest Independent Transmission System Operator, Inc., Public Utilities With Grandfathered Agreements in the Midwest ISO Region

1. On March 31, 2004, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed a proposed Open Access Transmission and Energy Markets Tariff (TEMT) pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. 824d (2000). The proposed TEMT contains the terms and conditions necessary to implement a market-based congestion management program, including a Day-Ahead Energy Market, Real-Time Energy Market and Financial Transmission Rights (FTR) Market, on December 1, 2004. It also presents the Commission with the critical threshold issue of how to treat approximately 300 grandfathered agreements (GFAs) currently in force in the Midwest ISO region.[1]

2. The Midwest ISO states that the integration of the GFAs into its energy markets is ''important to the success and reliability'' of those markets, and that absent the integration of the GFAs, third parties may be subject to substantial costs that could threaten the markets' viability.[2] As discussed below, it proposes a methodology, for approval under section 205, that it argues would enable the GFAs to function within the Midwest ISO's proposed energy markets.

3. The Midwest ISO's proposed method of congestion management is a high priority for the Commission, due to its reliability benefits and its economic efficiency benefits, but we firmly believe that it should not start until the GFA issue is more completely addressed. As a stepping stone to our consideration of the proposed TEMT, this order initiates a three-step process to address the GFAs and offers an option for settling the GFAs. In addition, this order presents a revised timeline to guide us, and the parties to this proceeding, through the process of considering the TEMT filing and implementing the Midwest ISO's proposed energy markets. We wish to emphasize that setting out this timeline does not amount to preapproval or prejudgment of the merits of the Midwest ISO's TEMT filing. Rather, we recognize that the Midwest ISO has been attempting to implement its congestion management proposal for some time, and that resolution of this critical issue is required. We wish to provide more time for the parties to complete these intermediate steps. To provide sufficient due process for GFA parties, allow appropriate allocation of FTRs and ensure that market participants have sufficient time to perform market trials, the Commission moves the date for implementation of the energy markets to March 1, 2005.

4. Today's order benefits customers by clarifying the procedural steps that will be necessary to open the Midwest ISO energy markets by March 1, 2005, and by taking measures necessary to ensure that the GFAs and other market participants are treated fairly and reasonably if the TEMT is approved.

I. Background

5. In an order dated December 20, 2001, the Commission found that the Midwest ISO's proposal to become a Regional Transmission Organization (RTO) satisfied the requirements of Order No. 2000,[3] and thus granted the Midwest ISO RTO status.[4] The Commission also determined that the Midwest ISO's proposal for congestion management was a reasonable initial approach to managing congestion and satisfied the requirements of Order No. 2000 for Day 1 operation of an RTO. It directed the Midwest ISO to coordinate its Day 2 congestion management efforts with the pending rulemaking on Standard Market Design.

6. To address the Commission's instruction that the Midwest ISO remain mindful of the proposed Standard Market Design in developing its Day 2 congestion management proposal, the Midwest ISO filed a Petition for Declaratory Order that sought the Commission's endorsement of the general approach represented in three proposed market rules (Market Rules). The Market Rules would provide for: (1) A security-constrained, centralized bid-based scheduling and dispatch system (*i.e.*, day-ahead and real-time market rules); (2) FTRs for hedging congestion costs; and (3) market settlement rules. The Commission approved the general direction of the Midwest ISO's energy markets proposals, reserving judgment on some issues and providing guidance on others as discussed below.[5] The Commission affirmed many of its conclusions on rehearing.[6]

7. On July 25, 2003, the Midwest ISO filed a proposed TEMT pursuant to FPA section 205 (July 25 Filing). Like the instant filing, the July 25 Filing included terms and conditions necessary to implement the Midwest ISO's Day-Ahead Energy Market, Real-Time Energy Market and FTR Market. The filing met with numerous protests, many of which alleged that the proposed tariff was incomplete and that its filing was premature. The Midwest ISO filed a motion to withdraw the proposed TEMT, but it requested ''any and all guidance the Commission can give the Midwest ISO and its stakeholders on the matters presented in the July 25th Filing.''[7]

8. The Commission granted the Midwest ISO's motion to withdraw the July 25 Filing and provided, on an advisory basis, guidance on a number of issues raised in that filing.[8] The Commission stated in the TEMT Order that it expected its guidance to better enable the Midwest ISO to prepare and file a complete version of the TEMT or a similar proposal.

II. Revised Transmission and Energy Markets Tariff

9. Through the revised TEMT filed on March 31, 2004, the Midwest ISO again proposes to implement real-time energy imbalance services and a market-based congestion management system via a centralized platform for the dispatch of generation resources throughout the Midwest ISO region. It plans to implement day-ahead and real-time energy markets with locational marginal pricing (LMP), and allocate and auction FTRs to allow market participants to hedge against the costs of congestion in

[1] The public utilities providing service under these GFAs are listed by contract in Appendix B.

[2] Transmittal Letter at 11.

[3] Regional Transmission Organizations, Order No. 2000, 65 Fed. Reg. 809 (Jan. 6, 2000), FERC Stats. & Regs. ¶ 31,089 (2000), *order on reh'g*, Order No. 2000–A, 65 FR 12088 (Feb. 25, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff'd*, Public Utility District No. 1 of Snohomish County, *Washington* v. *FERC*, 272 F.3d 607 (D.C. Cir. 2001).

[4] Midwest Independent Transmission System Operator, Inc., 97 FERC ¶ 61,326 (2001), *order on reh'g*, 103 FERC ¶ 61,169 (2003).

[5] Midwest Independent Transmission System Operator, Inc., 102 FERC ¶ 61,196 (2003) (Declaratory Order).

[6] Midwest Independent Transmission System Operator, Inc., 103 FERC ¶ 61,210 (2003) (Declaratory Order Rehearing).

[7] Motion to Withdraw Without Prejudice the July 25 Energy Markets Tariff Filing at 5 (Docket No. ER03–1118–000, Oct. 17, 2003).

[8] Midwest Independent Transmission System Operator, Inc., 105 FERC ¶ 61,145 (2003) (TEMT Order), *reh'g dismissed*, 105 FERC ¶ 61,272 (2003).

the Day-Ahead Market. The Midwest ISO seeks an effective date of December 1, 2004, for its new tariff.

10. The Midwest ISO explains that it would like to implement limited sections of the TEMT on an earlier schedule in order to resolve two issues that will be critical to starting the markets. First, the Midwest ISO notes that a large number of GFAs are in force in its region, and that in order to accommodate GFA transactions in the energy markets, it needs the parties to the GFAs to decide how transactions pursuant to their agreements will be treated in the energy markets. The Midwest ISO proposes an Expedited Dispute Resolution (EDR) process that will allow parties to GFAs to decide which party to each GFA will serve as the Market Participant for that GFA. It asks the Commission to make the portions of its tariff relevant to EDR effective on June 7, 2004.

11. The Midwest ISO also requests that the Commission make effective on June 7, 2004, all portions of the TEMT that pertain to FTRs. The Midwest ISO has developed a four-tiered nomination method that will allow Market Participants to nominate Candidate FTRs (CFTRs) associated with point-to-point or network transmission service subject to the TEMT. The Midwest ISO plans for the FTR nomination process to begin in July 2004 and continue through the fall of 2004.

III. Discussion

A. Procedural Matters

12. Notice of the Midwest ISO's filing was published in the **Federal Register**, 69 FR 18893–94 (2004), with interventions and protests due on or before May 7, 2004. The parties listed in Appendix A filed interventions, protests and comments. Otter Tail Power Company (Otter Tail) filed a supplemental protest on May 17, 2004. The Midwest ISO filed an answer to the protests on May 19, 2004, and an amendment to its answer on May 20, 2004. The Midwest TDUs [9] and Cinergy Services, Inc. (Cinergy) filed comments responding to the protests on May 21, 2004; the Midwest TDUs' filing included an answer to the Midwest ISO's answer. National Rural Electric Cooperative Association (NRECA) and Dairyland Power Cooperative, Inc. (Dairyland) filed answers to the Midwest ISO's answer on May 24, 2004.

13. Pursuant to rule 214 of the Commission's rules of practice and procedure, 18 CFR 385.214 (2003), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. We will accept the motions of Manitoba Hydro and Xcel Energy Services, Inc. (Xcel) to intervene out of time. Given the early phase of the proceeding and the parties' interest, the late interventions will not disrupt the proceeding. For the same reasons, we will accept Otter Tail's supplemental protest.

14. Rule 213(a)(2) of the Commission's rules of practice and procedure, 18 CFR 385.213(a)(2) (2003), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept the answers because they have provided information that assisted us in our decision-making process.

B. Treatment and Analysis of GFAs

1. The Midwest ISO's Proposal

a. Description of GFAs

15. The TEMT identifies GFAs as ''agreements executed or committed to prior to September 16, 1998, or ITC Grandfathered Agreements that are not subject to the specific terms and conditions of the [TEMT] consistent with the Commission's policies,'' [10] and that are listed in Attachment P to the Midwest ISO's open access transmission tariff (OATT).[11] The Midwest ISO notes the Commission's prior approval of special treatment for transmission service under GFAs for a six-year transition period, and states that transmission service taken under GFAs is separate from transmission service taken under the OATT.[12] The Midwest ISO states, however, that allowing holders of GFAs similar scheduling rights to current GFA practice would require a physical reservation, or ''carve out,'' of transmission capacity in the day-ahead market and until the scheduling deadline prior to real-time dispatch. The Midwest ISO day-ahead energy market would be scheduled around this reservation and adjustments to the reliability unit commitment (RUC) would also be required to support reliability. This ''cannot be accomplished without negatively impacting the Midwest ISO's ability to reliably operate the Energy Markets and without placing excessive financial burden on other Market Participants.'' [13] Accordingly, as described below, the Midwest ISO proposes a tariff methodology to allow the GFAs to function under the TEMT, and advocates that this treatment be used until at least February 1, 2008. Two years before that time, it proposes to begin to evaluate the GFAs' impact on the energy markets under this tariff proposal; one year before that time, it will file a new proposal for the treatment of the GFAs.[14]

16. The Midwest ISO states that it has reviewed all contracts listed in Attachment P to the OATT. It says that specific details of the contracts, such as usage, scheduling requirements and megawatt quantity or capacity, are not readily apparent on the face of some of the contracts.[15] The Midwest ISO adds, however, that about half the contracts had a specific megawatt value associated with them, and that in the aggregate those contracts accounted for approximately 20,000 megawatts of capacity. The Midwest ISO projects that the remaining half of the GFAs are likely to be associated with a similar number of megawatts. As a result, it says that up to 40,000 megawatts of capacity—about 40 percent of total load in the region—are likely to be associated with the GFAs.[16] It concludes that the treatment of GFAs will have a significant impact on the total load serviced within the region and that a physical carve-out of the GFAs from the proposed energy markets is not feasible.

17. The Midwest ISO avers that operation of wholesale energy markets

[9] Great Lakes Utilities, Indiana Municipal Power Agency, Lincoln Electric System, Madison Gas and Electric Company, Midwest Municipal Transmission Group, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, Southern Minnesota Municipal Power Agency, Upper Peninsula Transmission Dependent Utilities and Wisconsin Public Power, Inc.

[10] Module A, Section 1.126, Original Sheet No. 82. An ITC Grandfathered Agreement is ''an agreement under which an [independent transmission company] will perform pursuant to its terms and conditions, consistent with the Commission's policies, rather than under the terms of this tariff or the ITC Rate Schedule.'' Module A, Section 1.161, Original Sheet No. 89.

[11] *See id.* We note that in a separate proceeding, the Midwest ISO filed to revise Attachment P. The proposed revisions were meant to update and clean up the list of GFAs in the attachment. The Commission accepted the filing and ordered the Midwest ISO to make further revisions. *See* Midwest Independent Transmission System Operator, Inc., 105 FERC ¶ 61,387 (2003), further order, 106 FERC ¶ 61,288 (2004).

[12] *See* Midwest Independent Transmission System Operator, Inc., *et al.*, 84 FERC ¶ 61,231 at 62,167, 62,169–70 (1998) (Formation Order) (granting conditional approval for ten public utilities to transfer operational control of their jurisdictional transmission facilities to the Midwest ISO, and deferring placement of existing wholesale loads and bilateral agreements for six years).

[13] Transmittal Letter at 9.

[14] *See* Module C, Section 38.8.4, Original Sheet No. 454.

[15] *See* Transmittal Letter at 9–10; McNamara testimony at 82–83.

[16] The Midwest ISO's analysis assumed a peak capacity of 97,000 megawatts. Since the time of the analysis, Ameren Corporation has announced that it will purchase Illinois Power, and that Illinois Power will join the Midwest ISO. *See* McNamara Testimony at 84 n.5. Ameren itself was successfully integrated into the Midwest ISO on May 1, 2004.

without information related to the flows of energy pursuant to GFAs would pose ''substantial reliability risks.'' [17] It also asserts that not requiring parties to the GFAs to schedule consistent with scheduling rules proposed in the TEMT would prevent the Midwest ISO from fulfilling its requirement under Order No. 2000 to develop a market-based congestion management mechanism. Finally, the Midwest ISO emphasizes that the GFAs' extensive impact on the Midwest ISO region makes a physical carve-out of the GFAs unduly burdensome for third parties. It cautions that ''absent the integration of [GFAs] into the market, third parties may be subject to substantial costs which may ultimately threaten the viability of the market.'' [18]

b. Scheduling and Settlement Options

18. The Midwest ISO states that, working in conjunction with a task force, it developed a solution to treat GFAs in a way that would: (1) Leave the parties to the GFAs ''financially indifferent upon implementation of the energy markets;'' as described below; (2) avoid negatively impacting the Midwest ISO's ability to operate energy markets; and (3) avoid placing undue burdens on third parties.[19] The Midwest ISO argues that its proposal, described below, does not abrogate the terms of the agreements; therefore, the proposed treatment should be reviewed under the just and reasonable standard.[20] In the alternative, the Midwest ISO argues that if the Commission determines that any portion of the Midwest ISO's proposed treatment of the GFAs amounts to reformation of those agreements, Commission should consider such treatment to be in the public interest pursuant to section 206 of the FPA and the *Mobile-Sierra* doctrine.[21]

19. The Midwest ISO proposes to include all schedules and transactions, including those associated with GFAs, in its optimization and pricing procedures. It will allow parties to convert their GFAs to agreements under the TEMT at any time before or after the implementation of the energy markets. It also proposes to require parties that do not voluntarily convert their GFAs to select from among three options—to remain in place for a three-year transition period that will end coincident with the six-year transition period initially approved in 1998 [22]—that will determine what rights and obligations the Midwest ISO will assign to market participants on behalf of the GFAs. All three options for unconverted GFAs will require the parties to submit to the Midwest ISO the following GFA information: (1) The name of the GFA Responsible Entity; [23] (2) the name of the GFA Scheduling Entity; [24] (3) the source and sink points applicable to the GFA; and (4) the maximum megawatt capacity permissible under the GFA.[25] The parties must submit this information no later than June 7, 2004. If they cannot agree on the information before then, the Midwest ISO proposes to require them to enter EDR and provide the GFA information to the Midwest ISO no later than July 14, 2004.[26] At the time they submit their GFA information, GFA parties that do not convert their agreements to TEMT service also must select the scheduling and settlement option that will apply to their GFAs.[27]

20. Under Option A, the GFA Responsible Entity will be entitled to nominate the capacity under the GFA for an allocation of FTRs. It will hold the FTRs it receives in the allocation and assume responsibility for credits, debits, rights and responsibilities associated with those FTRs. The Midwest ISO will assess congestion charges and the cost of losses for all transactions under the GFA.[28]

21. Option B provides that the GFA Responsible Entity will not nominate or receive FTRs.[29] The Midwest ISO will charge the GFA Responsible Entity the cost of congestion for all transactions pursuant to the GFA, but—if the GFA Scheduling Entity submits the bilateral transaction schedule a day ahead, in keeping with section 39.1.4—the Midwest ISO will credit back to the GFA Responsible Entity the costs of congestion resulting from day-ahead schedules that the GFA Responsible Entity clears in the day-ahead market.[30] The Midwest ISO will also charge the GFA Responsible Entity the cost of losses for all transactions under the GFA, then—as before, if the GFA Scheduling Entity has timely submitted a conforming schedule for the GFA—credit back to the GFA Responsible Entity the difference between marginal losses and system losses at the GFA source and sink points.[31]

22. Market Participants that select Option C will neither nominate nor receive FTRs. The GFA Responsible Entity will pay marginal losses and the cost of congestion for all transactions pursuant to GFAs without receiving reimbursements as in Option B; they will, however, receive an allocation of excess marginal losses revenue.[32]

b. Schedule 16 and 17 Charges

23. The Midwest ISO notes that Schedules 16 and 17 of the TEMT—which provide for the recovery of costs associated with the administration and allocation of, respectively, FTR services and energy market services—are the subject of a paper hearing in Docket No. ER02–2595–000. The Midwest ISO states that any Commission decisions concerning these schedules ultimately will be incorporated into the TEMT. To

[17] Transmittal Letter at 11.

[18] Transmittal Letter at 11.

[19] Transmittal Letter at 11–12.

[20] In support of this proposition, the Midwest ISO cites Northeast Utilities Service Company, 66 FERC ¶ 61,332, *reh'g denied,* 68 FERC ¶ 61,041 (1994), *aff'd sub nom. Northeast Utilities Service Company* v. *FERC,* 55 F.3d 686 (1st Cir. 1995).

[21] *See United Gas Pipeline Company* v. *Mobile Gas Service Corp.,* 350 U.S. 332 (1956); *FPC* v. *Sierra Pacific Power Company,* 350 U.S. 348 (1956).

[22] *See* Formation Order at 62,167, 62,169–70.

[23] The GFA Responsible Entity, which must be a Market Participant under the TEMT, will be financially responsible for Market Activities charges, Schedule 16 and 17 charges, Transmission Usage Charges and debits or credits associated with FTRs held by the GFA Responsible Entity. *See* Module C, Section 38.8.1, Original Sheet No. 443.

[24] The GFA Scheduling Entity—which can be the GFA Responsible Entity or its agent—will submit bilateral transaction schedules under the TEMT for sales or purchases of energy under the GFA. *See* Module C, Section 38.8.2, Original Sheet No. 444.

[25] *See* Module C, Section 38.2.5.j, Original Sheet No. 402.

[26] *See* Module C, section 38.2.5.j, Original Sheet Nos. 400–02. EDR will address disputes involving the designation of GFA information in the event that parties cannot resolve the disputes informally or pursuant to dispute resolution procedures specified in their GFAs. *See* Module A, section 12A.1, Original Sheet No. 212. Each party (or group of parties) to GFAs for which GFA information has not been submitted to the Midwest ISO by June 7, 2004, will select an arbitrator, and the two arbitrators will select a third arbitrator to chair the arbitration panel. *See* Module A, section 12A.2, Original Sheet No. 213. The arbitrators will have 25 days to render a decision, and the parties must notify the Midwest ISO of that decision by August 1, 2004. The Midwest ISO proposes that the arbitrators' decision will be final and binding; appeal will lie only on the grounds that the arbitrators' conduct, or their decision, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. *See* Module A, section 12A.3, Original Sheet No. 214.

[27] *See* Module C, section 38.2.5.j, Original Sheet No. 400–02.

[28] *See* Module C, section 38.8.3.a, Original Sheet Nos. 445–46.

[29] *See* Module C, section 38.3.3.b.i, Original Sheet No. 447.

[30] If a revenue inadequacy results, the Midwest ISO will compensate the GFA Responsible Entity for the costs of congestion by assessing debits on all Market Participants on a *pro rata* basis. *See* Module C, Section 38.8.3.b.ii, Original Sheet Nos. 448–50.

[31] The TEMT states that the Midwest ISO will determine the difference between marginal losses and system losses ''on an equitable basis.'' Module C, section 38.8.3.b.iii, Original Sheet No. 451. The Midwest ISO further notes that this mechanism will be different from the mechanism used to refund overcollections of loss revenues to parties to non-GFA transactions. *See* Transmittal Letter at 14.

[32] *See* Module C, section 38.8.3.c, Original Sheet No. 452.

the extent that the determinations apply Schedule 16 and 17 charges to GFA transactions, the Midwest ISO believes that the market participant assessed these charges for GFA transactions should be able to recover those costs in its rates.

2. Protests and Comments

24. The Midwest ISO TOs maintain that the Midwest ISO's proposal is effectively seeking to revise existing contracts without the appropriate legal requirements being satisfied, or it is seeking to impose charges on public utilities to those GFAs without those utilities having a reasonable opportunity to recover the costs. They believe that the Midwest ISO has failed to make the necessary showing under the *Mobile-Sierra* doctrine that revision of the existing contracts meets the public interest standard. Xcel adds that it believes that GFA customers will be unwilling to pay Schedule 16 and 17 charges for the portion of their load served under the GFA or to participate in the proposed EDR process. Alternately, the Midwest ISO TOs assert that the proposal would impose trapped costs on parties to the contracts and that the Midwest ISO has failed to propose a regulatory mechanism to allow these charges to be recovered by these parties. The Midwest ISO TOs argue that the TEMT provisions regarding grandfathered agreements should be rejected. Further, the Midwest ISO TOs state that there is no operational reason for the Midwest ISO's position that it cannot operate by excluding the GFAs, much as PJM operates its market. The Midwest ISO TOs state that they are willing to provide the Midwest ISO with the operational information that it needs in order to implement the market with a carve-out for the GFAs that would hold the GFAs harmless from any market related costs and charges.

25. FirstEnergy requests that the Commission either amend the GFAs to change the price term in the contract or allow transmission owners to recover TEMT costs through a surcharge in their transmission rates. FirstEnergy states that without these changes, all market participants would subsidize individual contracts while the transmission owner still would bear some uncompensated costs for Schedule 16 and 17 charges. WPS Resources states that the Midwest ISO's proposal discriminatorily favors GFA parties at the expense of the majority of the Midwest ISO's load contrary to the anti-discrimination provisions of the FPA. WPS Resources and WUMS Load Serving Entities assert that such treatment perversely results in transfer of GFA-related costs from parties who retained their GFAs, inconsistent with Commission policy, to those, such as the WUMS utilities, who converted to OATT service. WPS Resources suggests that Option B should be given to all load or GFA parties should be limited to Options A and C.

26. OMS is concerned that the proposed insertion of Option B GFAs into Tier I and II of the FTR allocation process will offset the available CFTRs for non-GFA loads.[33] OMS describes the Midwest ISO's proposal as allowing 100 percent of FTRs for Option B GFAs to be allocated first in Tier I and Tier II.[34] OMS request that the Commission instruct the Midwest ISO that the GFA nominations for GFA holders that select Option B should not be allowed to exceed the tier limits of Tier I (35 percent) or Tier II (50 percent). On the matter of the Midwest ISO's proposed GFA scheduling and settlement options, OMS states that while it believes treating GFAs the same as other network and point-to-point transmission service contracts would be the best alternative, it recognizes that compromises must be made in the transition to an organized energy market. In this regard, OMS requests that the Commission open an investigation of the justness and reasonableness of the impact of the Midwest ISO's proposed GFA options on other market participants and on the overall efficiency of the market in order to inform the Commission on the treatment of the GFAs following the transition period ending February 1, 2008.

