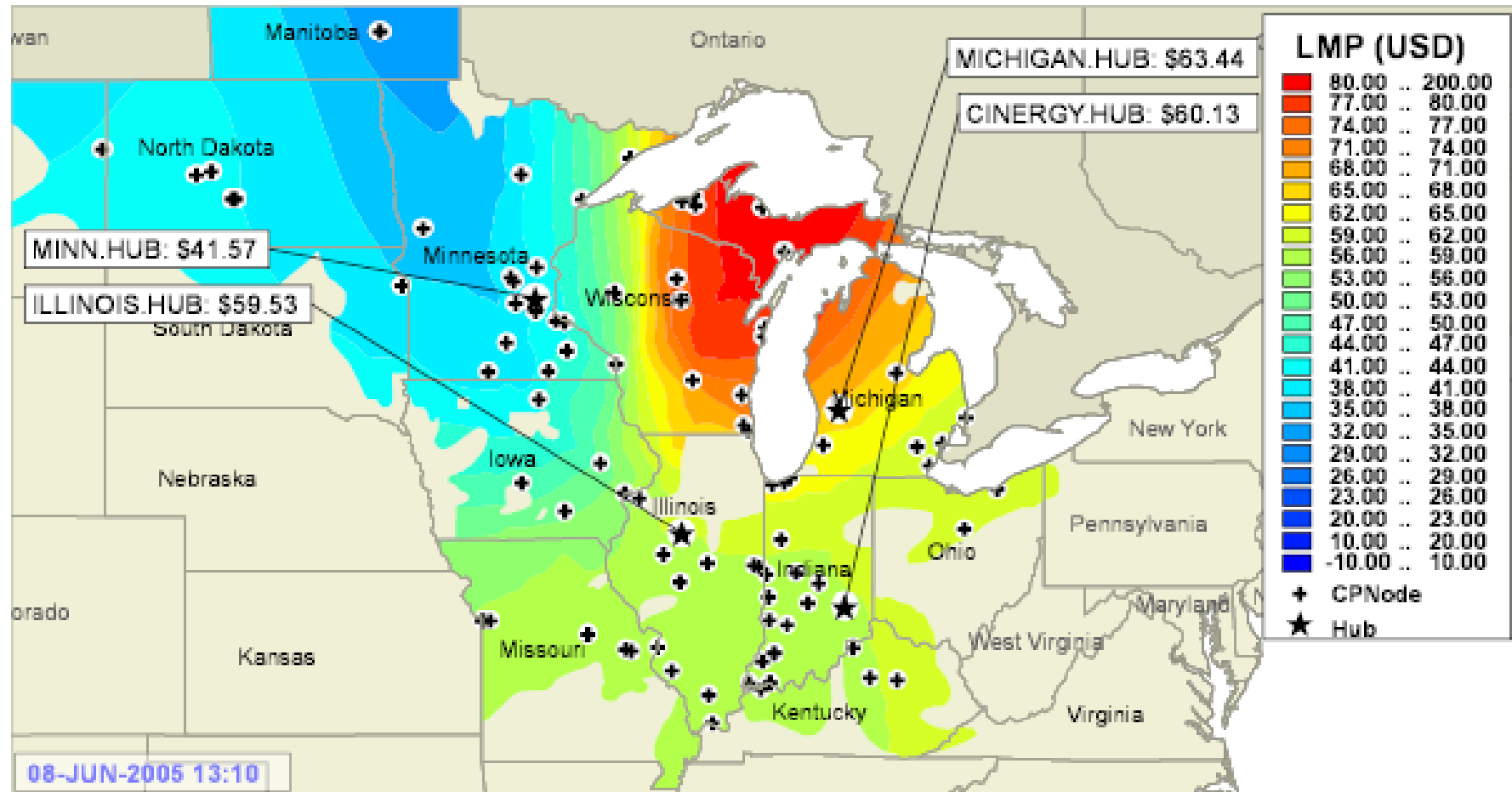
