

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket No. ER04-1096-001
ER04-1096-002

ORDER ON REHEARING AND JOINT OPERATING AGREEMENT

(Issued January 21, 2005)

1. This order addresses the rehearing request filed by the Southwest Power Pool, Inc. (SPP) of the Commission's order issued in this proceeding on October 1, 2004 (JOA Order),¹ regarding SPP's proposed joint operating agreement (SPP JOA) with the Midwest Independent Transmission System Operator, Inc. (Midwest ISO). In the JOA Order, the Commission accepted the SPP JOA as an interim solution, and granted SPP regional transmission organization (RTO) status, subject to SPP committing to file by December 1, 2004, either a revised, executed JOA that addresses market-to-non-market issues or, in the alternative, an executed version of the draft JOA attached to the Midwest ISO's comments. On rehearing, SPP challenges the Commission's alternative directive that SPP file an executed version of the draft JOA attached to the Midwest ISO's comments. With further explanation, we will deny SPP's rehearing request.
2. This order also addresses SPP's second proposed JOA, an agreement executed with the Midwest ISO (SPP-Midwest ISO JOA) and submitted pursuant to the JOA Order. As discussed below, we will conditionally accept the SPP-Midwest ISO JOA for filing, effective December 1, 2004.
3. Our action here benefits customers by ensuring that boundaries between adjacent RTOs are managed in a reliable and equitable manner.

¹ *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,008 (2004).

Background

4. By order issued February 10, 2004 (February 10 Order),² the Commission conditionally granted SPP's application for recognition as an RTO. Pursuant to Order No. 2000,³ we informed SPP that it must satisfy several prerequisites prior to receiving final RTO authorization. Relevant here, we required "SPP to have on file with the Commission a seams agreement with Midwest ISO and to participate in the Joint and Common Market with Midwest ISO and PJM [(PJM Interconnection, LLC)]."⁴ We imposed these requirements in order to address protestors' concerns regarding the adequacy of SPP's scope and configuration as required by Order No. 2000.

5. On May 3, 2004, SPP submitted its compliance filing to the February 10 Order which, among other things, included a memorandum of understanding (MOU) between itself and the Midwest ISO regarding seams issues. SPP further stated that it would participate in the Joint and Common Market under Midwest ISO market to SPP non-market (market-to-non-market) protocols until it implements its imbalance market and determines whether a market-based congestion management system is cost-beneficial. SPP also stated that it was pursuing with the Midwest ISO a JOA to be based upon the JOA executed between the Midwest ISO and PJM (PJM JOA).

6. By order issued July 2, 2004 (July 2 Order),⁵ the Commission accepted in part and rejected in part SPP's compliance filing to the February 10 Order. On the matter of SPP's scope and configuration, we found that SPP had not fully satisfied the February 10 Order's RTO prerequisite that SPP have on file a seams agreement with the Midwest ISO. We stated that, in order to satisfy the February 10 Order, the seams agreement must be filed pursuant to section 205 (and meet Order No. 614 requirements). We further found that the seams agreement must provide detail on how SPP and the Midwest ISO will coordinate RTO operations, including, but not limited to, the following:

Procedures for ensuring Available Flowgate Capacity (AFC) and Available Transfer Capability (ATC) are calculated consistently, coordinated on a multi-system basis and published to all market participants;

² *Southwest Power Pool, Inc.*, 106 FERC ¶ 61,110 (2004).

³ *Regional Transmission Organizations, Order No. 2000*, 65 Fed. Reg. 809 (January 6, 2000), FERC Stats. & Regs., ¶ 31,089 (1999), *order on reh'g, Order No. 2000-A*, 65 Fed. Reg. 12,088 (March 8, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), *affirmed sub nom. Public Utility District No. 1 of Snohomish County, Washington v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

⁴ February 10 Order at P 63.

⁵ *Southwest Power Pool*, 108 FERC ¶ 61,003 (2004).