27. EPSA concurs with the Midwest ISO's threshold determination that any attempt to physically carve out the capacity associated with the GFAs would threaten reliability and place an unacceptable financial burden on Market Participants. But EPSA, Dynegy, Reliant, PSEG and Cinergy also assert that GFA Option B places an unacceptable financial burden on Market Participants through uplift costs by creating added benefits for the GFAs under Option B that go beyond preserving the material benefits and obligations of the pre-existing contracts. EPSA and Cinergy quote Professor Hogan's Midwest ISO-sponsored testimony in describing these added benefits for GFAs under Option B. Professor Hogan states that under Option B the GFA customer's use-it-or-lose-it feature of physical schedules would be eliminated or substantially reduced; the chance of curtailment under TLR rules would be reduced; the costs of redispatch to accommodate GFA transactions would be shifted to non-GFA parties through uplift charges; and the costs of marginal losses would be reduced to average losses. Dynegy contends that the lack of comparable treatment between grandfathered and non-grandfathered contracts will deter new members from joining the Midwest ISO and deter the development of new generation. Dynegy requests that the Commission reject the Midwest ISO's proposed treatment of the GFAs and direct the Midwest ISO to allocate the market costs of the GFAs to the transmission owners that are parties to the GFAs. Reliant states that since some of the GFAs may not have provisions for paying redispatch costs, that the Commission should reject the Midwest ISO GFA option that provides for a perfect hedge in the Day-Ahead Market. Alternatively, Reliant states that GFA holders should bear the responsibility for congestion costs created by GFA transactions unless these costs are specifically addressed and allocated in the GFA. PSEG states that the Commission should encourage voluntary conversion of the GFAs to OATT service by expediting review of the contract filed at the Commission for conversion. Cinergy states that if the Commission is unprepared to reject Option B outright, that the Commission should require the Midwest ISO to quantify the scope and impact of the uplift under Option B and justify the justness and reasonableness of the uplift to non-GFA market participants.

28. Cinergy asserts that mandatory, binding EDR is unlawful. It states that as the Midwest ISO will not make an Attachment P compliance filing until May 26, 2004, there will only be seven business days for GFA holders to reach agreement before the proposed start of the EDR process. Cinergy states that seven days to resolve GFA issues prior to mandatory EDR is manifestly unjust and unreasonable and should be rejected by the Commission. In addition, Cinergy states that the proposed twenty-five-day window for arbitrators to make their decision, as well as the lack of technically qualified arbitrators, creates a high probability of error in the decision-making process. Further,

[33] Market Participants will nominate in four tiers: (1) Tier 1 nomination, for up to 35 percent of entitlement; (2) Tier II nomination, for up to 50 percent of entitlement; (3) Tier III nomination, for up to 75 percent of entitlement; and (4) Tier IV nomination, for up to 100 percent of entitlement.

[34] *See* Gribik testimony at 30. A Market Participant with 700 MW of Network Integration Transmission Service peak load and 500 MW of GFA Option B service would be eligible to nominate 420 MW in Tier I ((700 MW + 500MW) x .35). The Tier I nomination would be for the full amount of GFA Option B service with 80 MW of GFA Option B service setting nominations in Tier II.

Cinergy states that the Midwest ISO's proposal is unclear as to whether the proposed EDR is voluntary and non-binding or mandatory and binding. Cinergy concludes that the Commission alone has jurisdiction over matters related to the relationship between a FERC-filed tariff and a FERC-filed GFA and cannot allow an arbitrator's decision to bind the Commission. Cinergy asserts that the appropriate venue for dispute resolution is at the Commission unless both parties agree to arbitration.

29. Contrary to Cinergy's position, EPSA supports the Midwest ISO's request to approve the proposed EDR process to ensure that all load provide the necessary information for allocation of FTRs. Dairyland believes that any proposed EDR process for GFAs must be voluntary under the *Mobile-Sierra* doctrine. Midwest TDUs assert that the EDR procedures fail to protect the substantive rights of parties to the GFAs because the EDR process addresses too broad an array of disputes on too tight a timeline and imposes costs that TDUs may pay twice—once through their half of the arbitration costs and again as passed through the transmission owners' rates. They state that the EDR process should be reformed to be more like the Appendix D arbitration process for transmission owner disputes, including allowing informal dispute resolution followed by non-binding mediation, followed by arbitration.

30. The Midwest TDUs, Basin, Midwest Municipal Transmission Group, and others state that the Midwest ISO's proposal would change both the pricing and the economically consequential operational terms of the grandfathered agreements through a generic filing that would not examine the individual contracts being rewritten. These protestors assert that the benefits of an LMP market do not justify taking the rights of GFA holders without compensation. The protestors assert that although the proposed treatment is preferable to the treatment the Midwest ISO proposed in 2003, it still has not provided for real consistency with contractual rights. They state that although Option B comes closest to preserving existing rights it falls short of honoring these rights by: (1) Requiring that average losses be purchased at market prices where in the past they were self-provided; (2) imposing congestion charges for any change between day-ahead and real-time schedules where the contract contains provisions allowing for no-fee schedule changes later than the Midwest ISO's deadlines; (3) applying marginal losses to GFA real-time transactions where average losses applied in the past; (4) requiring parties to follow Midwest ISO-proposed EDR procedures where the contract has different dispute resolution provisions (including preclusion of unilateral rate changes); and (5) allocating a share of the costs of keeping the GFA Option B holders harmless from day-ahead congestion costs to the GFA holders where no such uplift costs were allocated to the contracts in the past.

31. The Midwest TDUs state that if the Midwest ISO substantiates that GFAs impinge on its ability to successfully operate the LMP market and show that the GFAs represent a large share of the transmission capacity, the Midwest TDUs would forego their legal objections on certain conditions. These conditions include: (1) No reduction in FTR allocation for GFA holders that accept Option B later than the start of the FTR allocation process; (2) assurances that Option B will fully hedge against increased loss charges; (3) assurances that Option B allows holders to schedule their full entitlement in the Day-Ahead market and allows submission of virtual bids; (4) clarification by the Commission that the transition period does not bind the Midwest ISO to make a filing that would eliminate Option B by 2008, but only that MISO will make a 205 filing in 2007 to address the GFA issue; and (5) all GFA holders accept Option A, B or C. MMTG states that its members are open to discussions with the Midwest ISO about modifying the contracts, but that the Midwest ISO cannot make a unilateral section 205 filing to modify the GFAs *en masse.*

32. Many GFA holders state that the Midwest ISO has not made the ''practically insurmountable'' public interest showing that is required under the *Mobile-Sierra* doctrine before altering existing contracts through a section 205 or 206 filing.[35] They request that the Commission reject the Midwest ISO proposal and direct the Midwest ISO to adopt procedures that ensure that both the physical and financial rights under the GFAs are preserved. WPPI supports a complete carve-out of the GFAs from the TEMT. The Midwest TDUs state that *Central Hudson* is particularly instructive in this situation because, like the Midwest ISO's proposal, it concerned the initial implementation of a regional LMP market. Additionally, the Midwest TDU and other parties request that the Commission suspend the proposed tariff sheets and establish hearing procedures to determine the justness and reasonableness of the Midwest ISO's proposal.

33. Absent assurances that the GFAs' parties will be held financially harmless for the duration of the GFA, Nebraska Public Power District and Omaha Public Power District state that they will not be able to join the Midwest ISO. Nebraska Intervenors state that there are no business or reliability reasons that parties to the GFAs should be assigned additional costs due to the TEMT. None of the Nebraska Intervenors are willing to have their contract rights—either the physical delivery or the financial costs—affected due to participation in the TEMT. Nebraska Intervenors are concerned that the Midwest ISO does not guarantee that the GFA parties will be financially indifferent, only that financial indifference is intended. Great Lakes adds that if the present market redesign does not scrupulously honor existing contracts, financial markets will have no confidence in the sanctity of the arrangement entered into under the new market structure, and access to capital needed to support investment will thereby be degraded.

34. Dairyland, Minnesota Municipal Power Agency (Minnesota Municipal) and Minnkota Power Cooperative, Inc. state that the options the Midwest ISO proposes, including Option B, fail to hold the GFA parties financially indifferent. Dairyland states that GFA parties will be exposed to: (1) Real-time congestion and loss costs for energy imbalance; (2) costs of establishing credit with a third party; (3) increased internal costs to provide information to the Midwest ISO and review billing settlements; and (4) Schedule 16 and 17 charges. Dairyland has a grandfathered contract with Xcel that provides for losses to be repaid in kind and for congestion costs to be shared based on a load ratio cost of redispatch based on true marginal cost of units redispatched on a least-cost basis. Dairyland asserts that it would incur new labor and administrative costs for tracking the costs of Xcel's losses in serving the Dairyland load under this contract. Dairyland also asserts that under the TEMT, redispatch costs would likely be higher than costs under its Xcel contract since they will be based on bids rather than true marginal costs. Dairyland proposes that GFAs be physically carved out of the Midwest ISO's dispatch model and not be held accountable for congestion costs, marginal losses, energy imbalance costs, and Schedule 16 and 17 costs associated with the Midwest ISO market. In order

[35] Midwest TDUs, Basin, Midwest Municipal Transmission Group, Corn Belt, Minnesota MPA, Manitoba Hydro, Montana-Dakota, NRECA, Detroit Edison, Wisconsin Transmission Customer Group and Alliant.

to address the Midwest ISO's concerns about a physical carve-out, Dairyland proposes that GFA parties be required to give load forecast information to the Midwest ISO on a day-ahead basis and be directed to enter settlement discussions on the issue of market manipulation by the GFA holders.

35. Montana-Dakota Utilities Company (Montana-Dakota) expresses concern that it will incur market costs on behalf of its GFAs with Western Area Power Authority (WAPA) and Basin since the Commission has no authority to order non-jurisdictional, non-Midwest ISO members to comply with the TEMT provisions. Montana-Dakota also suggest that grandfathered transmission service serving load that does not have a Midwest ISO member as its power supplier should be excluded from market impacts. Montana-Dakota states that the Midwest ISO proposal for treatment of GFAs should be rejected and GFAs and Grandfathered Integrated Transmission Agreements should be left intact.

36. Midwest SATCs state that the allocation of functions between GFA parties is a potentially seminal issue, particularly for stand-alone transmission companies that have structured their organizations to avoid certain Market Participant functions that may be implicated by GFAs. The Midwest SATCs request that the proposed EDR process be made voluntary and that load-serving entities be designated for an interim period to act on behalf of the Midwest SATCs in negotiations regarding FTR allocation for the GFAs.

37. Manitoba Hydro states that it is a party to several GFAs that contain provisions for imports and exports from Canada in the same agreement and thus are only partially jurisdictional. In such cases, Manitoba states that it is questionable how the Commission could modify portions of the agreements without altering the non-jurisdictional aspects of the GFA. Manitoba Hydro requests that the Commission clarify that the Midwest ISO's proposed GFA treatment does not apply to any GFAs involving non-jurisdictional entities to the extent such agreements relate to power exported from Canada.

38. Tennessee Valley Authority (TVA) requests that the Commission direct the Midwest ISO to include provisions in the TEMT for TVA to continue to dynamically schedule energy to serve its grandfathered load in the Midwest ISO footprint.

3. The Midwest ISO's Answer and Intervenors' Reply Comments

39. In its Answer, the Midwest ISO reiterates its concern that the creation of a physical carve-out of the capacity associated with the GFAs cannot be accomplished without negatively impacting the Midwest ISO's ability to reliably operate the energy markets and without placing excessive financial burdens on other Market Participants. The Midwest ISO states that it is vital that the GFA transactions be required to meet the same scheduling deadlines and requirements as other transactions.

40. The Midwest ISO states that the EDR process is not intended to supersede the contract rights of the parties, but only to serve as a procedural mechanism to enable the Midwest ISO to obtain the information necessary to initially allocate FTRs. The Midwest ISO states that the EDR process is not binding upon the parties and that it merely provides a recommended data input to enable FTRs to be initially allocated to parties.

41. In answer to protestors' contentions that Option B should be rejected, the Midwest ISO states that its proposed treatment of GFAs appropriately meets both the Commission's general directive to address phantom congestion in a way that is consistent with GFA contractual rights and the specific need to ensure reliable operation of the Energy Markets.

42. The Midwest TDUs endorse OMS's arguments that the costs of fully honoring GFAs should be uplifted broadly. They say that OMS takes a step toward better allocation of the associated costs by proposing to hold back in Tier I 35 percent, rather than 100 percent, of non-issued FTRs. They add, however, that it would be simpler and fairer to hold back nothing and uplift all of the Option B refund costs.

43. The Midwest TDUs rebut the assertions of Cinergy, Constellation, Dynegy and EPSA that Option B will leave GFA holders better off than they are under their existing contracts. The Midwest TDUs also note that any potential advantages that could be attributed to Option B are offset by disadvantages, mostly in the form of increased costs.

44. Dairyland argues that the Midwest ISO's representations in the Transmittal Letter and in its Answer regarding EDR are inconsistent with the wording of section 12A of the proposed TEMT. Dairyland notes that section 12A allows for more than data gathering necessary to allocate FTRs, and that it would make EDR mandatory and binding. Dairyland states that it understands the Midwest ISO's need to gather data necessary to allocate FTRs, but that the EDR proposal goes beyond that need and seeks for GFA holders to resolve unrelated issues—specifically, those of the GFA Responsible Entity and Scheduling Entity. Dairyland urges the Commission to reject section 12A of the TEMT.

4. Discussion

45. In Order No. 2000, the Commission affirmed that RTOs must ensure the development and operation of market-based mechanisms to manage congestion.[36] The Commission declined to prescribe a specific congestion pricing mechanism, but observed that markets based on LMP and financial rights for firm transmission service ''appear to provide a sound framework for efficient congestion management.''[37] The Commission further encouraged the Midwest ISO to create an LMP-based approach to congestion management since the time the Midwest ISO was approved as an RTO.[38]

46. The Commission has also indicated that it wants to preserve the rights of existing users of the Midwest ISO's transmission grid. The Declaratory Order noted that the Midwest ISO must strive to keep existing customers whole following implementation of a new market-based congestion management system.[39] Accordingly, the Commission directed the Midwest ISO to continue to seek broad consensus among its participants regarding the future allocation of existing rights.[40] The Commission made a similar statement in the TEMT Order, noting that:

> Understanding what rights grandfathered contracts convey and the impact the contracts might have on the proposed markets is essential to develop a fair resolution of the grandfathering issue. We expect * * * that the Midwest ISO will work to resolve the issue of FTR allocation in tandem with the issue of the treatment of grandfathered contracts, as the two issues are linked.[41]

47. The Midwest ISO's congestion management proposal and the preservation of all aspects of the GFAs may be incompatible. The Midwest ISO states several times in the TEMT filing that allowing GFA holders to schedule only in real time, which will require reservation or carve-out of substantial

[36] *See* Order No. 2000 at 31,126.

[37] *Id.* at 31,126–27.

[38] *See* Declaratory Order at P 29–32; Declaratory Order Rehearing at P 27–31; TEMT Order at P 22 (encouraging the Midwest ISO to resubmit its energy markets proposal).

[39] Declaratory Order at P 64. (''We continue to believe that customers under existing contracts, both real or implicit, should continue to receive the same level and quality of service under a standard market design.'').

[40] *See id.* at 68.

[41] TEMT Order at P 60.

transmission capacity until the GFA schedules are submitted, may threaten the markets' operation, impair reliability and shift GFA-related costs to third parties. In light of its concerns, it states that, should the Commission find any portion of its proposed treatment of GFAs to constitute a reformation of the GFAs, the Commission should consider such treatment in the public interest pursuant to the *Mobile-Sierra* doctrine.

48. While we note the Midwest ISO's preference for voluntary conversions or the assignment of scheduling responsibility under section 205 of the FPA,[42] we are concerned that these proposed approaches will not be sufficient to resolve the issue. We cite to the numerous protests to the Midwest ISO's process and the lack of interest, if not opposition of parties, to the proposed scheduling and settlement options or to the concept of assigning the scheduling responsibility to transmission owners.

49. The Commission has a responsibility under the FPA to ensure that jurisdictional rates in wholesale power markets remain just and reasonable. We must ensure that public utility sellers do not charge unjust and unreasonable wholesale rates, and that the market structures and market rules affecting the wholesale rates of public utility sellers do not result in, or have the potential to result in, wholesale rates, charges or classifications that are unjust, unreasonable, unduly discriminatory or preferential. However, we also regard any potential modification of the GFAs with great seriousness, and we are unwilling to decide an issue of such magnitude without more information.

50. The Midwest ISO has proposed EDR in order to gather the GFA information. EDR, as described above, is an expedited arbitration proceeding designed to identify the GFA information and report it to the Midwest ISO. While the Commission agrees that identifying the GFA information is critical, we find that the proposed EDR process is fatally flawed. We agree with Dairyland that the Midwest ISO's proposal must be voluntary because it could affect the substance of GFAs. We are sympathetic to Cinergy's and Midwest TDUs' assertions that EDR provides for resolution of too many issues in too short a time frame, and we want to provide the parties more time (and options) to identify and address disputes regarding the GFA information. We also note that the proposed EDR provisions do not adequately address our own need for the GFA information, and that the GFA information is critical to our consideration of the merits of the TEMT filing.

51. For the reasons described below, we will institute a proceeding under section 206 of the FPA, for the initial purpose of enhancing our understanding of the GFAs and to determine whether any of the GFAs need to be modified. Our goal is to ensure that the GFAs are accommodated in the Midwest ISO's energy markets in a way that will not harm reliability or third parties, yet preserves the commercial bargain between the parties. In order to achieve this end, our procedure for the GFAs will elicit the GFA information directly from the parties, without need for arbitrators, and thereby supersede the Midwest ISO's EDR proposal.

52. We acknowledge Dairyland's concerns about the costs of EDR, the Midwest TDUs' desire for multilayer dispute resolution processes, and several commenters' concerns about resolving many issues in a short time frame. We have designed the GFA process to allow parties to focus their attention and their resources on the issue or issues that most need their attention. We also intend to allow parties to take advantage of all dispute resolution procedures available to them so that they may make the most effective use of the time available and minimize their dispute resolution costs. We strongly encourage parties to work together and to reach agreements informally.

a. Concerns Regarding Provision of Reliable Service

i. Lack of Information Regarding GFAs

53. The Commission is very concerned about the effect that a physical carve-out of the GFAs will have on the reliability of the Midwest ISO's dispatch and transmission operations. As an initial matter, we note that there is very little transparency regarding transactions that take place under the terms of GFAs. The Midwest ISO is unsure how many megawatts of capacity the GFAs represent,[43] or where the source and sink points of the GFA transactions will be. As the transmission provider, the Midwest ISO will also need to know the schedules for net power injections and withdrawals in order to coordinate scheduling and redispatch functions.[44] In terms of economic and reliability impact, the lack of information makes it difficult to forecast which parts of the Midwest ISO region will be adversely affected and whether some areas will be clearly disproportionately impacted.[45] The Commission therefore believes that having parties to GFAs produce GFA information will better enable the Midwest ISO to reliably operate the transmission system.

ii. GFA Scheduling Requirements and Reliability

54. Our primary concern with scheduling GFAs in the Midwest ISO Day 2 market using physical carve-out methods is its potential impact on reliability. We anticipate reliability benefits associated with the Day 2 market, some flowing from ongoing system operational improvements subsequent to the August 14, 2003, blackout and some from the better regional coordination and reduction in frequency of Transmission Line-Loading Relief (TLRs) that can be expected from the Day 2 market's centralized, security-constrained scheduling and dispatch and the use of LMP.[46] We believe that the carve-out approach could undercut some of these reliability benefits.

55. One reliability implication of the carve-out approach is the greater degree of uncertainty that not scheduling GFAs in the day-ahead market will introduce into the overall Midwest ISO scheduling and dispatch process. As Professor Hogan points out in his testimony, if GFAs are exempt from day-ahead scheduling, then the Midwest ISO has to make assumptions about the GFA schedules that are likely to flow in real time. At one extreme, the Midwest ISO could decide not to set aside any capacity for GFAs in the day-ahead schedule, then adjust that schedule to accommodate real-time GFA schedules. Alternatively, the Midwest ISO could reserve some capacity a day ahead, in anticipation of the actual GFA schedules. In either case, the Midwest ISO is left with some level of uncertainty regarding real-time schedules and some possible threat to reliability. For example, if the Midwest ISO forecasts in its day-ahead schedule and reliability unit commitment substantially more GFA schedules or load than actually flows, then real-time demand could exceed available supply and in some instances require load shedding. In other cases, last-minute physical scheduling could require resort to TLRs to manage congestion if there is not sufficient generation available for redispatch. Hence, as Professor Hogan points out with regard to this issue, ''if the Midwest ISO did not forecast correctly, as could easily and often be the case, then the consequences could be more serious * * * and, in the extreme, [have] reliability impacts on the system as a whole.'' [47]

56. We are concerned that the Midwest ISO not create conditions for TLRs in the Day 2 markets due to scheduling of GFAs using the physical carve-out when there are better alternatives. The Final Report on the August 14, 2003, Blackout recommends that TLRs should not be used in situations involving an actual violation of an Operating Security Limit.[48] The

[42] *See* Hogan testimony at 8–9 (''[V]oluntary conversion of the GFAs to revised agreements consistent with the Midwest ISO [TEMT] should be preferred and encouraged.''), 32–34, 54.

[43] *See* McNamara testimony at 84–85.

[44] *See* Hogan testimony at 23–24.

[45] About 55 percent of the capacity associated with the 145 GFAs for which the Midwest ISO could develop data is located in the eastern half of the Midwest ISO region and about 45 percent is located in the western half. *See* Transmittal Letter at 10.

[46] *See* McNamara testimony at 17–23, 31–32.

[47] *See* Hogan testimony at 26–28.

[48] U.S.-Canada Power System Outage Task Force, Final Report on the August 14, 2003, Blackout in the United States and Canada: Causes and Recommendations at 163 (2004) (Blackout Report).

Blackout Report finds that ''the TLR procedure is cumbersome, perhaps unnecessarily so, and not fast and predictable enough for use [in] situations in which an Operating Security Limit is close to or actually being violated.'' [49] In addition, reliance on TLR and curtailments events to manage congestion shifts decision-making responsibility from the Midwest ISO to individual control areas. Dr. McNamara testifies that most control area operators perform the dispatch function for their respective control areas, and they are able to coordinate flows with neighboring control areas only to a limited extent.[50] He adds that the Midwest ISO cannot accommodate requests for transmission service by assuming that redispatch will be available, because individual control areas are not required to accommodate all transactions.[51] Dr. McNamara further testifies that TLRs are an imprecise tool for managing congestion and ensuring reliability because each control area affected by a TLR has a choice of how to respond, and they may not all respond the same way. As such, it is not possible for reliability coordinators to use TLRs to maintain power flows at operating security limits on a sustained basis.[52] In short, TLRs tend to degrade reliability.

57. Recently PJM's LMP-based market has expanded into Illinois such that there are significant interactions between the grids of the Midwest ISO and PJM, and reliability and efficiency will be improved if these two markets use a common platform.

58. Reliability could be impaired under the carve-out approach not just through the scheduling uncertainty, but by the sheer volume of scheduling changes in real time. We are concerned about requiring the Midwest ISO operations personnel to schedule a significant number of GFA transactions within minutes before the trading hour begins—especially for a market in initial startup over a 15-state footprint, with 12,000 price nodes and extensive seams.[53] Our concern is heightened by the fact that when the market starts, the Midwest ISO will be handling GFA transaction scheduling for the first time for the portion of GFAs not originally incorporated into the Open-Access Same-Time Information System (OASIS).

b. Undue Discrimination Concerns

59. The Midwest ISO states that the energy markets will be severely compromised if it must carve the GFAs out of the market, and therefore concludes that the GFAs should be modified to meet the requirements of the energy markets.[54] Numerous GFA holders argue, however, that modification of the GFAs will contravene Commission policy in favor of the sanctity of contracts. We are instituting this proceeding to determine whether carving out the contracts may have unduly discriminatory results.

