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January 31, 2003

Exhibit No. 78

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Case No(s) ED02-004-0108

Date 4-8-04 Rptr 70

Re: Ameren Services Co., Docket No. EC03-14-000

Dear Ms. Salas:

As required by Commission's December 19, 2002 Order in this proceeding, Ameren Services Co., 101 FERC ¶ 61,320, at P 185 (2002), enclosed for filing is a Joint Amendment to the Request for Authorization to Transfer Functional Control of Transmission Facilities. This Amendment is being submitted by the GridAmerica Companies, GridAmerica LLC and GridAmerica Holdings, Inc., as Managing Member of GridAmerica (jointly, the "Applicants"). As required by Section 33.8 of the Commission's Regulations, an original and eight copies of the Amendment are enclosed.

The Applicants' goal is for GridAmerica to become operational during April 2003 to ensure that it will be fully operational during the Summer 2003 peak season. Necessary regulatory approvals must be obtained before then. Accordingly, the Applicants request that the Commission provide for a shortened comment period and expedited consideration and approval of this Amendment. In light of this request, the Applicants have caused the Amendment to be served by e-mail on the Midwest ISO's extensive e-mail service list, as well as on all parties to this proceeding and Docket No. ER02-2233-000 in accordance with Rule 2010 of the Commission's Regulations.

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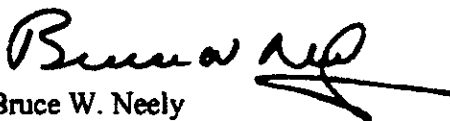
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The Honorable Magalie R. Salas
January 31, 2003
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If you have any questions concerning this filing, please contact the undersigned.

Respectfully submitted,


Bruce W. Neely

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Ameren Services Company)
American Transmission Systems, Incorporated)
Northern Indiana Public Service Company)
GridAmerica LLC)
GridAmerica Holdings, Inc.)

Docket No. EC03-14-000 

**JOINT AMENDMENT TO REQUEST FOR AUTHORIZATION TO TRANSFER
FUNCTIONAL CONTROL OVER TRANSMISSION FACILITIES**

In compliance with the Commission's December 19, 2002 Order in Ameren Services Co., 101 FERC ¶ 61,320 (2002) ("December 19 Order"), GridAmerica LLC ("GridAmerica"), GridAmerica Holdings, Inc., as Managing Member of GridAmerica, and the GridAmerica Companies¹ (jointly, "Applicants"²) hereby file this application for authorization pursuant to Section 203 of the Federal Power Act and Part 33 of the Commission's Regulations for (a) the GridAmerica Companies to transfer functional control of certain transmission assets to GridAmerica in accordance with the Commission-approved Operation Agreement among the GridAmerica Companies and GridAmerica ("Operation Agreement"); and (b) GridAmerica to cede certain delineated functions to the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") in accordance with the Commission-approved Appendix I ITC Agreement

¹ The GridAmerica Companies are Ameren Services Company, as agent for its electric utility affiliates Union Electric Company d/b/a AmerenUE and Central Illinois Public Service Company d/b/a AmerenCIPS ("Ameren"), American Transmission Systems, Incorporated ("ATSI"), a subsidiary of FirstEnergy Corp. ("FirstEnergy") and Northern Indiana Public Service Company ("NIPSCO").

² GridAmerica Holdings, Inc. is a direct, wholly-owned subsidiary of National Grid USA. Inasmuch as GridAmerica Holdings, Inc. will be the entity managing GridAmerica and the owner of its units, it is being substituted for National Grid USA as an applicant.

("MISO ITC Agreement") between GridAmerica and the Midwest ISO (collectively, the "Transfer").

As requested by the Commission,³ the Applicants are submitting this amendment to Docket No. EC03-14-000 separately from the compliance filing required by the December 19 Order (and well before the compliance filing is due) to enable the Commission to process it promptly. The Applicants' goal is for GridAmerica to become operational during April 2003 to ensure that it will be fully operational during the Summer 2003 peak season. Necessary regulatory approvals must be obtained before then. Accordingly, the Applicants request that the Commission provide for a shortened comment period and expedited consideration and approval of the amendment. In light of this request, the Applicants have caused this filing to be served by e-mail on the Midwest ISO's extensive e-mail service list, as well as on all parties to this proceeding and Docket No. ER02-2233-000 in accordance with Rule 2010 of the Commission's Regulations.

