



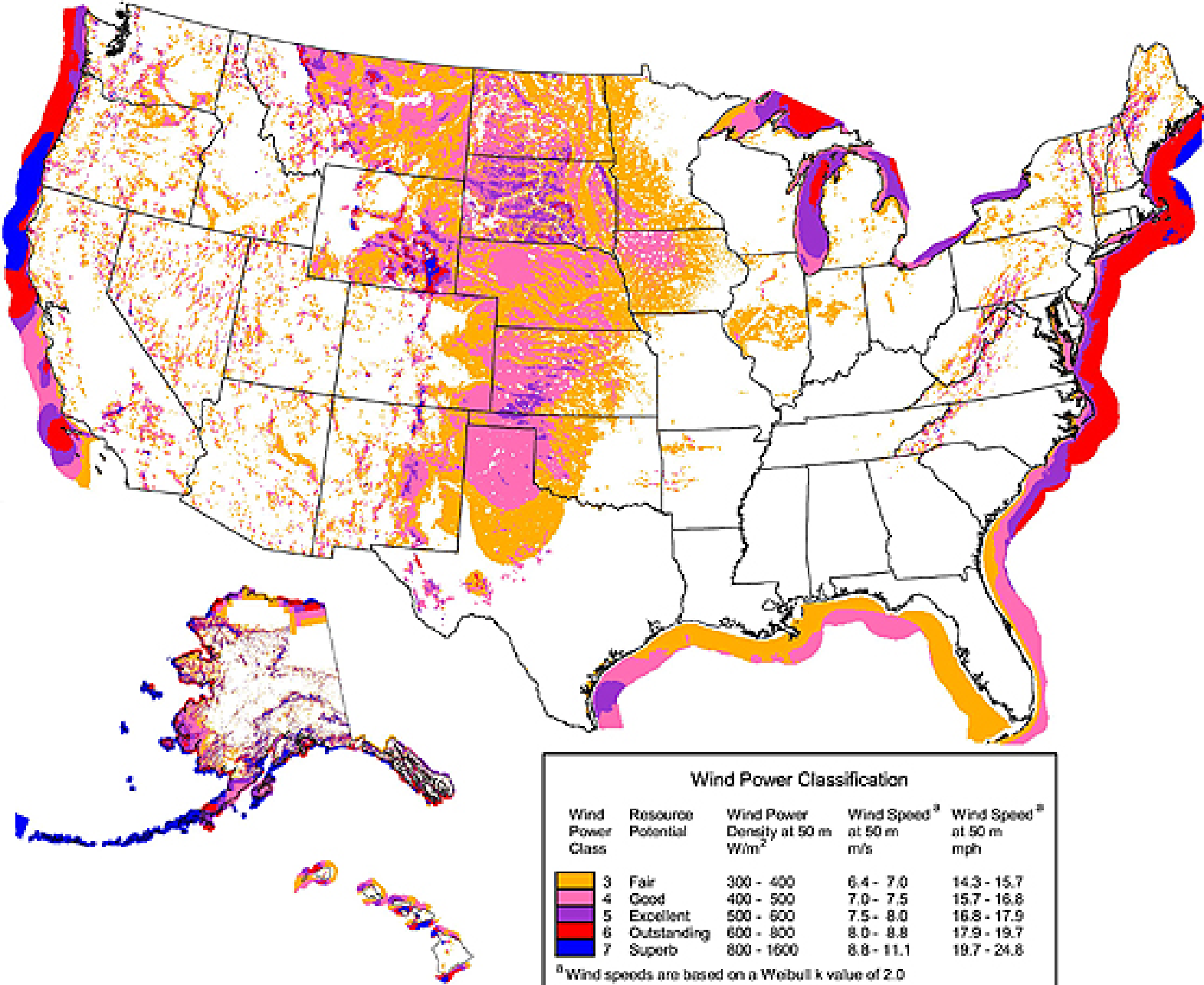
Policy Update

ATC Customer Meeting
November 19, 2009



Agenda

- Wind Integration & Cost Allocation
 - UMTDI Update
 - OMS/CARP Update
 - RECB III Update
 - Injection-Withdrawal Methodology
- MISO/FERC Update
 - DPC Integration
 - Additional MISO/FERC Matters