60. The Midwest ISO's filing estimates that GFAs account for at least 20 percent, and perhaps more than 40 percent, of the capacity of the Midwest ISO transmission system. Analysis submitted by the Midwest ISO in the July 25th Filing and answer thereto shows that a majority of the GFAs do not explicitly allocate the costs of congestion to contract parties, and none of the GFAs require marginal losses (although many GFA holders pay average losses). If the GFAs are not interpreted consistent with the regional market rules, non-parties to the GFA contracts may be required to bear a disproportionate percentage of the market costs, including the costs of administering the markets under Schedules 16 and 17.

61. One major problem with simply physically carving out GFAs and allowing them to schedule flexibly in real time (similar to current practice) is that this may create ''phantom'' congestion, congestion in the day-ahead market caused by the need to accommodate the scheduling of the GFAs. Such congestion may shift additional costs to parties transacting under non-GFA contracts. Scheduling for GFAs under a physical carve-out would not be tied to energy market scheduling requirements; therefore, parties to these contracts may schedule on short notice, with greater flexibility than non-GFA transmission users. The Midwest ISO must therefore assume that all capacity represented in GFAs will be used and, in the day-ahead market, reserve that capacity for GFA transactions even if it is unlikely that all the capacity will be utilized. As a result, transmission paths may become artificially congested more quickly than they would if all transactions were scheduled at the same time. The result—phantom congestion—would be reflected in LMP prices; consequentially, those prices may become artificially elevated.[55]

62. We are instituting this proceeding to determine whether, if we require the Midwest ISO to carve the GFAs out of the market without conforming those contracts to the regional market rules, there is potential for unduly discriminatory results. The Commission takes seriously the Midwest ISO's concern that the sheer volume of capacity subject to unique scheduling requirements under GFAs may produce unduly discriminatory effects. While the Midwest ISO proposes to offer options to GFA holders that will, for the most part, hold them financially indifferent in the new markets, we believe that the Midwest ISO's proposal may impact the physical and financial rights between GFA holders. We cannot thoroughly evaluate the proposed TEMT unless we develop a full understanding of the effect of the Midwest ISO's proposed tariff changes on the GFAs, and the magnitude of the GFAs' impact on the proposed energy markets.

c. Effects on Economic Efficiency

63. The physical carve-out method of scheduling GFAs can also adversely impact the anticipated economic efficiency gains in the Day 2 market by allowing entities that schedule in this way to increase market prices for energy and congestion. This is due to more expensive generation being settled through the Midwest ISO energy markets to resolve the apparent congestion. Also, the release of unused physical transmission reservations may not happen with sufficient time for an efficient dispatch over the operating day. Moreover, to the extent that the holder of the GFA can benefit from the impact of its scheduling on market prices, it has little incentive to participate in the market efficiently.

64. As stated above, TLRs could occur under some methods for scheduling GFAs under carve-out scenarios. This will produce adverse economic effects in addition to the adverse reliability effects discussed above.[56] Also, the

[49] *Id.*

[50] *See* McNamara testimony at 11–14.

[51] *See id.* at 12–13.

[52] *See id.* at 14–15.

[53] *See* California Independent System Operator Corporation, 106 FERC ¶ 63,026 at P 82–83 (2004) (Initial Decision) (''Considering that the ISO typically has 1300 Schedule changes in the hour-ahead market, significant computing time is necessary to produce final hour-ahead schedules; even if those schedules could be provided to scheduling coordinators within the twenty minutes prior to the trading hour, that time would be too short for market participants to modify and coordinate their schedules.'').

[54] *See* McNamara testimony at 82; Hogan testimony at 25–29.

[55] *See id.* The opposite circumstance, underestimating GFA scheduling, results in unnecessary day-ahead redispatch costs on other parties. *See* Hogan testimony at 28.

[56] As an example of inefficiencies related to TLRs, TLR curtailment quantities have been more than three times larger on average than the potential redispatch amounts. As well, the Market Monitor notes the increased utilization of real-time redispatch in energy markets *See*, 2003 State of the

Continued

Commission has been encouraging the Midwest ISO to develop alternatives to TLRs for managing congestion. In light of the Blackout Report's findings, this goal takes on increased urgency. We continue to favor an approach to reliability coordination that will enable the Midwest ISO to rely more on price signals, and less on curtailment, in its Day 2 markets. We believe that the LMP mechanism will be much more effective at providing the economic benefits of efficient congestion management in the Midwest ISO region if all transactions—including those under GFAs—are scheduled in the day-ahead market.

C. Three-Step Analysis of GFAs

65. As described above, the Commission believes that the development of the Midwest ISO as an RTO has reached a point at which the Commission must examine the potential conflict between our desire to preserve the GFAs and our instructions that the Midwest ISO should develop a market-based system of congestion management. We propose to analyze the GFAs in order to give us a more comprehensive understanding of their effects on the energy markets, and the effect of the energy markets on the GFAs. We believe that the Midwest ISO TOs have accurately identified the risk of litigating the GFA issue: The Commission's options include modifying contracts or requiring the TOs to bear the cost of taking service to fulfill the contracts as they exist today. We prefer, and strongly encourage, settlement of the GFAs. As described below, parties may choose to settle their GFAs by voluntarily accepting the treatment of GFAs that the Midwest ISO proposes in its tariff.

66. We have three goals for our analysis of the GFAs. First, we hope that the investigation will clarify the contracts in such a way to add specificity. To that end, we will require that jurisdictional public utility parties to GFAs produce relevant GFA information and we will invite any non-jurisdictional parties to GFAs to do likewise on a voluntary basis. Second, we hope to isolate third parties from costs caused by GFAs. Knowing more about the GFA information will help us evaluate the magnitude of the phantom congestion and cost shifts that GFAs could cause. Third, we hope to preserve the commercial bargain between the parties and we plan to ensure that the Midwest ISO's proposed energy markets can operate reliably at their inception. The greater our understanding of GFAs, the more confident we can be of achieving these goals.

67. Today we will initiate, in Docket No. EL04–104–000, a narrowly-focused, three-step analysis designed to provide the basis for us to decide whether GFA operations can be coordinated with energy market operations, whether and to what extent the TOs should bear the costs of taking service to fulfill the existing contracts and whether and to what extent the GFAs should be modified. We note that this process does not foreclose parties to GFAs agreeing at any time to voluntarily convert their transmission and energy markets service to service under the TEMT, thereby making them eligible for the FTR nomination process in accord with other customers currently served under the Midwest ISO OATT. We note that FTR allocation for such conversion could only occur on the regular Midwest ISO annual allocation schedule or on an otherwise-available basis.

1. Step 1: Paper Hearing

a. Contract Information

68. The Commission cannot fully analyze the proposed TEMT, its effect on the GFAs or the GFAs' effect on it without additional GFA information. As stated above, it is imperative that we know the number and location of megawatts represented under GFAs, and how the GFAs are used in practice. This will help us to understand the effect of the GFAs on the proposed energy markets. Accordingly, the first step of our analysis will require jurisdictional public utilities providing or taking service under GFAs, and invite any non-jurisdictional parties on a voluntary basis, who provide or take service under GFAs, to submit the following GFA information to the Commission: (1) The name of the GFA Responsible Entity, as defined in the proposed TEMT; (2) the name of the GFA Scheduling Entity, as defined in the proposed TEMT; (3) the source point(s) applicable to the GFA; (4) the sink point(s) applicable to the GFA; (5) the maximum number of megawatts transmitted pursuant to the GFA for each set of source and sink points;[57] and (6) whether any modification to the GFA is subject to a ''just and reasonable'' standard of review or a *Mobile-Sierra* ''public interest'' standard of review.[58] If the parties agree that their GFA will not be in effect as of the March 1, 2005, start date of the Midwest ISO's energy markets, the parties are directed to jointly file a statement to that effect in lieu of the above information. This information must be filed with the Commission, in Docket Nos. ER04–691–000 and EL04–104–000, on or before June 25, 2004.

69. If parties to each GFA are able to agree on the GFA information, they should file the GFA information jointly. Parties with multiple GFAs between them are encouraged to submit a single filing that covers all GFAs on which they can agree. Joint filings should clearly specify, in the title or in a transmittal letter, that the filing is a joint interpretation of GFAs and identify the subject GFAs by the number associated with each agreement in Attachment B to this order.[59] The parties should make a simple statement in their joint filings to indicate whether or not they are willing to voluntarily convert their contract to TEMT service or settle their GFA by accepting the Midwest ISO's proposed treatment of GFAs.

70. GFAs that are the subject of joint filings will not be included in the hearing described in Step 2. Instead, the Commission will evaluate these joint filings as a group to help determine the effects of the GFAs on the proposed energy markets and, in the order described in Step 3, determine whether GFAs that are not converted or settled can be incorporated into the energy markets as written.

71. If parties to a particular GFA or GFAs are not able to agree on the GFA information, then the Commission will require each party to file its own interpretation of the GFA. (If the parties have agreed on some, but not all, GFA information, they should note in their separate filings their areas of agreement and disagreement.) The title or transmittal letter on a single-party filing should indicate the name of the party making the interpretation and identify the subject GFAs by the number associated with each agreement in Attachment B to this order. Parties that

Market Report (p. 20) prepared by the Midwest ISO Independent Market Monitor, April 2004. Also, Dr. McNamara notes that following NERC procedures, the Midwest ISO has had to curtail a 135 MW transaction to achieve as little as 7 MW of relief on a constrained flowgate. McNamara testimony at 16.

[57] Note that this is somewhat different from the TEMT's requirements, which call for ''the maximum megawatt capacity *permissible* under the GFA.'' Module C, section 38.2.5j, Original Sheet No. 402 (emphasis added). For GFAs that do not contain language specifying a maximum number of megawatts, the parties to the GFA should submit at least three years' worth of historical data, to demonstrate what transactions they have made pursuant to the GFA.

[58] *See United Gas Pipeline Company* v. *Mobile Gas Service Corp.,* 350 U.S. 332 (1956); *FPC* v. *Sierra Pacific Power Company,* 350 U.S. 348 (1956).

[59] Attachment B includes the Midwest ISO's Attachment P, List of Grandfathered Agreements, that is currently effective in the Midwest ISO tariff, modified to number each agreement. This version of Attachment P is subject to a further compliance filing. *See* 106 FERC ¶ 61,288 (2004).

submit such filings will proceed to Step 2 of the Commission's analysis.

b. Additional Evidence and Comments

72. In addition, to assist the Commission in determining whether to modify GFAs that are not settled (see settlement discussion below), we will require the Midwest ISO to provide additional information as to the reliability and economic benefits of its proposed congestion management system with GFAs included in the market. As we noted in Order No. 2000, an LMP-based congestion management system appears to provide a sound framework for efficient congestion management. In its filing, the Midwest ISO provided general information and testimony on the impact of TLRs in the Midwest ISO region, including the reliability impacts of TLRs and curtailment events on the coordination of flows between neighboring control areas. We seek specific evidence for the record in the Docket No. EL04–104–000 proceeding. Thus, we direct the Midwest ISO and its Independent Market Monitor to submit evidence of the historical reliability impact of TLRs in the Midwest ISO region. Additionally, the Midwest ISO is directed to submit evidence that examines in detail how a carve-out of the GFAs would impede the reliability of the proposed Day 2 markets.

73. Further, the Midwest ISO did not file information that quantified the cost savings in moving from its current congestion management process (that relies predominantly on TLRs) to its proposed LMP-based congestion management system as applied to GFAs. We direct the Midwest ISO to file information on the economic impacts of TLRs in its region and quantify the benefits of the proposed congestion management system, focusing on how a carve-out of the GFAs would impede these costs savings. We also direct the Midwest ISO to include all workpapers and assumptions supporting its quantification of the economic benefits of the proposed congestion management system as it applies to the GFAs. We direct the Midwest ISO to file this evidence on reliability and economic impacts by June 25, 2004. Parties will have 14 days to comment on the Midwest ISO analysis.

74. The Commission also seeks comments from all affected parties on: (1) Whether keeping the GFAs separate from the market would negatively impact reliability; (2) the extent to which GFAs shift costs to third parties; and (3) whether keeping the GFAs separate from the market would result in undue discrimination. These comments should not be repetitive of the protests already filed in this docket, and must be filed directly with the Commission no later than June 25, 2004. We encourage parties with similar interests to combine their responses into a single pleading; however, these responses should not be combined with the GFA information filings described above. Parties will have 14 days to submit reply comments.

2. Step 2: Trial-Type Hearing

75. The Commission will consider all GFA information on which parties cannot agree to be disputed issues of material fact. Accordingly, we will set such GFAs for hearing before one or more administrative law judges (ALJs) under section 206 of the FPA. The sole objective of the trial-type hearing will be to identify GFA information for every GFA on which the parties have not agreed by June 25, 2004.

76. In order to accommodate the March 1, 2005, implementation of the energy markets, as well as the schedule we will set forth below for nomination of FTRs under the proposed TEMT, hearing proceedings will be narrowly focused and expedited. Hearing proceedings will begin on June 28, 2004, and terminate on July 23, 2004. The Commission will require the presiding ALJ or ALJs to issue written findings, and to orally present these written findings at the Commission meeting of July 28, 2004, on the following: (1) The name of the GFA Responsible Entity, as defined in the proposed TEMT; (2) the name of the GFA Scheduling Entity, as defined in the proposed TEMT; (3) the source point(s) applicable to the GFA; (4) the sink point(s) applicable to the GFA;

(5) the maximum number of megawatts transmitted pursuant to the GFA for each set of source and sink points; and (6) whether the GFA is subject to a ''just and reasonable'' standard of review or a *Mobile-Sierra* standard of review. Parties will be allowed to file written exceptions to ALJ findings by August 17, 2004. Briefs opposing exceptions will not be allowed.

77. In the event that GFA parties reach agreement on their GFA information prior to the conclusion of the ALJ proceeding, they should immediately seek the ALJ's permission to withdraw from the hearing proceeding. If the ALJ grants permission, the parties must immediately make a joint filing with the Commission as described in Step 1. Parties may voluntarily agree to convert or settle their GFAs in this filing. Such filings are due no later than July 27, 2004, the day before the ALJ's report issues.

3. Step 3: Order on the Merits

78. Following the ALJ's oral presentation, the Commission will use the GFA information provided by the parties or the ALJ, together with the parties' evidence and comments, discussed in paragraphs 72–74 above, and information on voluntary conversion of GFAs to transmission and energy market service or GFA service under the TEMT, to determine in a subsequent order: (1) Whether the GFAs can function as written within the proposed energy markets; (2) whether the GFAs can function within the energy markets under the Midwest ISO's proposed treatment (which the Commission retains the right to amend); or (3) whether modifications to the GFAs should be required. The Commission will make every attempt to expedite this order, keeping in mind the timeline described below, so that all Midwest ISO market participants may begin their FTR nominations on October 1, 2004.

D. Opportunity to Settle

79. At this time, we do not make a finding on the justness and reasonableness of the Midwest ISO's proposed scheduling and settlement options for treatment of GFA transactions under the TEMT. Protests on this proposed treatment and particularly on the proposed Option B indicate that some GFA parties, as well as non-GFA parties, believe that the proposed treatment creates added benefits for the GFAs that go beyond preserving the material benefits and obligations of the pre-existing contract, thereby shifting costs to non-GFA parties or non-GFA loads. Other GFA parties assert that while Option B provides some assurance that they will be kept financially indifferent, Option B does not go far enough in preserving the benefit of the bargain in their contracts. The Commission will not know the extent of the benefits and obligations under each GFA unless and until the Commission examines each contract in a hearing context.

80. To avoid the expensive and time-consuming hearing process that would otherwise be necessary and to provide all parties the benefits of a functional organized market in a more timely manner than would otherwise be possible, the Commission strongly encourages GFA settlements and intends to process such settlements expeditiously. We would be receptive to GFA parties voluntarily agreeing, in settlement, to accept one of the Midwest

ISO's proposed scheduling and settlement options for treatment of GFA transactions, or to convert their contracts to TEMT service. Further, we clarify that, if the Commission approves a settlement, it does not intend to later revisit its decision when it addresses the non-settling parties' GFAs.

81. Although we note Dr. Hogan's concern that Option B of the Midwest ISO's proposed GFA treatment could undermine the efficient scheduling properties of the LMP-based tariff,[60] we believe that the Midwest ISO's proposed GFA treatment provides a fair basis for GFA holders to settle and incorporate the GFAs into the Day 2 markets. We also expect that parties that settle on the GFA scheduling provisions provided in the proposed GFA treatment, including the proposed Option B, will schedule transactions consistent with legitimate business purposes.[61]

82. The optional GFA scheduling and settlement treatment, including Option B, as drafted in the Midwest ISO proposal,[62] will be available to GFA parties that jointly provide GFA information to the Commission in Step 1 (or prior to the conclusion of Step 2) of our three-step analysis, and that jointly indicate that they want to accept this treatment. Such settlements avoid litigation of GFA issues and further the Commission's goals in facilitating voluntary resolution of these issues prior to the start of the Midwest ISO energy markets.

83. Such settlements also preserve the parties' rights to comment on the Midwest ISO's section 205 proposal for treatment of the GFAs after the transition period, which it proposes to file no later than 12 months prior to the end of the transition period. We instruct the Midwest ISO to provide a report no later than 12 months prior to the end of the transition period to examine the impact of the initial GFA treatment, as selected by GFA parties through this settlement process, on other market participants and the overall efficiency of the market.

E. Revised TEMT Processing and Energy Markets Startup Timelines

1. The Midwest ISO's Proposal

84. The Midwest ISO requests an effective date of June 7, 2004, for sections of the tariff pertaining to the EDR process and the initial FTR allocation. It states that the requested effective date for the FTR allocation provisions coincides with the requested effective date for the EDR process and will allow all Market Participants and the Midwest ISO certainty as to the final FTR allocation methodology prior to the start of the initial FTR allocation process on July 15, 2004.

85. The Midwest ISO proposes an FTR process developed with significant input from stakeholders that features several rounds of nominations and restoration of FTRs for base load generation. All FTR nominations and restoration are subject to a single Simultaneous Feasibility test. The Midwest ISO proposes that the first nomination of FTRs take place on July 15, 2004. It will provide an initial FTR allocation to market participants on September 30, 2004, and begin the auction process on October 4, 2004.[63] The October auctions will then be used as a basis for market trials prior to market startup on December 1, 2004.

86. The Midwest ISO raises non-tariff concerns related to the December 1, 2004, start date. These concerns include matters related to the impact of a December 1, 2004, energy market start date in light of the reporting requirements contained in the Sarbanes-Oxley Act of 2002;[64] the readiness of the Midwest ISO to begin market operations; the existence of seams agreements between the Midwest ISO and its neighboring entities; and the integrated nature of certain transmission systems in the Mid-Continent Area Power Pool (MAPP) region.

87. The Midwest ISO notes that prior to the TEMT filing, many of its stakeholders raised concerns associated with meeting the requirements of the Sarbanes-Oxley Act. Under section 404 of the Sarbanes-Oxley Act, all companies registered with the Securities and Exchange Commission (SEC) must report on the effectiveness of the company's internal controls over financial reporting, as well as obtain a report from an outside auditor attesting to the effectiveness of the internal controls.[65] These assessments will cover the reporting year ending December 31, 2004, and must be submitted to the SEC in early 2005. With a market start date of December 1, 2004, SEC-registered companies within the Midwest ISO would report on controls governing one month's worth of market transactions.

88. The Midwest ISO states that it has repeatedly committed to its stakeholders that it will not commence the Energy Markets on December 1, 2004, unless it is ready to operate effectively. The Midwest ISO also states that if it is unable to substantially accomplish metrics related to its market implementation plan, it will announce a delay in the commencement of the Energy Markets.[66]

89. The Midwest ISO notes that prior to the TEMT filing, many of its stakeholders raised concerns associated with the seams between the Midwest ISO and its neighbors. The Midwest ISO acknowledges the importance of developing seams agreements or operating agreements similar to the Joint Operating Agreement between the Midwest ISO and PJM Interconnection, L.L.C.;[67] however, it does not believe that the lack of these agreements bar the initiation of market operations. The Midwest ISO states that it is discussing seams issues with Midwest ISO members and non-members in the MAPP region in an effort to address the treatment of the integrated transmission systems of those entities in the energy markets. The Midwest ISO has agreed to provide the integrated transmission agreements of the MAPP region similar treatment to the treatment it offers GFAs.

2. Protests and Comments

90. A number of parties want to delay the market startup, and they cite a wide range of reasons to support this view. The most common argument is that the Sarbanes-Oxley audit requires delay. The Midwest ISO's Answer indicates that it would not oppose such a delay.

91. Detroit Edison, Xcel Energy Services and Consumers Energy recommend that market startup be conditioned on readiness approval from NERC. They cite NERC's concerns from the August 14, 2003, blackout and the significant reliability challenges associated with the control area interfaces. Montana-Dakota states the market should not start until Midwest ISO demonstrates that reliability, as

[60] *See* Hogan testimony at 54.

[61] *See generally* Investigation of Terms and Conditions of Public Utility Market-Based Rate Authorizations, 105 FERC ¶ 61,218 (2003), *reh'g granted in relevant part,* 107 FERC ¶ 61,175 (2004).

[62] This includes the Option B treatment as described in the Midwest ISO's proposed tariff under Module C, Section 38.8.3(b), Original Sheet Nos. 447–51 and Module C, Section 43.2.4(a) ''(d), Original Sheet Nos. 613–25.

[63] We note that the Midwest ISO filed on April 28, 2004 an illustrative allocation of the FTRs. The Midwest ISO states that it filed the illustrative allocation to comply with the Declaratory Order and an order issued on March 28, 2003. *See* Midwest Independent System Operator, Inc. 102 FERC ¶ 61,338 (2003) (March 28 Order). In the March 28 Order, the Commission directed the Midwest ISO to file FTR information at least 60 days prior to the Midwest ISO's final TEMT filing.

[64] Pub. L. 107–204, 116 Stat. 745 (2002) (to be codified in scattered sections of 15 U.S.C.).

[65] Pub. L. 107–204 § 404, 116 Stat. 745, 789 (to be codified at 15 U.S.C. 7262).

[66] *See* Transmittal Letter at 22–23.

[67] *See* Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., 106 FERC ¶ 61,251 (2004).

measured by network model and state estimator accuracy and successful completion of reliability metrics, is better than the level achieved before the Midwest ISO was formed.

92. A number of parties, including Midwest TDUs, the Wisconsin Commission and Nebraska Intervenors contend that market delay is warranted due to reliability concerns associated with many control areas. They argue that the market should not start until the seam issue between jurisdictional and non-jurisdictional members of MAPP is resolved with a comprehensive agreement. Midwest TDUs and Cinergy also consider the American Electric Power seam a problem. They request a delay until either a seams agreement is executed (in the Midwest TDUs' opinion) or American Electric Power is integrated into PJM (in Cinergy's opinion). A number of these same parties also contend that the markets should not start until the flaws associated with initial FTR allocations are resolved and several market trials are run. In contrast, Exelon and Coalition MTC state that the Midwest ISO market start must stay on schedule to ensure, respectively, that the joint and common market with PJM can be realized and that customers receive the benefits of the energy market.

93. The Midwest ISO responds in its Answer that while the proposed milestones are still appropriate, there would be benefits from additional system training, performance and testing activities.

3. Discussion

94. Recognizing the impact that the above-detailed procedures for interpreting the GFAs will have on the schedule for apportioning FTRs, and the need to have sufficient market trials in advance of implementation of the Day 2 market, the Commission directs the Midwest ISO to move the start of the energy market from December 1, 2004, to March 1, 2005. Extension of the start date will allow more time to complete the initial allocation of FTRs, including an update of the model to include changes to the system occurring up to June 2004. This extension will also address the Sarbanes-Oxley Act compliance issue mentioned by commenters.