In support hereof, the Applicants state:

I. Introduction

In the December 19 Order, the Commission conditionally accepted for filing and made effective, subject to refund, future filings, and further orders, four executed agreements -- the Operation Agreement; the MISO ITC Agreement; the Master Agreement between GridAmerica Holdings, Inc., the GridAmerica Companies and National Grid; and the Limited Liability Agreement of GridAmerica. These agreements provide for the formation and operation of GridAmerica as an independent transmission company ("TTC") within the Midwest ISO. The December 19 Order also found that National Grid is independent and can serve as the managing

³ Ameren Services Co., 101 FERC ¶ 61,320, at P 185.

member of GridAmerica. In addition, the Commission approved the delegation of functions to GridAmerica provided for in the MISO ITC Agreement and the Operation Agreement, as well as the proposals for GridAmerica to provide consulting services to the Midwest ISO and to perform certain functions under contract to the Midwest ISO.

As the Commission itself noted in the December 19 Order, these approvals will "increase the size and scope of Midwest ISO and further the development of viable for-profit transmission companies that operate and perform certain functions under Midwest ISO,"⁴ and, in conjunction with other orders contemporaneously issued concerning the Midwest ISO, will "allow customers one-stop shopping for service under a single tariff covering Midwest ISO, Southwest Power Pool ("SPP"), TRANSLink and the GridAmerica Participants."⁵

The December 19 Order nevertheless directed the Applicants to submit some additional information and modifications to the agreements. Among other things, the Commission directed the Applicants:

to file an amendment to their Section 203 request with the information necessary to support their request. The Commission's Merger Policy Statement and Order No. 642 provide that the Commission will generally take account of three factors in analyzing whether a proposed disposition is consistent with the public interest: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation. We expect Applicants to address these factors and to identify the transmission facilities to which functional control will be transferred to GridAmerica.

Ameren Services Co., 101 FERC ¶ 61,320, at P 185 (footnotes omitted). The instant amendment is submitted in direct response to this requirement.

⁴ Ameren Services Co., 101 FERC ¶ 61,320, at P 4. See also TRANSLink Development Co., LLC, 101 FERC ¶ 61,316 (2002); Midwest Independent Transmission System Operator, Inc., 101 FERC ¶ 61,317 (2002); and Midwest Independent Transmission System Operator, Inc., 101 FERC ¶ 61,319 (2002).

⁵ Ameren Services Co., 101 FERC ¶ 61,320, at P 4.

As is shown below in Section IV, the proposed transfer of functional control of the GridAmerica Companies' transmission facilities to GridAmerica and to the Midwest ISO satisfies the Commission's three criteria for determining whether such a transfer is in the public interest. First, the Transfer will not adversely affect competition. In fact, it will enhance competition. It involves only the disposition of functional control over transmission facilities to a Commission-approved ITC and RTO and raises no market power concerns.⁶ It expands competitive markets and reduces pancaked rates. Second, any effect the Transfer may have on rates will be outweighed by the benefits of joining and expanding the Midwest ISO. Third, the Transfer will not adversely affect the ability of the Commission or of any other regulatory agency to regulate the entities involved in the Transfer. For these reasons, the Transfer should be approved by the Commission as being in the public interest.

II. Description Of The Applicants

As noted above, the instant filing is submitted by the GridAmerica Companies, GridAmerica and GridAmerica Holdings, Inc., as Managing Member of GridAmerica. The GridAmerica Companies are comprised of: (1) Ameren Services Company, as agent for its electric utility affiliates Union Electric Company d/b/a AmerenUE and Central Illinois Public Service Company d/b/a AmerenCIPS ("Ameren"); (2) American Transmission Systems, Incorporated ("ATSI"), a subsidiary of FirstEnergy Corp.; and (3) Northern Indiana Public

⁶ Since the transfer involves only the disposition of functional control over transmission facilities, is tied to an RTO filing, and will not eliminate a competitor in any relevant wholesale electricity market, the Applicants are not required to include any horizontal or vertical competitive analysis under Order No. 642. Revised Filing Requirements Under Part 33 of the Commission's Regulations, Order No. 642, FERC Stats. and Regs. [Regs. Preambles 1996-2000] ¶ 31,111 at 31,902 (2000) order on reh'g, Order No. 642-A, 94 FERC ¶ 61,289 (2001) ("Order No. 642"). TRANSLink Transmission Co., L.L.C., 99 FERC ¶ 61,106, at 61,473 (citing Order No. 642).

Service Company ("NIPSCO"). A description of each of the Applicants and their business activities is set forth below.

