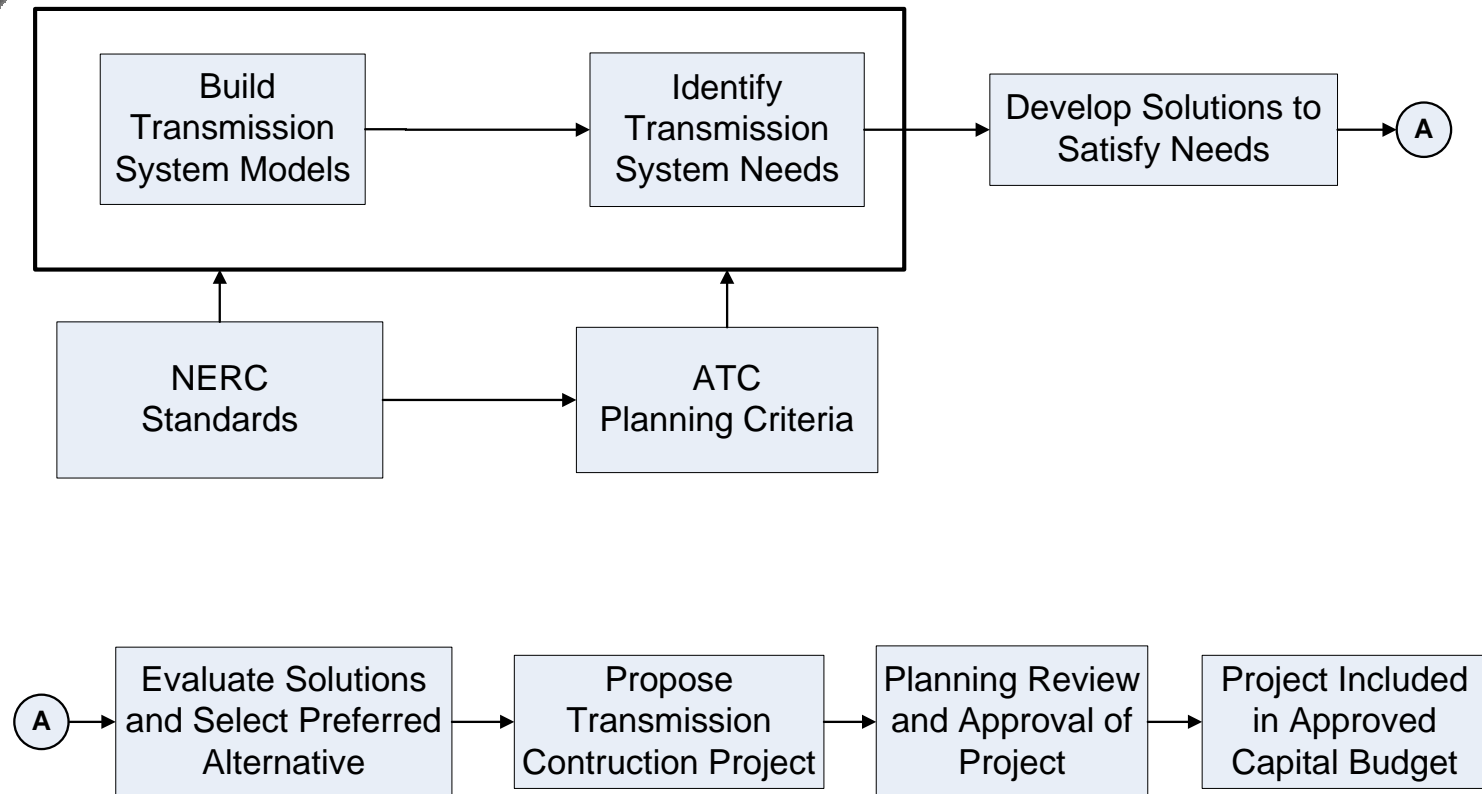
A close-up photograph of a high-voltage electrical insulator, showing multiple ceramic or glass discs stacked vertically, with metal hardware at the top and bottom. It is positioned in the upper left corner of the slide.