Procedures for developing consistent treatment of Transmission Reliability Margin (TRM) and Capacity Benefit Margin (CBM);

Type, and timing, of information exchange related to AFC, ATC, TRM and CBM;

Procedures for coordinating emergency and restoration procedures, prevention of system collapse and instability;

Procedures for coordinating operational model data updates and exchanging such data; and

Details on notification and coordination of maintenance outages of generation and transmission lines impacting inter-RTO transfer capability.⁶

7. On August 2, 2004, SPP submitted the unexecuted SPP JOA. Protestors, including the Midwest ISO, argued that the SPP JOA failed to comply with the July 2 Order, because it failed to substantively address market-to-non-market issues, such as congestion management and flowgate coordination. For that reason, the Midwest ISO indicated it had not signed it. Further, the Midwest ISO attached to its comments a draft JOA, which, according to the Midwest ISO, came out of discussions with SPP, contained coordinated flowgate provisions, and was based upon the PJM JOA. On the other hand, SPP, SPP transmission owners (TOs) and the SPP Regional State Committee (RSC) argued that neither the Commission's prior orders regarding SPP's RTO status nor Order No. 2000 required SPP to address all coordination issues prior to market operations.

JOA Order

8. In the JOA Order, we found that the SPP JOA provisions pertaining to current non-market-to-non-market operations were just and reasonable and in compliance with the February 10 and July 2 Orders for the period prior to Midwest ISO market start-up on March 1, 2005. However, we found that the provisions regarding congestion management and flowgate coordination require modification. We stated:

[T]he Commission has clearly and consistently stated that SPP must have a seams agreement with the Midwest ISO on file as a prerequisite for RTO status. The February 10 Order imposed the mandate and the July 2 Order reiterated and further clarified it. This mandate requires that the agreement be executed and adequate in scope, *i.e.*, contain provisions to address an

⁶ July 2 Order at P 53.

imminent circumstance, namely, the Midwest ISO market to SPP non-market conditions, expected to be in effect by March 1, 2005 (when the Midwest ISO commences its markets).⁷

9. We further noted SPP's own stated expectations regarding its seams agreement with the Midwest ISO. As set forth in its previous RTO compliance filing, SPP anticipated that its seams agreement with the Midwest ISO would be based on the PJM JOA, and that SPP would finalize and have on file this agreement prior to being granted RTO approval.⁸ In addition, SPP had committed to participate in the Midwest ISO-PJM Joint and Common Market under market-to-non-market protocols until such time as it implements markets and market-based congestion management.⁹

10. We noted in the JOA Order that, despite our prior orders and SPP's commitments, the SPP JOA was not a joint filing and that it lacked certain market-to-non-market elements, including flowgate coordination procedures. Citing the PJM JOA Order I, we stressed that "the general principle of respecting flowgate capability between RTOs is one of the most important aspects of the JOA" and that "respecting even a partial list of flowgates represents an improvement over the coordination that occurs [without a seams agreement]."¹⁰ The SPP JOA left only placeholders for these critical market-to-non-market elements, elements that would need to be operational by March 1, 2005, when the Midwest ISO's markets commence. Because the July 2 Order called for the seams agreement to "provide detail on how SPP and the Midwest ISO will coordinate RTO operations," and because the Midwest ISO's market operations are imminent, we found SPP's "agreement to agree" on congestion management and coordinated flowgates to be inadequate and non-compliant.¹¹

11. We further stated that, while some minor adjustments may be necessary, we do not believe that the market-to-non-market provisions in the SPP JOA must significantly differ from those in the PJM JOA, which we have determined to be just and reasonable.

⁷ JOA Order at P 28.

⁸ See SPP's compliance filing in Docket No. RT04-1-002, *et al.*, filed May 3, 2004.

⁹ See JOA Order at P 30.

¹⁰ JOA Order at P 31 (citing *Midwest Independent Transmission System Operator, Inc.*, 106 FERC ¶ 61,251 at P 32 and 34 (2004) (PJM JOA Order I), *order on reh'g*, 108 FERC ¶ 61,143 (2004)).

¹¹ JOA Order at P 31.

