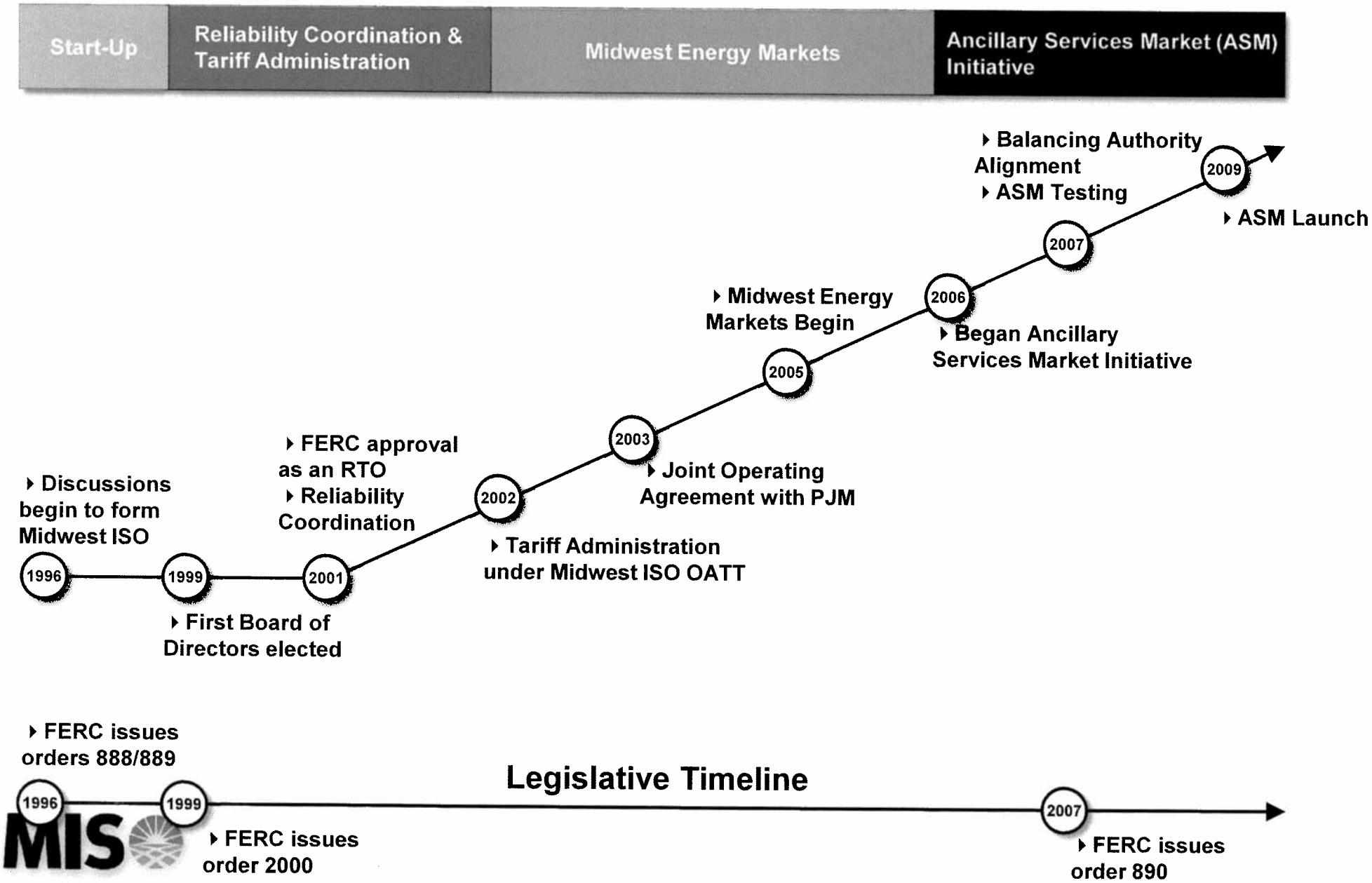
MISO Overview

April 26, 2011

MISO

The Midwest ISO Evolution



MISO Core Functions

What We Do	Implications
Provide independent transmission system access	>Equal and non-discriminatory access >Compliance with FERC requirements
Deliver improved reliability coordination through efficient market operations	>Improved regional coordination >Enhanced system reliability >Lowest cost unit commitment, dispatch, and congestion management
Coordinate regional planning	>Integrated system planning >Broader incorporation of renewables