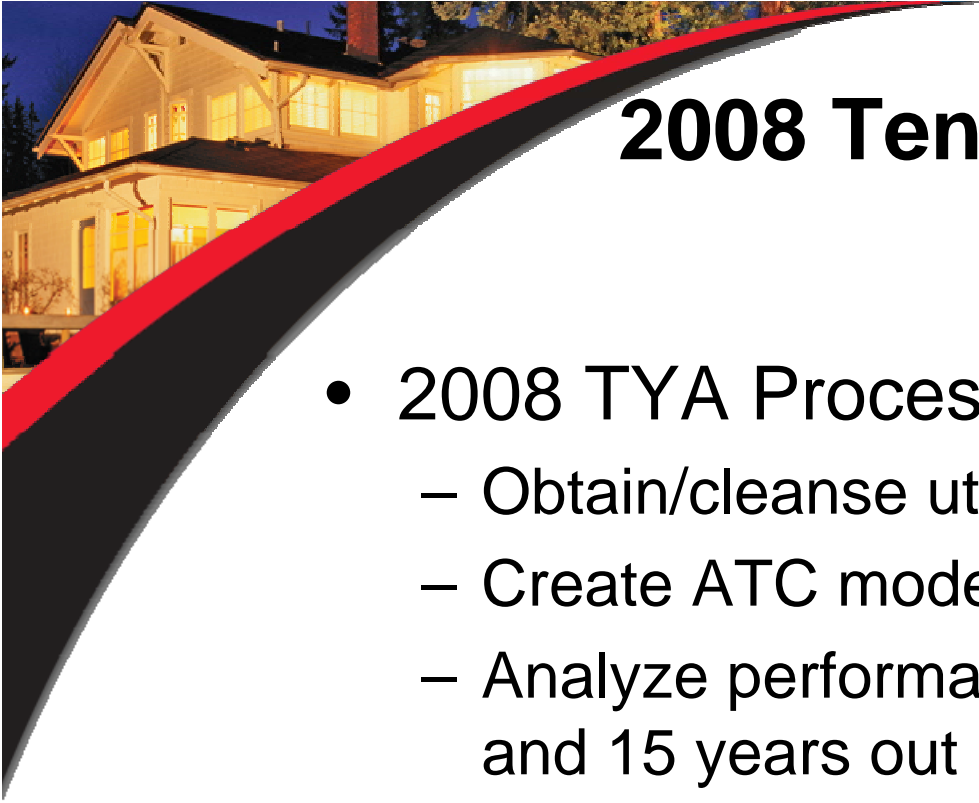
ATC Ten-Year Transmission System Assessment