A. Ameren

Ameren Services Company is the service company for Ameren Corp., which is a registered holding company under the Public Utility Holding Company Act of 1935, and acts as agent for the holding company's electric utility subsidiaries, Union Electric Company d/b/a AmerenUE ("AmerenUE") and Central Illinois Public Service Company d/b/a AmerenCIPS ("AmerenCIPS").⁷

On a system-wide basis, Ameren owns and operates major high-voltage transmission facilities, including approximately 5,130 circuit miles of transmission lines with nominal voltages of 345 kV, 230 kV, 161 kV, and 138 kV. Ameren has 163 interconnection meter points (including transmission and distribution connections to the transmission system) with 19 neighboring control areas. In addition, Ameren is its own control area. Ameren plans, operates, and maintains the transmission system in accordance with the North American Electric Reliability Council requirements and applicable regulatory agencies.

1. AmerenCIPS

AmerenCIPS provides electric service in the State of Illinois to approximately 325,000 customers and gas service to approximately 170,000 customers. AmerenCIPS' principal sources of supply of electric power and energy are five fossil-fueled generating stations located in Newton, Coffeen, Meredosia, Grand Tower and Hutsonville, Illinois. These five stations have a total summer generating capacity of 3,218 MW. In 1999, Ameren engaged in a major

⁷ Ameren Corp. has agreed to acquire Central Illinois Light Company from AES Corporation. See Ameren Services Co., 101 FERC ¶ 61,202 (2002). The transaction has not yet closed.

restructuring in response to, and in accordance with, various provisions of the then recently enacted Customer Choice Law in Illinois.⁸ As part of that restructuring, ownership of AmerenCIPS' principal generating stations, including the fossil-fuel facilities listed above, was transferred to AmerenGenCo.⁹ Under the Customer Choice Law, AmerenCIPS retains the obligation to provide electric distribution service and default power supply service to retail customers that do not elect an alternative supplier. AmerenEnergy Marketing supplies the capacity and energy that AmerenCIPS requires to carry out its default provider responsibility. Retail bundled electric rates of AmerenCIPS will remain frozen through December 31, 2006.¹⁰

2. AmerenUE

AmerenUE provides electric service to over one million customers and gas service to 130,000 customers in Missouri, its principal service area, and in Illinois.

AmerenUE's principal sources of supply of electric power and energy are 24 generating stations in Missouri, Illinois and Iowa. AmerenUE also is entitled to 40% of the output of generators owned by Electric Energy, Inc. and its subsidiary, Midwest Electric Power, Inc. AmerenUE's generating resources, which include fossil-fueled stations, hydroelectric stations and one nuclear station, have a total generating capacity of nearly 9,000 MW.

AmerenUE provides wholesale electric service to the following full requirements customers, all of which are municipal electric systems in Missouri: California, Linneus, St. James, Centralia, Hannibal, Kahoka, Kirkwood, Marceline and Perry.

⁸ 220 ILCS Section 5/16-111 through 5/16-130 (2000).

⁹ Central Illinois Public Service Co., 89 FERC ¶ 62,125 (1999).

¹⁰ 220 ILCS 5/16-111 (2000).

B. American Transmission Systems, Incorporated

ATSI is a wholly-owned public utility subsidiary of FirstEnergy Corp., a diversified energy services holding company and registered public utility holding company under the Public Utility Holding Company Act of 1935. FirstEnergy's other wholly-owned public utility subsidiaries include: The Cleveland Electric Illuminating Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Ohio Edison Company and its subsidiary, Pennsylvania Power Company, Pennsylvania Electric Company and The Toledo Edison Company. These companies own and operate generation and transmission facilities in an area of approximately 37,200 square miles in Ohio, Pennsylvania and New Jersey, with a combined population of approximately 11.0 million. ATSI also is affiliated with FirstEnergy Solutions Corp., a Commission-regulated power marketer.

ATSI owns and operates FirstEnergy's transmission facilities in ECAR, which consist of approximately 7,100 circuit miles of transmission lines with nominal voltages of 345 kV, 138 kV and 69 kV. In addition, ATSI is the control area operator for the FirstEnergy System in ECAR. It has 37 interconnections with 6 neighboring control areas. ATSI plans, operates and maintains the transmission system in accordance with the requirements of the North American Electric Reliability Council and applicable regulatory agencies. ATSI does not own or operate generation facilities.