Wind Power Classification

Wind Power Class	Resource Potential	Wind Power Density at 50 m W/m^2	Wind Speed ^a at 50 m m/s	Wind Speed ^a at 50 m mph
3	Fair	300 - 400	6.4 - 7.0	14.3 - 15.7
4	Good	400 - 500	7.0 - 7.5	15.7 - 16.8
5	Excellent	500 - 600	7.5 - 8.0	16.8 - 17.9
6	Outstanding	600 - 800	8.0 - 8.8	17.9 - 19.7
7	Superb	800 - 1600	8.8 - 11.1	19.7 - 24.8

^aWind speeds are based on a Weibull k value of 2.0

2000 POPULATION DISTRIBUTION IN THE UNITED STATES





Upper Midwest Transmission Development Initiative (*UMTDI*)

- Formed by Governors of Wisconsin, Minnesota, Iowa, North Dakota and South Dakota
- Executive Committee
 - Governor's Offices and State Regulatory Commissions
- Planning
 - MISO Regional Generator Outlet Study (RGOS)
 - Identify Renewable Energy Zones in 5 States
 - Executive Summary in late October
- Cost Allocation
 - Currently considering RECB-like approaches (80/20) and Injection/Withdrawal
- Recommendation to Governors in late 2009

OMS/CARP

- Organization of MISO States
 - Includes 15 Midwest states
- Led by Commissioner Lauren Azar (PSCW)
- Cost Allocation and Regional Planning
 - Planning
 - Considers carbon reduction, renewable integration and other factors in planning generation and transmission through 2050
 - MISO scenario planning and indicative transmission plans
 - Cost Allocation
 - Considering Injection/Withdrawal and other methodologies
- Projected to conclude late in 2009



RECB III TASK FORCE

- MISO Regional Expansion Criteria & Benefits Task Force
 - Also led by Lauren Azar
- Phase I (Generator Interconnection)
 - Seeks to address “Otter Tail Power” issue
 - 345kV and above = 90/10 split
 - Below 345kV = 100% to generators
 - FERC Order issued on October 23, 2009
- Phase II
 - Integrating renewables on a large scale
 - Considering Injection/Withdrawal and other methodologies
 - Filing estimated by July 15, 2010

Injection Withdrawal

- Would replace Network and Point-to-Point Services
- Flexible approach that seeks to identify and place financial responsibility on cost causers and beneficiaries
 - Transmission access vs. usage
 - Local vs. inter-regional benefits and usage
 - Embedded costs vs. forward-looking costs
 - Seeks to address other issues (i.e. free riders/late comers)
 - Considers future changes in transmission usage and benefits
- Currently being considered by UMTDI, OMS/CARP and RECB Task Force
- One of several methodologies being considered



Injection Withdrawal

- September OMS CARP Decision Tree Decision
 - Number of Layers (3)
 - (Local, Sub Regional and Regional)
 - Local Charge Type
 - Access (Installed Capacity and 12 CP Demand)
 - Sub Regional Charge Type
 - 50% Usage (MWh generated and MWh consumed)
 - 50 % Access (Installed Capacity and 12 CP Demand)
 - Regional Charge Type
 - Usage (MWh generated, MWh consumed, MWh imported, MWh exported, MWh wheeled)
 - Local Layer Criteria = all facilities below 345 kV
 - Sub Regional Layer Criteria = all facilities equal 345 kV
 - Regional Layer Criteria = all facilities above 345 kV



MISO/FERC Update





DPC MISO Integration

- Application on September 3, 2009
- DPC plans to integrate on June 1, 2010
- Grandfathered Agreements dispute
 - MISO seeking to amend tariff
 - October 16, 2009 filing
 - DPC seeking GFA treatment of 70% of load
- DPC Complaint filed on October 30, 2009
 - Requested FERC to consolidate dockets

Additional MISO/FERC Matters

- MISO Expansion
- Multi-Party Facilities Construction Agreement
 - FERC Deficiency Letter
- MISO PTP Redirect Filing
 - Conditionally accepted on October 9, 2009
- MISO/PJM Market-to-Market Dispute
 - Settlement proceedings before FERC
- MISO/PJM Cross-Border FERC Order
 - Approved November 3, 2009
- FERC Planning Technical Conferences
 - FERC request for comments due November 23



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