ATC Transmission Briefing
October 29, 2008



Transmission Planning Process





2008 Ten-Year Assessment (TYA)

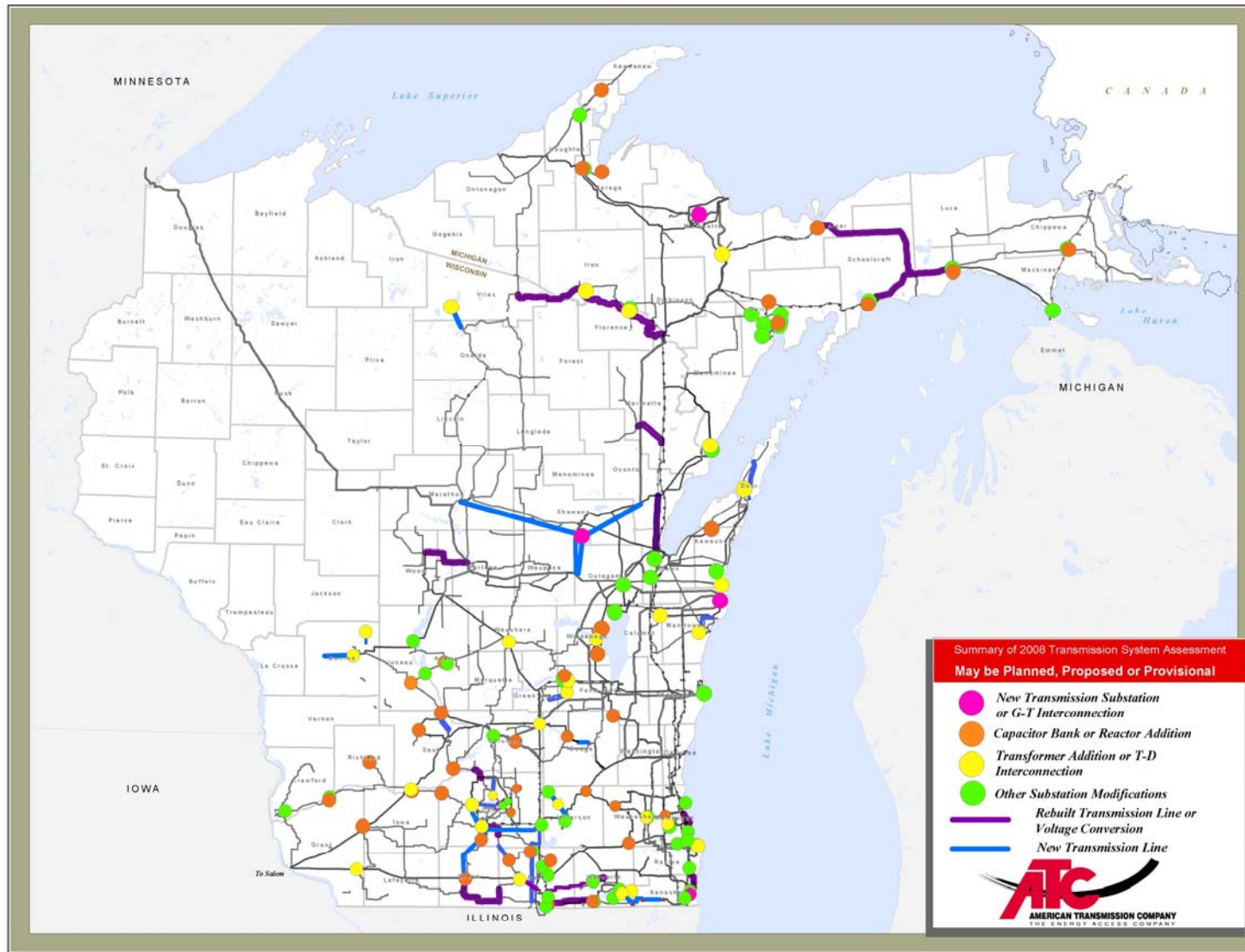
- 2008 TYA Process Overview
 - Obtain/cleanse utility forecasts
 - Create ATC models using MISO models
 - Analyze performance of ATC system 1, 5, 10 and 15 years out
 - Identify system needs and possible solutions
 - Issue Project Request Forms for projects
 - Draft report and public communications
 - TYA website: www.atc10yearplan.com



2008 TYA – Key Messages

- Continuing to Plan for a Reliable Future
- Several New Challenges Facing Electric Industry
 - Greater Plans for Use Renewable Energy Resources
 - Regional Transmission Grid to Accommodate Needs
- Continued Education on Conditions Affecting Transmission Projects
 - Siting Criteria
 - Environmental Concerns
 - Opportunities to Influence Projects
 - Cost of Electric System Reliability

