

97 FERC ¶ 62, 231
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

UtiliCorp United Inc.

Docket No. EC02-24-000

ORDER AUTHORIZING DISPOSITION
OF JURISDICTIONAL FACILITIES

(Issued December 13, 2001)

On November 14, 2001, UtiliCorp United Inc. (UtiliCorp) filed an application pursuant to section 203 of the Federal Power Act (FPA) ¹ requesting Commission authorization to transfer operational control of certain of UtiliCorp's jurisdictional transmission facilities to the Midwest Independent System Operator, Inc. (Midwest ISO). The jurisdictional transmission facilities involved include those transmission facilities of Missouri Public Service, St. Joseph Light and Power and WestPlains Energy-Kansas divisions that were omitted from the list of facilities to be transferred to Midwest ISO in Docket No. EC01-142-000. ²

UtiliCorp, an international energy and services company, participates in both regulated and non-regulated activities and serves electric and gas utility customers in Missouri, Kansas, Iowa, Nebraska, Colorado, Michigan and Minnesota through six utility divisions. UtiliCorp is also an energy marketer through its current subsidiary, Aquila Energy Marketing Corporation.

On January 15, 1998, a group of public utilities jointly filed an application pursuant to section 203 of the FPA to transfer operational control over certain of their jurisdictional transmission facilities to the Midwest ISO, pursuant to the Agreement of Transmission Facilities Owners to Organize the Midwest Transmission System Operator, Inc. ³ By order dated September 16, 1998, the Commission approved the public utilities'

¹16 U.S.C. § 824b (1994).

²On September 13, 2001, the Commission authorized UtiliCorp to transfer control over certain transmission facilities of Missouri Public Service, St. Joseph Light, and WestPlains Energy-Kansas divisions to Midwest ISO. See, 96 FERC ¶ 62,256 (2001).

³The public utilities at that time included the Cincinnati Gas & Electric Company, Commonwealth Edison Company, Commonwealth Edison Company of Indiana, Illinois Power Company, PSI Energy, Inc., Wisconsin Electric Power Company, Union Electric
(continued...)

section 203 application subject to certain conditions.⁴ In Order No. 2000,⁵ the Commission also held that any public utility seeking to transfer control of its transmission facilities to an RTO must file an application under section 203 for approval.

According to the application, the proposed transfer is consistent with the public interest and will not have an adverse effect on competition, rates or regulation. With respect to competition, UtiliCorp states that the proposed transfer will have no effect on generation market power and will not result in higher generation market prices or reduced output in electricity markets. With regard to rates, UtiliCorp states that proposed transfer will have a beneficial effect on ratepayers and transmission customers because the proposed transfer will expand the region over which sellers and buyers can transmit power at non-pancaked rates. With respect to regulation, UtiliCorp states that UtiliCorp and Midwest ISO will continue to be regulated by the Commission. In addition, UtiliCorp states that the Missouri and Kansas commissions will have the opportunity to review and must approve the proposed transfer.

Notice of the application was published in the Federal Register, with motions to intervene or protests due on or before December 5, 2001. None were received.

After consideration, it is concluded that the proposed transfer of operational control over specified jurisdictional transmission facilities from UtiliCorp to the Midwest ISO is consistent with the public interest and is authorized, subject to the following conditions:

³(...continued)

Company, Central Illinois Public Service Company, Louisville Gas & Electric Company, and Kentucky Utilities Company.

⁴Midwest Independent Transmission System Operator, Inc., *et al.*, 84 FERC ¶ 61,231, order on rehearing, 85 FERC ¶ 61,372 (1998).

⁵Regional Transmission Organizations, Order No. 2000, 65 Fed. Reg. 809 (January 6, 2000), FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000 ¶ 31,089 (1999), order on reh'g, Order No. 2000-A, 65 Fed. Reg. 12,088 (March 8, 2000), FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000 ¶ 31,092 (2000), petitions for review dismissed, Public Utility District No. 1 of Snohomish County, Washington v. FERC, Nos. 00-1174, *et al.* (D.C. Cir.)(issued December 11, 2001).

- (1) The proposed transfer is authorized upon the terms and conditions and for the purposes set forth in the application;
- (2) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs or any other matter whatsoever now pending or which may come before the Commission;
- (3) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted;
- (4) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate;
- (5) The proposed transfer is subject to the same conditions imposed on the other Midwest ISO public utilities in Docket Nos. ER98-1438-000 and EC98-24-000; and
- (6) UtiliCorp shall promptly notify the Commission of the date on which the disposition of jurisdictional facilities has been consummated.

Authority to act on this matter is delegated to the Director, Division of Tariffs and Rates - West, pursuant to 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within thirty (30) days of the date of the issuance of this order, pursuant to 18 C.F.R. § 385.713.

Michael A. Coleman
Director
Division of Tariffs and Rates - West