

July 17, 2014

Mr. Andy Ott
Senior Vice President – Market
PJM
955 Jefferson Ave.
Norristown, PA 19403

Mr. Richard Doying
Executive Vice President of Operations
MISO
P.O. Box 4202
Carmel, IN 46082-4202

Mssrs Ott and Doying:

We provide the following comments to the Midcontinent Independent System Operator, Inc. ("MISO") and the PJM Interconnection, L.L.C. ("PJM") as part of the MISO-PJM Joint and Common Market ("JCM") Initiative¹:

- 1) We support the direction that MISO and PJM appear to be headed with respect to several issues that have been identified in the 2013-14 MISO-PJM Interregional Planning Stakeholder Advisory Council (IPSAC) process and encourage MISO and PJM to set forth a process for addressing these issues and an expected timeline for the presentation and discussion of potential solutions.
- 2) Communication between PJM and MISO is critical to grid reliability and the efficient operation of transmission system. As a result, we strongly encourage PJM and MISO to continue to increase effective communication, particularly relating to understanding neighboring systems and the effects that actions in one region can have on its neighbors.
- 3) We support examining a better alignment of the input factors and system specifications in both of the interregional and respective regional transmission planning processes so that equivalent comparisons and assessments can be made across the two regions.
- 4) We recognize that MISO and PJM are making progress on aligning modeling assumptions. We support the upfront definition of joint futures and their roles in the Coordinated System Plan (CSP), better alignment between the regional and interregional study inputs, and the need for more lead-time to vet the models and allow for sufficient stakeholder review. We encourage MISO and PJM to set a definitive timeline that will allow for meaningful stakeholder review.
- 5) We support discussions regarding economic-based, congestion-relief (in MISO this is a Market Efficiency Project or MEP) criteria, for example: voltage threshold, \$20 million threshold,

¹ This letter represents the views of Commrs. Colgan and McCabe as Illinois' representatives on the Organization of MISO States ("OMS") and Organization of PJM States Inc. ("OPSI") respectively and does not represent the view of the Illinois Commerce Commission.

whether an inter-regional benefit/cost test is needed, and if an inter-regional benefit/cost test is retained, whether the reduction of market-to-market payments should be counted as a benefit.

We respectfully request that you post this letter for the July 24, 2014 JCM meeting. We appreciate the work of PJM and MISO in the JCM process and are willing to discuss these matters further, if necessary.

Sincerely,




Ann McCabe
Commissioner
Illinois Commerce Commission



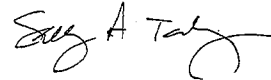
John Colgan
Commissioner
Illinois Commerce Commission

Carol A. Stephan
Commission Chair
Indiana Utility Regulatory Commission

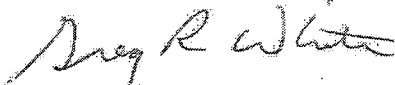


John Quackenbush
Chairman
Michigan Public Service Commission

Angela Weber
Commissioner
Indiana Utility Regulatory Commission



Sally Talberg
Commissioner
Michigan Public Service Commission



Greg White
Commissioner
Michigan Public Service Commission

cc: Richard Mathias, PJM
Melissa Seymour, MISO