C. Northern Indiana Public Service Company

Northern Indiana Public Service Company ("NIPSCO") is the largest subsidiary of NiSource Inc.¹¹ NIPSCO operates in 30 counties in the northern part of Indiana, with an area of

¹¹ NiSource Inc. ("NiSource") is a registered holding company under the Public Utility Holding Company Act of 1935. NiSource's subsidiaries provide natural gas, electricity and other products and services to 3.7 million customers located within the energy corridor that runs from

approximately 12,000 square miles and a population of approximately 2.2 million. NIPSCO distributes electricity to approximately 432,000 customers in 21 counties in the northern part of Indiana. NIPSCO's natural gas distribution operations serve 690,910 customers in the northern part of Indiana.

NIPSCO owns and operates four coal-fired electric generating stations, two hydroelectric generating plants and four gas-fired combustion turbine generating units, providing a total system net capability of 3,392 megawatts.¹²

NIPSCO's transmission system consists of approximately 3,157 circuit miles of line, with voltages from 34,500 to 345,000 volts. The electric distribution system extends into 21 counties and consists of 7,881 circuit miles of overhead and 1,725 cable miles of underground primary distribution lines operating at various voltages from 2,400 to 12,500 volts.

NIPSCO's electric control area includes NIPSCO and loads served by Wabash Valley Power Association, Inc. ("WVPA") and Indiana Municipal Power Agency ("IMPA"). NIPSCO's electric system is interconnected with the systems of Ameren, American Electric Power, Commonwealth Edison Company, Cinergy Services, Inc. and Consumers Energy. Electric energy is purchased from, sold to or exchanged with various other utilities and power marketers under NIPSCO's power sales and open access transmission tariffs. NIPSCO is a member of the East Central Area Reliability Coordination Agreement ("ECAR").

the Gulf Coast through the Midwest to New England.

¹² On December 5, 2001, NIPSCO announced that it will indefinitely shut down its Dean Mitchell Generating Station ("Mitchell Station"). The Mitchell Station was shut down in 2002. Excluding the Mitchell Station, NIPSCO operates three coal-fired generating stations with a net capacity of 2,694 MW, three gas-fired combustion turbine generating station units with a net capacity of 186 MW and two hydroelectric plants with a net capability of 10 MW.

NIPSCO serves the Town of Argos as a full requirements customer and provides network integration transmission services to seven other municipal wholesale customers, who import energy from other suppliers. NIPSCO provides WVPA with transmission and distribution service, operating reserve requirements and capacity deficiency service.¹³ NIPSCO provides IMPA with transmission service, operating reserve requirements and capacity deficiency service, in NIPSCO's control area.¹⁴ NIPSCO also engages in sales and services under interconnection agreements with WVPA and IMPA.

D. GridAmerica LLC

GridAmerica is a Delaware limited liability company. GridAmerica will operate as a for-profit ITC within the Midwest ISO that will exercise functional control over the transmission facilities of the GridAmerica Companies in accordance with the Operation Agreement.

GridAmerica may also acquire transmission facilities and, if it does so, will operate those facilities on an integrated basis with the facilities of the GridAmerica Companies. GridAmerica will provide transmission services within its footprint pursuant to the MISO ITC Agreement.

GridAmerica will also perform certain additional functions as a contractor for the Midwest ISO and will provide a consulting service to the Midwest ISO. The Commission approved

GridAmerica performing these activities in the December 19 Order. Ameren Services Co., 101 FERC ¶ 61,320, at P 2.

GridAmerica Holdings, Inc., a wholly-owned direct subsidiary of National Grid USA, will be GridAmerica's initial member and will serve as its Managing Member. The Managing

¹³ WVPA provides service to 12 Rural Electric Membership Corporations located in NIPSCO's control area.

¹⁴ IMPA provides service to the municipal electric system of the city of Rensselaer located in NIPSCO's control area.

Member will have authority to cause GridAmerica to (a) perform those functions allocated to it under the MISO ITC Agreement in accordance with Good Utility Practice and (b) comply with its obligations under the agreements and applicable laws and regulations. GridAmerica will add additional members as transmission assets or other capital are contributed to GridAmerica.

E. GridAmerica Holdings, Inc.

GridAmerica Holdings, Inc. is a wholly-owned direct subsidiary of National Grid USA ("National Grid"). GridAmerica Holdings' sole business purpose is to own units in GridAmerica and to be its Managing Member. GridAmerica Holdings' office is located in Cleveland, Ohio.

