118 FERC ¶ 61, 017

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

PJM Interconnection, LLC,
New York System Operator, Inc., and
ISO New England Inc.

Docket No. ER07-231-000

ORDER ACCEPTING FOR FILING
PROCEDURE TO PROTECT FOR THE LOSS OF PHASE II IMPORTS, SUBJECT TO COMPLIANCE FILING

(Issued January 12, 2007)

1. On November 16, 2006, PJM Interconnection, LLC (PJM), New York Independent System Operator, Inc. (NYISO) and ISO New England Inc. (ISO-NE) (collectively, the Filing Parties) submitted as an informational filing, the Procedure to Protect for the Loss of Phase II Imports (the Procedure). As discussed below, the Commission accepts the filing, without suspension, under section 205(c) of the Federal Power Act (FPA)[1] and makes it effective after sixty days' notice, on January 16, 2007.

Background

2. As explained by the Filing Parties in the transmittal letter, the Procedure became effective on January 1, 1991, and was formulated by the predecessors of the Filing Parties: namely, the PJM Interconnection Office (PJM IO), the New York Power Pool (NYPP), and the New England Power Exchange (NEPEX) (collectively, the Predecessors). The Procedure has been used continuously since that time - initially by the Predecessors and subsequently by the Filing Parties - as a cooperative protocol to

[1] 16 U.S.C. § 824d (2000).

ensure the operation of the Hydro-Quebec/NEPOOL Phase II transmission tie (Phase II Tie) in a manner that protects reliability throughout the three respective control areas.

3. The Filing Parties state that the Procedure helps to ensure compliance with certain conditions of the Presidential Permit issued by the U.S. Department of Energy to operate the Phase II Tie.[2] One such condition is that the Phase II Tie "shall be operated at appropriate levels of import, up to a maximum of 2000 MW, that do not jeopardize regional reliability or place restrictions on the MEN system[3], unless such restrictions are agreed to by the affected parties within the interconnected systems in accordance with applicable interpool operating agreements."

4. The Filing Parties explain further that the operation and administration of the Phase II Tie (and the related "Phase I" Tie built prior to the Phase II Tie -- the Phase I Tie and the Phase II Tie collectively are referred to as the "HQ Tie") are addressed in detail in four agreements that were filed with the Commission pursuant to section 205 of the FPA: the HVDC Transmission Operating Agreement (HVDC TOA), the Interconnection Operators Agreement (IOA), the Asset Owners Agreement (the AOA), and the Phase I/II HVDC-TF Transmission Service Administration Agreement (TSAA).[4] Additional operational provisions, as well as rates, terms, and conditions for use of the HQ Tie are also contained in the ISO New England Inc. Transmission, Markets and Services Tariff (ISO-NE Tariff), FERC Electric Tariff No. 3, on file with the Commission.[5] In

[2] *Amendment to Presidential Permit PP-76 authorizing the Vermont Electric Transmission Company to Construct, Connect, Operate and Maintain the Electric Transmission Facilities at the International Border Between the United States and Canada*, issued September 16, 1988.

[3] The Filing parties explain that the term “MEN system” refers to the utility systems within the “MEN Regions,” i.e., the Mid-Atlantic Area Council (MAAC), the East Central Area Reliability Council (ECAR), and the Northeast Power Coordinating Council (NPCC).

[4] Transmittal Letter at 2.

[5] *Id.*

particular, Schedule 20A to Section II of the ISO-NE Tariff reflects rates, terms and conditions for service over the HQ Tie.[6]

5. As explained in the transmittal letter, the HQ Tie was built in two phases. The Phase I Tie was initiated in 1983 and commenced commercial operations in 1986. The Phase II Tie was initiated in 1986 and commenced commercial operations in 1990. The cost of constructing the HQ Tie exceeded $600 million. The United States portions of the Phase I Tie are owned by New England Electric Transmission Corporation and Vermont Electric Transmission Company. The United States portions of the Phase II Tie are owned by New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation. The Canadian portion of the interconnected HQ Tie is owned by Hydro-Quebec TransEnergie (HQTE), the transmission division of Hydro-Quebec.