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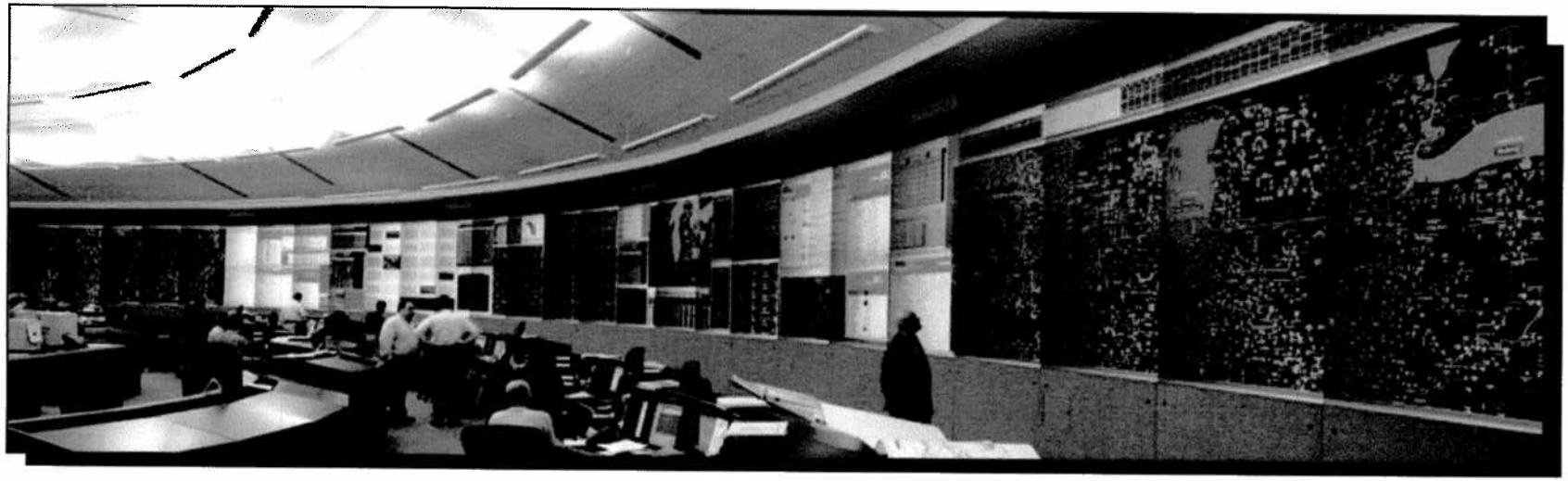
MISO Statistics



- Operate in all or part of 13 states and Manitoba
- 57,453 miles of transmission lines
- Installed capacity – 159,000 MW
- Peak Demand – 136,520 MW record in 2006
- Peak wind output in 2010 6,688 MW
- Two Control centers - Carmel, IN and St. Paul, MN
- Over 765 employees

