

ELCON *PRESS* RELEASE

FOR RELEASE: August 27, 2010

CONTACT: Marc Yacker/202-682-1390

ELCON CONCERNED ABOUT MISO'S ANTI-CONSUMER ACTIONS

The Electricity Consumers Resource Council (ELCON), joined by eight other associations representing industrial electricity customers, today released a letter to Paul Feldman, Chairman of the Midwest Transmission System Operator (MISO), accusing MISO of violating FERC Order 719 governing the responsiveness of regional transmission organizations.

ELCON President John Anderson described the letter as “very simple – MISO secretly colluded with one utility, Duke Ohio, offering to provide special incentives to that utility in a process that was contrary to FERC Order 719 and would have worked to the detriment of large and small consumers.”

ELCON's letter specifically cited the four responsiveness criteria that FERC outlined in Order 719: “inclusiveness, fairness in balancing competing interests, representation of minority positions, and ongoing responsiveness.” The letter noted that in a FERC filing in 2009 MISO asserted “that it was already meeting these criteria,” yet, “less than one year later, Midwest ISO's conduct...violates all four criteria.”

The letter recognized that ISOs and RTOs faced a conflict of interest in retaining their members and keeping them satisfied and, at the same time, protecting consumer interests. The letter was especially critical of MISO management, asserting that it “cannot retain any credibility as an independent, unbiased decision maker if it succumbs so readily to the very conflict of interest issue about which it should be most vigilant.”

Anderson stated that “MISO was so intent on keeping Duke Ohio from leaving MISO that it secretly proposed to redesign the MISO market, providing higher capacity pricing in a manner similar that used in PJM.” ELCON's letter quoted a MISO communication as recognizing that there would be “potential harm to consumers from the proposed change.”

“We are strong supporters of Order 719 as written,” said Anderson. “That is why it is important for the boards of market operators like MISO to take an active role in ensuring that the views of all stakeholders are considered. First the board should instruct the management of the ISOs and RTOs to fully recognize and fulfill their responsibilities in this regard. And second we hope that those boards will communicate directly with representatives from large and small consumers to ensure that the criteria of Order 719 are met.”

The letter was co-signed by the American Forest & Paper Association (AF&PA), the American Chemistry Council (ACC), the Association of Businesses Advocating Tariff Equity (ABATE), Illinois Industrial Energy Consumers (IIEC), the Industrial Energy Consumers of America (IECA), the Wisconsin Industrial Energy Group, Inc. (WIEG), and the Wisconsin Paper Council.

#####

ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON's website, www.elcon.org. A copy of the letter is available at <http://www.elcon.org/Documents/FERCFilings/2010/LetterMISO%20Aug27,10.pdf>