We found this to be particularly true, given SPP's commitment to participate in the Joint and Common Market, which would necessitate a common form of coordinated operations across all three RTOs. We added:

[B]ased on the record here, it would appear that both sides are approaching the negotiations with a common end-state in mind, namely, an agreement consistent with the PJM JOA. We note that the draft JOA contains market-to-non-market provisions that are consistent with those in the PJM JOA that is on file. We believe that the substantive components of the PJM JOA, which we have accepted, are appropriate for use in the market-to-non-market circumstances under which SPP and the Midwest ISO will operate.¹²

12. Based upon the foregoing, we accepted for filing the SPP JOA as an interim solution and granted SPP RTO status subject to SPP committing to file by December 1, 2004 either: (1) a revised JOA that is executed by SPP and the Midwest ISO, and addresses market-to-non-market issues, including a Congestion Management Process and coordinated flowgates; or (2) the draft JOA executed by SPP and the Midwest ISO.¹³ The JOA Order also required SPP to file documentation of its commitment to file such revisions.

SPP's Rehearing Request

13. On rehearing, SPP argues that the JOA Order establishes the Midwest ISO's draft JOA as the default compliance alternative, and, consequently, deprives SPP of any leverage it might have had with the Midwest ISO in renegotiating the terms of the SPP JOA. In addition, SPP argues that the Commission failed to find that the specific terms and conditions of the draft JOA (that is based on the PJM JOA) are just and reasonable as applied to the Midwest ISO-SPP seam. Indeed, SPP asserts that there are significant distinctions between the Midwest ISO-PJM seam and the Midwest ISO-SPP seam, distinctions that are not accounted for in the draft JOA.¹⁴ SPP contends that modifications should be made to the draft JOA coordination process, in order to improve

¹² *Id.* at 32.

¹³ *Id.* at P 33. We further noted that SPP may negotiate changes to the draft JOA, provided that such changes are fully supported as being consistent with or superior to the terms of that draft. Of course, such changes may not include elimination of market-to-non-market provisions. *Id.* at n.29.

¹⁴ For example, SPP describes the Midwest ISO-PJM seam as "more extensive and highly marbled," compared to the Midwest ISO-SPP seam, which is a "very simple interface with the Ameren system." SPP Rehearing Request at 9.

the administration of transmission rights in a more transparent manner, without compromising the reliability of real-time operations. To that end, attached to SPP's rehearing request is a proposal for allocating and sharing available flowgate capacity on a forward looking basis that replaces the forward allocation of flowgate capacity. SPP states that this proposal is better suited to the Midwest ISO-SPP seam and recognizes the coordination of flowgate capacity on a forward-looking basis for day-ahead time frames, as well as time frames beyond day-ahead. SPP argues that, if the Commission continues to require SPP to use the draft JOA as the default, it should allow the flowgate rights issue to remain open for further resolution. SPP argues that the same flowgate coordination issues are being litigated in Docket No. ER04-375-000 (involving the PJM JOA). SPP claims that, in that case, PJM has taken the same position that SPP now raises, namely, that flowgate rights beyond the initial allocation of flowgate capability should be allocated on a first-come, first-served basis. SPP argues that the Commission has given the parties in that case an opportunity for a paper hearing, and the same should be done here.

14. According to SPP, it agrees with the Midwest ISO that existing rights are given first priority to flowgate capacity. However, for the purpose of selling longer term service, the Midwest ISO's proposal has the remaining flowgate capacity allocated to each RTO on a pro-rata basis, given their current use, while SPP prefers remaining flowgate capacity to be made available on a first-come, first-served basis. SPP agrees with the Midwest ISO's proposal that available flowgate capacity should be shared on a shorter term basis. SPP asserts that, in contrast to the coordination procedures contained in the PJM JOA, SPP's proposal will eliminate the occurrence of situations where transmission service is refused by an entity due to their lack of flowgate capacity allocation, even though AFC/ATC may actually exist but is allocated to the neighboring RTO. SPP states that its proposal relies solely on properly calculated and coordinated AFCs as the basis for granting or denying transmission requests rather than using the lesser of an AFC value and an entity's allocation for such determination, as is the case in the current PJM JOA. This process, according to SPP, will provide a greater level of transparency to market participants.

15. Finally, SPP argues that the Commission has continually expanded its JOA requirements, and therefore, impeded SPP's compliance efforts. SPP argues that the JOA Order failed to identify any requirement of the July 2 Order that SPP failed to meet.