National Grid, in turn, is a subsidiary of National Grid Transco plc, an international energy delivery business registered in the United Kingdom with principal activities in the regulated electric and gas activities. National Grid conducts National Grid Transco's businesses in the United States. Through its subsidiaries, National Grid is engaged in electric distribution to residential, commercial, and industrial customers in New England and New York and the distribution of natural gas to residential, commercial, and industrial customers in New York. National Grid's non-utility subsidiaries are engaged in the construction and leasing of fiber optic telecommunications systems and the provision of consulting services to nonaffiliated utilities in the area of electric utility restructuring and customer choice.

In the December 19 Order, the Commission found that National Grid was independent and can therefore serve as the Managing Member. Ameren Services Co., 101 FERC ¶ 61,320, at P 50.¹⁵ This conclusion is equally applicable to National Grid's wholly-owned direct subsidiary, GridAmerica Holdings, Inc.

¹⁵ See also National Grid USA, 97 FERC ¶ 61,329 (2001).

III. Description Of the Transfer

Ameren, ATSI and NIPSCO hereby seek authorization to transfer to GridAmerica functional control¹⁶ over the transmission facilities, which are identified in Exhibit H, on the terms and conditions set forth in the Commission-approved Operation Agreement and in the MISO ITC Agreement.

Once GridAmerica assumes functional control over the transmission facilities of the GridAmerica Companies, GridAmerica will cede to the Midwest ISO the functions identified in Schedule 5 to the MISO ITC Agreement and Schedule 5A of the Operation Agreement as being performed by Midwest ISO. Thereafter, the Midwest ISO will perform those functions as noted above, while GridAmerica performs the remaining functions.¹⁷

GridAmerica also will exercise functional control over certain other facilities (which are defined as Non-transferred Facilities in the Operation Agreement) to the extent necessary for GridAmerica to perform its obligations under the Operation Agreement and the MISO ITC Agreement.

IV. The Transfer Is Consistent With The Public Interest

In determining whether a proposed disposition or transfer of control is in the public interest, the Commission considers: (a) the effect of the transaction on competition; (b) the effect of the transaction on rates; and (c) the effect of the transaction on regulation.¹⁸ The proposed

¹⁶ As defined in the Operation Agreement, "functional control" means the exercise by GridAmerica of control over the operation of the transmission system and performance of all of the activities contemplated by Order 2000. Functional control also includes all the activities that RTOs are required to perform.

¹⁷ GridAmerica will also perform some of the Midwest ISO's functions as a contractor to the Midwest ISO, as set out in Schedule 5 of the Commission-approved MISO ITC Agreement and Schedule 5A of the Operation Agreement.

¹⁸ 18 C.F.R. § 2.26(b) (2002). Inquiry Concerning the Commission's Merger Policy Under

transfer of functional control easily satisfies the standards for each of these criteria and therefore warrants approval as being consistent with the public interest.

A. The Transfer Will Have No Adverse Effect On Competition

The Transfer will not create or enhance market power in any market under the standards employed by the Commission. The Commission has found that "anticompetitive effects are unlikely to arise with regard to . . . transactions that only involve the disposition of transmission facilities."¹⁹ The Transfer involves only the disposition of functional control over transmission facilities and will not result in the transfer of any generation assets. The Transfer will therefore not eliminate a competitor in any relevant wholesale market.

Moreover, because of the Commission's strong belief that participation in RTOs is pro-competitive and its experience that anti-competitive effects are unlikely to arise from such transaction, the Commission does not require a competitive screen analysis for a "transaction only involv[ing] the disposition of transmission facilities' or 'specific RTO filing that directly responds to Order No. 2000. . . .'"²⁰ This transaction involves only the disposition of functional control over transmission facilities and is tied to an RTO filing, because GridAmerica will join the Midwest ISO and participate in the RTO structure through the MISO ITC Agreement.

The Transfer also raises no vertical market power issues. The Transfer will not result in consolidation of facilities or products that provide inputs to electricity products. GridAmerica will not provide electric generation products. Moreover, to the extent it is obligated to provide

the Federal Power Act: Policy Statement, Order No. 592, FERC Stats. & Regs. [Reg. Preambles 1996-2000] ¶ 31,044 (1996), recon. denied, Order No. 592-A, 79 FERC ¶ 61,321 (1997) ("Merger Policy Statement").

¹⁹ Order No. 642, FERC Stats. & Regs. [Reg. Preambles 1996-2000] at 31,902-03.

²⁰ TRANSLink Transmission Co., L.L.C., 99 FERC at 61,473 (citing Order No. 642 at 31,902-03).

ancillary services, GridAmerica will, in accordance with Appendix E to the Midwest ISO Agreement, purchase these services from the control area in which the load is located using the transmission owner's OATT schedules.²¹ The Commission found no cause for concern with these arrangements. *Id.* at P 107.