6. According to the Filing Parties, the Phase I Tie includes a 107-mile direct current (DC) transmission line from Sherbrooke, Quebec to Monroe, NH. The nominal transfer capability of the Phase I Tie is 690 MW. There are two 690 MW AC/DC converter terminals at either end of the Phase I Tie. The Phase II Tie was constructed when HQTE extended the Phase I transmission line from Sherbrooke, Quebec approximately 700 miles north to James Bay, in northern Quebec and New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation extended the Phase I transmission line from Monroe, NH to Ayer, MA. The addition of the Phase II Tie facilities increased the nominal transfer capacity between HQTE and New England from 690 MW to approximately 2000 MW.

7. The Filing Parties state that, while the HQ Tie was designed with a nominal transfer capacity of 2000 MW, joint reliability studies performed by the Predecessors in advance of operation of the Phase II Tie indicated that the loss of the Phase II Tie under conditions in which a full 2000 MW of energy was being imported from Quebec into New England could cause the bulk power system in the Northeast and Middle Atlantic regions of the U.S. to experience instability, uncontrolled separation, or cascading outages, and that these adverse events could also occur at significantly lower import levels. Specifically, these studies concluded that “the loss of the Phase II facilities at

[6] *See ISO New England Inc*., 111 FERC ¶ 61,244 (2005) (accepting HVDC TOA, TSAA and Schedule 20A); Delegated Letter Order, Docket No. ER05-1250-000 (issued September 19, 2005) (accepting IOA and AOA).

high levels of imports could have a worse effect on NYPP and PJM than the worst internal contingency that these individual systems normally protect against."[7]

8. Consistent with NERC Reliability Standards, a failure to operate so as to account for a large-source contingency such as the loss of the Phase II Tie can result in a violation of an Interconnection Reliability Operating Limit (IROL).[8] Under NERC Reliability Standards, the Filing Parties are obligated to operate their control areas to respect IROLs. The Procedure thus represents the means by which an IROL is calculated, and through which this reliability obligation is fulfilled by the Filing Parties. In formulating the Procedure, the three control area operators determined that imports over the Phase II Tie would be limited to the extent necessary to insure that NYPP and PJM IO operational reliability criteria are not violated by a "Loss of Phase II Contingency." The absolute maximum Loss of Phase II Contingency allowable under the Procedure is 2200 MW.

9. According to the Filing Parties, at the time the Procedure was developed, the largest source in any of the three control areas, other than the Phase II Tie, was 1200 MW. Accordingly, PJM IO, NYPP and NEPEX determined that imports of energy over the Phase II Tie exceeding 1200 MW would be made subject to monitoring of reactive conditions at three interfaces in PJM, three interfaces in western New York, and the Central-East interface in NYPP. The data are currently transmitted by telemetering equipment to the ISO-NE control room and are used by ISO-NE to develop the hourly schedules for imports over the Phase II Tie that are consistent with reliable operation of all three control areas. The Procedure is designed to determine the maximum level at which the Phase II Tie could be operated to ensure that the Northeast and Middle Atlantic regions would not experience instability, uncontrolled separation or cascading outages. In addition, to ensure that reliability in the Eastern Interconnection is not put at risk by the occurrence of a contingency in New England that is larger than NYISO or PJM can absorb, the principles and limitations reflected in the Procedure are applied to other large output sources (or combinations of output sources) in New England.

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[7] Procedure at 1.

[8] IROL is defined in NERC's "Glossary of Terms Used in Reliability Standards" as: "The value (such as MW, MVar Amperes, Frequency or Volts) derived from, or a subset of the System Operating Limits, which if violated, could lead to instability, uncontrolled separation(s) or cascading outages that adversely impact the reliability of the Bulk Electric System."