16. On November 17, 2004, the RSC filed comments in support of SPP's rehearing request. The RSC echoes SPP's argument that the JOA Order adopted the Midwest ISO's draft JOA as a default and thereby ensures that draft's ultimate adoption, regardless of its applicability to the SPP region. Of primary concern to the RSC is the reservation of capacity on constrained flowgates used by both regions, an issue the RSC asserts has become problematic under the PJM JOA. The RSC argues that duplication of the problem in SPP would be unjust and unreasonable and inconsistent with the February 10

Order. The RSC contends that the February 10 Order provides that SPP, in conjunction with the RSC, may determine its most cost-effective market design, which includes allocation of transmission capacity and choice of congestion management method. The RSC interprets the JOA Order as imposing the PJM-Midwest ISO flowgate capacity allocation method on SPP and argues that it fails to recognize and respect regional differences, erroneously taking a standardized approach to transmission capacity and related markets. The RSC requests that, as a reflection of the Commission's commitment to recognize and respect regional differences, the Commission reconsider its directive in the JOA Order.

Motion to Strike

17. On November 19, 2004, the Midwest ISO filed a motion to strike SPP's request for rehearing. The Midwest ISO objects to SPP's introduction of its proposal for replacing forward allocation of flowgate capacity (attached to its rehearing request) and argues that the Commission should strike portions of SPP's rehearing request that rely on that proposal. The Midwest ISO also challenges as improper SPP's reference to issues pending in Docket No. ER04-375-000. The Midwest ISO further asserts that SPP repeatedly stated to the Commission that the SPP JOA would be based upon the PJM JOA, and that therefore, SPP is estopped from arguing that the Commission should deviate from the PJM JOA model.

18. In response to the Midwest ISO, SPP states that its rehearing request properly addresses new findings made by the Commission in the JOA Order. Specifically, SPP argues that, in the JOA Order, the Commission for the first time required SPP to sign the Midwest ISO's proposed JOA as a default, and that section 313 of the FPA¹⁵ allows SPP to challenge that finding on rehearing. SPP further asserts that it properly referenced the proceeding in Docket No. ER04-375-000, regarding the PJM JOA, because, according to SPP, the issues in that case and here are the same. Finally, SPP contends that it is not estopped from challenging the relevance of the PJM JOA to this case, because it has not previously litigated issues involving the Midwest ISO-SPP seam.

Procedural Matters

19. Rule 713(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.713(d) (2004) prohibit answers to rehearing requests. The Midwest ISO's motion to strike is, in essence, an answer to SPP's rehearing request. Accordingly, we reject it, as well as SPP's response. We further reject the RSC's comments, since they essentially constitute an answer (albeit supportive) to SPP's rehearing request. In any event, the discussion relevant to SPP's arguments on rehearing also addresses the concerns raised by the RSC.

¹⁵ 16 U.S.C. § 8251 (2000).

Discussion

20. With further explanation, we will deny SPP's request for rehearing. SPP has been on notice since February 10, 2004 (when we issued the February 10 Order granting SPP RTO status, subject to fulfillment of certain requirements), that it must "have on file with the Commission a seams agreement with Midwest ISO" as a prerequisite to being recognized as an RTO.¹⁶ On May 3, 2004, SPP submitted a memorandum of understanding with the Midwest ISO, along with the commitment that it would subsequently file a JOA based upon the PJM JOA. In the July 2 Order, accepting SPP's commitment, we reiterated our directive that SPP have on file a seams agreement (or JOA) with the Midwest ISO, specifically stated that the agreement, among other things, must address coordinated flowgates, and gave SPP an additional 30 days to file it.¹⁷ In August, again rather than filing a comprehensive seams agreement with the Midwest ISO that would remain useful after Midwest ISO market start-up, SPP filed the unexecuted SPP JOA. On October 1, 2004, in the JOA Order, we accepted the unexecuted SPP JOA as an interim measure and gave SPP an additional 60 days, to December 1, 2004, to file the seams agreement (in SPP's chosen form of the JOA) directed almost nine months earlier (in the February 10 Order). Given that SPP had not yet filed a seams agreement including a proposal for allocating and sharing coordinated flowgate capacity with the Midwest ISO, and the imminent launch of test market operations by the Midwest ISO in advance of its market start date of March 1, 2005, we provided SPP with the option of filing the draft JOA submitted by the Midwest ISO.¹⁸ We believe that the Midwest ISO's draft JOA provides a workable solution for resolving SPP and the Midwest ISO's seams issues at Midwest ISO's imminent market start-up and satisfies an important prerequisite for SPP, established in the February 10 Order, to achieve RTO status.