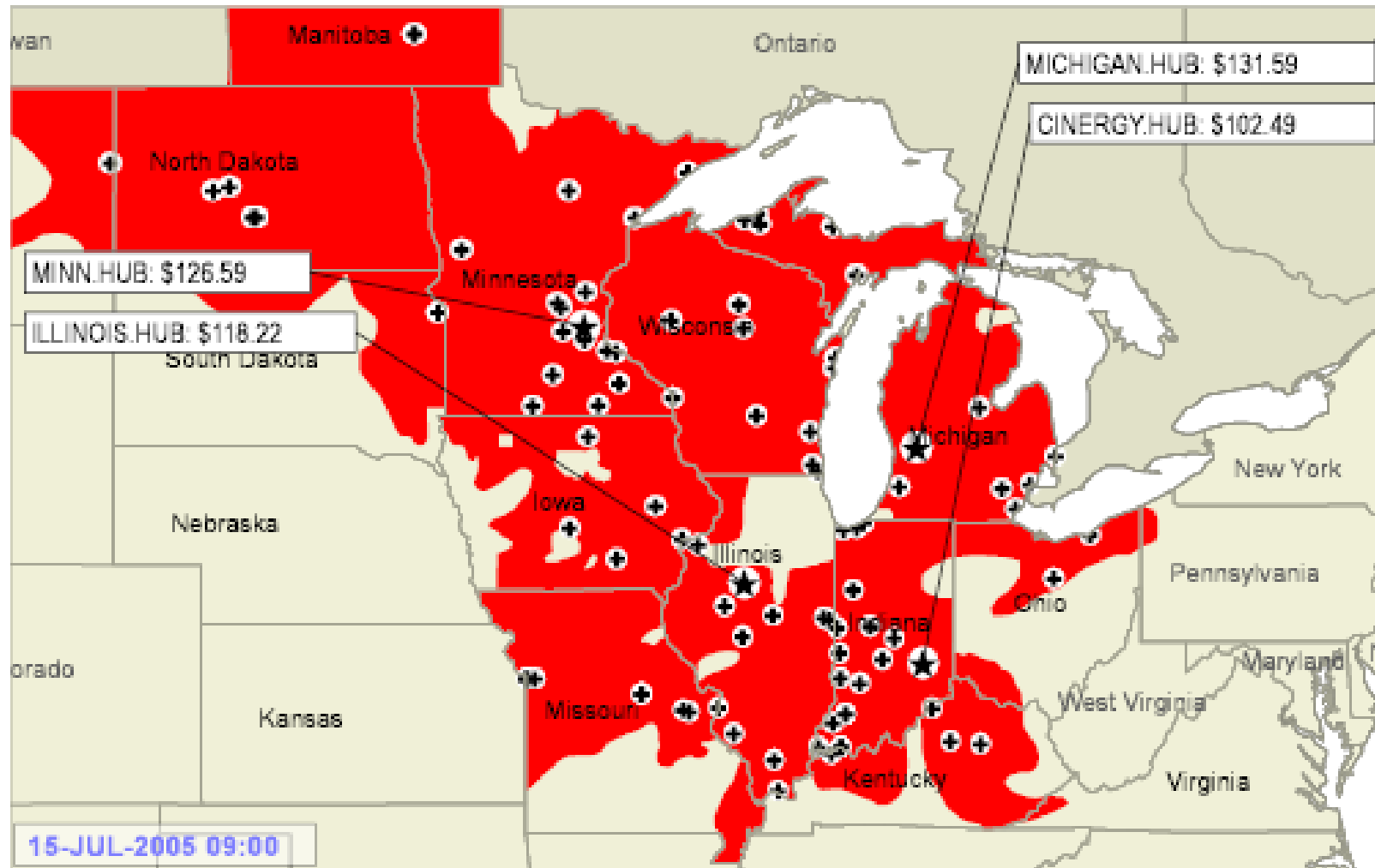

