

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

**Midwest Independent Transmission System) Docket No. ER04-691-000
Operator, Inc.**

**NOTICE OF INTERVENTION AND COMMENTS
OF THE
THE MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to Rule 214(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(a)(2)(2003), the Michigan Public Service Commission ("MPSC") hereby submits a notice of intervention and comments in the above-captioned proceeding. In support of its filing, MPSC states the following.

I. Communications

Copies of all pleadings and correspondence in the proceeding should be addressed to:

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II. Basis for Intervention

The MPSC is an agency of the State of Michigan, created by 1939 Pub. Acts 3, Mich. Comp. Laws Ann. § 460.1 *et seq.* As the Michigan regulatory agency having jurisdiction and authority to control and regulate, rates, charges, and conditions of service for the retail sale of

electricity in the State, the MPSC intervenes in this matter pursuant to the authority conferred by applicable state statutes, rules, and procedures.

III. Description of Filing

On March 31, 2004, Midwest Independent Transmission System Operator, Inc. (“MISO”) submitted its Third Revised, First Volume of the Midwest ISO Open Access Transmission and Energy Markets Tariff (“Energy Markets Tariff” or “TEMT”). According to the MISO, the Energy Markets Tariff will supersede the MISO’s Current Open Access Transmission Tariff, FERC Electric Tariff, Second Revised Volume No. 1.

IV. Comments

The MPSC generally supports the Organization of MISO States’ (“OMS”) comments on the MISO TEMT that are being submitted in this docket. However, there is one section of the comments that the MPSC does not support. Section I, Performance and Readiness Metrics, of the OMS comments is a lengthy discussion of the MISO performance metrics. The MPSC does not agree with many of the conclusions in that section, and is specifically concerned that this is not directly in response to the MISO TEMT. (The performance metrics are not part of the TEMT.)

MISO is conducting the performance metrics process as part of its stakeholder review, which the MPSC feels is appropriate. MISO has spent considerable time on the performance metrics, including seeking stakeholder input, hiring a consultant to analyze the metrics and, most recently, forming a task force to specifically address the performance metrics. The MPSC agrees with the concept of performance metrics and believes that the performance metrics are an important part of MISO’s readiness. The MPSC does not agree with the OMS comments that would request FERC to order MISO to address issues relating to performance metrics to the

complete satisfaction of OMS, stakeholders and FERC before the Day 2 market starts. This requirement is not clearly defined in the OMS comments and would be difficult to implement. MISO has made a commitment to complete the performance metrics. The MPSC supports this effort and is satisfied with the assurances of MISO and the steps that MISO is taking.

The MPSC supported alternative language that would have expressed similar comments as have been made in this MPSC filing. Several other states also supported this alternative language. The performance metrics section that the MPSC objects to was retained in the OMS comments, although the issue will be footnoted with the view of the dissenting states. The MPSC expresses its confidence that the measures that MISO has already instituted with respect to performance metrics are fully adequate to achieve its goal of an efficient Day 2 market by December 1, 2004 and encourages MISO to continue its efforts to resolve the performance metrics through the stakeholder process.

V. Conclusion

WHEREFORE, the MPSC hereby provides notice of its intervention and comments.

Respectfully submitted,

THE MICHIGAN PUBLIC SERVICE COMMISSION

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Dated: May 7, 2004

CERTIFICATE OF SERVICE

I hereby certify that I served copy of the foregoing document by first class United States mail, postage prepaid, to all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 7th day of May, 2004.

/s/ M. Denyse Zosa

M. Denyse Zosa