95. The illustrative FTR allocation filed by the Midwest ISO does not meet the requirement set forth in the Declaratory Order. The Declaratory Order directed information showing ''each market participant's *expected* allocation of FTRs based on the proposed tariff allocation method, the Candidate FTRs, and any proposed pro rata reduction in the Candidate FTRs.'' We will expect the Midwest ISO to file an initial FTR allocation with the expected allocation of FTRs, not an illustrative allocation, 90 days prior to the start of the market. The filing should be made concurrent with, or prior to the beginning of, market trials. If the Midwest ISO believes this information to be commercially sensitive, it may file such information with the Commission and request that it be kept confidential. The Commission will act on the request for confidential treatment at that time.

96. We will also revise the schedule for FTR nominations. The later time frame will permit the Commission time to complete its analysis of the GFAs and the Midwest ISO time to continue to refine its FTR allocation model. We expect Tier I nomination to take place on October 1, 2004, and Tier IV nomination to be completed by December 1, 2004.

97. Given the new schedule for the FTR allocation process, we anticipate that the Midwest ISO will begin initial market trials in early December 2004 and complete them in January 2005. We will also expect the Midwest ISO to provide a report to the Commission on the results of initial market trials, no later than 45 days prior to the start of the energy markets. We share the parties' concerns that the market needs to be at a high level of readiness on the start date. Accordingly, our assessment of whether the market is ready to start will be based on our ongoing analysis of market trials, readiness metrics and NERC reliability reports throughout this pre-market period.

98. We direct the Midwest ISO to continue to pursue seams agreements with neighboring entities, regardless of the outcome of this proceeding.

99. In addition, we direct the Midwest ISO to (work with its stakeholders to) develop default mechanisms and procedures for instances where communication failures cause a loss of the Midwest ISO dispatch signal to any Control Area. Such fail-safe procedures must be in place prior to the start of the energy markets.

100. Given the change to the start date for the Energy Markets, the Commission finds that it is no longer necessary to act by June 7, 2004, on the FTR or the EDR provisions of the proposed TEMT. We will accept and suspend the FTR provisions contained in Module C, Section IV, Original Sheet Nos. 602–77, as described below. We will reject the EDR provisions contained in Module A, Section 12A, Original Sheet Nos. 212–15, and any other tariff sheets proposed to become effective June 7, 2004. The Commission recognizes the need for a timely order on the GFAs and the FTR allocation proposal to permit nominations to begin on October 1, 2005.

101. Our preliminary review of the proposed FTR provisions indicates that the Midwest ISO's proposal has not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, we will accept the FTR provisions contained in Module C, Section IV, Original Sheet Nos. 602–77, for filing and suspend them, to become effective on or before November 7, 2004, subject to refund and further orders in this proceeding.

The Commission orders:

(A) Module A, section 12A, Original Sheet Nos. 212–15, pertaining to Expedited Dispute Resolution, is hereby rejected, as described in the body of this order.

(B) Module C, Section IV, Original Sheet Nos. 602–77, pertaining to Financial Transmission Rights, is hereby accepted and suspended, to become effective on or before November 7, 2004, subject to refund and further orders in this proceeding.

(C) Pursuant to the authority contained in, and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by, section 402(a) of the Department of Energy Organization Act and by the Federal Power Act, particularly section 206 thereof, and pursuant to the Commission's rules of practice and procedure and the regulations under the Federal Power Act (18 CFR chapter I), the Commission sets for hearing all GFAs under which jurisdictional public utilities provide or take service in the Midwest ISO region, as discussed in the body of this order.

(D) The Secretary shall promptly publish this order in the **Federal Register.**

(E) The refund effective date established pursuant to section 206(b) of the FPA will be 60 days following publication in the **Federal Register** of this order, as directed in Ordering Paragraph (D) above.

(F) Parties to this proceeding that are providing or taking service under GFAs enumerated in Appendix B to this order are directed to file GFA information no later than June 25, 2004, as described in the body of this order.

(G) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and the Federal Power Act, particularly sections

205 and 206 thereof, and pursuant to the Commission's rules of practice and procedure and the regulations under the Federal Power Act (18 CFR chapter 1), a public hearing shall be held in Docket Nos. ER04–691–000 and EL04–104–000 to investigate the GFAs for which parties do not jointly submit GFA information, as discussed in the body of this order. As discussed in the body of this order, we will hold the proceeding in abeyance until June 28, 2004, to allow GFA parties time to make their GFA information submissions.

(H) A presiding administrative law judge, designated by the Chief Administrative Law Judge, shall convene a conference in this proceeding, to be held as soon as practicable after the date on which the Chief Judge designates the presiding judge, in a hearing room of the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. Such conference shall be held for the purpose of establishing a procedural schedule. The presiding administrative law judge is authorized to establish procedural dates, and to rule on all motions (except motions to dismiss), as provided in the Commission's rules of practice and procedure.

(I) The presiding administrative law judge is directed to issue written findings summarizing the result of the hearing proceeding, and to present these findings to the Commission at its public meeting on July 28, 2004.

(J) The Midwest ISO is hereby directed to continue to pursue seams agreements with neighboring entities and to develop default mechanisms and procedures as described in the body of this order.

(K)The Midwest ISO is hereby directed to file the reports described in the body of this order.

By the Commission.

Linda Mitry,

Acting Secretary.

Appendix A

Parties Filing Interventions

BP Energy Company
Central Iowa Power Cooperative
Clay Electric Cooperative, Inc.
ConocoPhillips Company
Coral Power, L.C.C.
The Energy Authority
Environmental Law and Policy Center of the Midwest
Illinois Commerce Commission
Illinois Municipal Electric Agency
Indiana Office of Utility Consumer Counselor
Indianapolis Power & Light
Iowa Utilities Board
Michigan Public Power Agency and Michigan South Central Power Agency
Minnesota Office of the Attorney General
TVA—Tennessee Valley Authority
WAPA—Western Area Power Administration

Parties Filing Interventions and Protests or Comments

Alliant—Alliant Energy Corporate Services, Inc.
Ameren—Ameren Services Company
American Forest & Paper Association
AMP-Ohio—American Municipal Power-Ohio, Inc.
Archer-Daniels-Midland—Archer-Daniels-Midland Company
ATCLLC—American Transmission Company LLC
Basin, *et al.*—Basin Electric Power Cooperative, East River Electric Power Cooperative, Inc., Central Power Electric Cooperative, Inc. and Capital Electric Cooperative, Inc.
Cinergy—Cinergy Services, Inc.
Cleveland—City of Cleveland, Ohio
Coalition MTC—Coalition of Midwest Transmission Customers
Constellation—Constellation Power Source, Inc., Constellation Generation Group, LLC and Constellation NewEnergy, Inc.
Consumers—Consumers Energy Company
Corn Belt—Corn Belt Power Cooperative
Crescent Moon Utilities—Basin Electric Power Cooperative, Heartland Consumers Power District, Minnkota Power Cooperative, Inc., NorthWestern Energy, Sunflower Electric Power Corporation and the Upper Great Plains Region of the Western Area Power Administration
Dairyland—Dairyland Power Cooperative
Detroit Edison—Detroit Edison Company
Dominion—Dominion Retail, Inc., Dominion Energy Marketing, Inc. and Troy Energy, LLC
Duke—Duke Energy North America, LLC
Dynegy—Dynegy Power Marketing, Inc. and Dynegy Midwest Generation, Inc.
Edison Mission—Edison Mission Energy, Edison Mission Marketing & Trading, Inc., and Midwest Generation EME, LLC
ELCON/AISI/ACC—Electricity Consumers Resource Council, American Iron and Steel Institute and American Chemistry Council
Epic and SESCO—Epic Merchant Energy LP and SESCO Enterprises LLC
EPSA—Electric Power Supply Association
Exelon—Exelon Corporation
FirstEnergy—FirstEnergy Service Company
Great Lakes—Great Lakes Utilities
Great River—Great River Energy
IMEA—Illinois Municipal Electric Agency
Indianapolis P&L—Indianapolis Power & Light Company
LG&E—LG&E Energy LLC
Manitoba Hydro
Manitowoc Public Utilities
MAPP—Mid-Continent Area Power Pool
Marshfield—Marshfield Electric & Water Department
Michigan Commission—Michigan Public Service Commission
MidAmerican—MidAmerican Energy Company
Midwest Municipal Transmission Group
Midwest ISO TOs—Ameren Services Company, as agent for Union Electric Company d/b/a AmerenUE, Central Illinois Public Service Company d/b/a AmerenCIPS, and Central Illinois Light Co. d/b/a AmerenCilco; Aquila, Inc. d/b/a Aquila Networks (f/k/a Utilicorp United, Inc.); City Water, Light & Power (Springfield, Illinois); Hoosier Energy Rural Electric Cooperative, Inc.; Indianapolis Power & Light Company; LG&E Energy Corporation (for Louisville Gas and Electric Co. and Kentucky Utilities Co.); Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company and Northern States Power Company (Wisconsin), subsidiaries of Xcel Energy, Inc.; Northwestern Wisconsin Electric Company; Otter Tail Corporation d/b/a Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company d/b/a Vectren Energy Delivery of Indiana); and Wabash Valley Power Association, Inc.
Midwest SATCs—American Transmission Company LLC, GridAmerica LLC, International Transmission Company and Michigan Electric Transmission Company, LLC
Midwest TDUs—Great Lakes Utilities, Indiana Municipal Power Agency, Lincoln Electric System, Madison Gas and Electric Company, Midwest Municipal Transmission Group, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, Southern Minnesota Municipal Power Agency, Upper Peninsula Transmission Dependent Utilities and Wisconsin Public Power, Inc.
Minnesota Municipal—Minnesota Municipal Power Agency
Minnesota Entities—Minnesota Public Utilities Commission and Minnesota Department of Commerce
Minnkota—Minnkota Power Cooperative, Inc.
Mirant—Mirant Americas Energy Marketing, LP, Mirant Zeeland, LLC and Mirant Sugar Creek, LLC
Montana-Dakota—Montana-Dakota Utilities Company
Municipal Participants—Michigan Public Power Agency, Michigan South Central Power Agency, Department of Municipal Services of Wyandotte, Michigan and City of Hamilton, Ohio
Nebraska Intervenors—Lincoln Electric System, Omaha Public Power District and Nebraska Public Power District
Nebraska Public Power District
NiSource Companies—Northern Indiana Public Service Company, EnergyUSA–TPC Corp. and Whiting Clean Energy, Inc.
North Dakota Commission—North Dakota Public Service Commission
NRECA—National Rural Electric Cooperative Association
Ohio Commission—Public Utilities Commission of Ohio
Ohio REC—Ohio Rural Electric Cooperatives, Inc. and Buckeye Power, Inc.
OMS—Organization of MISO States
Otter Tail—Otter Tail Power Company
PSEG—PSEG Energy Resources & Trade LLC
Reliant—Reliant Energy, Inc.
Southern Minnesota—Southern Minnesota Municipal Power Agency
Southwestern—Southwestern Electric Cooperative, Inc.
Soyland—Soyland Power Cooperative, Inc.

Steel Producers—Steel Dynamics—Bar Products Division and Nucor Steel
Strategic Energy, LLC
TVA—Tennessee Valley Authority
WEPCO—Wisconsin Electric Power Company
Wisconsin Commission—Public Service Commission of Wisconsin
Wisconsin Retail Customers Group—Citizens'' Utility Board, Wisconsin Industrial Energy Group, Inc., Wisconsin Paper Council and Wisconsin Merchants Federation
Wisconsin Transmission Customer Group
WPPI—Wisconsin Public Power Inc.
Wolverine—Wolverine Power Supply Cooperative, Inc.
WPS Resources—WPS Resources Corporation
WUMS Load-Serving Entities—Wisconsin Electric Power Company, Edison Sault Electric Company, Wisconsin Public Service Corporation, Upper Peninsula Power Company, Wisconsin Power and Light Company, Madison Gas and Electric Company, Wisconsin Public Power, Inc. and Manitowoc Public Utilities
Xcel—Xcel Energy Services Inc.

Appendix B

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ATTACHMENT P

LIST OF GRANDFATHERED AGREEMENTS

ALLIANT ENERGY CORPORATION

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")[1/]

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
1. MAPP	MAPP Restated Agreement Schedule F		3 years' advance notice. Notice has been given.	Transmission Service Under Schedule F
2. Fairbank Electric Dept.		IPC 499 Full Req.	Rolling	Network transmission & all ancillaries
3. Grafton Electric Dept.		IPC 499 Partial Req.	Rolling	Network transmission & all ancillaries
4. Hanover		IPC 499 Full Req.	Rolling	Network transmission & all ancillaries
5. Sabula Municipal Electric Dept.		IPC 499 Full Req.	Rolling	Network transmission & all ancillaries
6. West Point Utility System		IES RES-4 Full Req.	Rolling	Network transmission & all ancillaries
7. Alta Vista Electric Dept.		IPC 499 Full Req.	Rolling	Network transmission & all ancillaries
8. Readlyn Electric Dept.		IPC 499 Full Req.	Rolling	Network transmission & all ancillaries
9. Dundee MN		IPC 499 Full Req.	Rolling	Network transmission & all ancillaries

1/ Iowa Southern Utilities Company and Iowa Electric Light and Power Company merged to become IES Utilities, Inc. ("IES"). Alliant Energy Corporate Services, Inc. is a service company affiliate of the Alliant Energy Operating Companies (*i.e.*, Wisconsin Power and Light Company, IES Utilities Inc. and Interstate Power Company ("IPC")), and is authorized to act as their agent with respect to execution and administration of certain contracts and in proceedings at the Commission. On January 1, 2002, IPC merged into IES; IES was the surviving corporation. Subsequent to the effective time of the IPC/IES merger, IES changed its name to Interstate Power and Light Company.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
10. City of Springfield	Electric Service Agreement Between Interstate Power Company and the City of Springfield, Minnesota	IPC Rate Schedule 136. ER92-713-000.	12 months' written notice is required to terminate. Notice given – contract expires 06-30-04.	Transmission service at $3.96 per MWh.
11. City of Truman	Electric Service Agreement Between Interstate Power Company and the City of Truman, Minnesota	IPC Rate Schedule 107	12 months' written notice is required to terminate.	Transmission service at $3.96 per MWh
12. Great River Energy (formerly Cooperative Power Association)	Transmission Utilization Agreement between Cooperative Power Association and Interstate Power Company and Amendment No. 1	IPC Rate Schedule No. 131	Effective through 8-31-03. Requires 3-year written notice to cancel.	Transmission Service to defined points of delivery and agreement to minimize duplication of facilities.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
13. Central Iowa Power Cooperative ("CIPCO")	Agreement for Integrated Transmission Area	IPC Rate Schedule 125	25-year term (through 2004), which can be canceled after year 15 with a 5-year written notice.	Transmission service. Annual under investment charge.
14. Northeast Missouri Electric Power Cooperative ("NEMO")	Interconnection and Transmission Service Agreement between Northeast Missouri Electric Power Cooperative and Iowa Southern Utilities Company, including First Amendment	IES Rate Schedule 85	2-years' written notice.	Transmission Service and interconnection.
15. Northeast Missouri Electric Power Cooperative ("NEMO")	Transmission Agreement between Northeast Missouri Electric Power Cooperative and Iowa Electric Light and Power, dated 09-03-92	Iowa Electric Light and Power Company, Rate Schedule ___	2-years' written notice.	Transmission Service and interconnection.
16. Central Iowa Power Cooperative	IE/CIPCO Operating and Transmission Agreement and Appendices	ER94-247-000, ER95-1244-000 and ER96-1091-000	45-year term from 1-1-91.	Integrated transmission area and transmission service.
17. Corn Belt Power Cooperative	Contract	IES Rate Schedule 12 ER94-437-000	25-year initial term and then a 36-month written notice. Contract dated 5-25-56	Joint use of transmission facilities.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
18. Associated Electric Cooperative, Inc.	Interconnection and Joint Construction Agreement and Amendatory Agreement Number One	Rate Schedule FERC No. 35 and Supplement No. 3 to Rate Schedule No.35 ER85-427-000.	3-years' written notice.	Transmission service, joint construction, and interconnection.
19. Union Electric	Interchange Agreement and Appendix I	Docketed Under Iowa Electric Light and Power Company ER92-537-000	5-years' written notice for the main agreement, unless the sales contract is terminated (then 30 days). Certain interconnections are in perpetuity.	Transmission service and interconnection.
20. Dairyland Power Cooperative	General Transmission Facilities Installation Agreement		24-months' written notice.	Transmission service. Service is based upon equalized investment.
21. Iowa-Illinois Gas and Electric, Iowa Power and Light Co., Iowa Public Service Co., Central Iowa Power Cooperative, Interstate Power Company, City of Tipton, City of Harlan, and City of Waverly	Louisa Transmission Operating Agreement and First and Second Amendments to Louisa Transmission Facilities Agreement	ER96-741-000	40-year term. May be canceled with written consent of Parties.	Provides transmission capacity rights on discrete line sections towards a particular service area or transmission system. Generation Outlet.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
22. Iowa Public Service Co., Interstate Power Company, Northwestern Public Service, Co. Corn Belt Power Cooperative, Northwest Iowa Power Cooperative, Algona Municipal Utilities, Bancroft Municipal Utilities, Coon Rapids Municipal Utilities, Graettinger Municipal Utilities, Laurens Municipal Light & Power Milford Municipal Utilities Spencer, and City of Webster City.	Transmission Facilities and Operating Agreement George Neal Generating Unit No. 4 Transmission dated 10-24-1984. First Amendment dated 12-31-84. Second amendment dated 12-30-96.	ER86-672-000 Interstate Power Company, Rate Schedule FERC No. 142	30-year term. May be cancelled by written agreement of all Parties prior to the end of 30 years.	Specifies transmission capacity rights from generation out of Neal 4 Generating Unit. Generation outlet.
23. Iowa-Illinois Gas and Electric, Iowa Power and Light Co., Iowa Public Service Co. Iowa Southern Utilities Co.	Operating Agreement Neal 3 Transmission dated 1-2-78 and Amendment No. 1 to Operating Agreement Neal 3 Transmission	ER86-83-000 IES Utilities, Rate Schedule FERC No. 73	Requires 4-years' written notice.	Specifies transmission capacity rights from generation out of Neal 3 Generating Unit. Generation Outlet.
24. Iowa-Illinois Gas and Electric, Iowa Power and Light Co., Iowa Public Service Co., Iowa Southern Utilities Co. and Waverly Municipal Electric Utility, Waverly, Iowa	Neal 3 Transmission Assignment for Capacity Schedule Dated October 15, 1985	Iowa Southern Utilities Company, Rate Schedule __	None	Assignment of Transmission Capacity.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
25. Iowa Southern Utilities Company, Iowa Public Service Company, Iowa-Illinois Gas and Electric Company, Iowa Power and Light Co., and Iowa Electric Light and Power Co.	Facilities and Operating Agreement Ottumwa Generating Station Unit 1 Electric Transmission and Substation Facilities - dated 5-22-81	ER87-454-000 Iowa Southern FERC Rate Schedule 44	30-year term. May be terminated by written agreement by all Parties.	Specifies Unit 1 transmission ownership and capacity schedules out of specific units over discrete line sections to or toward a particular service area or transmission system. Generation Outlet.
26. Interstate Power Company, Iowa Electric Light and Power Company, Iowa-Illinois Gas and Electric Company, Iowa Public Service Co., Iowa Southern Utilities Company, Northern States Power Company, and Union Electric Company.	Twin Cities-Iowa- St. Louis 345 KV Interconnection Coordinating Agreement	Interstate Power Company, FERC No. 77 ER82-728-000, ER83-163-000, ER87-560-000 and ER94-655-000	20-year term. 4-years' written notice to cancel.	Allocates the transmission capacity of the interconnection among the owners.
27. Eldridge, Iowa and Geneseo, Illinois	Louisa Transmission Operating Agreement			Transmission assignments.
28. Central Iowa Power Cooperative (CIPCO)	Agreement for Interconnection of Transmission Facilities	Iowa Southern Utilities Company, Rate Schedule FERC No. 8	Requires 6-months' written notice.	Interconnection and transmission service.
29. Southwestern Federated Power Cooperative	Interconnection and Joint Construction Agreement	Iowa Southern, Rate Schedule FERC No. 9 and (Supplement No. 1), approved in Docket No. E-7280	Requires 3-years' written notice to terminate.	Interconnection and transmission service.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
30. Eastern Iowa Light and Power Cooperative	Interconnection and Joint Construction Agreement Between Eastern Iowa Light and Power Company	Iowa Southern Utilities Company Rate Schedule FERC No. 27	Requires 3 years' written notice to terminate	Interconnection and transmission service.
31. Eastern Iowa Light and Power Cooperative	Operating Agreement Between Iowa Southern Utilities Company and Eastern Iowa Light and Power Cooperative	Supplement No. 1 to Rate Schedule FERC No. 27	Remains in effect as long as the agreement designated as Iowa Southern Utilities Company, Rate Schedule FERC No. 27 is in effect.	Interconnection and transmission service.
32. Central Iowa Power Cooperative and Corn Belt Power Cooperative	Duane Arnold Energy Center Agreement for Transmission, Transformation, Switching, and Related Facilities			Interconnection and transmission service. Generation Outlet.
33. Central Iowa Power Cooperative and Corn Belt Power Cooperative	Duane Arnold Energy Center Amendment to Provide for 70% Ownership by Company and 20% Ownership by CIPCO			Interconnection and transmission service.
34. Southern Minnesota Municipal Power Agency ("SMMPA")	Termination of Shared Transmission Agreement, dated January 15, 1998 and Settlement Agreement per FERC Letter Order in Dockets Nos. EL02-68-000, ER02-330-000 and -001, and ER02-863-000 and -001, dated January 16, 2003	Supplement No. 2 to Service Agreement No. 138 under FERC Electric Tariff, IEC TIRI	By (i) SMMPA with 2 years' written notice; (ii) SMMPA if IPC changes it tariff; or (iii) mutual consent.	Shared transmission services.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
35. Central Iowa Power Company ("CIPCO")	Interchange Agreement dated 11-05-68	Iowa Electric Light and Power Company, Rate Schedule 43	Two years' written notice	Transmission Service.
36. Central Iowa Power Company (formerly Southwestern Federal Power Cooperative)	Contract dated 11-17-54	Iowa Southern Utilities Company, Rate Schedule ___	One-year written notice prior to anniversary date	Transmission Service.
37. Central Iowa Power Company (formerly Southwestern Federal Power Cooperative)	CIPCO-ISU Transmission Facility Memorandum of Intent, dated 10-25-77	Iowa Southern Utilities Company, Rate Schedule ___	Not Stated	Transmission Service.
38. City of Ames, Iowa	Interconnection Agreement Between City of Ames, Iowa and Iowa Electric Light and Power Company, dated 3-17-1987	Iowa Electric Light and Power Company, Rate Schedule ___	Terminates 6-30-2016 with 5 years' written notice	Reserved Transformer Capacity and Integrated Transmission Facilities Use.
39. City of Guttenberg, Iowa and Wisconsin Power and Light Company ("WPL")	Power Supply Agreement between City of Guttenberg, Iowa and Wisconsin Power and Light Company		Initial term is through 12-31-06	WPL shall provide all transmission service, including ancillary services, necessary to deliver power and energy to the City.
40. Northwest Iowa Power Cooperative ("NIPCO")	Participation Power Purchase Agreement and Option to Purchase Agreement, dated 08-01-88, and Transmission Service Agreement dated 07-29-88		12-31-03, at which time, Interstate Power Company ("IPC") has option to purchase 4.167% ownership in Neal 4 Generating Station. IPC has notified party of its intent to exercise that option.	Transmission and Energy Delivery.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
41. Dairyland Power Cooperative	Interconnection and Interchange Agreement between Dairyland Power Cooperative and Interstate Power Company, dated 08-17-66, including Exhibits A-F, as amended	Interstate Power Company Rate Schedule No. 80	2 years' written notice.	Transmission Service
42. Corn Belt Power Cooperative (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Sycamore to Lehigh Dated 10-24-79		None Stated	Assignment of Transmission Capacity
43. Corn Belt Power Cooperative (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh Dated 3-14-94		None Stated	Assignment of Transmission Capacity
44. Corn Belt Power Cooperative (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
45. Corn Belt Power Cooperative (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Sycamore to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
46. Corn Belt Power Cooperative (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity

1/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co., Iowa Public Service Co., and Iowa Southern Utilities Co.