B. Any Effect the Transfer May Have on Rates Will Be Outweighed by the Benefits of Joining and Expanding the Midwest ISO

Filings will be made in February to establish rates for each of the GridAmerica Companies for inclusion as schedules in the Midwest ISO's OATT. Because of the need to submit the instant Application now to meet the Commission's goal of processing the Section 203 authorization promptly, the final rate proposals the Companies will file are not now known. The rates will include the GridAmerica Companies' existing rates as base zonal rates. But the amounts individual jurisdictional customers will pay when the GridAmerica Companies are incorporated into the Midwest ISO may not be exactly the same amounts as they pay now, for two reasons.

First, under the GridAmerica Companies' rate proposals, rate pancaking on transactions among the GridAmerica Companies and between them and companies in the Midwest ISO will be eliminated. The rate proposals may include a transition mechanism for recovering revenues lost as a result of eliminating this rate pancaking, as the Commission recognized in the December 19 Order. *Ameren Services Co.*, 101 FERC ¶ 61,320, at P 157-160.²² Although the purpose of

²¹ See *Ameren Services Co.*, 101 FERC ¶ 61,320, at P 107-08.

²² The Commission noted that it had approved the concept of lost recovery mechanisms for transmission owning utilities that participate in the Midwest ISO. *Id.*, 101 FERC ¶ 61,320, at P 160 citing *Midwest Independent Transmission System Operator, Inc.*, 98 FERC ¶ 61,076 (2002). Any such proposal will, of course, be subject to the Commission's jurisdiction.

this transition mechanism would be to approximate what jurisdictional customers as a whole pay now, individual customers may pay different amounts.

Second, transactions that sink within GridAmerica's footprint will bear the Midwest ISO's Schedule 10 administrative adder whereas they do not now.²³ This is simply the consequence of participation in the Midwest ISO. Participation in RTOs like the Midwest ISO is encouraged.

These possible effects on individual jurisdictional customers do not show that the Transfer is contrary to the public interest. The Commission has recently emphasized that "even if rates increase for some customers, the transaction can still be consistent with the public interest if there are countervailing benefits from the transaction."²⁴ The Commission has found that increasing the size and scope of the Midwest ISO through the addition of the TRANSLink ITC provides such countervailing benefits by reducing rate pancaking and increasing competitive options.²⁵ The same will be true when GridAmerica is incorporated into the Midwest ISO as an ITC. As the Commission observed in the December 19 Order, "the additions of the GridAmerica

²³ The Midwest ISO will make certain payments to GridAmerica and to the GridAmerica Companies that can be recovered through the Schedule 10 administrative adder. In the December 19 Order, the Commission approved the recovery of these payments through the Schedule 10 adder subject to the condition that the Schedule 10 adder not increase as a result and review of legal costs associated with the Illinois Power settlement included in the payment for Alliance start-up costs. See Illinois Power Company, 95 FERC ¶ 61,183, order on reh'g, 96 FERC ¶ 61,206 (2001). Every company that joins the Midwest ISO is subject to and must pay this charge.

²⁴ California Independent System Operator Corp., 102 FERC ¶ 61,058 (2003) citing Merger Policy Statement at 30,114 and TRANSLink Transmission Co., L.L.C., 99 FERC at 61,474.

²⁵ TRANSLink Transmission Co., L.L.C., 99 FERC at 61,474. Indeed, the benefits to jurisdictional customers of expanding the Midwest ISO are so overwhelming that the Commission has permitted an upward adjustment of 50 basis points in the rate of return on equity calculation for use by all transmission owning utilities that participate in the Midwest ISO. Midwest Independent Transmission System Operator, Inc., 100 FERC ¶ 61,292 (2002), reh'g pending. When the GridAmerica Companies are incorporated within the Midwest ISO, they will also be eligible for this upward adjustment.

facilities will bring regional benefits to all transmission owners and ITCs in the Midwest ISO."

Ameren Services Co., 101 FERC ¶ 61,320, at P 152. In addition, "[t]he integration of GridAmerica facilities into Midwest ISO will enable greater connectivity between load centers in Midwest ISO by providing direct interconnections with the SPP transmission systems and with transmission systems in Michigan. . . ." *Id.* These benefits to the entire Midwest ISO region demonstrate that the Transfer is in the public interest notwithstanding possible changes in the amounts individual jurisdictional customers pay.