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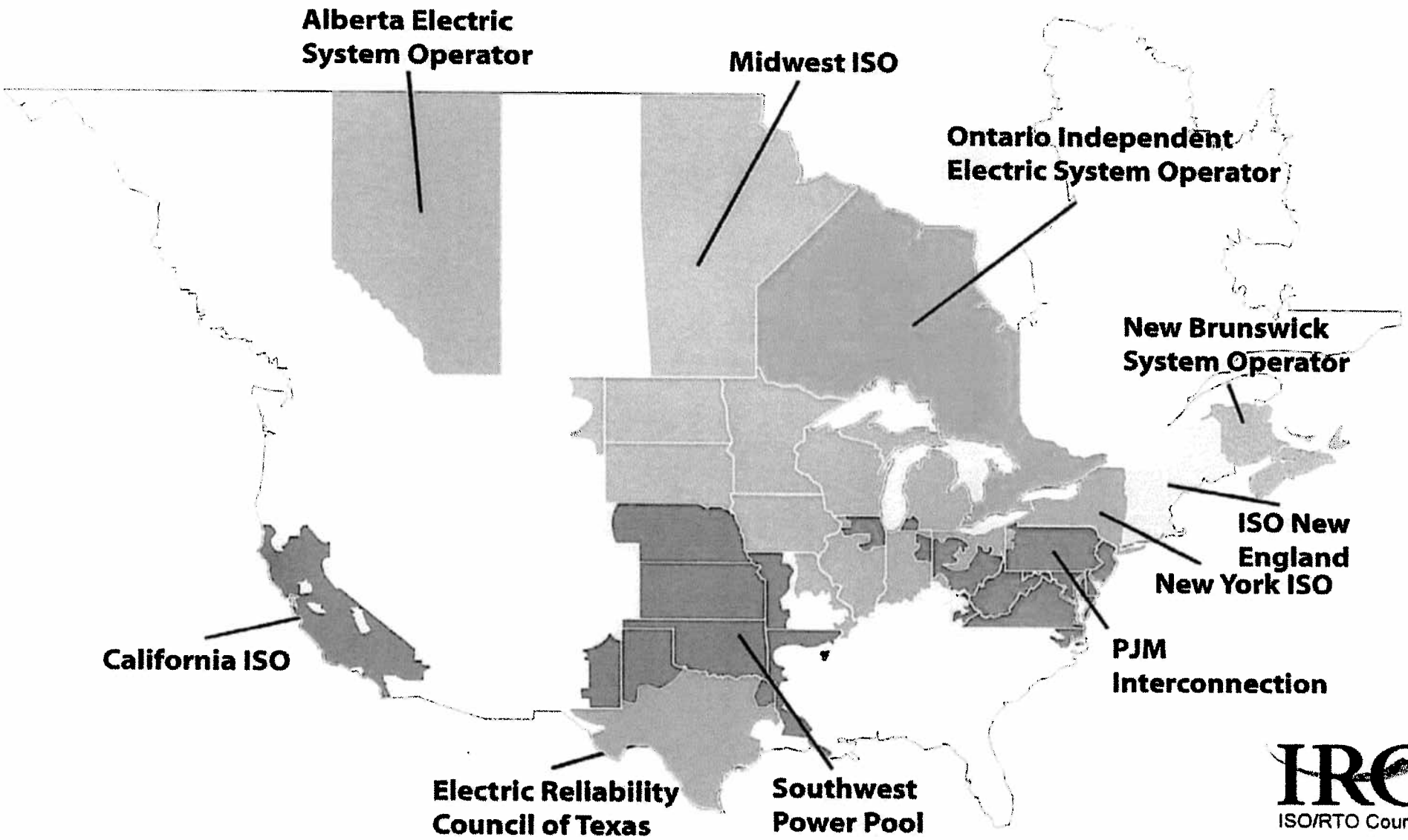
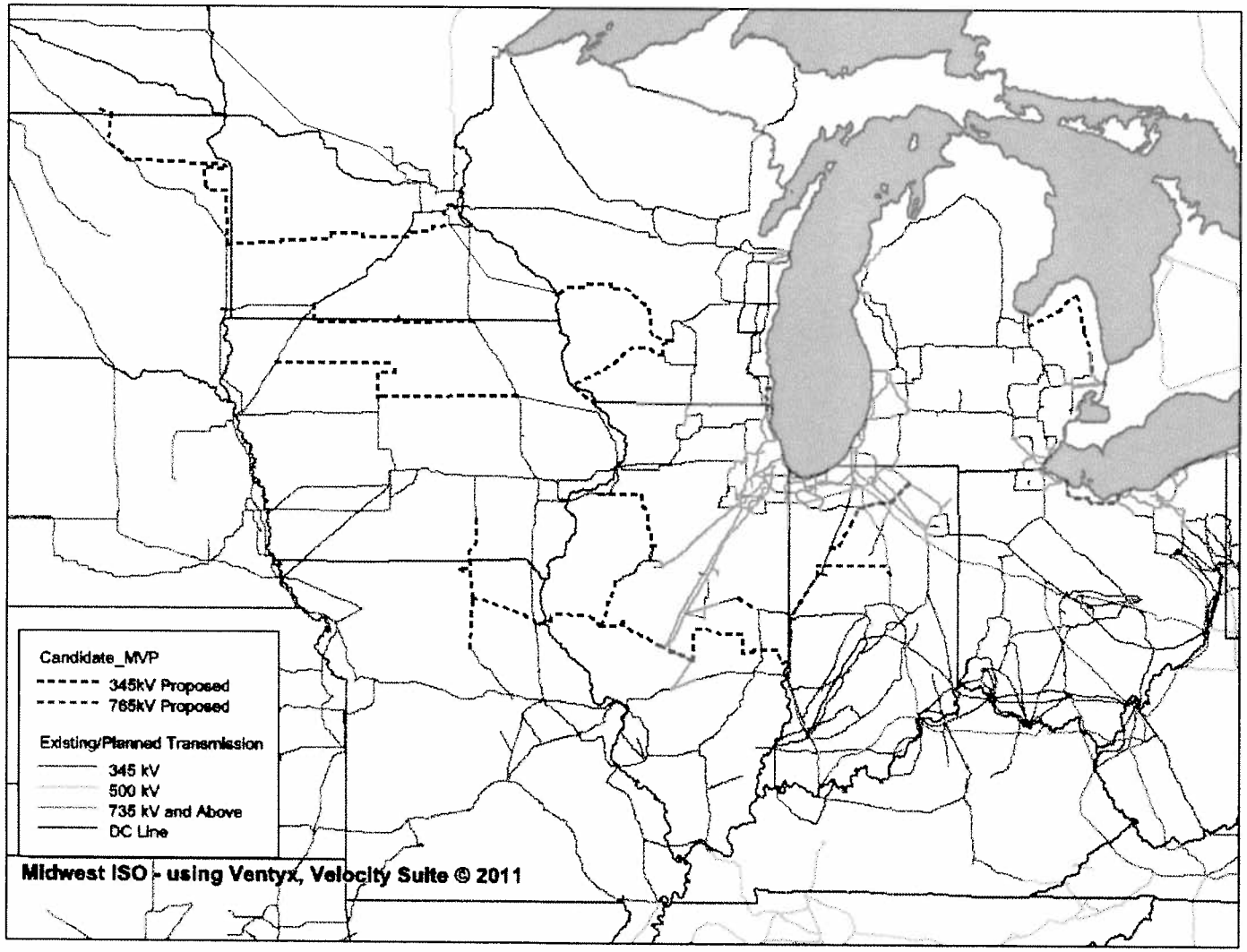