ATC Projects



Updated: 7/30/2008



Zone 2 Summary Projects

	Project description	2008 TYA In-service year	Need driver	2007 TYA In-service year
Planned projects				
1	Cranberry-Conover 115-kV line (completed in 2008) and Conover-Iron River-Plains rebuild & conversion to 138 kV	2008-2010	Part of Cranberry-Conover project (Zone 1) for Rhinelander Loop, improves voltage profile in the area, addresses aging facilities with condition issues	2008-2010
2	Relocate Cedar substation (North Lake)	2009	Improves reliability in the area, addresses aging facilities in poor condition	2009
Provisional projects				
3	Increase ground clearance of M38-Atlantic 69-kV line from 120 to 167 degrees F	2013	Improves reliability in the area	New in 2008 Assessment
4	Blanney Park-Munising 69-kV line rebuild & conversion to 138 kV	2014	Addresses low voltages in the area, improves stability of Presque Isle generation, addresses aging facilities in poor condition	2013

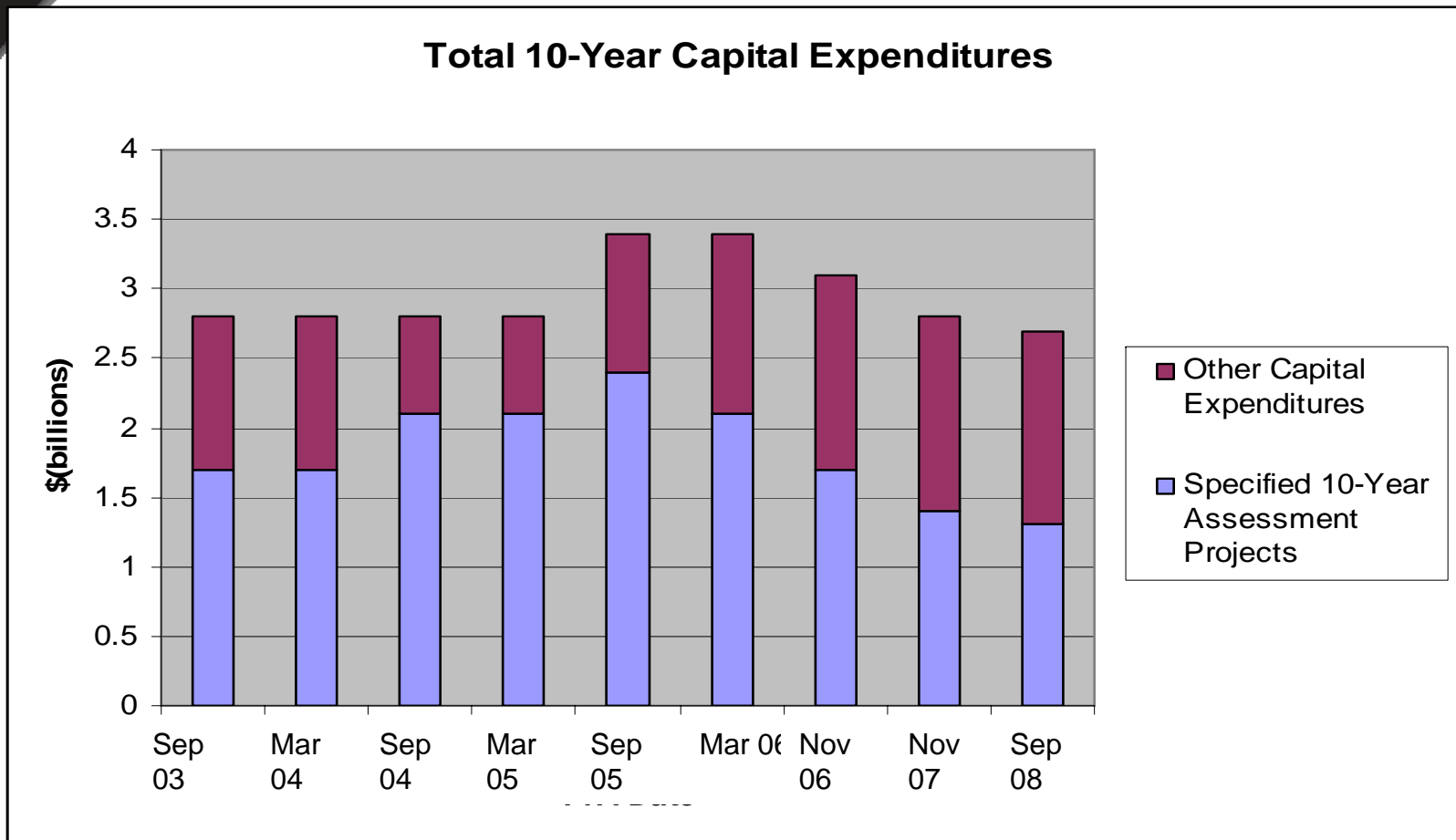


TYA Estimated Capital Costs

Category	<i>2007 Update 10-year capital estimate in billions</i>	<i>2008 10-year capital estimate in billions</i>
10-Year Assessment projects	\$1.44	\$1.29
Asset Maintenance	\$0.44	\$0.46
Generator interconnections	\$0.23	\$0.29
Distribution interconnections	\$0.17	\$0.16
Asset Protection & Control	\$0.13	\$0.08
Network	\$0.11	\$0.10
Unspecified network projects	\$0.22	\$0.23
Other *	\$0.10	\$0.09
Total expenditures	\$2.84	\$2.70