10. The Filing Parties state that the Procedure has been used consistently by all three control areas since it was finalized in 1991. In addition, the Filing Parties and HQTE periodically review the Procedure on a joint basis to confirm its protocols and improve the efficiency of its implementation.[9] The Filing Parties state that the Procedure (and the loss-of-source-based scheduling limitations calculated pursuant thereto) has played a significant role in New England stakeholders' and NEPEX/ISO-NE's reliability review of large New England generation projects since the time of Phase II energization. Specifically, section I.3.9 of the ISO-NE Tariff provides that new generation projects and project uprates, *inter alia*, must undergo a technical review by ISO-NE (with the assistance of NEPOOL task forces) to determine whether the project/uprate will have a "significant adverse affect on the stability, reliability or operating characteristics of the Transmission Owner's transmission facilities, the transmission facilities of another Transmission Owner, or the system of a Market Participant."[10] If so, section I.3.10 requires, *inter alia*, that the Market Participant take action as the ISO determines what is reasonably necessary to avoid such adverse effect.[11] This "action" can take the form of compliance with conditions for project operation that are necessary to protect reliability. For example, a two-phased project to increase the net megawatt output (ultimately, to approximately 1250 MW) of Seabrook Station Unit l, located in Seabrook, New Hampshire, was reviewed under the section I.3.9 Process and authorized by ISO-NE only under the condition that the unit limit its gross output level in real-time operation such that the net loss of source that results from a contingent Seabrook generator trip is at or below the real-time-based minimum allowable net source loss for the NEPOOL Control Area. Any reductions to the gross output of Seabrook Station Unit I to meet this requirement will be required within 30 minutes of being directed to do so by ISO New England. The Filing Parties assert that in practice, few output limitations have occurred at Seabrook, and those have occurred mostly during off-peak periods.

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[9] The report of the most recent "Review of the PJM-NY-NE Procedures and Methodology for the TE-NE HVDC Line," issued May 6, 2005, is posted on the ISO-NE website at http://www.iso-ne. com/trans/ops/limits/pjm ny ne proc method ten e hvdc.doc. The purpose of the review is to "assess how the limit is applied in today's operation and to determine any improvement to the existing methodology that could maximize the use of this line to the advantage of all parties." *Id*. at i.

[10] The section I.3.9 process is currently integrated to be consistent with the large and small interconnection study process.

[11] Prior to the establishment of an RTO in New England, this process was set forth in sections 18.4 and 18.5 of the Restated NEPOOL Agreement. For the purposes of the instant filing, the process is referred to as the "section I.3.9 Process."

11. The Filing Parties aver that the reliability considerations reflected in the Procedure also figure in the operation of Mystic Units 8 and 9. A loss of the combination of those two units (resulting, for example, from a loss of a common fuel supply to those units) represents a large potential single-source contingency of 1600 MW. Accordingly, ISO-NE provides real-time output information for these two units to PJM and NYISO, and the combined generation output of the units is limited to the Phase II Import Limit as calculated under the Procedure. Under the Procedure, any exceeding of the Phase II Import Limit must be remedied within 30 minutes from the time the problem is identified. Likewise, a project to increase the megawatt output (to approximately 1260 MW) of the Millstone Nuclear Power Station Unit 3 generator, located in Waterford, Connecticut, was reviewed under the section I.3.9 Process and authorized by ISO-NE only under the condition that the unit limit its gross output level in real-time operation such that the net loss of source that results from a contingent Millstone Nuclear Power Station Unit 3 generator trip is at or below the real-time based maximum allowable net source loss for the NEPOOL Control Area. Any reduction to the gross output of Millstone Unit 3 to meet this requirement must occur within 30 minutes of being directed to do so by ISO-NE.

Interventions, Comments and Answers

12. Notice of the Filing Parties' November 16, 2006 filing was published in the Federal Register, 71 Fed. Reg. 69,208 (2006), with interventions due on or before December 7, 2006. Timely motions to intervene or intervene with comments were filed by: H.Q. Energy Services (U.S.), Inc. (HQ Energy Services), FirstEnergy Service Company (FirstEnergy), FPL Energy Seabrook, LLC (Seabrook), Dominion Resources, Inc. (Dominion), National Grid USA (National Grid), New York Transmission Owners, Northeast Utilities Service Company (Northeast Utilities), and Mystic Development, LLC (Mystic). A motion to intervene out-of-time was filed on December 11, 2006 by Epic Merchant Energy, LP (Epic). Answers were filed on December 22, 2006 by NYISO and by ISO-NE. On January 9, 2007, National Grid filed an answer to the December 22, 2006 answers.

