

**Congress of the United States**  
**Washington, DC 20515**

March 11, 2004

Patrick H. Wood III, Chairman  
Federal Energy Regulatory Commission  
Room 11A-1  
888 First Street, N.E.  
Washington, D.C. 20426

Nora Mead Brownell, Commissioner  
Federal Energy Regulatory Commission  
Room 11B-1  
888 First Street, N.E.  
Washington, D.C. 20426

Joseph T. Kelliher, Commissioner  
Federal Energy Regulatory Commission  
Room 11C-1  
888 First Street, N.E.  
Washington, D.C. 20426

Suedeen G. Kelly, Commissioner  
Federal Energy Regulatory Commission  
Room 11D-1  
888 First Street, N.E.  
Washington, D.C. 20426

Dear Commissioners:

Recently, the major utilities in Wisconsin presented a Memorandum of Understanding (MOU) to the Midwest Independent System Operator (MISO) requesting that implementation of MISO's Day 2 wholesale electric market be deferred in our state until the necessary infrastructure is in place to protect Wisconsin residents and businesses from harm from this market. A large number of Wisconsin's business, labor and consumer organizations have endorsed this MOU and support this deferral. We write to ask you to direct MISO to work with Wisconsin's Public Service Commission, state utilities and stakeholders to achieve the intent of the MOU.

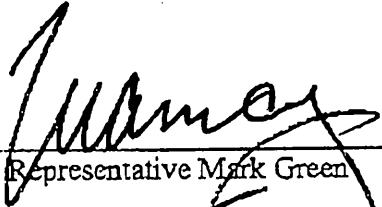
The MOU seeks a five-year deferral in the market while simultaneously committing Wisconsin to over \$5 billion in generation and transmission investment. It also requires Wisconsin to work with neighboring states to implement interim steps that will facilitate the launch of a regional competitive wholesale market. These efforts will allow Wisconsin to realize the benefits of MISO's Day 2 market without exposing our state to the unacceptable risks to our economy of immediate implementation.

If MISO's market goes forward in our state as currently conceived, Wisconsin is likely to experience significant electric price volatility, as well as a substantial long-term rate increase. Even the U.S. Department of Energy, which is a proponent of MISO's market design, predicts a long-term rate increase for Wisconsin from the market and no net benefit. It is estimated that electric costs for our state's consumers will increase at least \$200 million annually in Day 2. Wisconsin's electric rates are already on the rise due to the start of a construction cycle; MISO's Day 2 pricing scheme will unnecessarily exacerbate this upward trend. Day 2 is designed to raise prices in transmission-constrained areas like Wisconsin in order to signal the need for new construction. Yet

our utilities already are committed to a major generation and transmission construction program. Wisconsin does not need, and cannot afford, this price signal.

We appreciate your attention to this matter.

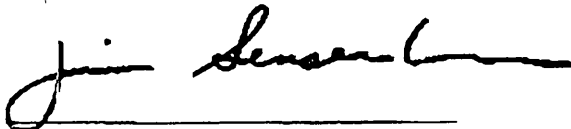
Sincerely,

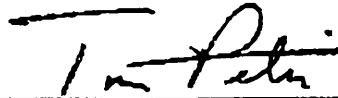
  
Representative Mark Green

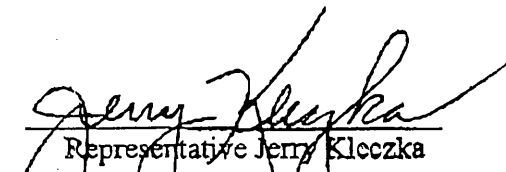
  
Senator Herb Kohl

  
Senator Russ Feingold

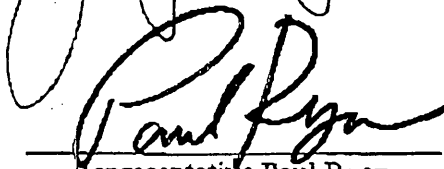
  
Representative David Obey

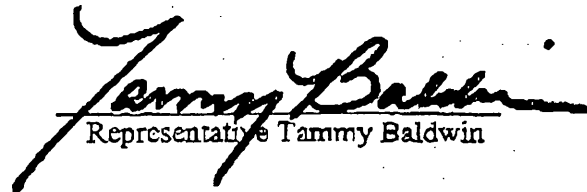
  
Representative Jim Sensenbrenner

  
Representative Tom Petri

  
Representative Jerry Kleczka

  
Representative Ron Kind

  
Representative Paul Ryan

  
Representative Tammy Baldwin

cc: Governor Jim Doyle  
State Senator Mary Panzer  
State Representative John Gard  
Jim Torgerson, MISO