21. We reject the notion that the Commission has continually expanded its JOA requirements, and therefore, impeded SPP's compliance efforts. Rather, the Commission has expounded upon its first directive that SPP file a seams agreement with the Midwest ISO, in order to provide guidance to SPP in satisfying the Commission's RTO requirements.

¹⁶ February 10 Order at P 2.

¹⁷ July 2 Order at P 53.

¹⁸ We further note that SPP in fact was able to negotiate changes to the draft JOA submitted by the Midwest ISO. In SPP's transmittal letter to the proposed SPP-Midwest ISO JOA (discussed below), SPP states that the JOA reflects mutually agreed-upon changes to the version submitted earlier by the Midwest ISO. SPP Transmittal Letter at 2.

22. We also disagree with the argument that the JOA Order takes a standardized approach to seams agreements, without regard to regional differences. We emphasize that both the SPP JOA and the Midwest ISO's proposed draft JOA addressed in the JOA Order pertain to the Midwest ISO's market to SPP's non-market conditions. The market portion of the market-to-non-market provisions applies not to SPP, but to the Midwest ISO, leaving undetermined the coordination procedures for when SPP operates markets. Nothing in the JOA Order prevents SPP from determining its most cost-effective market design. The JOA allocation methodology assigns inter-RTO transmission rights to each RTO in a forward process based on historical usage of the transmission lines but allows each RTO the right of flowgate allocation and congestion management within those constraints.

23. In addition, we have not stated that the PJM JOA approach is the only acceptable one. Indeed, in the PJM JOA Order II, we encouraged the parties to use the stakeholder process to develop improvements to the PJM JOA.¹⁹ Likewise, we encourage SPP and the Midwest ISO stakeholders to jointly work on improvements to any SPP-Midwest ISO JOA filed with the Commission. Nothing in the JOA Order prevents the filing of negotiated amendments, which could include coordinated procedures to accommodate service requests that require available flowgate capacity on the neighboring system.

24. As for the substance of the option we provided to SPP, SPP has raised no operational problems with the PJM JOA, nor has it argued that a market-to-non-market JOA is not necessary. SPP acknowledges the need to have coordinated operations, especially in light of its commitment to participate in the Joint and Common Market, which would necessitate a common form of coordinated operations across all three RTOs. While we have not found that the PJM JOA is the only satisfactory approach, the JOA proposed by the Midwest ISO does adopt procedures to address these loops flows, providing certainty of inter-RTO transmission rights for both economic and reliability purposes. While we encourage the parties to jointly develop enhancements to the SPP-Midwest ISO JOA, we have further found, and reiterate here, that the market-to-non-market JOA must provide for coordinated flowgates in order to maintain reliability and for SPP to qualify as an RTO.

25. Finally, we find that SPP improperly submitted its congestion management proposal (attached to its rehearing request) at the rehearing stage of this proceeding. Accordingly, we will not address it.

26. Given our denial of SPP's rehearing request, we now turn our attention to the filed SPP-Midwest ISO JOA.

¹⁹ *Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.*, 109 FERC ¶ 61,166 at P 29 (2004) (PJM Order II).

The SPP-Midwest ISO JOA

27. Notwithstanding its rehearing arguments, on December 2, 2004, SPP submitted the executed SPP-Midwest ISO JOA. SPP states that the JOA reflects minimal, mutually agreed-upon modifications to the draft JOA previously submitted by the Midwest ISO in its comments. SPP asserts that the JOA includes a congestion management process similar to that included in the PJM JOA. With this filing, SPP believes it has fully satisfied the terms of the JOA Order.

28. SPP further states that it and the Midwest ISO continue to negotiate certain modifications to the JOA, including capacity allocation enhancements addressed in the PJM JOA Order II and designated for consideration in the joint stakeholder process initiated by that order. SPP states that it intends to participate in that process and that additional changes to the SPP JOA may be forthcoming as a result.