13. No intervenor protests the filing, either on a substantive basis or because it was submitted only on an informational basis. HQ Energy Services notes that the Filing Parties do not explain why the 1991 protocol is being filed now, some 16 years after it went into effect, but suggests only that the Commission require the Filing Parties to promptly implement and file three specific changes which HQ Energy Services asserts they have already approved. These changes, it states, are described in a May 6, 2005

Report[12] as well as in an October 12, 2006 Northeast ISOs Seams Report.[13] The changes are: (1) PJM will improve the calculation for the marginal Phase II limit and will implement this calculation method by mid November – early December 2006; (2) ISO-NE will post the NYISO and PJM real time limit for Phase II; and (3) an analysis for significant curtailments will be made with ISO-NE administering the reporting function. According to HQ Energy Services, implementation of these changes is being delayed while ISO-NE resolves software problems, but ISO-NE expects to submit a timeline to resolve these technical issues before the end of the year. Other commentors support implementation of the three changes.

14. National Grid claims that the three approved changes discussed above do not go far enough to advance needed inter-regional transmission planning. It requests that the Commission direct the Filing Parties to convene a study group which includes the parties to this proceeding to assess potential solutions to the seams issue that the Procedure addresses (albeit insufficiently, according to National Grid). It requests that the Commission direct the Filing Parties to file in six months a report that describes the status of the study group's work and a schedule for the completion of the group's analysis.

15. FirstEnergy argues that the data on which the Procedure is based are stale and suggests that the Filing Parties periodically refresh the analysis of the affected systems and the impact on them that would result from the loss of the Phase II Tie. It also suggests that it would be "worthwhile" to consider adding the Midwest Independent Transmission System Operator, Inc. (MISO) as a party to the Procedure and to monitor certain MISO interfaces.

16. Seabrook states that it was down-ramped by ISO-NE under the Procedure on 26 occasions in February, March, and April of 2006, requiring it to reduce its net output from approximately 1220 MW to 1200 MW within 30 minutes. It states that, as a nuclear plant, it is designed to operate as a base-load unit and that frequent cycling and rapid ramping is "not advisable." Referring to the results of the revised studies done in response to its down-rampings (summarized in a letter that NYISO submitted to the Commission on June 26, 2006), Seabrook notes that, had the Procedure as submitted by

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[12] *See* "Review of the PJM-NY-NE Procedures and Methodology for the TE-NE HVDC Line" on ISO-NE's website at http://www.iso-ne.com/trans/ops/limits/ .

[13] According to HQ Energy Services, the October 12, 2006 Seams Report was not filed with the Commission; however the Commission issued a notice that PJM, NYISO, and ISO-NE posted this and other seams documents on their respective websites. *See* Notice, issued October 25, 2006, in Docket Nos. RT01-99-000, *et al*.

the three Filing Parties been in effect at the beginning of 2006, none of the down-rampings it experienced would have occurred.

17. On December 22, 2006, ISO-NE and NYISO filed answers to the comments. ISO-NE explains that the updated internal limits the commentors discuss were intentionally not included in the Procedure, the Procedure and its assumptions are already reviewed on a recurring basis, transparency enhancements are already being developed by ISO-NE, and the coordinated dispatch across the three control areas suggested would not resolve concerns. ISO-NE asserts that only an enormous, costly and time-consuming quest for a single security-constrained dispatch would provide a solution. ISO-NE states that, although the three suggested improvements have already either been implemented or should soon be implemented, they do not require any amendment to the Procedure. ISO-NE further argues that several of the studies referred to in the comments are evidence of the Filing Parties' ongoing efforts to review and update operating data and procedures.

18. With respect to the question raised in comments about whether the filed Procedure is the most recent version, and whether it correctly updates internal limits only, ISO-NE states that Seabrook's comments, and the supporting comments of Dominion and HQ Energy Services, reflect confusion. ISO-NE explains that Seabrook refers to a NYISO document entitled "Loss of ISO-NE Source Impact on Central East Voltage," attached to Seabrook's comments as Appendix A, as the "Revised Procedure" and asserts that it was "formally approved" by the NYISO Operating Committee at a July 13, 2006 meeting.[14] ISO-NE asserts, however, that that document represents the results of an internal NYISO study with adjustments to operating standards for the New York Control Area, and does not even refer to the Procedure or purport to amend it. Therefore the Procedure, unchanged since 1991, remains the most recent version. ISO-NE refers to the NYISO study as an example of the Filing Parties' continuing efforts to review and improve their operations and procedures.