2/ Assignors: Iowa-Illinois Gas and Electric Co., Midwest Power Systems, Inc. and IES Utilities Inc.

3/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co, and Iowa Southern Utilities Co.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
47. Bancroft Municipal Utilities (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
48. Bancroft Municipal Utilities (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
49. Bancroft Municipal Utilities (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
50. Coon Rapids Municipal Utilities (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
51. Coon Rapids Municipal Utilities (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
52. Coon Rapids Municipal Utilities (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity

1/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co., Iowa Public Service Co., and Iowa Southern Utilities Co.

2/ Assignors: Iowa-Illinois Gas and Electric Co., Midwest Power Systems, Inc. and IES Utilities Inc.

3/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co, and Iowa Southern Utilities Co.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
53. City of Webster City (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
54. City of Webster City (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
55. City of Webster City (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
56. Graettinger Municipal Light Plant (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
57. Graettinger Municipal Light Plant (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
58. Graettinger Municipal Light Plant (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity

1/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co., Iowa Public Service Co., and Iowa Southern Utilities Co.

2/ Assignors: Iowa-Illinois Gas and Electric Co., Midwest Power Systems, Inc. and IES Utilities Inc.

3/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co, and Iowa Southern Utilities Co.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
59. Laurens Municipal Light & Power Plant (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
60. Laurens Municipal Light & Power Plant (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
61. Laurens Municipal Light & Power Plant (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
62. Milford Municipal Utilities (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
63. Milford Municipal Utilities (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
64. Milford Municipal Utilities (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity

1/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co., Iowa Public Service Co., and Iowa Southern Utilities Co.

2/ Assignors: Iowa-Illinois Gas and Electric Co., Midwest Power Systems, Inc. and IES Utilities Inc.

3/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co, and Iowa Southern Utilities Co.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
65. Spencer Municipal Utilities (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
66. Spencer Municipal Utilities (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
67. Spencer Municipal Utilities (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
68. Board of Trustees of Municipal Electric Utility of the City of Cedar Falls, Iowa (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Sycamore to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
69. Board of Trustees of Municipal Electric Utility of the City of Cedar Falls, Iowa (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Sycamore to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity

1/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co., Iowa Public Service Co., and Iowa Southern Utilities Co.
2/ Assignors: Iowa-Illinois Gas and Electric Co., Midwest Power Systems, Inc. and IES Utilities Inc.
3/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co, and Iowa Southern Utilities Co.

ALLIANT ENERGY CORPORATION – CONT'D.

I. ALLIANT ENERGY – INTERSTATE POWER AND LIGHT COMPANY ("IPL")

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
70. Iowa Public Service Company (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity
71. Algona Municipal Utilities (Assignee) See footnote #2 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Raun to Lehigh, dated 3-14-94		None Stated	Assignment of Transmission Capacity
72. Algona Municipal Utilities (Assignee) See footnote #1 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Raun to Lehigh, dated 10-15-85		None Stated	Assignment of Transmission Capacity
73. Algona Municipal Utilities (Assignee) See footnote #3 for Assignors	Neal 3 Transmission Assignments for Capacity Schedule - Raun to Lehigh, dated 10-24-79		None Stated	Assignment of Transmission Capacity

1/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co., Iowa Public Service Co., and Iowa Southern Utilities Co.

2/ Assignors: Iowa-Illinois Gas and Electric Co., Midwest Power Systems, Inc. and IES Utilities Inc.

3/ Assignors: Iowa-Illinois Gas and Electric Co., Iowa Power and Light Co, and Iowa Southern Utilities Co.

Midwest ISO
FERC Electric Tariff, Second Revised Volume No. 1

First Revised Sheet No. 407
Superseding Original Sheet No. 407

AMERICAN TRANSMISSION COMPANY, LLC

I. ALLIANT-EAST (i.e., Wisconsin Power & Light Co.)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
74. Wisconsin Public Power Inc.	Agreement between WP&L and the Wisconsin Public Power Inc. SYSTEM Concerning Siting, Construction and Operation of Combine Turbine Generation entered into June 5, 1989	Rate Schedule FERC No. 158 (approved in Docket No. ER90-319-000)	Expires until such time as the CT is permanently retired from service, or sold by WPPI to WPL or a third party, unless the Agreement is terminated. Also, in the event of a breach, the affected party can terminate upon 60-days' notice.	Transmission services.
75. Village of Belmont	Wholesale Power Contract	W-3 FULL REQUIREMENTS	10/30/06	Network transmission & all ancillaries
76. Village of Benton	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
77. City of Elkhorn	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
78. Evansville Water & Light	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
79. Village of Hazel Green	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
80. Village of Mount Horeb	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
81. Village of New Glarus	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
82. City of Shullsburg	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
83. Village of Black Earth	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
84. Village of Mazomanie	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries

Issued by: James P. Torgerson, Issuing Officer
Issued on: October 30, 2003

Effective: October 31, 2003

AMERICAN TRANSMISSION COMPANY, LLC – CONT'D.

I. ALLIANT-EAST (i.e., Wisconsin Power & Light Co.)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
85. Village of Sauk City	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
86. City of Wisconsin Dells	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
87. Village of Wonewoc	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
88. Village of Gresham	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
89. City of Juneau	Wholesale Power Contract	W-3 FULL REQUIREMENTS	9/1/06	Network transmission & all ancillaries
90. Menominee Indian Tribe of WI	Power Supply Agreement	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
91. Pioneer Power & Light	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
92. City of Princeton	Wholesale Power Contract	W-3 FULL REQUIREMENTS	Rolling	Network transmission & all ancillaries
93. City of Sheboygan Falls	Wholesale Power Contract	W-3 FULL REQUIREMENTS	9/1/06	Network transmission & all ancillaries

AMERICAN TRANSMISSION COMPANY, LLC – CONT'D.

II. WISCONSIN ELECTRIC POWER COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
94. City of Geneva, Illinois	Power Service Agreement	Rate Schedule FERC No. 84 (approved in FERC Docket No. ER96-186-000)	Ending 12/31/05 with an additional 5-year extension upon notification by the City within 2 years of expiration of initial term	Full requirements service, Curtailable Load Service, Economic Development Power, Litigation Support and Other Energy-Related Services.
95. City of Crystal Falls, Michigan	Power Service Agreement	Rate Schedule FERC No. 86 (approved in FERC Docket No. ER96-514-000)	Ending 11/14/05 with an additional 5-years' extension upon notification by the City within 1 year of expiration of initial term	Partial requirements service.
96. Alger Delta Cooperative Electric Association	Power Service Agreement	Rate Schedule FERC No. 88 (approved in FERC Docket No. ER96-883-000)	Ending 12/31/05 with an additional 5-year extension upon notification by the City within 1 year of expiration of initial term	Full requirements service.
97. Ontonagon County Electrification Association	Power Service Agreement	Rate Schedule FERC No. 89 (approved in FERC Docket No. ER96-1057-000)	Ending 01/15/06	Full requirements service.
98. City of Norway, Michigan	Reregulation Agreement Menominee River	Rate Schedule FERC No. 4 (approved in FERC Docket No. ER94-1645-000)	Ending 07/01/04	Norway provides river reregulation at Norway Hydro in return for peaking from WEPCO.
99. Badger Power Marketing Authority of Wisconsin, Inc.	Electric Service Agreement	Rate Schedule FERC No. 25	Ending 05/31/03	Full requirements service.

AMERICAN TRANSMISSION COMPANY, LLC – CONT'D.

III. EDISON SAULT ELECTRIC COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
100. Cloverland Electric Cooperative	Contract for Electric Service	Rate Schedule FERC No. 15	Initial term through 12-31-03 with year-to-year extension and 12-month notice provision.	Bundled partial requirements.

AMERICAN TRANSMISSION COMPANY, LLC – CONT'D.

IV. UPPER PENINSULA POWER COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
101. Alger Delta Cooperative Electric Association	Full Requirements Service Agreement	FERC Rate Schedule 32	24 months' notice, but cannot be terminated before 12/31/05 by UPPCo.	Bundled Full Requirements Service
102. Village of Baraga	Full Requirements Service Agreement	FERC Rate Schedule 35	24 months' notice, but cannot be terminated before 12/31/05 by either Party. Customer may extend beyond 2005 for at least 5 years with 12-months' notice at indexed pricing. Customer may terminate prior to 2005 with 12-months' notice, but is subject to penalties.	Bundled Full Requirements Service
103. City of Gladstone	Full Requirements Service Agreement	FERC Rate Schedule 36	24 months' notice, but cannot be terminated before 12/31/05 by either Party. Customer may extend beyond 2005 for at least 5 years with 12-months' notice at indexed pricing. Customer may terminate prior to 2005 with 12-months' notice, but is subject to penalties.	Bundled Full Requirements Service

Midwest ISO
FERC Electric Tariff, Second Revised Volume No. 1

Original Sheet No. 412

AMERICAN TRANSMISSION COMPANY, LLC – CONT'D.

IV. UPPER PENINSULA POWER COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
104. Village of L'Anse	Full Requirements Service Agreement	FERC Rate Schedule 38	24-months' notice, but cannot be terminated before 09/30/06 by either Party. Customer may extend beyond September 2006 for at least 5 years with 12-months' notice at indexed pricing. Customer may terminate prior to September 2006 with 12-months' notice, but is subject to penalties.	Bundled Full Requirements Service
105. City of Negaunee	Full Requirements Service Agreement	FERC Rate Schedule 37	09/30/06. Customer may extend beyond September 2006 with 12-months' notice at indexed pricing. Customer may terminate prior to September 2006 with 12-months' notice, but is subject to penalties.	Bundled Full Requirements Service
106. Ontonagon County Rural Electrification Association	Full Requirements Service Agreement	FERC Rate Schedule 33	24-months' notice, but cannot be terminated before 12/31/05 by UPPCo.	Bundled Full Requirements Service
107. City of Escanaba	Partial Requirements Service Agreement	FERC Rate Schedule 26 (WR-1)	36-months' notice by either Party.	Bundled Partial Requirements Service

Issued by: James P. Torgerson, Issuing Officer
Issued on: March 29, 2002

Effective: April 1, 2002

AMERICAN TRANSMISSION COMPANY, LLC – CONT'D.

V. WISCONSIN PUBLIC SERVICE CORP.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
108. Village of Daggett	Full Requirements Service Agreement	FERC Electric Tariff, Volume No. 2, Service Agreement No. 3	3-years' notice by either Party.	Bundled Full Requirements Service
109. City of Stephenson	Full Requirements Service Agreement	FERC Electric Tariff, Volume No. 2, Service Agreement No. 4	3-years' notice by either Party - June 2008 termination moratorium for WPSC.	Bundled Full Requirements Service
110. Alger Delta Cooperative Electric Association	Full Requirements Service Agreement	FERC Electric Tariff, Volume No. 2, Service Agreement No. 8	3-years' notice by either Party.	Bundled Full Requirements Service
111. City of Marshfield	Agreement Concerning Combustion Turbine & Purchased Power Arrangements	FERC Rate Schedule 51	Expires 04/30/13.	Bundled Partial Requirements Service
112. Oconto Electric Cooperative	Coordination Sales/Service Agreement	FERC Electric Tariff, Volume No. 10, Service Agreement No. 1	Expires 04/30/06.	Bundled Full Requirements Service

AQUILA, INC. (d/b/a AQUILA NETWORKS)

I. MISSOURI PUBLIC SERVICE COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
113. Kansas City Power & Light Company and Missouri Public Service Company	Sibley-Overton 345 KV Missouri Interconnection/Missouri Coordination Agreement dated April 22, 1968		Indefinitely and upon 42-months' written notice.	Interchange of power and energy
114. Kansas Power and Light Company and Missouri Public Service Company	Jeffrey Energy Center Transmission Agreement dated June 1, 1978	FERC Rate Schedule No. 256	Effective until retirement of the last generating unit in which West Plains Energy has an ownership share at Jeffrey Energy Center.	Transmission services
115. Kansas City Power & Light Company and Missouri Public Service Company	Multiple Interconnection and Transmission Contract dated April 28, 1966	FERC Rate Schedule No. 20	Indefinitely and upon 48-months' written notice.	Interchange of power and energy
116. Kansas City Power & Light Company and Missouri Public Service Company	Interchange Agreement dated May 7, 1965	FERC Rate Schedule No. 17	Indefinitely and upon 42-months' written notice.	Interchange of power and energy
117. Kansas City Power & Light Company and Missouri Public Service Company	Electric Interchange Agreement dated June 11, 1965	FERC Rate Schedule No. 18	Indefinitely and upon 36-months' written notice.	Interchange of power and energy
118. Kansas Gas & Electric Company and Missouri Public Service Company	Power Interchange Agreement dated July 8, 1964	FERC Rate Schedule No. 19	Indefinitely and upon 3-years' written notice.	Interchange of power and energy

AQUILA, INC. (d/b/a AQUILA NETWORKS) – CONT'D.

I. MISSOURI PUBLIC SERVICE COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
119. UtiliCorp United Inc., d/b/a Missouri Public Service, and Associated Electric Cooperative, Inc.	Agreement for Interchange of Power & Interconnected Operation dated August 24, 1988	Rate Schedule FERC No. 60	Indefinitely and upon 4-years' written notice.	Interchange of power and energy
120. Union Electric Company and Missouri Public Service Company	Interchange Agreement dated April 11, 1967	Rate Schedule FERC No. 24	Indefinitely and upon 4-years' written notice.	Interchange of power and energy
121. City of Independence, Missouri and Missouri Public Service Company	Municipal Participation Agreement dated December 2, 1968		Indefinitely and upon 48-months' written notice.	Interchange of power and energy
122. Empire District Electric Company and Missouri Public Service Company	Emergency Service Agreement dated August 3, 1967	FERC Rate Schedule No. 45	Indefinitely and upon 30-days' written notice.	Emergency service
123. Missouri Power & Light Company and Missouri Public Service Company	Agreement dated May 15, 1956		Indefinitely and upon 90-days' written notice.	Transmission service
124. Kansas City Power & Light Company and Missouri Public Service Company	Wholesale Firm Power Agreement dated February 25, 1975	Rate Schedule FERC No. 74	Indefinitely and upon 18-months' written notice.	Transmission service
125. Kansas City Power & Light Company and Missouri Public Service Company	Border Customer Service Agreement dated November 7, 1960		Indefinitely and upon 6-months' written notice.	Transmission service to border customers

AQUILA, INC. (d/b/a AQUILA NETWORKS) – CONT'D.

II. ST. JOSEPH LIGHT & POWER

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
126. Northern States Power Company, Interstate Power Company, Iowa Public Service Company, Omaha Public Power District, St. Joseph Light & Power Company and Kansas City Power & Light Company	Twin Cities-Iowa-Omaha-Kansas City 345 KV Interconnection Coordination Agreement dated January 22, 1968		Indefinitely and upon 4-years' written notice.	Interchange of power and energy
127. Kansas City Power & Light Company, St. Joseph Light & Power Company, Nebraska Public Power District, Omaha Public Power District, and Iowa Power Inc.	Coordinating Agreement for the Cooper-Fairport-St. Joseph 345 KV Interconnection March 5, 1990		Indefinitely and upon 4-years' written notice.	Interchange of power and energy
128. Iowa Power and Light Company and St. Joseph Light & Power Company	Electric Interconnection and Interchange Agreement dated December 31, 1968		Indefinitely and upon 1-year's written notice.	Interchange of power and energy
129. Iowa Power and Light Company and St. Joseph Light & Power Company	Interconnection Agreement dated November 20, 1968		Indefinitely and upon 3-years' written notice.	Interchange of power and energy
130. Union Electric Company and St. Joseph Light & Power Company	Interchange Agreement dated May 2, 1969		Indefinitely and upon 5-years' written notice.	Interchange of power and energy

AQUILA, INC. (d/b/a AQUILA NETWORKS) – CONT'D.

III. WESTPLAINS ENERGY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
131. Kansas Power and Light Company and WestPlains Energy (formerly Central Telephone and Utilities Corporation)	Jeffrey Energy Center Transmission Agreement dated June 1, 1978	FERC Rate Schedule No. 256	Effective until retirement of the last generating unit in which West Plains Energy has an ownership share at Jeffrey Energy Center.	Transmission services
132. Southwestern Public Service Company and WestPlains Energy (formerly Central Telephone and Utilities Corporation)	Interconnection Agreement dated December 15, 1976	FERC Rate Schedule No. 63	Indefinitely.	Interchange of power and energy
133. Sunflower Electric Cooperative, Inc. and WestPlains Energy (formerly Central Telephone and Utilities Corporation)	Electric Interconnection and Interchange Agreement dated April 9, 1980		Effective until 05/01/14 and thereafter until terminated by 4-years' written notice.	Interchange of power and energy
134. Kansas Electric Power Cooperative, Inc. and WestPlains Energy (formerly Centel Corporation)	Electric Sales, Transmission and Service Contract dated May 16, 1988	FERC Rate Schedule No. 71	Indefinitely and upon 5-years' written notice.	Transmission services
135. Midwest Energy, Inc. and WestPlains Energy (formerly Centel Corporation)	Interconnection Contract dated May 29, 1987	FERC Rate Schedule No. 70	Indefinitely and upon 1-year's written notice.	Interchange of power and energy
136. Kansas Gas and Electric Company and WestPlains Energy (formerly Western Light and Telephone Company)	Electric Interconnection Contract dated June 28, 1960	FERC Rate Schedule No. 19	Indefinitely.	Interchange of power and energy

AQUILA, INC. (d/b/a AQUILA NETWORKS) – CONT'D.

III. WESTPLAINS ENERGY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
137. Kansas Power and Light Company and WestPlains Energy (formerly Western Light and Telephone Company)	Electric Interconnection Contract dated March 2, 1964		Indefinitely and upon 3-years' written notice.	Interchange of power and energy
138. City of Beloit, Kansas and WestPlains Energy	Amendatory Agreement No. 1 to Municipal Interconnection Contract			

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CENTRAL ILLINOIS LIGHT COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
139. Corn Belt Electric Cooperative	Firm Point-to-Point Transmission Service under Central Illinois Light Company's Open Access Transmission Tariff	FERC Electric Tariff No. 4, Service Agreement No. 26, effective 6-1-97 (approved in FERC Docket No. ER97-3568-000)	5 years beginning 6/1/97 (terminates 6/1/02).	Firm point-to-point transmission service, 69KV delivery service, ancillary services, and real-power loss service.
140. City Water, Light & Power (Springfield, Illinois)	Borderline customer energy payback	None	None	Payback of the net amount of energy consumed by borderline customers on a periodic basis based on a mutually agreed upon schedule.

Issued by: James P. Torgerson, Issuing Officer
Issued on: October 30, 2003

Effective: October 31, 2003

CINERGY SERVICES, INC.

I. PSI ENERGY, INC.

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
141. Interconnection and Facilities Agreement with Hoosier Energy Rural Electric Cooperative, Inc. Dated: 3/9/71	222	Initial term ending on 3/9/96; thereafter requires 5-years' notice.	Local Facilities Service pursuant to Section 1 F - Wheeling.
142. Power Coordination Agreement with Wabash Valley Power Association Dated: 3/1/96	267	Initial term ending on 12/31/14; thereafter requires 3-years' notice.	
143. Interconnection and Facilities Agreement with American Municipal Power - Ohio, Inc. Dated: 9/1/83	237	Initial term ending on 12/31/86; with automatic annual renewals; termination requires 1-year's notice.	Transmission Service Agreement.
144. Transmission and Local Facilities Ownership, and Maintenance Agreement with WVPA and IMPA Dated: 11/5/85	253	21st anniversary after the death of the last surviving Kennedy grandchild.	Bulk Transmission System Use, Common Transmission System Use and Local Facilities.
145. Supply of Electric Service to Municipal Electric System (Towns of Brooklyn, Coatesville, Dublin, Dunreith, Hagerstown, Knightstown, Lewisville, Montezuma, New Ross, Rockville, South Whitely, Spiceland, Staughn, Thorntown, Veedersburg and Williamsport) Dated: 8/23/95	MUN	Initial term of 5 years with automatic 12-month renewals; either party may terminate with 12-months' written notice by either party.	FERC Electric Tariff Original Vol. No. 1.
146. Supply of Electric Service to Jackson County REMC Dated: 8/23/95	REMC-1	Initial term of 5 years with automatic 12-month renewals; either party may terminate with 12-months' written notice by either party.	FERC Electric Tariff Original Vol. No. 2.

CINERGY SERVICES, INC. – CONT'D.

I. PSI ENERGY, INC.

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
147. City of Logansport Dated: 7/2/93	256	Initial term ending on 12/31/02 thereafter requires 4-years' notice prior to the expiration date. If not terminated in 2002, the agreement continues for 8 years thereafter and requires 4-years' notice prior to the expiration date.	

II. THE CINCINNATI GAS AND ELECTRIC COMPANY

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
148. Lease of Conesville-Corridor 345kv Transmission Line with Columbus Southern Power Company & DP&L (CCD) Dated: 8/26/74	37	21st anniversary after the death of the last survivor of long list of children.	Lease terms spell out the billings by AEP to CG&E/DP&L.

CINERGY SERVICES, INC. – CONT'D.

II. THE CINCINNATI GAS AND ELECTRIC COMPANY

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
149. Interconnection Agreement with East Kentucky Power Cooperative, Inc. Dated: 3/1/84	43	Initial term ending on 12/31/92; continues thereafter unless terminated with 4-years' notice on any anniversary date.	Concurrent Exchange Service per the 138kv Interconnection Agreement.
150. Facility Agreement with Ohio Valley Electric Cooperation Dated: 5/1/92	49	Continues in effect annually unless terminated with at least 1-year's notice.	Facility Agreement.
151. Interconnection Agreement with American Municipal Power - Ohio, Inc. Dated: 4/1/94	53	Continues in effect annually unless terminated with at least one 1-year's notice.	E-Bulk Transmission Service.
152. Transmission Agreement with Ohio Valley Electric Corp. Dated: 7/10/53		Until the termination of the Inter-Company Power Agreement.	Basic Transmission Agreement - Miami Fort Units #7 & #8.

CINERGY SERVICES, INC. – CONT'D.

II. THE CINCINNATI GAS AND ELECTRIC COMPANY

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
153. Basic Transmission & Facility Agreements with Dayton Power & Light Company (CD) Dated: 3/1/84		Initial term ending on 3/1/34; thereafter continues automatically for successive 5-year periods, termination requires at least 2-years' notice.	
154. Basic Transmission & Facility Agreements with Dayton Power & Light Company and Columbus Southern Company (CCD) Dated: 10/1/64		Initial term ends 50 years from execution; thereafter continues automatically for successive 5-year periods, termination requires at least 2-years' notice for Basic Agreements Transmission Agreements #1 and #2.	Basic Transmission Agreement #1 - Beckjord-Greene Line.
155. Dated: 12/29/66		Same as Basic Transmission Agreement #1 above.	Basic Transmission Agreement #2 - Stuart Station (Five Lines).
156. Dated: 7/17/73		21st anniversary after the death of the last survivor of long list of children.	Lease of Conesville Unit 4 Common Facilities.
157. Dated: 3/1/73		Same as Basic Transmission Agreements #1 above.	Basic Transmission Agreement #3 - Conesville Corridor.

CINERGY SERVICES, INC. – CONT'D.