C. The Transfer Will Not Affect Regulation

As the Commission explained in its Merger Policy Statement, the Commission's primary concern with the effect of a proposed merger on regulation involves shifts of authority between the Commission's jurisdiction and that of the Securities and Exchange Commission or state commissions.²⁶ The Transfer does not raise any concerns in this regard. The transfer of functional control of the jurisdictional facilities to GridAmerica and to the Midwest ISO will not change the Commission's regulatory authority over the transmission facilities. The Transfer also will not create a registered holding company. Accordingly, the Transfer will have no impact on the Commission's regulation.

The Transfer will also not affect state regulation of retail activities of the Applicants. State regulatory commissions will retain existing regulatory authority over the retail electric rates of the jurisdictional companies.

Accordingly, the Transfer will not deprive the Commission or any state of jurisdiction.²⁷

²⁶ Merger Policy Statement, at 30,124-25.

²⁷ See Washington Water Power Co. and Sierra Pacific Power Co., 73 FERC ¶ 61,218 (1995).

V. Information Required By Part 33 Of The Commission's Regulations

In support of this application, Applicants hereby submit the following information required by Part 33 of the Commission's Regulations.

Section 33.2 (a)

The exact names and principal business addresses of the Applicants are:

GridAmerica LLC
50th Floor
Key Tower
127 Public Square
Cleveland, OH 44114

Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, MO 63166-6419

American Transmission Systems, Incorporated
c/o FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308

Northern Indiana Public Service Company
801 East 86th Avenue
Merrillville, Indiana 46410

GridAmerica Holdings, Inc.
50th Floor
Key Tower
127 Public Square
Cleveland, OH 44114

Section 33.2 (b)

The names and addresses of the persons authorized to receive notice and communications on behalf of the Applicants are:

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Section 33.2 (c)

A description of the Applicants is provided in Section II of this application.

Section 33.2 (d)

To the extent relevant, a description of jurisdictional facilities owned, operated, or controlled by the Applicants or their parent companies, subsidiaries, affiliates, and associate companies is set forth in Exhibit G hereto.

Section 33.2 (e)

A narrative description of the proposed transaction for which Commission authorization is requested is provided in Section III of this application.

Section 33.2 (f)

Contracts related to the proposed transaction together with copies of all other written instruments entered into or proposed to be entered into by the parties to the transaction were previously submitted in the Applicant's November 1, 2002 filing in Docket Nos. ER02-2233-000 and EC03-14-000.

Section 33.2 (g)

The facts relied upon to demonstrate that the proposed transaction is consistent with the public interest are set forth in Section IV of this application.

Section 33.2 (h)

Copies of the maps are being filed with the Commission. Due to the size of the maps and expense of reproducing them, copies of the maps will be made available upon request to parties to the proceeding. Therefore, to the extent necessary, the Applicants request waiver of the requirements of Exhibit K.

Section 33.2 (i)

The Indiana Utility Regulatory Commission ("IURC") has asserted jurisdiction over the transaction contemplated by this application. Without conceding jurisdiction, NIPSCO plans to file an application regarding this transaction with the IURC on or about February 5, 2003.

AmerenUE is submitting an application for authority to participate in the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) through membership in GridAmerica.

Copies of the orders issued by such agencies will be submitted, when available, as Exhibit L to this application.

Section 33.3 and 33.4

Since the transfer involves only the disposition of functional control over transmission facilities, is tied to an RTO filing, and will not eliminate a competitor in any relevant wholesale electricity market, the Applicants are not required to include any horizontal or vertical competitive analysis under Order No. 642. Revised Filing Requirements Under Part 33 of the Commission's Regulations, Order No. 642, FERC Stats. and Regs. [Regs. Preambles 1996-2000] ¶ 31,111 at 31,902 (2000), order on reh'g, Order No. 642-A, 94 FERC ¶ 61,289 (2001).

Section 33.5

The transfer of functional control will not have any effect on the books and records of the

Applicants. Accordingly, this information is not applicable.

Section 33.6

A draft form of notice suitable for publication in the Federal Register is attached hereto.

An electronic version of the draft notice is also submitted on a 3 ½ " diskette.

VI. Request For Expedited Treatment

As noted above, the goal of the Applicants is for GridAmerica to become operational during April 2003, so that it is fully operational during the Summer 2003 peak season. Consequently, the Applicants respectfully request that the Commission provide for a shortened comment period and to issue expeditiously an order approving the transfer of functional control.