19. ISO-NE states that, although it has proceeded to implement transparency enhancements of real-time limits in PJM and NYISO, providing a direct conduit from the source of the raw real-time data to the web posting site requires software changes that are currently estimated to be complete no earlier than May 2007.

20. In response to National Grid's suggestion of implementing a "coordinated" dispatch among the three control areas, ISO-NE asserts that a coordinated dispatch would not address National Grid's concerns. ISO-NE states that only a single, security-constrained dispatch across the three control areas would address National Grid's

[14] FPLE Seabrook comments at 7.

concerns, and such an effort would be an enormous and time-consuming quest. Rather, ISO-NE asserts that the Filing Parties are using established committees as set forth in the Northeastern ISO/RTO Coordination Protocol[15] to identify potential modifications that could increase the Phase II limit. NYISO adds that even the single step of adopting an allocation mechanism for sharing economic benefits between regions under a coordinated dispatch, to ensure inter-regional cost benefits, would be a far more time-consuming process than National Grid suggests.

21. NYISO's answer states that, in May 2006, its Operating Committee approved the operating limits of the NYISO "Loss of ISO-NE Source Impact on Central East Voltage"[16] and immediately made them available to ISO-NE through real-time data exchange protocols, as required by the Procedure. While that study provided a significant update to the Central East interface limits considered by the Procedure, it did not revise the Procedure, as the commentors suggest. NYISO explains that the study demonstrates a clear relationship between operation of certain generating units in the Oswego Complex in New York and the need to limit the single largest contingency in New England. The study establishes a minimum level for the single largest contingency in New England to be 1360 MW if there are four generating units operating at the Oswego Complex in New York State, 1250 MW if there are three units operating and 1233 MW if there are two units operating. The minimum level for the single largest contingency in New England would continue be 1200 MW if one unit or no unit is operating. The study provides greater transparency and certainty of how NYISO system conditions, specifically how the number of operating units in the Oswego Complex, impacts the maximum levels of the single largest contingency in New England. The revised operating limits represent the most updated system conditions and therefore, NYISO argues, the Filing Parties are not relying on stale data.

22. National Grid's answer reiterates its request filed in its earlier comments by asking the Commission to direct the Filing Parties to: (1) convene a study group that includes the Filing Parties and other parties to this proceeding to address this important seams issue and (2) file in six months a report that describes the status of the study group's work and a schedule for completion of the group's analysis.

[15] ISO-NE Answer at 8.

[16] *See* Attachment to Seabrook comments.

Discussion

23. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2006), the timely unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. The Commission will also grant Epic's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

24. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2006), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept NYISO's, ISO-NE's and National Grid's answers because they have provided information that assisted us in our decision-making process.

25. While the Filing Parties submitted the Procedure on an informational basis, we find, for the following reasons, that the Procedure should be filed under section 205(c) of the FPA, and we will accept the Procedure for filing, without suspension, after sixty days' notice, effective January 16, 2007, subject to the Filing Parties resubmitting the Procedure on tariff sheets that comply with the Commission's Order No. 614.[17] The activities to be performed by the Filing Parties under the Procedure, such as the calculation of scheduling limitations, could affect significantly the jurisdictional service provided under Filing Parties' tariffs and whether there is available capacity to provide transmission service on the Filing Parties' systems.[18] For example, as mentioned previously, the potential loss of the combination of Mystic Units 8 and 9 (which represent a large potential single-source contingency of 1600 MW) could adversely affect the ability to ensure that the HQ Tie operates in a manner that protects transmission service throughout the three respective control areas. Additionally, the operation and administration of the HQ Tie is addressed in four separate agreements and ISO-NE's Tariff, all of which were filed with the Commission pursuant to section 205 of the FPA.[19] But these filings do not describe the coordination among all three control areas required by the Procedure. Therefore, consistent with FPA section 205(c),[20] the Commission's

[17] *Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221 (March 31, 2000), FERC Stats. & Regs. ¶ 31,096 (2000).

[18] *See Louisville Gas & Electric Co.*, 114 FERC ¶ 61,282 at P 185, *order on reh'g*, 116 FERC ¶ 61,020 (2006).