IRC
ISO/RTO Council

MISO Integrated Transmission System



- The MISO Transmission Expansion Planning Process seeks to reduce the wholesale cost of energy delivery for the consumer by addressing both local and regional transmission needs.
- Through the planning process, the MISO also ensures that the transmission system will enable market efficiency / competitiveness and maintain system reliability under any resource mix.

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The MISO transmission cost allocation approach seeks to match the business case with the allocation method

Allocation Category	Driver(s)	Allocation to Beneficiaries
Participant Funded ("Other")	Transmission Owner identified project that does not qualify for other cost allocation mechanisms.	Paid by requestor (local zone)
Generator Interconnection Project	Interconnection Request	Paid for by requestor; 345 kV and above 10% postage stamp to load
Market Efficiency Project[1]	Reduce market congestion when benefits are 1.2 to 3 times in excess of cost	Distribute to planning regions commensurate with expected benefit; 345 kV and above 20% postage stamp to load
Baseline Reliability Project	NERC Reliability Criteria	Primarily shared locally through Line Outage Distribution Factor Methodology; 345 kV and above 20% postage stamp to load
Multi Value Project	Address energy policy laws and/or provide widespread benefits across footprint	100% postage stamp to load

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1. Market Efficiency Project cost allocation methodology currently under review by stakeholders

Costs and Benefits

- Michigan Thumb project - $500 Million.
- All other Candidate MVPs - $4.5 Billion.
- Michigan's share is about 20%.
- If costs were all that mattered, at $2 Billion, there would be a tipping point.
- Benefits from the Portfolio (*e.g.*, a 7% reduction in congestion) significantly exceed costs; around 2 : 1 in Michigan.

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Invitation and Questions

- I would like to extend an invitation to the Committee members to visit us in Carmel to see the facilities and meet some of the people who make this possible.

- I (or a more qualified person) would be pleased to come back any time you might wish.

- I would be happy to try to answer your questions.

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Appendix

- Please visit our website at www.midwestiso.org for our Value Proposition, 2010 Annual Report, and other information.
- Contact information for Mr. Kozey:

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