VII. Conclusion

In light of the clear absence of any adverse impact on competition in any market, any regulated cost-based rates, or the nature of regulation, the change in ownership and disposition of jurisdictional facilities satisfies the standards of the Merger Policy Statement. Therefore, it should be approved as being "consistent with the public interest." Applicants respectfully request that the Commission approve the Transfer on an expedited basis to allow this beneficial business transaction to be consummated.

Respectfully submitted,

AMEREN SERVICES COMPANY
AMERICAN TRANSMISSION SYSTEMS INCORPORATED
NORTHERN INDIANA PUBLIC SERVICE CORPORATION
GRIDAMERICA LLC
GRIDAMERICA HOLDINGS, INC.

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(202) 879-5426
Attorney for Ameren Services Company

Dated: January 31, 2003

COUNTY OF WORCESTER)

COMMONWEALTH OF MASSACHUSETTS)

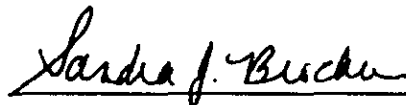
SS

VERIFICATION

Nick Winsor, being duly sworn, deposes and says that he is the President of GridAmerica Holdings, Inc., one of the Applicants in this proceeding, that he has read the foregoing application and knows the contents thereof, and that the same are true to the best of his knowledge and belief.



Subscribed and sworn to before me, a notary public in The Commonwealth of Massachusetts this 22nd day of January 2003.



MY COMMISSION EXPIRES
AUGUST 19, 2005

COUNTY OF WORCESTER

COMMONWEALTH OF MASSACHUSETTS

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)
)

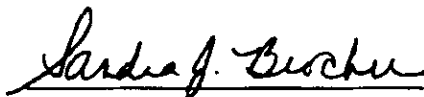
SS

VERIFICATION

Nick Winsor, being duly sworn, deposes and says that he is the President of GridAmerica Holdings, Inc., which is the Managing Member of GridAmerica LLC, one of the Applicants in this proceeding, that he has read the foregoing application and knows the contents thereof, and that the same are true to the best of his knowledge and belief.



Subscribed and sworn to before me, a notary public in The Commonwealth of Massachusetts this 22nd day of January 2003.



MY COMMISSION EXPIRES
AUGUST 18, 2005

COUNTY OF Summit

)

)

SS

STATE OF Ohio

)

VERIFICATION

Stanley F. Szwed, being duly sworn, deposes and says that he is the Vice President of American Transmission Systems, Incorporated, one of the Applicants in this proceeding, that he has read the foregoing application and knows the contents thereof, and that the same are true to the best of his knowledge and belief.

Stanley F. Szwed

Subscribed and sworn to before me, a notary public in the state of Ohio this twenty-fourth day of January, 2003.

Brenda L. Militich

My Commission expires: February 15, 2005

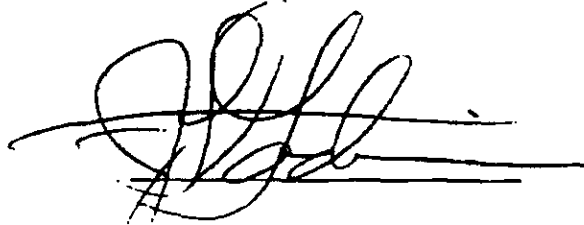
Notary Public for the State of Ohio
My Commission Expires February 15, 2005

COUNTY OF Lake
STATE OF Indiana

)
) SS
)

VERIFICATION

Jerry L. Godwin, being duly sworn, deposes and says that he is the Chief
Operating Officer of NIPSCO, one of the Applicants in this proceeding, that he has read the
foregoing application and knows the contents thereof, and that the same are true to the best of his
knowledge and belief.



Subscribed and sworn to before me, a notary public in the state of
Indiana this 28th day of January 2003.

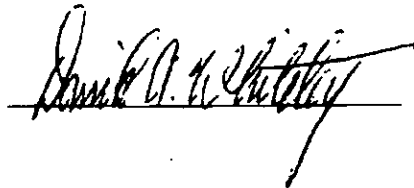
Kathleen Slankowski

My Commission expires: 12/11/09

COUNTY OF _____)
)
STATE OF _____) SS

VERIFICATION

David A. Whiteley, being duly sworn, deposes and says that he is the Senior Vice President of Ameren Services, one of the Applicants in this proceeding, that he has read the foregoing application and knows the contents thereof, and that the same are true to the best of his knowledge and belief.



Subscribed and sworn to before me, a notary public in the state of Missouri this 31st day of January 2003.



My Commission expires: 2-9-04

Paul A. Beislane
Notary Public
STATE OF MISSOURI
St. Louis County
My Commission Expires: Feb. 9, 2004