II. THE CINCINNATI GAS AND ELECTRIC COMPANY

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
158. Dated: 8/15/77		Same as Basic Transmission Agreements #1 above.	Basic Transmission Agreement #4 - Zimmer Transmission.

III. UNION LIGHT, HEAT AND POWER COMPANY

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
159. Interconnection Agreement with East Kentucky Power Cooperative, Inc. Dated: 3/1/84	13	Initial term ending on 12/31/92; continues thereafter unless terminated with 4-years' notice on any anniversary date.	Concurrent Exchange Service per the 138kv Interconnection Agreement (per letter of concurrence).

CITY WATER, LIGHT & POWER (SPRINGFIELD, ILLINOIS)

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
160. Central Illinois Light Company		None	Borderline customer energy payback

HOOSIER ENERGY REC[2]/

Customer Name	Contract Title	Term of Agreement	Services and Transaction Terms
161. Western Indiana Energy REMC	Wholesale Power Contract (10/6/97)	01/01/20	Full Requirements.
162. Henry County REMC	Wholesale Power Contract (4/16/84)	01/01/20	Full Requirements.
163. Clark County REMC	Wholesale Power Contract (7/10/78)	01/01/20	Full Requirements.
164. Morgan County REMC	Wholesale Power Contract (3/26/60)	01/01/20	Full Requirements.
165. Harrison County REMC	Wholesale Power Contract (3/22/60)	Original 40 years; 01/01/20 by 12/28/76 amendment.	Full Requirements.
166. Johnson County REMC	Wholesale Power Contract (3/22/60)	Original 40 years; 01/01/20 by 12/28/76 amendment.	Full Requirements.
167. Whitewater Valley REMC	Wholesale Power Contract (1/1/94)	01/01/20	Full Requirements.
168. Dubois REC, Inc.	Wholesale Power Contract (3/17/60)	Original 40 years; 01/01/20 by 12/11/76 amendment.	Full Requirements.
169. Southern Indiana REC, Inc.	Wholesale Power Contract (4/9/60)	Original 40 years; 01/01/20 by 12/10/76 amendment.	Full Requirements.
170. Southeastern Indiana REMC	Wholesale Power Contract (3/25/60)	Original 40 years; 01/01/20 by 1/17/77 amendment.	Full Requirements.
171. Utilities District of Western Indiana REMC	Wholesale Power Contract (4/9/60)	Original 40 years; 01/01/20 by 12/10/76 amendment.	Full Requirements.
172. Daviess-Martin County	Wholesale Power Contract (3/22/60)	Original 40 years; 01/01/20 by 12/28/76 amendment.	Full Requirements.
173. Decatur County REMC	Wholesale Power Contract (3/25/60)	Original 40 years; 01/01/20 by 3/24/77 amendment.	Full Requirements.

[2]/ Please note that because Hoosier Energy REC is not regulated by the Commission, its contracts do not have FERC rate schedule numbers.

HOOSIER ENERGY REC – CONT'D.

Customer Name	Contract Title	Term of Agreement	Services and Transaction Terms
174. Bartholomew County REMC	Wholesale Power Contract (3/26/60)	Original 40 years; 01/01/20 by 2/8/77 amendment.	Full Requirements.
175. Shelby County REMC	Wholesale Power Contract (3/21/60)	Original 40 years; 01/01/20 by 12/20/76 amendment.	Full Requirements.
176. Rush County REMC	Wholesale Power Contact (4/19/60)	Original 40 years; 01/01/20 by 12/28/76 amendment.	Full Requirements.
177. Orange County REMC	Wholesale Power Contract (3/26/60)	Original 40 years; 01/01/20 by 12/30/76 amendment.	Full Requirements.
178. Troy Utilities Service Board	Agreement for Supply of Electric Energy (6/18/96)	Initial 10-year term with 1-year's notice.	Full Requirements.
179. PECO Energy Co. (2 agreements)	Unit Power Sales Agreement (2/10/97) Unit Power Sales Agreement (7/24/97)	1/1/97 through 12/31/06 1/1/98 through 12/31/07	Unit power sale - includes transmission service to Cinergy.
180. Southern Indiana Gas & Electric Co.	Agreement for Sale of Firm Power (6/14/89) Revised Agreement for Sale of Firm Power (1/23/92)	6/14/89 through 3/15/00 1/23/92 through 3/15/00	Firm power purchase - includes transmission service to Hoosier Energy interconnection (through Sigeco).
181. Big Rivers Electric Corp. (2 agreements)	Unit Power Agreement (9/14/90) Peaking Power Agreement (3/11/93)	12/31/00 6/1/93 through 9/30/99	Unit power purchase and firm power purchase - both include transmission service to Hoosier Energy interconnection.

HOOSIER ENERGY REC – CONT'D.

Customer Name	Contract Title	Term of Agreement	Services and Transaction Terms
182. United States of America, Indiana Statewide Rural Electric Coop., Inc., Public Service Company of Indiana, Inc., and Southern Indiana Gas & Electric Co.	Interconnection Agreement (3/19/71), Rate Schedule FERC No. 222	25 years with 5-years' notice.	Interconnection agreement - transmission service.
183. Hoosier Energy Division of Indiana Statewide Rural Electric Cooperative, Inc., Public Service Company of Indiana, Inc., and Southern Indiana Gas & Electric Co.	Interconnection Agreement (4/15/77)	25 years with 5-years' notice.	Interconnection agreement.
184. Virginia Electric & Power Co.	Unit Power Sales Agreement (3/12/84)	12/31/99	Unit power sale - includes transmission service to PSI.
185. Wabash Valley Power Assoc., Inc.	Power Sales Agreement (10/28/87)	12/31/17	Firm power sale - includes transmission service to PSI.
186. Indianapolis Power & Light Co.	Interconnection Agreement (12/1/81)	12/31/10	Transmission service.
187. East Kentucky Power Cooperative	System Power Sales Agreement (3/31/97)	12/31/02	Firm power sale – includes transmission service to PSI.

INDIANA MUNICIPAL POWER AGENCY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
188. PSI Energy, Inc. and Wabash Valley Power Association, Inc.	Transmission and Local Facilities Ownership, Operation and Maintenance Agreement between Wabash Valley Power Association, Inc., Indiana Municipal Power Agency and PSI Energy, Inc., as amended and supplemented	PSI Energy Rate Schedule FERC No. 253	21st anniversary after the death of the last surviving Kennedy grandchild.	Bulk Transmission System Use, Common Transmission System Use and Local Facilities
189. Advance, IN; Anderson, IN; Bainbridge, IN; Bargersville, IN; Centerville, IN; Columbia City, IN; Covington, IN; Crawfordsville, IN; Darlington, IN; Edinburgh, IN; Flora, IN; Frankfort, IN; Frankton, IN; Greendale, IN; Greenfield, IN; Jamestown, IN; Ladoga, IN; Lawrenceburg, IN; Lebanon, IN; Linton, IN; Middletown, IN; Paoli, IN; Pendleton, IN; Peru, IN; Rensselaer, IN; Richmond, IN; Rising Sun, IN; Scottsburg, IN; Tipton, IN; Washington, IN; and Waynetown, IN	Member Power Sales Contracts	N/A	04/01/32	Full requirements service.
190. Pittsboro, IN	Power Supply Agreement	N/A	12/31/06	Full requirements service.

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INDIANA MUNICIPAL POWER AGENCY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
191. Central Illinois Public Service Co.	Interconnection Agreement		12/31/05 and thereafter until either party provides 3-years' written termination notice.	
192. Louisville Gas & Electric Co.	Interconnection Agreement		03/31/98 and thereafter until either party provides 2-years' written termination notice.	
193. Wabash Valley Power Association Inc.	Interconnection Agreement		12/31/98 and thereafter until either party provides 2-years' written termination notice.	
194. Indianapolis Power & Light Co.	Interconnection Agreement		12/31/10 and thereafter for 3-year terms until either party provides 2-years' written termination notice.	
195. Indiana Michigan Power Company (AEP)	Agreement between IMPA and Indiana and Michigan Electric Co.		12/31/85 and thereafter until either party provides 1-year written termination notice.	
196. City of Columbia City, IN and Indiana Michigan Power Co.	Municipal Resale Service Agreement		05/14/03 and thereafter for 3-year terms until either party provides 3-years' written termination notice.	Full requirements service.

Issued by: James P. Torgerson, Issuing Officer
Issued on: October 30, 2003

Effective: October 31, 2003

INDIANA MUNICIPAL POWER AGENCY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
197. Indiana Michigan Power Co.	Operating and Facilities Agreement		12/31/08 and thereafter until either party provides 1-year written termination notice.	
198. Northern Indiana Public Service Co.	Service Agreement for IMPA Member, Rensselaer		12/31/02	

INDIANAPOLIS POWER & LIGHT COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
199. Hoosier Energy Rural Electric Cooperative, Inc.	Interconnection Agreement, dated December 1, 1981, as amended and supplemented	Rate Schedule FERC No. 18	12/31/10	Transmission services.
200. Wabash Valley Power Association, Inc.	Amendment No. 7 to the Agreement for Supply of Electric Energy for Wholesale-For-Resale, dated as of July 1, 1997	Supplement No. 8 to Rate Schedule FERC No. 21	Initial five (5)-year term expires 07-01-02; however, agreement may be renewed for a successive (5) five-year term, unless terminated in writing. Thereafter, agreement may be renewed yearly unless terminated in writing 120 days before the date of agreement expires.	Wholesale to retail power for Boone County REMC.

INTERNATIONAL TRANSMISSION COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
201. Consumers Power Company, The Detroit Edison Company, Toledo Edison Company	Operating Agreement, dated March 1, 1966, including Amendments	International Transmission Rate Schedule #11	8/1/05	Emergency Energy
202. Consumers Power Company, The Detroit Edison Company, and Indiana & Michigan Electric Company (American Electric Power Corporation)	Operating Agreement, dated March 1, 1966	International Transmission Rate Schedule #12	8/1/05	Emergency Energy
203. Consumers Power Company, The Detroit Edison Company, and Northern Indiana Public Service Company	Operating Agreement, dated May 1, 1979	International Transmission Rate Schedule #26	5/8/14	Emergency Energy
204. Consumers Power Company, The Detroit Edison Company, Toledo Edison Company, Ohio Power Company, and Indiana & Michigan Electric Company (American Electric Power Corporation)	Facilities Agreement, dated September 1, 1967		8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice.	Facility Coordination

INTERNATIONAL TRANSMISSION COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
205. Consumers Power Company and The Detroit Edison Company	Ludington Pumped Storage Hydroelectric Generating Plant Ownership and Operating Agreements, both dated August 20, 1969	P-2680	2020	Plant Ownership, Transmission and Energy Delivery
206. Consumers Power Company and The Detroit Edison Company	Ludington Project Transmission Facilities Agreement, dated August 20, 1969		Upon termination of Ludington Ownership Agreement, dated 08/20/1969	Ownership, design, construction, operation, use and maintenance of Ludington Project Facilities, including sharing of expenses.
207. Consumers Power Company and The Detroit Edison Company	Transmission Facilities Agreement, dated August 20, 1969		Upon termination of Ludington Ownership Agreement, dated 08/20/1969	Ownership, design, construction, operation, use and maintenance of Ludington Non-Project Facilities, including sharing of expenses.
208. Consumers Power Company, The Detroit Edison Company and The Toledo Edison Company	Facilities Agreement, dated March 1, 1973	International Transmission Rate Schedule #19	8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice.	Facility Coordination

INTERNATIONAL TRANSMISSION COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
209. Michigan Public Power Agency	Belle River Participation Agreement between The Detroit Edison Company and Michigan Public Power Agency, dated December 1, 1982	International Transmission Rate Schedule #31	Upon Retirement of Belle River Power Plant	Transmission and Energy Delivery
210. Michigan Public Power Agency	Belle River Transmission Ownership and Operating Agreement between The Detroit Edison Company and Michigan Public Power Agency, dated December 1, 1982		Upon Retirement of Belle River Power Plant	
211. Michigan South Central Power Agency	Limited Term Transmission Service Agreement between The Detroit Edison Company and The Village of Clinton, Michigan, dated September 21, 1987, including Interconnection Agreement between MSCPA and Detroit Edison, dated December 1, 1982	International Transmission Rate Schedule #28	Open Ended, 12-month notice	Interconnection
212. City of Wyndotte	Interconnection Agreement between The City of Wyndotte and The Detroit Edison Company, dated March 1, 1978	International Transmission Rate Schedule #23	Open Ended – 6 –month notice	Energy Exchange
213. The City of Detroit, Michigan	Power Supply Agreement between The City of Detroit, Michigan and The Detroit Edison Company, dated October 23, 1991	International Transmission Rate Schedule #32		

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LG&E ENERGY COMPANIES

I. LOUISVILLE GAS & ELECTRIC COMPANY

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services & Transaction Terms Grandfathered
214. Implementing Agreement between Louisville Gas & Electric and Indiana Municipal Power Agency	31	Existing transaction ends in 2002.	Limited term sale of capacity and energy under Service Schedule E of IMPA Interconnection Agreement.
215. Interconnection Agreement between Louisville Gas & Electric and East Kentucky Power Cooperative	25	Term of existing transaction ends in 2005.	Sale of capacity and energy under service Schedule E (Interruptible Sales of Capacity and Energy) to Supplement No. 8 to the EKPC Interconnection Agreement.
216. Interconnection Agreement between Louisville Gas & Electric and East Kentucky Power Cooperative	25	Evergreen year-to-year service with 2-years' notice for termination.	Exchange of capacity and energy from EKPC including losses to serve the Salt River load station.
217. Interconnection Agreement between Louisville Gas & Electric and Indiana Municipal Power Agency	31	Evergreen year-to-year service with 2-years' notice for termination.	A 20 MW Limited Term transaction ending in 2002 under Service Schedule E3. Service Schedule H of the IMPA Interconnection Agreement is the transmission delivery of capacity and energy from Trimble County Unit 1, as well as Backup Power and/or Replacement Energy purchased under Service Schedules G or J.

Issued by: James P. Torgerson, Issuing Officer
Issued on: October 30, 2003

Effective: October 31, 2003

LG&E ENERGY COMPANIES – CONT'D.

II. KENTUCKY UTILITIES

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services & Transaction Terms Grandfathered
218. Transmission Lease Agreement between Louisville Gas & Electric and East Kentucky Power Cooperative	Docket No. ER98-13-000	Term through 2019.	Include the whole agreement which covers the lease of a transmission facility.
219. Interconnection Agreement with TVA, CG&E and Louisville Gas & Electric Company Dated: 9/23/57	29 (FERC Docket No. ER95-50-000)	Initial term ending on 6/30/97; thereafter continues for successive annual terms, termination requires 1-year's notice.	Transmission services provided under Article III - Tolls Applicable to all Energy Transactions.
220. Interconnection Agreement Between Kentucky Utilities Company and East Kentucky Power Cooperative, Inc.	203, ER94-209-000	Agreement is extended until 4-years' notice is given.	Services considered grandfathered include the ability to establish delivery points to serve load on the other party's transmission system and to charge for such service at the agreed upon rates. Also included as grandfathered should be the exchange of energy including losses to serve are loads stations for the delivery points established.
221. Transmission Agreement Between Kentucky Utilities Company and East Kentucky Power Cooperative, Inc. dated February 9, 1995	ER95-580-000	Initial term of 10 years with continuation thereafter until 2-years' prior written notice.	Established a delivery point for a thin-slab steel mill plant, located near Warsaw, Kentucky in Gallatin County, Kentucky to serve the Gallatin Steel load. Services considered grandfathered include this complete agreement and the exchange of energy including losses to serve the load station for the above mentioned delivery points.
222. Agreement between Electric Energy, Inc. and Central Illinois Public Service Company, Illinois Power Company, Kentucky Utilities Company, Middle South Utilities, Inc. and Union Electric Company	199	Shall remain in force through 12/31/05 or with a minimum of 5-years' notice of cancellation.	Delivery of Firm Additional power to EEI; Receipt of Surplus power from EEI; Delivery of Supplemental power to EEI; Receipt of Permanent power from EEI; Receipt of Released Capacity from EEI.

LG&E ENERGY COMPANIES – CONT'D.

II. KENTUCKY UTILITIES

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services & Transaction Terms Grandfathered
223. City of Owensboro City Utility Commission and Kentucky Utilities Company	Supplement No. 3 to Rate Schedule FPC No. 74	In effect until at least 2020 unless earlier terminated by either party giving 4 years' advance notice of termination, but early termination only allowed if OMU's system demand and reserve reach 80% of Station 2 net capacity.	Purchases from Owensboro; Sales to Owensboro; Purchase of SEPA power and energy for Owensboro and delivery to Owensboro.
224. Inter-Company Power Agreement among Ohio Valley Electric Corp., et al.	13	Indefinitely.	Purchase of Surplus Power and Surplus Energy from OVEC; Delivery of Supplemental Power to OVEC; Receipt and Delivery of Transmission Losses; Receipt of Permanent Power from OVEC.

LG&E ENERGY COMPANIES – CONT'D.

II. KENTUCKY UTILITIES

Customer Name and Contract Title	Rate Schedule No.	Termination Provisions	Services & Transaction Terms Grandfathered
225. Interconnection Agreement between Tennessee Valley Authority and Kentucky Utilities Company	FERC Rate Schedule 93, Last Filing ER95-1478-000	Agreement is extended until a 2-years' notice is given.	The ability to establish delivery points to serve load on the other party's transmission system and to charge for such service at the agreed upon rates. Also included should be the exchange of energy including losses to serve area loads stations for the above mentioned delivery points.

In addition, Louisville Gas & Electric Company indicates that it has entered into the following contracts:

Contract executed by The United States of America acting by and through the Southeastern Power Administration and Kentucky Utilities Company. May be terminated on June 30th of any year where written notice was given at least 37 months in advance. Grandfathered service shall include Purchases of Capacity and Energy Allocated for Customers in Kentucky Utilities Service Area: Barbourville, Bardstown, Bardwell, Benham, Corbin, Falmouth, Frankfort, Madisonville, Nicholasville, Paris Providence and Owensboro. Filed in FERC Docket No. ER97-1075.

SEPA Power Supply Contracts grandfathered for delivery of purchased power and energy purchased for the following cities in Kentucky Utilities Service Area: Barbourville, Bardstown, Bardwell, Benham, Corbin, Falmouth, Frankfort, Madisonville, Nicholasville, Paris and Providence. May be terminated by the Municipal with 36 months notice and by KU 60 months notice and 37 months under certain circumstances. Filed in FERC Docket No. ER97-1075.

Bundled Municipal Contracts with: City of Bardwell, City of Madisonville (6 agreements), City of Providence (2 agreements), City of Bardstown, City of Frankfort, City of Nicholasville (3 agreements), City of Paris, City of Falmouth, City of Barbourville, City of Corbin, City of Benham and Berea College. Rate Schedule is Rate Schedule WPS-87(M). Contracts require 5 years' written notice to terminate.

LINCOLN ELECTRIC SYSTEM

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
226. Auburn, Grand Island, KBR Rural Public Power District, Lincoln Electric System, Municipal Energy Agency of Nebraska, Nebraska Public Power District	Participation and Cost Sharing Agreement dated May 8, 1998	N/A	Initial term of 20 years ending on 05/08/18 with 4-years' written notice.	Transmission services related to the Springview Wind Turbines.
227. City of Lincoln and Omaha Public Power District	Electric Interconnection and Interchange Agreement dated June 20, 1988	N/A	Initial term ending 01/01/15 and thereafter from year-to-year with 4-years' written notice.	Interconnection agreement - transmission service.
228. Nebraska Public Power District ("NPPD")	Sheldon Station Participation Power Sales Agreement dated August 7, 1980	N/A	In effect until December 31 of the year in which either (a) the final maturity occurs on any debt, including refunding debt, incurred by NPPD or (b) NPPD permanently retires and removes Sheldon Station from operation, whichever occurs last.	Transmission services related to the Sheldon Generating Station.
229. Nebraska Public Power District ("NPPD")	Interconnection Agreement dated May 1, 1977	N/A	Initial term of 30 years or until termination of all service schedules (whichever occurs last), with 4 years' written notice	Interconnection agreement and transmission service schedules between Lincoln and NPPD.

LINCOLN ELECTRIC SYSTEM – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
230. Consumers Public Power District	Power Sales Contract dated June 1, 1968	N/A	In effect until 09/22/03 with 18 months' notice of intent to continue to operate nuclear facility; thereafter, termination notice is 1-year's advance notice. (Note: Schedule 4 of LES/NPPD Interconnection Agreement amended certain transmission services to 05/01/07 or the date Cooper Nuclear Station ("CNS") is decommissioned, whichever is later.	Transmission services related to the CNS.
231. Nebraska Public Power District ("NPPD")	Gerald Gentleman Generating Station ("GGGS") Participation Power Sales Agreement dated August 7, 1980	N/A	In effect until December 31 of the year in which either (a) the final maturity occurs on any debt, including refunding debt, incurred by NPPD or (b) NPPD permanently retires and removes GGGS from operation, whichever occurs last.	Transmission services related to the GGGS.
232. U.S. Department of Energy, Western Area Power Administration ("WAPA")	Contract for Electric Service dated December 27, 1993	N/A	Pursuant to Amendment No. 1, in effect until 12/31/20.	Transmission services related to WAPA Firm Power Contracts.

LINCOLN ELECTRIC SYSTEM – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
233. Nebraska Public Power District and Basin Electric Power Cooperative	Transmission Service Contract dated April 29, 1977	N/A	In effect until 12/31/40, unless otherwise terminated by various contract Articles.	Transmission services related to the Missouri Basin Power Project-Laramie River Station.
234. Basin Electric Power Cooperative; Tri-State Generation and Transmission Association, Inc.; Missouri Basin Public Power Financing Corporation; City of Lincoln; Heartland Consumers Power District; and Wyoming Municipal Power Agency	Missouri Basin Power Project, Laramie River Electric Generation Station and Transmission System Participation Agreement dated May 25, 1977 (with supplements and amendments), including, the Power and Energy Sales Supplement dated January 25, 1982 and the Operating Supplement dated November 15, 1979	N/A	Indefinitely.	Transmission services related to the Missouri Basin Power Project-Laramie River Station.
235. Associated Electric Cooperative, Inc.; Kansas City Power & Light Company; St. Joseph Light & Power Company; Nebraska Public Power District; Omaha Public Power District; City of Lincoln; Iowa Power Inc.	Coordinating Agreement dated March 5, 1990	N/A	Initial term of 50 years with 4-years' written notice thereafter.	Transmission services related to the Cooper-Fairport-St. Joseph 345 kv Interconnection.
236. Nebraska Public Power District; Omaha Public Power District; City of Lincoln; Iowa Power Inc.	Transmission Line Terminal Facilities Agreement dated March 5, 1990	N/A	Initial term of 50 years with 4-years' written notice thereafter.	Transmission services for the Cooper Station Terminal of the Cooper-Fairport-St. Joseph 345 kv interconnection.