Notice of the Filing and Responsive Pleadings

29. Notice of the filing was published in the *Federal Register*,²⁰ with protests and interventions due on or before December 23, 2004. The Indicated Parties²¹ filed a timely motion to intervene and comments.²²

30. The Indicated Parties support the filing of a JOA between SPP and the Midwest ISO, but express concern regarding the process for forward flowgate allocation provided for in the SPP-Midwest ISO JOA proposed here. The Indicated Parties state that the SPP-Midwest ISO JOA contains a congestion management process for non-market to-market coordination procedures similar to that contained in the PJM JOA at issue in Docket No. ER04-375-007. They assert that, in that case, they identified a problem with the process of allocating flowgate capacity among PJM and the Midwest ISO under their JOA, namely, that the RTOs were using the allocation process in evaluating forward requests for transmission service. They contend that the forward allocation process resulted in inappropriate denials of transmission service when capacity was, in fact, available, and that, therefore, the process: (1) violated the first-come, first served

²⁰ 69 Fed. Reg. 74,515 (2004).

²¹ The Indicated Parties include: American Electric Power Service Corporation, on behalf of AEP operating companies; Southwestern Electric Power Company and Public Service Company of Oklahoma, Inc.; Exelon Corporation; Westar Energy, Inc.; The Empire District Electric Company; Kansas City Power & Light Company; Midwest Energy, Inc.; and Ameren Service Company.

²² Although the Indicated Parties did not expressly seek intervention, in their comments, they requested that they be “allowed to participate in this proceeding as a party.” Therefore, we will treat their comments as a motion to intervene, as well.

principles of Order No. 888²³; and (2) resulted in underutilization of the transmission system. The Indicated Parties contend that, after briefing procedures in that case, the Commission declined to mandate adoption of an alternative process, but acknowledged that all parties seemed to agree that enhancements to the allocation procedures in the PJM JOA should be considered. The Indicated Parties note that PJM volunteered to facilitate a joint stakeholder process on this issue, and that the Commission encouraged all stakeholders to participate in that process.²⁴ The Indicated Parties contend that the Midwest ISO, PJM and SPP have already begun the stakeholder process and that the Commission should direct that the SPP-Midwest ISO JOA at issue here be amended, as necessary, to incorporate the outcome of that process.

Procedural Matters

31. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the Indicated Parties' timely, unopposed motion to intervene serves to make them parties to this proceeding.

Discussion

32. The Commission finds that the SPP-Midwest ISO JOA generally satisfies the requirements of the October 1 Order, and, accordingly, we will conditionally accept it for filing, effective December 1, 2004. The JOA is executed and contains acceptable flowgate capacity allocation and congestion management protocols, explicit to the market-to-non-market coordination that will be necessary when the Midwest ISO market commences.

33. We note, however, that the Executive Summary of the Congestion Management Process attached to the SPP-Midwest ISO JOA states that the procedures therein constitute the "first draft" of the Congestion Management Process document. In order to avoid ambiguity concerning the force and effect of the Congestion Management Process,

²³ *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 (1996), *order on reh'g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 (1997), *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

²⁴ PJM Order II at P 29.

as part of the SPP-Midwest ISO JOA, we conclude that this executed document governs until any amendments thereto are accepted by the Commission. SPP shall file a corrected copy of the agreement that removes the word “draft.”

34. With regard to the concerns of the Indicated Parties, we recognize that the SPP-Midwest ISO JOA may be subject to amendment. As we did in the PJM JOA Order, we encourage the parties and interested stakeholders in this proceeding to develop improvements to the congestion management process and any other procedures. However, we will not direct that the SPP-Midwest ISO JOA be amended in accordance with the outcome of stakeholder discussions relevant to the PJM JOA. Any amendments to the SPP-Midwest ISO JOA should be filed with the Commission as provided for by statute, Commission regulations, and the agreement itself.

The Commission orders:

(A) SPP’s request for rehearing is hereby denied.

(B) The SPP-Midwest ISO JOA is hereby conditionally accepted for filing, effective December 1, 2004, as discussed in the body of this order.

(C) SPP is hereby directed to submit a compliance filing, within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.