TYA Capital Expenditures



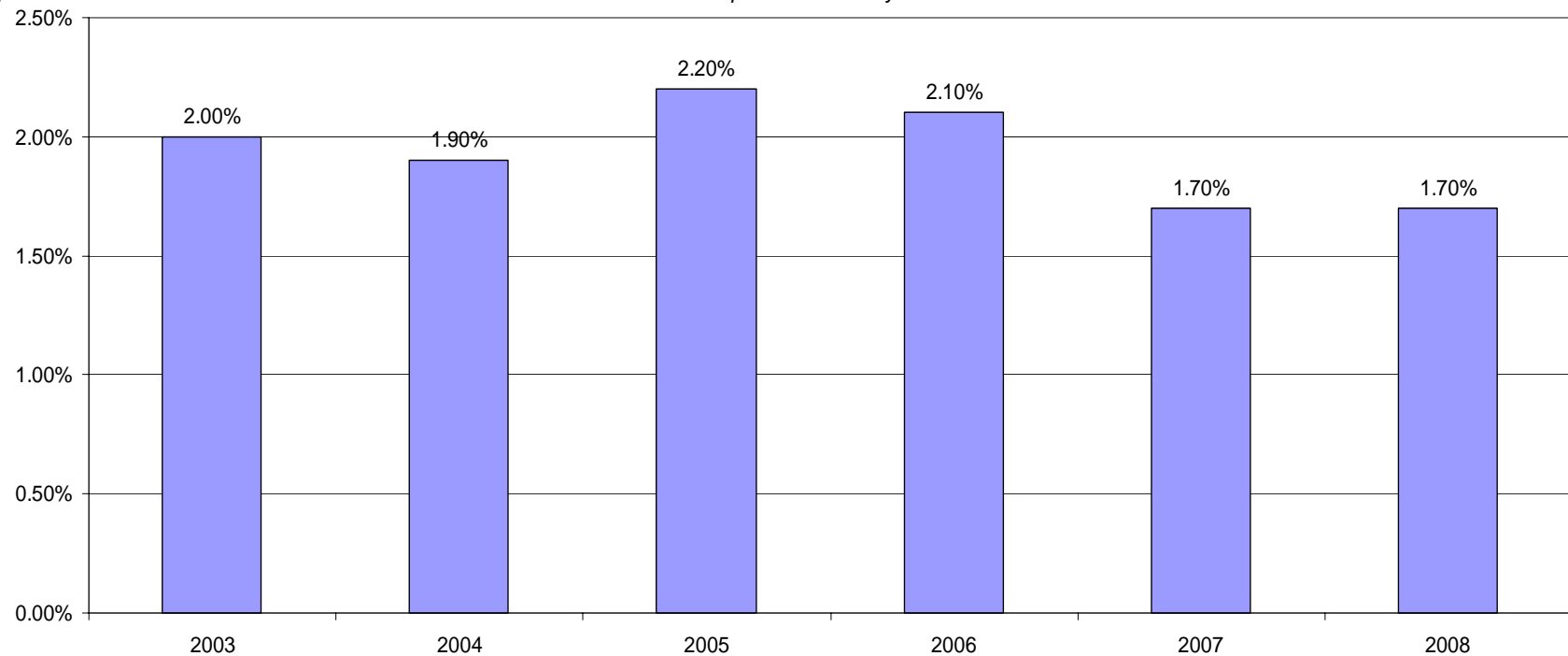


Issues

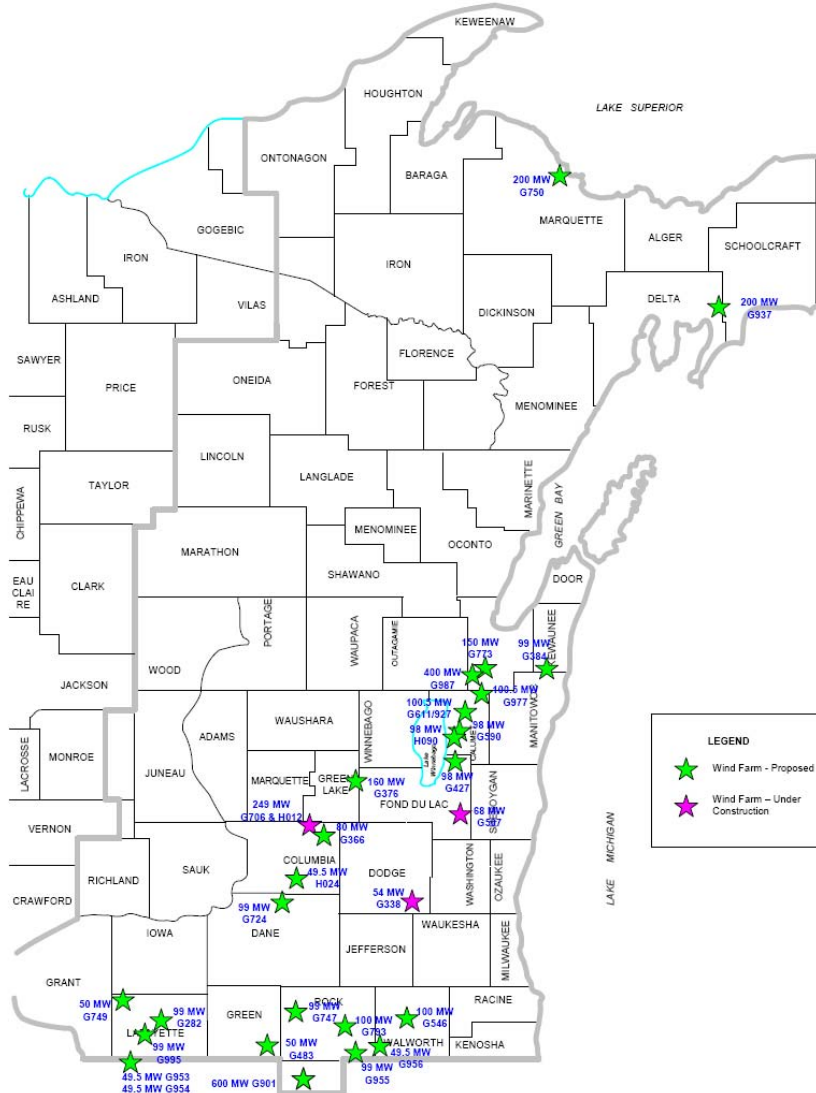
- Generation forecast uncertainty
- Load forecasting
 - Uncertainty
 - Declining forecasts
- Renewable portfolio standards and wind development
- Changing market power flows