[19] *See supra* at P 4.

[20] 16 U.S.C. § 824d(c) (2000).

regulations,[21] and Commission precedent,[22] we find that it is appropriate to address the instant filing as a section 205 filing.

26. We will not require any modifications to the Procedure as filed. We find that the Procedure as filed is reasonable, effective and sufficiently up to date. We are not persuaded by the comments that any of the suggested improvements need to be included in the Procedure, or that any additional studies, beyond existing ongoing evaluations, should be required to provide new assessments of the Procedure's effectiveness.

27. The Commission concludes that the reasonableness and effectiveness of the Procedure is largely demonstrated by its continuous use and widespread acceptance since January 1, 1991. We recognize the significant ongoing evaluations conducted, and actions taken, by the Filing Parties in an effort to make any necessary improvements in the Procedure. Further, we accept the Filing Parties' assertion that the three changes suggested in the May 6, 2005 Report and the October 12, 2006 Northeast ISOs Seams Report (marginal limit calculation improvement, posting real time limits, and significant curtailment analyses), are being implemented by the ISOs and Regional Transmission Organizations independent of the Procedure and do not require amendments to the Procedure.

28. With respect to assertions that the Procedure is based on outdated data, we are persuaded by the Filing Parties' explanation that the various reports and studies cited in both the instant filing and comments are evidence of their ongoing efforts to update the Procedure's operational limits. Specifically regarding the 1200 MW limit for the HQ tie, the Commission finds a July 15, 2002 NEPOOL Tie Reliability Benefits Study supports,

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[21] See 18 C.F.R. §35.1 (2005) (providing that, with respect to rates and charges for the transmission or sale of electric energy, "[e]very public utility shall file with the Commission and post, in conformity with the requirements of this Part . . . all contracts which in any manner affect or relate to such rates, charges, classifications, services, rules, regulations or practices as required by section 205(c) of the Federal Power Act . . . .").

[22] *See, e.g.*, *Louisville Gas & Electric Co.*, 114 FERC ¶ 61,282 at P 185 (requiring the filing of a joint reliability coordination agreement among three control areas because of its significant effect on jurisdictional service); *North American Reliability Council*, 85 FERC ¶ 61,353, at 62,262 (1998) (requiring NERC transmission loading relief procedures to be filed with the Commission pursuant to FPA section 205 and stating that changes in operating practices need to be filed if they affect, for example, reservation, scheduling and curtailment provisions of the *pro forma* open access transmission tariff), *reh'g denied*, 87 FERC ¶ 61,161 (1999), *order on reh'g*, 96 FERC ¶ 61, 079 (2001).

in part, the Procedure's tie line limits. Although the study was conducted to assess interconnection availabilities and benefits to NEPOOL related to New York, Hydro Quebec and New Brunswick, the study identified the HQ tie line availability as 1200 MW.[23] In the most recent study, the NYISO concluded that the operational limits can be higher than the 1200 MW limit based on the number of units in service at the Oswego station. Furthermore, the Procedure is utilized in the real time to determine the total of Phase II imports for the next hour schedule and to monitor system conditions to determine the maximum level at which the Phase II Tie could be operated to ensure that the Northeast and Middle Atlantic regions would not experience instability, uncontrolled separation or cascading outages.

29. We do not believe that the instant filing is an appropriate vehicle for the Commission to direct the Filing Parties to convene a seams assessment study group as National Grid requests in its comments and in its answer, since such studies are ongoing, and new study initiatives would be unnecessarily costly and time consuming. Regarding FirstEnergy's suggestion that the Filing Parties conduct periodic analysis of the affected utilities' systems, we are satisfied that ongoing analyses are sufficient, and there is no need for any new initiatives. The Commission also rejects FirstEnergy's suggestion that MISO be added as a party to the Procedure since FirstEnergy has not convinced us that such action is necessary.

The Commission orders:

The Procedure is hereby accepted for filing, without suspension, to be effective January 16, 2007, subject to the Filing Parties resubmitting the Procedure on tariff sheets that comply with the Commission's Order No. 614, as explained in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

[23] *See New England Power Pool*, 104 FERC ¶ 61,204 (2003), Dockets ER03-894-000 and ER03-894-001 (2002 report attached).