LINCOLN ELECTRIC SYSTEM – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
237. Nebraska Public Power District	MINT Transmission Rights Exchange Agreement dated February 15, 1990	N/A	For as long as the MINT Coordinating Agreement remains in effect and LES remains a participant in MINT project.	Transmission services for the Cooper-Fairport-St. Joseph 345 kv interconnection.
238. Associated Electric Cooperative, Inc.	Letter Agreement Concerning the Reservation of Firm Transmission Service between Associated Electric Cooperative, Inc. and Lincoln Electric Service	N/A	Initial term is for 5 years commencing 11/1/96 and beginning on first anniversary; and each anniversary thereafter, the term will extend automatically for one additional year. One month's notice required to withdraw commitment of firm capacity.	Transmission services related to the Cooper-Fairport-St. Joseph 345 kv Interconnection.
239. State of Nebraska, Health and Human Services System ("HHSS")	Power Supply and Wheeling Agreement dated January 1, 1999, which supplements Contract #1-07-60-P0117 (in which HHSS receives power and energy from the United States through the U.S. Dept. of Energy-Western Area Power Administration)	N/A	At the time of termination of the HHSS-WAPA Contract No. 1-07-60-P0117 or upon one year's notice, whichever occurs first.	Transmission services related to the WAPA State of Nebraska-HHSS Contract

LINCOLN ELECTRIC SYSTEM – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
240. University of Nebraska at Lincoln ("UNL")	Power Supply and Wheeling Agreement dated January 1, 1999, which supplements Contract #1-07-60-P0109 (in which UNL receives power and energy from the United States through the U.S. Dept. of Energy-Western Area Power Administration)	N/A	At the time of termination of the WAPA-UNL Contract No. 1-07-60-P0109 or upon one year's notice, whichever occurs first.	Transmission services related to the WAPA-UNL Contract
241. Municipal Energy Agency of Nebraska ("MEAN")	Laramie River Station Ownership Representation Agreement between City of Lincoln and MEAN, dated February 1983	N/A	At termination of the Missouri Basin Power Project, Laramie River Electric Generation and Transmission System Participation Agreement, dated 03/15/77, or pursuant to Article 23, whichever occurs first.	Transmission services related to the Missouri Basin Power Project-Laramie River Station.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
242. The Detroit Edison Company, Indiana & Michigan Electric Company and First Energy (Successor to The Toledo Edison Company and Ohio Power Company)	Facilities Agreement dated September 1, 1967, effective 6/2/1969	Rate Schedule No. 1	8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice.	Construction and operation of Interconnection Facilities. No cost sharing.
243. The Detroit Edison Company and First Energy (Successor to The Toledo Edison Company)	Operating Agreement dated March 1, 1966, effective 6/2/1969	Rate Schedule No. 2	8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice	Interconnected operations with reference to transmission services under open access tariffs of the parties.
244. The Detroit Edison Company and Indiana & Michigan Electric Company (American Electric Power Service Corporation)	Operating Agreement dated 3/1/1966, effective 6/2/1969	Rate Schedule No. 3	8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice	Interconnected operations with reference to transmission services under open access tariffs of the parties.
245. Indiana & Michigan Electric Company (American Electric Power Service Corporation)	Facilities Agreement, 9/1/1971, effective on or about 9/1/1971	Rate Schedule No. 4	8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice	Construction and operation of Interconnection Facilities. No cost sharing.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC – cont'd.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
246. Detroit Edison Company and First Energy (Successor to The Toledo Edison Company)	Facilities Agreement dated 3/1/1973, effective 9/1/1974	Rate Schedule No. 5	8/1/2005 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice.	Construction and operation of Interconnection Facilities. No cost sharing.
247. Northern Indiana Public Service Company	Barton Lake/Batavia 12/1/1977 Facilities Agreement, First Revised Rate Schedule, effective 5/1/2001	Rate Schedule No. 6	5/8/2014 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice	Construction and operation of Interconnection Facilities. No cost sharing since 5/1/2001.
248. The Detroit Edison Company and Northern Indiana Public Service Company	Operating Agreement dated 5/1/1979, effective 5/1/1979	Rate Schedule No. 7	5/8/2014 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice.	Interconnected operations with reference to transmission services under open access tariffs of the parties.
249. City of Holland, MI	Coordinated Operating Agreement, dated and effective on or about 4/1/1981; Black River Interconnection Agreement, dated and effective on or about 2/20/1980	Rate Schedule No. 8	For both agreements, by mutual agreement or upon 60 months notice.	For COA, interconnected operations with reference to transmission services under open access tariffs of METC. For FA, construction and operation of Interconnection Facilities. Holland reimburses METC for O&M costs incurred.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC – cont'd.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
250. Michigan South Central Power Agency ("MSCPA")	MSCPA (Coordinated Operating Agreement, dated 11/6/1981, effective 12/3/1982); Village of Clinton (Facilities Agreement, dated and effective 12/1/1982); City of Coldwater (Facilities Agreement, dated and effective 12/31/1996); Marshall (Facilities Agreement, dated 11/20/1980, effective 12/3/1982); Hughes Road (Facilities Agreement, dated 11/20/1980, effective 4//1/1982); Moore Rd-Batavia (Facilities Agreement, dated 11/20/1980, effective 4/1/1982).	Rate Schedule No. 9	For COA, by mutual agreement or upon 60 months notice. For FAs, earlier of (a) retirement of jointly-owned transmission lines or (b) retirement of related generating plant.	For COA, interconnected operations with reference to transmission services under open access tariffs of METC. For FAs, construction and operation of Interconnection Facilities. Depending on the FA O&M costs are either (a) shared by the parties in proportion to the ownership interests in the jointly-owned facilities or (b) MSCPA reimburses METC for O&M costs incurred.
251. City of Lansing, Board of Water and Light ("City of Lansing")	City of Lansing (Facilities Agreement-Oneida, dated and effective on or about 12/1/1982)	Rate Schedule No. 10	12/1/2017 and year to year thereafter until terminated by a party giving the other parties at least 4 years' notice.	Construction and operation of Interconnection Facilities. Lansing reimburses METC for certain O&M costs incurred.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC – cont'd.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
252. Wolverine Power Supply Cooperative, Inc. (WPSC") and the City of Grand Haven, Michigan ("Grand Haven")	Sternberg Road Interconnection Facilities Agreement, dated 4/19/1990 and effective 11/26/1990	Rate Schedule No. 10	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. Grand Haven reimburses METC for certain O&M costs incurred.
253. Wolverine Power Supply Cooperative, Inc. ("WPSC")	Bradley Interconnection Facilities Agreement, dated 7/17/1989 and effective 10/5/1989.	Rate Schedule No. 10	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. WPSC reimburses METC for O&M costs incurred.
254. Wolverine Power Supply Cooperative, Inc. ("WPSC")	Campbell Unit No. 3 Transmission Ownership and Operating Agreement, dated 8/15/1980	Rate Schedule No. 10	Earlier of (a) retirement of jointly-owned transmission facilities or (b) retirement of related generating plant.	Provides (a) Joint ownership of designated line and (b) specific capacity rights to use of METC transmission system. Parties share line O&M costs in proportion to their ownership interests.
255. Wolverine Power Supply Cooperative, Inc. ("WPSC")	Wolverine Transmission Ownership and Operating Agreement, dated 7/27/1992	Rate Schedule No. 10	Earlier of (a) retirement of jointly owned transmission facilities or (b) termination of related firm requirements agreement.	Provides (a) Joint ownership of designated line and (b) specific capacity rights to use of METC transmission system. Parties share line O&M costs in proportion to their ownership interests.
256. Michigan Public Power Agency ("MPPA")	Campbell Unit No. 3 Transmission Ownership and Operating Agreement, dated 10/1/1979	Rate Schedule No. 10	Earlier of (a) retirement of jointly-owned transmission facilities or (b) retirement of related generating plant.	Provides (a) Joint ownership of designated line and (b) specific capacity rights to use of METC transmission system. Parties share line O&M costs in proportion to their ownership interests.
257. Michigan Public Power Agency ("MPPA")	Belle River Transmission Ownership and Operating Agreement, dated 12/1/1982	Rate Schedule No. 10	Earlier of (a) retirement of jointly-owned transmission facilities or (b) retirement of related generating plant.	Provides (a) Joint ownership of designated line and (b) specific capacity rights to use of METC transmission system. Parties share line O&M costs in proportion to their ownership interests.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC – cont'd.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
258. City of Lansing, Board of Water and Light	Facilities Agreement - Delhi Interconnection, dated and effective on or about 2/1/1981	Rate Schedule No. 11	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. No cost sharing.
259. Wolverine Power Supply Cooperative, Inc.	Facilities Agreement - Redwood Interconnection, dated 9/1/1981, effective 4/1/1982	Rate Schedule No. 12	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. No cost sharing.
260. Wolverine Power Supply Cooperative, Inc.	Facilities Agreement - Alba Interconnection, dated 9/1/1981, effective 4/1/1982	Rate Schedule No. 13	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. No cost sharing.
261. Wolverine Power Supply Cooperative, Inc., Successor to Northern Michigan Electric Cooperative, Inc.	Facilities Agreement - Livingston Interconnection, dated 9/1/1981, effective 4/1/1982	Rate Schedule No. 14	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. WPSC reimburses METC for certain O&M costs incurred.
262. Wolverine Power Supply Cooperative, Inc., Successor to Northern Michigan Electric Cooperative, Inc.	Facilities Agreement - Airport Interconnections, dated 1/26/1982, effective 4/1/1982	Rate Schedule No. 15	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. WPSC reimburses METC for certain O&M costs incurred.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC – cont'd.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
263. Wolverine Power Supply Cooperative, Inc., Successor to Northern Michigan Electric Cooperative, Inc.	Facilities Agreement - Pere Marquette Interconnection, dated 12/30/1982, effective 1/1/1983	Rate Schedule No. 16	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. WPSC reimburses MET for certain O&M costs incurred.
264. Wolverine Power Supply Cooperative, Inc. and City of Zeeland, Board of Public Works	Blendon Interconnections Facilities Agreement, dated 5/22/1996, and effective 8/1/1996	Rate Schedule No. 17	8/1/2031 and year to year thereafter until terminated by (a) mutual consent or (b) a party giving the other parties at least one year's written notice upon the expiration of the term or upon December 31 of any successive year thereafter.	Construction and operation of Interconnection Facilities. WPSC reimburses METC for certain O&M costs incurred.
265. Wolverine Power Supply Cooperative, Inc. ("WPSC")	Grand Traverse Interconnections Facilities Agreement, dated 8/1/1998, effective 1/23/1999	Rate Schedule No. 18	By mutual agreement or upon 60 months' notice.	Construction and operation of Interconnection Facilities. WPSC reimburses METC for certain O&M costs incurred.
266. Michigan South Central Power Agency ("MSCPA")	Project I Transmission Ownership and Operating Agreement, dated 11/20/1980	Rate Schedule No. 30	Earlier of (a) retirement of jointly-owned transmission facilities or (b) termination of related generating plant.	Provides (a) joint ownership of designated line and (b) specific capacity rights to use of METC transmission system. Parties share line O&M costs in proportion to ownership interests.

MICHIGAN ELECTRIC TRANSMISSION COMPANY LLC – cont'd.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
267. The Detroit Edison Company	Ludington Project Transmission Facilities Agreement, dated 08/20/1969	Rate Schedule No. 32	Upon termination of Ludington Ownership Agreement, dated 08/20/1969	Ownership, design, construction, operation, use and maintenance of Ludington Project Facilities, including sharing of expenses.
268. The Detroit Edison Company	Transmission Facilities Agreement, dated 08/20/1969	Rate Schedule No. 33	Upon termination of Ludington Ownership Agreement, dated 08/20/1969	Ownership, design, construction, operation, use and maintenance of Ludington Non-Project Facilities, including sharing of expenses.
269. The Detroit Edison Company	Ludington Pumped Storage Plant Ownership and Operating Agreements, dated 08/20/1969	Rate Schedule No. 34	For Ownership Agreement, upon termination of license to operate the Plant. For Operating Agreement, upon termination of Ownership Agreement.	For Ownership Agreement, respective ownership interests, obligations and rights of parties concerning design and construction of the Plant and sharing of Plant capability. For Operating Agreement, respective obligations and rights concerning operation and maintenance of the Plant. Note: Plant contains some transmission facilities.
270. Wolverine Power Supply Cooperative, Inc.	Facilities Agreement - Oden Interconnection Agreement, dated 1/31/96, as amended and effective 4/1/2001	Service Agreement No. 33 under METC OATT	By mutual agreement or upon 60 months notice.	Construction and operation of Interconnection Facilities. WPSC reimburses METC for certain O&M costs incurred.

MONTANA-DAKOTA UTILITIES CO.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
271. Western Area Power Administration and Montana-Dakota Utilities Co.	Electric Service Contract with Montana-Dakota Utilities Co.	FERC No. 19	Shall remain in effect until 12/31/15. Either party may terminate at any time after 12/31/06 by 4-years' advance written notice of the effective date of such termination.	Reciprocal transmission service to MDU and Western's native load. Transmission charge is 1 mill/kWh. Service is firm, and is for a rolling 4-year period. Interconnection requirements and associated obligations of each party. Various facility charges are defined. Provision for non-firm energy transactions and the associated pricing. Control Area service and charges.
272. Basin Electric Power Cooperative and Montana-Dakota Utilities Co.	Interconnection and Common Use Agreement	FERC No. 30	Shall remain in effect through 01/12/07 and continuing year-to-year thereafter until terminated by either party giving the other party 5-years' advance written notice.	Provides mechanism to build joint transmission facilities to serve MDU and Basin load that is interconnected to the MDU transmission system. Also freezes the transmission payments for the load served prior to the signing of the agreement.
273. Minnkota Power Cooperative, Montana-Dakota Utilities Co., Northwestern Public Service Company, and Otter Tail Power Company	Coyote 1 Station Transmission Facilities Agreement by and between Minnesota Power and Light Company, Minnkota Power Cooperative, Inc., Montana-Dakota Utilities CO., Northwestern Public Service Company, and Otter Tail Power Company	None. There are no transmission payments in the agreement.	Terminate upon the termination of the Coyote Station Agreement for Sharing Ownership of Generating Unit No. 1, which is 12/31/21.	Establishes specific transmission facilities to be constructed by each plant owner to provide delivery of each owner's output to their individual system. Provides transmission service at no charge over the transmission systems of each owner for the purpose of delivering Coyote 1 power to specific delivery points on the transmission system of each owner. Also provides for the repayment of losses in kind.

MONTANA-DAKOTA UTILITIES CO. – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
274. Montana-Dakota Utilities Co., Northwestern Public Service Company, and Otter Tail Power Company	Big Stone Plant Transmission Facilities Agreement by and between Otter Tail Power Company, Montana-Dakota Utilities Co., and Northwestern Public Service Company.	None. There are no transmission payments in the agreement.	Terminate upon the termination of the Agreement for Sharing Ownership of Generating Plant, which is 12/31/15.	Establishes specific transmission facilities to be constructed by each plant owner to provide delivery of each owner's output to their individual system. Provides transmission service at no charge over the transmission systems of each owner for the purpose of delivering Big Stone power to specific delivery points on the transmission system of each owner. Also provides for the repayment of losses in kind.
275. Northern States Power Company, Basin Electric Power Cooperative, and Montana-Dakota Utilities Co.	Interconnection & Interchange Agreement at the Northern States Power Company's Mallard Substation	NSP FERC No. 505	12/31/15 and perpetual thereafter unless terminated by any party's 48-months' notice.	Provides an interconnection point at Mallard between MDU, Basin, NSP, WAPA, and Central Power Electric Cooperative. Provides for priority of use and right to use the interconnection. No transmission service charges are specified.
276. Montana-Dakota Utilities Co., Basin Electric Power Cooperative, and Western Area Power Administration	Miles City New Underwood 230 kV Transmission Line	None. There are no transmission payments in the agreement	12/31/15 and continuing perpetually unless terminated by any party with no less than 2-years' written notice.	Construction, ownership, maintenance, and interconnection of facilities associated with the 230 kV transmission line. Provides annual fees for compensation of each party for certain equipment maintenance. Provides firm capacity entitlements to the project, and MDU grants Western a license to use MDU's portion of the project at no charge.

MONTANA-DAKOTA UTILITIES CO. – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
277. Otter Tail Power Company and Northwestern Public Service	Interconnection Agreement	FERC No. 20	Remains in effect for the life of joint owned generation constructed by the parties and thereafter unless terminated with 12-months' written notice by any of the parties.	Provides for the recognition of the Ellendale, ND 230 kV interconnection point between the parties and its use for transmission of energy from the parties joint owned generation to the parties. Interconnection/Interchange
278. Minnkota Power Cooperative (assigned from United Power Association, which is now Great River Energy)	Interconnection Agreement	FERC No. 8	1/1/2001 and, if not terminated then, continuing in full force until terminated with 4 years' notice.	Interconnection at Heskett Station with each party allowing the other to transmit electric power and energy through its system to the extent that such system has capacity in excess of that required for its own needs and prior commitments.
279. Montana-Dakota Utilities Co. Oliver-Mercer Electric Cooperative	Emergency Service Interconnection Agreement	FERC No. 30.	10 years from 10/26/83, and year-to-year thereafter, unless terminated by either party with 12-months' advance notice of anniversary date.	Provides emergency service to Montana-Dakota Utilities Co.'s Hazen, ND substation at no charge over the transmission system of Oliver-Mercer, and provides emergency service at no charge to Oliver-Mercer's North Star substation over the Montana-Dakota Utilities Co. transmission system (per the Basin/MDU Common Use Agreement – FERC No. 30).
280. Mor-Gran-Sou Electric Cooperative	Emergency Interconnection Agreement	FERC No. 25	12/31/16, and thereafter until terminated by either party giving 2-years' written notice.	Provides an emergency interconnect point for Mor-Gran-Sou's NW Mandan substation. Transmission service is provided under FERC Nos. 19 and 30.

MONTANA-DAKOTA UTILITIES CO. – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
281. Capital Electric Cooperative	Joint Facilities Agreement dated November 17, 1977 with Montana-Dakota Utilities Co. (Northwest Bismarck Substation).	FERC No. 28	35 years, except in the event Cooperative fails to pay fees and costs specified; however, 60 days' notice is required if Cooperative defaults.	Provides for ownership, operation and maintenance and transmission service with no wheeling fees.
282. Capital Electric Cooperative	Agreement (for construction of 115 kV transmission between NW Bismarck substation and East Bismarck substation)	None	January 2018, except that either party can terminate with 60-days' notice for failure of the other party to fulfill its obligations.	Provides for construction, ownership division, and capacity rights in the 115 kV line. Does not provide directly for transmission service charges.
283. Capital Electric Cooperative	Agreement (Joint facilities at East Bismarck substation)	FERC 29	12/17/06, except in the event Cooperative fails to pay fees.	Provides for reimbursement and capacity rights in 115 kV facilities in Montana-Dakota Utilities Co. East Bismarck substation. Transmission service charges are not directly addressed.

MINNESOTA POWER, INC.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
284. Square Butte Electric Cooperative and Minnkota Power Cooperative, Inc.	Delivery Agreement Between and Among Minnesota Power & Light Company, Square Butte Electric Cooperative, and Minnkota Power Cooperative, Inc., dated as of June 1, 1998	Effective Date June 1, 1998 FERC Rate Schedule No. ___	01/01/27	Transmission services.
285. Wisconsin Public Power Incorporated	Clay Boswell Steam Electric Generating Station Unit No. 4 Operation, Ownership and Power Sales Agreement between Minnesota Power and Wisconsin Public Power Incorporated System, dated as of January 12, 1990	Effective Date January 12, 1990	Until Boswell Unit No. 4 is retired from service.	Provides prepaid transmission service to the Minnesota Power border.
286. Cyprus Silver Bay Power Corporation	Transmission Service Agreement, dated as of July 1, 1991	Effective Date July 1, 1991 FERC Rate Schedule No. 161	06/30/11	Transmission services.
287. Wisconsin Power & Light Company	Negotiated Capacity Option Agreement with Wisconsin Power & Light Company to purchase firm capacity (75 MW)	Effective Date August 31, 1993 FERC Rate Schedule No. 160	01/01/07	The agreement provides a limited and variable reimbursement to WP&L for transmission charges it incurs in delivering firm capacity for the 1998-2007 period from Minnesota Power to its system.
288. Wisconsin Power & Light Company	Unit Participation Power Sales Agreement between Minnesota Power and Wisconsin Power & Light Company (formerly IPW) to purchase firm capacity (55 MW)	Effective Date August 14, 1991 FERC Rate Schedule No. ___	05/01/02	Bundled transmission service to Minnesota Power's interconnections to other MAPP participants.

MINNESOTA POWER, INC. – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
289. Cities of Staples and Wadena, Minnesota	Transmission Service Agreement, dated June 11, 1975 and Supplement to Settlement Agreement dated October 6, 1982	Effective Dates June 11, 1975 and November 1981 FERC Rate Schedule Nos. 133 and 120	4-year cancellation notice	Transmission services.
290. Dairyland Power Cooperative, Northern States Power Company (Minnesota), Northern States Power Company (Wisconsin) and Superior Water, Light & Power Company	Cost Sharing Agreement for the Phase Angle Regulating Transformer	Effective Date May 30, 1985	By unanimous vote of the Coordination Committee, but no longer than the period during which the transformer is in service.	Cost sharing agreement.
291. Superior Water, Light & Power Company	Interchange Service Agreement, including Supplement Nos. 1, 2 and 3	March 31, 1988	48-months' written notice by either party, but not before 12/31/10.	SWL&P leases its transmission system to Minnesota Power, which establishes an integrated transmission system. Minnesota Power provides SWL&P with its electric requirements.
292. Great River Energy and Minnesota Power	NITS Agreement and Operating Agreement under Midwest ISO Tariff, including Amendment No. 1.	S.A. #28 under Midwest ISO Tariff	2 years' prior written notice	Network integration transmission service.

Midwest ISO
FERC Electric Tariff, Second Revised Volume No. 1

First Revised Sheet No. 451
Superseding Original Sheet No. 451

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
293. Dairyland Power Cooperative	Interconnection and Facility Use Agreement dated September 16, 1983		Continuing indefinitely until 48-months' prior written notice by either party to the other.	Transmission Service Agreement
294. MAPP	MAPP Restated Agreement Schedule F	OASIS #546298, 546299	5/1/2004	Transmission Service Under Schedule F.

Issued by: James P. Torgerson, Issuing Officer
Issued on: October 30, 2003

Effective: October 31, 2003

Midwest ISO
FERC Electric Tariff, Second Revised Volume No. 1

First Revised Sheet No. 452
Superseding Original Sheet No. 452

OTTER TAIL POWER COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
295. Baker Electric Cooperative, Inc. (member of Central Power Electric Coop.)	Agreement	RS 149	Indefinitely.	Transmission/Wheeling and Emergency Service.
296. Capital Electric Cooperative, Inc.	Emergency Interconnection at Regan, North Dakota	RS 109	Automatically continuing from year –to-year until either party serves written notice 2 months prior to the termination of the contract year.	Emergency Service.
297. Central Power Electric Cooperative	Contract for Electric Service Integrated Systems Supplement No. 7 (original contract w/5 amendments)	RS 171 ER82-368 ER83-340 ER85-333 ER87-31	12/31/15	Transmission/Wheeling, Interconnection/Interchange, and Joint use transmission rights.
298. Central Power Electric Cooperative	Integrated Systems Scheduling and Dispatching Agreement		12 months' prior written notice to either party.	System control, dispatching, operation and maintenance.
299. City of Newfolden, MN	Agreement for Distribution Substation (Local Transformation Service)	RS 174 ER80-278	Continuing month-to-month with 18-months termination notice required.	Transmission/Wheeling.
300. City of Newfolden, MN	Application by the City of Newfolden, Minnesota and Agreement for Firm Wheeling (Transmission) Service	ER84-38	None.	Transmission/Wheeling.
301. City of Nielsville, MN	Agreement for Connection and Distribution Facilities (Local Transformation Service)	RS 175 ER80-277	Continuing until written notice not less than 4 years in advance of desired termination date.	Transmission/Wheeling.
302. City of Nielsville, MN	Application by the City of Nielsville, Minnesota and Agreement for Firm Wheeling (Transmission) Service	ER84-38	None.	Transmission/Wheeling.