Load - Forecasted

ATC 10-Year Assessment
Forecasted Load Growth Rates
Compounded Annually



Wind in ATC Footprint

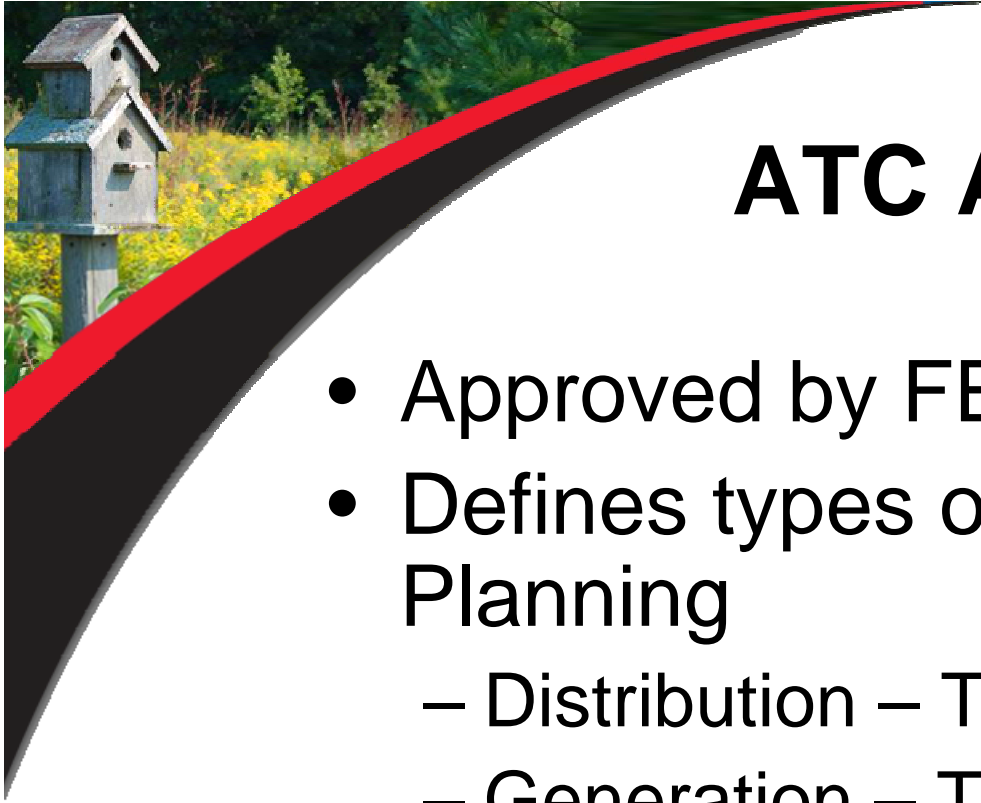


- Generator studies for the ATC footprint
 - Interconnected over 3,000 MWs new generation in ATC footprint
 - 274 MWs wind interconnected thus far in 2008
 - 425 MWs wind by end of year



Stakeholder Involvement

- ATC Energy Collaborative, Michigan
- FERC 890 Principles
 - Coordination
 - Openness
 - Transparency
 - Information Exchange
 - Comparability
 - Economic Studies



ATC Attachment FF

- Approved by FERC this past May
- Defines types of Transmission Planning
 - Distribution – Transmission
 - Generation – Transmission
 - Network Reliability
 - Economic Planning
- Sets criteria for
 - Stakeholder involvement
 - Sets planning criteria



Economic Planning

- Customer/Stakeholder Meeting June 19th 2008
 - Defined futures
 - Received input on project recommendations
- Projects being evaluated:
 - Kenosha-Lakeview-Zion 138 kV
 - North La Crosse-Hilltop-Spring Green-Cardinal 345 kV
 - Salem-Spring Green-Cardinal 345 kV
- Paddock-Rockdale first Economic justified project in WI