Regulatory Policy Update:

*Access, Capacity Need Forum,
and Transmission Pricing*

Typical MISO Market LMP Contour Map



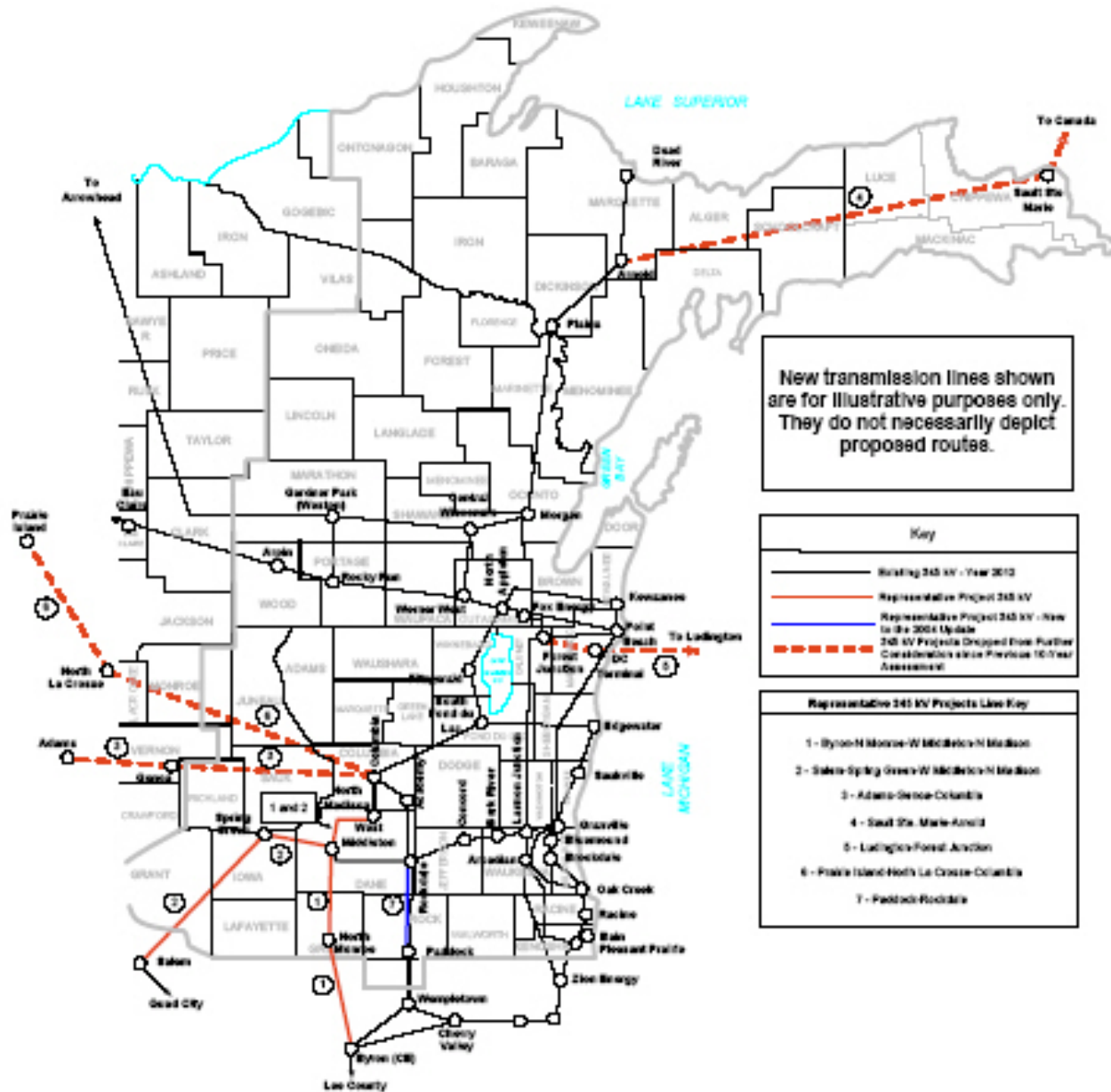
Alternative LMP Contour Map



Access Initiative

- ATC initiated stakeholder process in early 2004
- Examine benefits and costs of better access to regional market from within ATC footprint
- PSCW initiated investigation in February 2005
- ATC filed two documents with the PSCW:
 - (1) summary of technical analysis of projects under consideration; and
 - (2) policy analysis on the issues associated with a transmission access project

Representative 345 kV Access Projects
for 2004 10-Year Assessment Update
American Transmission Company



Projects Under Evaluation

- Low voltage solution
- South:
 - North Madison – Byron (IL)
 - Paddock – Rockdale
- Southwest: North Madison – Salem (IA)
- West: Columbia – Prairie Island (MN)

Access Initiative: Next Steps

- July 21 – Stakeholder meeting
- August 1 – ATC to file updated report with PSCW
- August 30 – Comments due
- September 15 – ATC reply due
- October 15 – PSCW staff to issue a report
- October 30 – Comments on report due

MPSC Capacity Need Forum

- MPSC initiated evaluation into future capacity requirements (U-14231)
- CNF is “collaborative industry-wide process to assess the projected need for electrical generating capacity ... over the short-, intermediate-, and long-term future.”
- Final CNF Staff report due January 1, 2006.

Regional Transmission Pricing

- Regional Expansion Criteria & Benefits Task Force (RECB)
- Seeking appropriate methodology for regional cost-sharing for reliability transmission projects
- Possible components:
 - Regional (*MISO-wide*)
 - Sub Regional (*area determined on basis of load flows*)
 - Local

Will ATC Projects Be Excluded?

- “Level Playing Field” argument seeks to exclude ATC (and other) projects
- Regional cost-sharing would not apply to projects needed to bring systems up to some minimum standard

Wrap Up

Questions?