

ATC Quarterly Customer Meeting

Midwest ISO Update

August 23, 2007

Agenda

- Free Rider Issue
- Ancillary Service Market update
- Introduction of Eric Williams

Free Rider Issue

- This issue revolves around Market Participants adjacent, but just outside the market footprint
- Are they getting benefits from MISO without paying the costs?
- Generally 3 schools of thought.....

Free Rider Issue

- Adjacent MP's believe they are contributing to the MISO without being "free riders"
- Other MP's feel the adjacent entities are in fact getting benefits without paying their fair share
- Yet others feel MISO has bigger things to think about
- MISO stakeholders and Board to provide direction

ASM Update

FERC issued an order rejecting the February 15th filing

- Provided guidance on most major design issues
- Requested Market power study, which Dr. Patton is preparing
- Requested a reversion plan which is being developed w/BA's

ASM Update

- Requested development of readiness metrics, which is being developed by stakeholders and SAIC
- Requested MISO and stakeholders work on seven specific market design items.
- Stakeholder meetings have been planned and initiated to gain input

ASM Update – Events that may impact market launch

- Resolution of Market Design issues w/stakeholders to support Sept 14th filing
- FERC order substantially alters proposed design or not issued by end of year
- Quality of Vendor Software Deliveries
- Delays in BA Agreement

ASM Update – Events that may impact market launch

- Approval of ERO/Regional entities to perform BA Functions
- MISO, Local BA's and MP Operational readiness
- Project is on schedule – but contingency in schedule has been depleted

Questions?

- Customer Management Transition