Issued by: James P. Torgerson, Issuing Officer
Issued on: October 30, 2003

Effective: October 31, 2003

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
303. City of Shelly, MN	Agreement for Connection and Distribution Facilities (Local Transformation Service)	RS 176 ER80-279	Continuing until written notice not less than 4 years in advance of desired termination date.	Transmission/Wheeling.
304. City of Shelly, MN	Application by the City of Shelly, Minnesota and Agreement for Firm Wheeling (Transmission) Service	ER84-38	None.	Transmission/Wheeling.
305. Cooperative Power Association United Power Association (Great River Energy)	Interconnection and Interchange Agreement		01/01/10; if not then terminated, continuing in full force and effect until terminated by 24-months' prior written notice.	Power and energy flows between the systems of the Coal Creek Interconnection considered exchange between CPA and OTP (CPA 56% UPA 44%)
306. Cooperative Power Association (Great River Energy)	Integrated Transmission Agreement	RS 154 ER80-135 ER83-340 ER84-299 ER85-333 ER87-433	11/20/27.	Transmission/Wheeling and Joint use transmission rights.
307. Cooperative Power Association (Great River Energy)	Integrated Transmission System Scheduling and Dispatching Agreement		In full force and effect until terminated by not less than 12-months' prior written notice.	Scheduling.
308. East River Electric Power Cooperative, Inc.	Interconnection and Transmission Service Agreement	RS 168 ER84-626	11/20/12; if not then terminated, continuing in full force and effect until terminated by 24-months' prior written notice.	Transmission/Wheeling, Interchange/Interconnection, Emergency, and Transmission service for Traverse` & Lake Region Electric Assn.

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
309. Manitoba Hydro Minnkota Power Cooperative Northern States Power Company (Xcel Energy)	Winnipeg – Grand Forks 230 kV Interconnection Coordinating Agreement	RS 159 ER91-400	Indefinitely until so terminated by not less than 48-months' prior written notice.	Transmission/Scheduling, Interconnection/Interchange, and Emergency Service.
310. Manitoba Hydro-Electric Board	MH-OTP Power Services Agreement		04/30/05; no termination provisions for transmission service, only for the energy delivery.	MHEB shall provide to OTP 50 MW of Participation Power Capacity and associated energy (up to 40% capacity factor), includes provisions for joint AGC (+or- 25 MW).
311. Minnesota Power & Light Company Minnkota Power Cooperative Northwestern Public Service Company Montana-Dakota Utilities	Coyote Station Transmission Facilities Agreement		Terminate upon termination of Coyote-Stanton Agreement for sharing ownership of Generating Unit #1 (July 1977 agreement).	Establishes specific transmission facilities to be constructed by each plant owner to provide delivery of each owner's output to their individual system. Provides transmission service at no charge over the transmission systems of each owner for the purpose of delivering Coyote 1 power to specific delivery points on the transmission system of each owner. Also provides for the repayment of losses in kind.
312. Minnesota Power and Light	Interconnection and Interchange Agreement	RS 128	Indefinitely until terminated in writing by not less than 48-months' notice.	Transmission/Wheeling.

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
313. Minnkota Power Cooperative Northern Municipal Power Agency	230 kV Interconnection Agreement Between Otter Tail Power Company, Minnkota Power Cooperative, and Northern Municipal Power Agency	RS 151 ER81-781	If not terminated with 48-months' written notice by any of the parties by 01/01/05, continuing in full force and effect until so terminated.	Interconnection/Interchange, Transmission/Wheeling, and Joint use of MPC & OTP 230kV system.
314. Minnkota Power Cooperative	Interconnection and Transmission Service Agreement Between Otter Tail Power Company and Minnkota Power Cooperative, Inc.		If not terminated with 48-months' written notice by either party by 07/01/05, continuing in full force and effect until so terminated.	Interconnection/wheeling. Provides for the interconnection and use of excess capacity of the MPC and OTP 115, 69, and 41.6 kV systems by each of the parties to the agreement.
315. Minnkota Power Cooperative	MPC-OTP Swing Compensation		None defined (likely to remain in place as long as MPC is within the OTP control area).	MPC provides to OTP 2 MW of capacity and energy any time the MPC Young 1 unit is on line as compensation for load swing services for MPC.
316. Minnkota Power Cooperative Minnesota Power and Light	Interconnection Agreement Between Minnkota Power Cooperative and Minnesota Power & Light Company		If not terminated with 48-months' written notice by any of the parties by 07/01/02, continuing in full force and effect until so terminated.	Agreement is not with OTP but establishes CA Tie. Interconnection.

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
317. Minnkota Power Cooperative, Inc. Minnesota Power and Light Company Northern States Power Company (Xcel Energy)	North Dakota-Western Minnesota 230 kV Facilities Coordinating Agreement Between Minnkota Power Cooperative, Inc., Otter Tail Power Company, Minnesota Power & Light Company, and Northern States Power Company	RS 150	If not terminated with 48-months' written notice by any of the parties by 11/01/05, continuing in full force and effect until so terminated.	Excess capacity of the parties 230 kV transmission system. Interconnection/Interchange, and Emergency Service.
318. Missouri Basin Municipal Power Agency (Missouri River Energy Services) Western Minnesota Municipal Power Agency	Integrated Transmission Agreement Among Missouri Basin Municipal Power Agency, Western Minnesota Municipal Power Agency, and Otter Tail Power Company Dated As Of March 31, 1986		If not terminated with 60-months' written notice by any of the parties by 01/01/16, continuing in full force and effect until so terminated.	Provides for the use by all parties of the integrated transmission system of the parties for the purpose of serving each parties native load. Amendment 1: December 28, 1988. Joint use transmission rights.
319. Montana-Dakota Utilities Northwestern Public Service Company	Systems Interconnection Agreement	RS 198 ER88-501	Remains in full force and effect for the life of joint owned generation constructed by the parties and thereafter unless terminated with 12-months' written notice by any of the parties.	Provides for the recognition of the Ellendale, ND 230 kV interconnection point between the parties and its use for transmission of energy from the parties joint owned generation to the parties. Interconnection/Interchange
320. Montana-Dakota Utilities Northwestern Public Service Company	Big Stone Plant Transmission Facilities Agreement By and Between Otter Tail Power Company, Montana-Dakota Utilities Company and Northwestern Public Service Company Dated As Of April 3, 1972		Remains in full force and effect until termination of the Big Stone Basic Construction and Ownership Agreement.	Establishes specific transmission facilities to be constructed by each plant owner to provide delivery of each owner's output to their individual system. Provides transmission service at no charge over the transmission systems of each owner for the purpose of delivering Big Stone power to specific delivery points on the transmission system of each owner. Also provides for the repayment of losses in kind.

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
321. Mountrail Electric Cooperative, Inc.	Interconnection Agreement between Mountrail Electric Cooperative, Inc. and Otter Tail Power Company	RS 165	10 years after effective date (2/29/72) and if not then terminated, shall automatically continue in full force and effect for 1-year successive terms until terminated pursuant to written notice not less than 3 years before expiration of contract term specified in notice.	Transmission/Wheeling, and Emergency Service.
322. Nodak Rural Electric Cooperative, Inc. Minnkota Power Cooperative, Inc.	Emergency and/or Standby Electric Service Agreement	Replaces Rate Schedule 178 (1964)	Automatically continues in full force and effect from year to year until either party serves written notice 2 months prior to the termination of the contract year.	Transmission/Wheeling, and Emergency Service.
323. Northern Minnesota Power Association Rural Cooperative Power Association United Power Association (GRE) Northern States Power Company (Xcel Energy)	Transmission Service Agreement, including Supplements thereto	RS 110 ER84-189	08/17/2017; and if not then terminated, continuing in full force and effect by not less than 42-months' prior written notice.	Economy Service, Partial Requirements Service, and Transmission/Wheeling.
324. Northern States Power Company (Xcel Energy)	Interconnection and Interchange Agreement	RS 111	In full force and effect until terminated by not less than 48-months' prior written notice.	Interconnection/Interchange, Transmission/Wheeling, and Joint use transmission rights.

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
325. Northern States Power Company (Xcel Energy) Minnesota Power and Light Company Cooperative Power Association (GRE)	Outlet Facilities Agreement – No. 1		12/31/82; and if not then terminated, continuing in full force and effect with not less than 48-months' prior written notice.	Transmission service. CPA's allocated Capacity: 33,190 kW 8,000 kW.
326. Northern States Power Company (Xcel Energy)	OTP-NSP Diversity Exchange Agreement	RS 196 ER85-575	Continues through 10/31/04; unless 5-years' written notice by either party (termination must be on October 31st of a given year).	OTP shall provide to NSP 75 MW of System Participation Power during each summer season; NSP shall provide to OTP 75 MW of System Participation Power during each winter season; no charges to either party for capacity exchanges. Short-term Power Service.
327. Red Lake Electric Cooperative, Inc.	Agreement for Emergency and Standby Electric Service	RS 127	Automatically continuing in full force and effect from year to year until either party serves written notice 2 months prior to the termination of the contract year.	Standby and Emergency Service.

OTTER TAIL POWER COMPANY – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
328. U.S. Dept. Interior, Bureau of Reclamation (WAPA)	Interconnection Contract (230 kV – Gary) (115 kV – Forman)	RS 169	Indefinitely.	Schedule up to 100 MW at the Gary 230 kV Interconnection for redelivery to Northwestern. Interconnection/Interchange, and Transmission/Wheeling.
329. WAPA	Interim Agreement to Maintain Interconnections and Scheduling Procedures with WAPA	RS 172 ER80-289	May be terminated by either party.	Scheduling, Facilities Agreement, and Interconnection/Interchange.
330. Whetstone Electric Cooperative, Inc.	Agreement for Emergency and Standby Electric Service	RS 148	Automatically continuing in full force and effect from year to year until either party serves written notice 2 months prior to the termination of the contract year.	Standby and Emergency Service.

SOUTHERN ILLINOIS POWER COOPERATIVE

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
331. United States of America (acting by and through the Southeastern Power Administration)	Contract No. 89-00-1501-1139, executed as of June 30, 1998	N/A	Contract shall continue until terminated on June 30th of any year by SIPC of not less than 37 months in advance of the date of termination requested or by SEPA of not less than 36 months in advance of the date of termination requested.	SEPA shall make available each contract year to SIPC from the Cumberland Projects through TVA's delivery points with Big Rivers, and SIPC will schedule and accept an allocation of 1,500 kwhs of energy delivered at the TVA border for each kilowatt of contract demand.
332. Big River Electric Corporation	1981 Transmission Line Agreement, dated February 1, 1981	N/A	The term of the contract is perpetual, or until such time as SIPC shall no longer use the Kentucky line and, in such an event, SIPC shall give Big Rivers 12-months' advance notice.	Big Rivers grants SIPC exclusive right to a the Ohio River to Barkley Dam 161 kV transmission line and leases to SIPC all capacities of said transmission line not used by Big Rivers for its own internal loads
333. Southeastern Illinois Electric Cooperative	Wholesale Power Contract, dated December 8, 1959	Schedule "A"	December 31, 2033	Full requirements service.
334. Egyptian Electric Cooperative Association	Wholesale Power Contract, dated December 8, 1959	Schedule "A"	December 31, 2033	Full requirements service.
335. Southern Illinois Electric Cooperative	Wholesale Power Contract, dated December 8, 1959	Schedule "A"	December 31, 2033	Full requirements service.

SOUTHERN ILLINOIS POWER COOPERATIVE – CONT'D.

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
336. Monroe County Electric Cooperative	Wholesale Power Contract, dated June 25, 1998	Schedule "A"	December 31, 2033	Full requirements service.
337. City of McLeansboro	Interconnection Contract, dated March 30, 1967	N/A	December 31, 2007	Full requirements service.
338. City of Red Bud	Interconnection Contract, dated July 19, 1976	N/A	December 31, 2007	Full requirements service.
339. Illinois Power Company	Interconnection Agreement, dated March 1, 1983, and Amendment No. 1 dated June 24, 1983	N/A	N/A	Interchange Agreement
340. Central Illinois Public Service Company	Interconnection Agreement, dated May 2, 1972	N/A	N/A	Interchange Agreement
341. Indiana Statewide Rural Electric, Inc., Big Rivers Rural Electric Cooperative Corporation, and City of Henderson, Kentucky	Interconnection Agreement, dated April 1, 1968, with Supplements	N/A	N/A	Interchange Agreement

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
342. Hoosier Energy	Partial Interconnection Agreement between Indiana Statewide Rural Electric Cooperative, Inc., Public Service Company of Indiana, Inc. and SIGECO to serve Hoosier Energy, dated as of March 9, 1971	FERC Rate Schedule No. 27	5-years' advance notice.	Energy Transfer under Service Schedule A and Wheeling Service under Service Schedule F
343. Alcoa Power Generating Inc. ("APGI")	Electric Power Agreement between SIGECO and Alcoa Power Generating Inc., which was originally executed May 28, 1971, as amended.	SIGECO Rate Schedule No. 29 and APGI Rate Schedule No. 2	3 months' advance written notice, but not prior to April 30, 2004.	Provides for the flow through from SIGECO to APGI of administrative and/or tax costs imposed on SIGECO by the Midwest ISO by virtue of the APGI load.

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WABASH VALLEY POWER ASSOCIATION

Customer Name and Contract Title	Rate Schedule No.	Term of Agreement	Services and Transaction Terms
344. Power Sales Agreements with Boone County REMC, Carroll County REMC, Central Indiana Power, Fruit Belt Elec. Coop., Fulton County REMC, Hendricks County REMC, Jasper County REMC, Jay County REMC, Kankakee County REMC, Kosciusko County REMC, LaGrange County REMC, Marshall County REMC, Miami-Cass County REMC, Newton County REMC, Noble REMC, Northeastern REMC, Park County REMC, Paulding-Putman Elec. Coop., Steuben County REMC, Tipmont REMC, United REMC, Wabash County REMC, Warren County REMC, White County REMC	N/A	04/14/28	Bundled wholesale power and transmission service agreements.
345. Memorandum of Understanding dated March 2, 1994 by and between PSI and Wabash Valley, providing Wabash Valley with transmission rights over facilities owned by Cincinnati Gas & Electric Co.	N/A	Indefinitely	Transmission rights and revenue sharing over the Cinergy transmission system.
346. PSI/IMPA Power Coordination Agreement	N/A	12/31/14	Agreement on use of Joint Transmission System
347. Transmission and Local Facilities Ownership Agreement between PSI/WVPA/IMPA	FERC Rate Schedule No. 253	Indefinitely	Joint Transmission System Ownership Agreement.

Issued by: James P. Torgerson, Issuing Officer
Issued on: March 29, 2002

Effective: April 1, 2002

Midwest ISO
FERC Electric Tariff, Second Revised Volume No. 1

Second Revised Sheet No. 464
Superseding First Revised Sheet No. 464

XCEL ENERGY

I. NORTHERN STATES POWER COMPANY and NORTHERN STATES POWER COMPANY (WISCONSIN)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
348. City of Windom, MN	Transmission Capacity and Planning Agreement	NSP 455	After 8/15/08 with 3-years' notice	Transmission services.
349. City of Springfield, MN	Transmission Capacity and Planning Agreement	NSP 454	After 8/15/08 with 3-years' notice	Transmission services.
350. Cooperative Power Association (now Great River Energy)	Transmission Capacity and Planning Agreement	NSP 457	After 8/31/08 with 4-years' notice	Transmission Services.
351. Missouri Basin Municipal Power Agency (now Missouri River Electric Services)	Transmission Capacity and Planning Agreement	NSP 456	After 8/31/08 with 4-years' notice	Transmission Services.
352. City of Ada, MN	Municipal Interconnection & Interchange Agreement	NSP 474	After 12/31/12 with 3-years' notice	Transmission and Interconnection Services.
353. City of East Grand Forks, MN	Municipal Interconnection & Interchange Agreement	NSP 483	After 12/31/12 with 3-years' notice	Transmission and Interconnection Services.
354. City of Fairfax, MN	Municipal Interconnection & Interchange Agreement	NSP 477	After 12/31/12 with 3-years' notice	Transmission and Interconnection Services.
355. City of Hillsboro, ND	Municipal Transmission Service Agreement	NSP 414	On or after 12/31/97 with 4-years' notice	Transmission Services.
356. City of Marshall, MN	Transmission Service Agreement	NSP 513	After 01/01/95 with 4-years' notice	Transmission Services.
357. City of Melrose, MN	Interconnection & Interchange Agreement	NSP 482	After 12/31/12 with 3-years' notice	Transmission and Interconnection Services.

Issued by: James P. Torgerson, Issuing Officer
Issued on: January 28, 2004

Effective: October 31, 2003

XCEL ENERGY – CONT'D.

I. NORTHERN STATES POWER COMPANY and NORTHERN STATES POWER COMPANY (WISCONSIN)

358. City of Sauk Centre, MN	Transmission Service Agreement	NSP 449	2-years' notice	Transmission services.
359. City of St James, MN	Municipal Transmission Service Agreement	NSP 412	After 04/29/96 with 4-years' notice	Transmission services.
360. City of Sioux Falls, SD	Municipal Interconnection & Interchange Agreement	NSP 484	12/31/12 with 3-years' notice	Transmission services.
361. City of Sleepy Eye, MN	Interconnection & Interchange Agreement	NSP 393	09/01/04	Transmission and Interconnection services and power sales.
362. Minnesota Municipal Power Agency	Interconnection & Interchange Agreement	3-NSP	4/30/12 with 5-years' notice	Transmission and Interconnection services.
363. South Dakota State Penitentiary	Restated Transmission Service Agreement between NSP and the State of South Dakota	NSP 385	After 10/20/87 with 4-years' notice	Transmission services for WAPA allocation.
364. University of North Dakota	Transmission and Transformation Agreement	NSP 440	After 06/22/94 with 4-years' notice	Transmission services for WAPA allocation.
365. City of Granite Falls, MN	Transmission Service Agreement	NSP 436	After 12/31/00 with 2-years' notice	Transmission services.
366. Northwestern Wisconsin Electric Company (Blackbrook Hydro)	Interconnection & Interchange Agreement	NSP 451	2-years' notice	Transmission and Interconnection services.

XCEL ENERGY – CONT'D.

I. NORTHERN STATES POWER COMPANY and NORTHERN STATES POWER COMPANY (WISCONSIN)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
367. United Power Association (now Great River Energy)	Resolution Agreement		4/30/15	Joint ownership and transmission capacity allocation agreement.
368. Manitoba Hydro	Diversity Exchange	N/A	10/31/16	200 MW
369. Manitoba Hydro	Diversity Exchange	N/A	4/30/19	200/400/150 MW
370. United Power Association	Diversity Exchange	NSP 442	4/30/09 with 5-years' notice	50 MW
371. Otter Tail Power	Diversity Exchange	NSP 488	10/30/04 with 5-years' notice	75 MW
372. Wisconsin Public Power Inc.	Eastern Transmission Agreement	NSP Companies 465	5-years' notice	Transmission service for up to 62 MW for WPPI loads in eastern Wisconsin.
373. Wisconsin Public Power Inc.	Western Transmission Agreement	NSP Companies 466	5-years' notice	Transmission service for WPPI loads in western Wisconsin.
374. City of Marshfield, WI, Wisconsin Power & Light Company, Wisconsin Public Service Corporation	Arpin Substation Benefit Area Joint Operating, Planning and Cost Sharing Agreement	NSPW 473	4-years' notice to terminate after 12-31-08	Transmission capacity and cost allocation agreement.
375. Cooperative Power Association (now Great River Energy)	Service Agreement for Network Integration Transmission Service, dated 11-1-96	NSP Companies, Volume 2, No. 96	2-years' notice	Network integration transmission service. Rate Moratorium terminates on 09/30/04.

XCEL ENERGY – CONT'D.

I. NORTHERN STATES POWER COMPANY and NORTHERN STATES POWER COMPANY (WISCONSIN)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
376. United Power Association (now Great River Energy)	Service Agreement for Network Integration Transmission Service, dated 2-1-97	NSP Companies, Volume 2	2-years' notice	Network integration transmission service. Rate Moratorium terminates on 09/30/04.
377. Dairyland Power Cooperative	Service Agreement for Network Integration Transmission Service, dated 11-1-96	NSP Companies, Volume 2, No. 94, and Supplement No. 1	2-years' notice	Network integration transmission service. Rate Moratorium terminates on 09/30/04.
378. Southern Minnesota Municipal Power Agency	Service Agreement for Network Integration Transmission Service, dated 11-1-96	NSP Companies, Volume 2, No. 95	2-years' notice	Network integration transmission service. Rate Moratorium terminates on 09/30/04.
379. Central Minnesota Municipal Power Agency	Service Agreement for Network Integration Transmission Service, dated 6-14-96	NSP, Volume 1, No. 78	2-years' notice	Network integration transmission service. Rate Moratorium terminates on 09/30/04.

XCEL ENERGY – CONT'D.

I. NORTHERN STATES POWER COMPANY and NORTHERN STATES POWER COMPANY (WISCONSIN)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
380. GEN~SYS Energy	Service Agreement for Network Integration Transmission Service, dated 4-1-98	Supplement No. 1 to NSP Companies, Volume 3, No. 96	1-year's notice	Network integration transmission service. Rate Moratorium terminates on 09/30/04.
381. City of Bangor, WI	Power and Energy Supply Agreement	NSPW 112	After 03/31/02 with 3-years' notice	Full requirements bundled sale.
382. City of Barron, WI	Power and Energy Supply Agreement	NSPW 103	After 08/30/02 with 3-years' notice	Full requirements bundled sale.
383. City of Bloomer, WI	Amended and Restated Power and Energy Supply Agreement	NSPW 106	After 08/08/05 with 10-years' notice	Full requirements bundled sale.
384. City of Cadott, WI	Amended and Restated Power and Energy Supply Agreement	NSPW 104	After 08/31/05 with 10-years' notice	Full requirements bundled sale.
385. City of Cornell, WI	Power and Energy Supply Agreement	NSPW 113	After 12/31/02 with 5-years' notice	Full requirements sale.
386. City of Spooner, WI	Power and Energy Supply Agreement	NSPW 105	Evergreen year-to-year service with 3-years' notice	Full requirements bundled sale.
387. City of Trempeleau, WI	Amended and Restated Power and Energy Supply Agreement	NSPW 108	11/1/06 and if not terminated by 5-years' notice, continuing on until terminated	Full requirements bundled sale.
388. City of Wakefield, WI	Amended and Restated Power and Energy Supply Agreement	NSPW 107	After 10/31/05 with 10-years' notice	Full requirements bundled sale.

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XCEL ENERGY – CONT'D.

I. NORTHERN STATES POWER COMPANY and NORTHERN STATES POWER COMPANY (WISCONSIN)

Customer Name	Contract Title	Rate Schedule No.	Termination Provisions	Services and Transaction Terms Grandfathered
389. East River Electric Cooperative	Transmission Service Exchange Agreement	Supplement No. 16 to NSP 331	4-years' written notice or 3 years if wheeling contract cancelled	Transmission exchange service.
390. United Power Association, Northern Minn. Power Association, Rural Cooperative Power Association	Transmission Service Agreement (Stanton)	Supplement No. 1 to NSP 309	42-months' written notice	Transmission service and cost allocation agreement.
391. East River Electric Power Cooperative, Inc. (formerly Renville/Sibley Cooperative Power Association)	Transmission Service Agreement, dated 10/1/1966	NSP 331	4-years' written notice	Transmission service.
392. Southern Minnesota Municipal Power Agency	Settlement Agreement, dated 06/01/96 (Docket Nos. EC95-16-000; ER95-1357-000 and ER95-1358-000; and EL91-43-000 and EL91-13-000)			The Settlement Agreement calls for SMMPA to receive future network transmission service under NSP's network service tariff as well as load following service from NSP's system based on SMMPA's portion of Sherco Unit 3 automatic generation control capabilities.

Issued by: James P. Torgerson, Issuing Officer
Issued on: January 28, 2004

Effective: October 31, 2003

[FR Doc. 04–12579 Filed 6–7–04; 8:45 am]
BILLING CODE 6717–01–C