

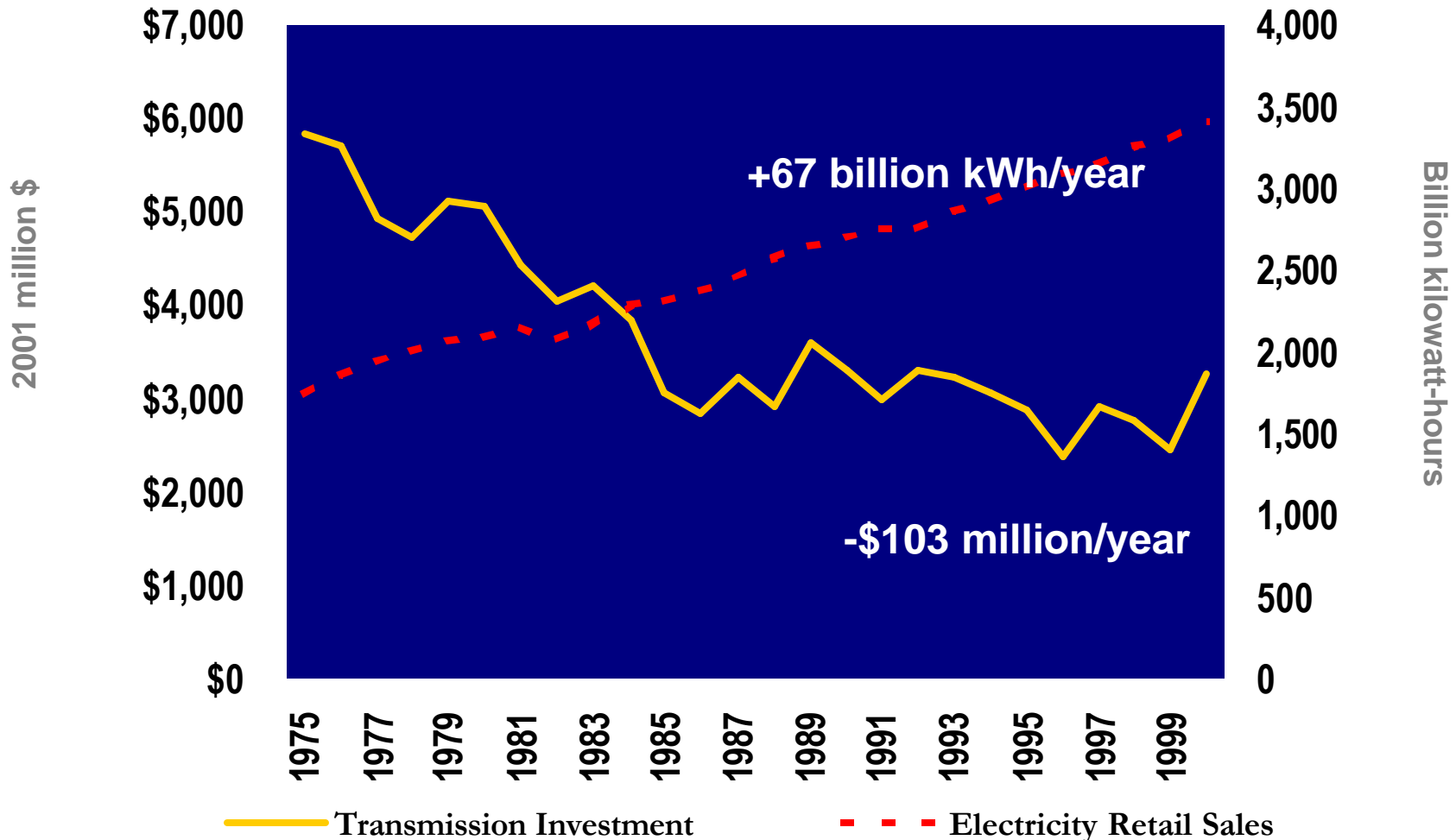
# **TRANSLink Transmission Company**

**NWCC Conference  
October 16, 2003  
Huron, SD**

# FERC Transmission Policy

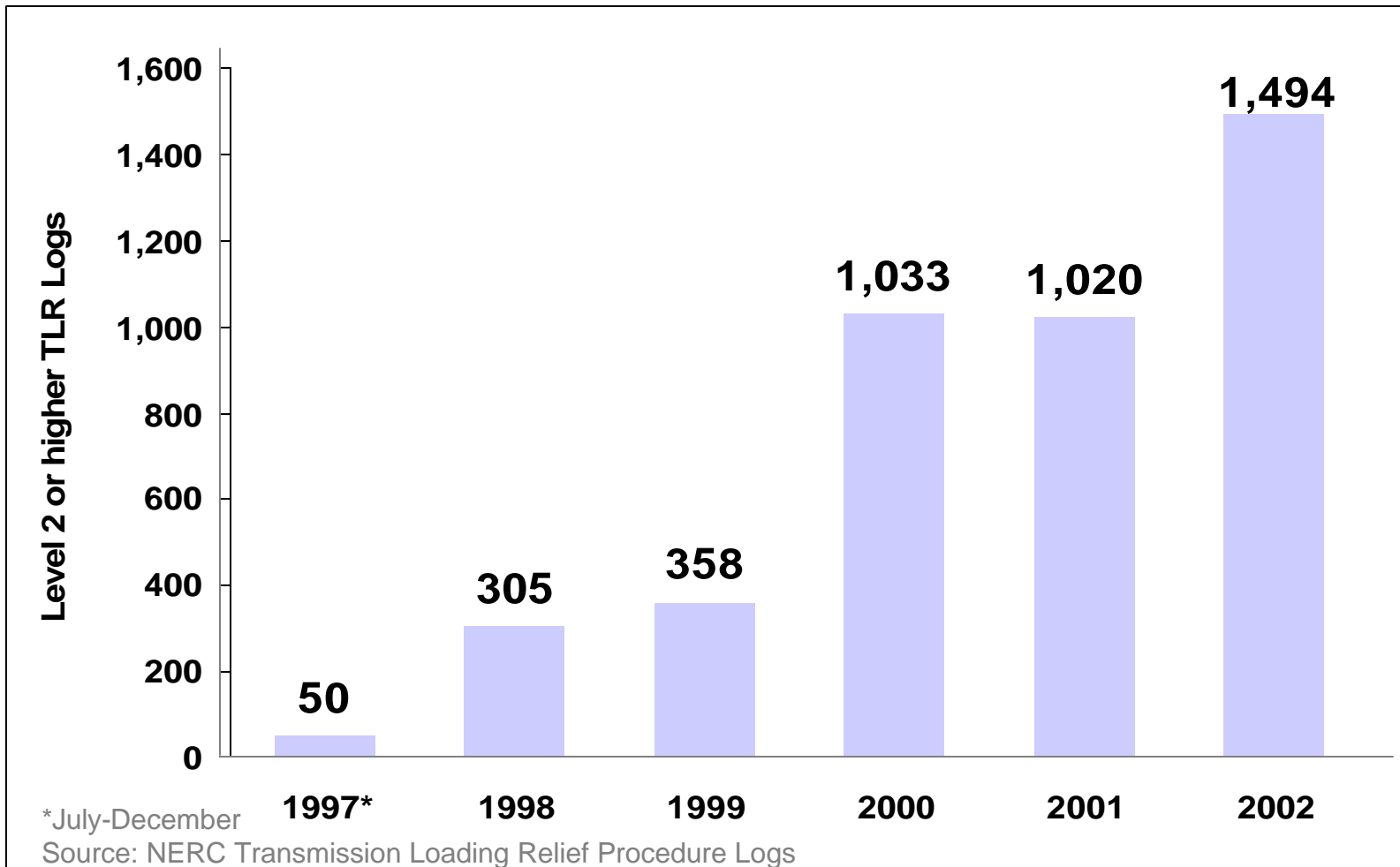
- Efficient wholesale markets will reduce electricity costs to customers
- Wholesale market efficiency is impeded by:
  - Lack of transmission investment
  - Discriminatory transmission services
  - System balkanization

# Transmission investment vs. energy sales growth



Sources: 2001 EEI Construction Survey (Note: Data represents Shareholder-owned electric utilities.)  
Table 8.5 *Electricity End Use*, (1949-2001). EIA *Annual Energy Review*.

# Annual Transmission Line Congestion (1997-2002)



# Solution is an ITC

## Path to Adequate & Flexible Network



## Solution requires:

- True independent operations  
plus
- Planning and Design  
plus
- Transmission Investment  
yields
- A Robust Market Infrastructure

# ITC is a true operating utility:

- Stand alone operations – not dependent on former utilities
- Performs “direct control” of power network elements
- Consolidates control areas and establishes new NERC paradigm
- Dynamically performs integrated system operations
- Best foot print for the first tier security-constrained analysis with link to RTO for interconnection-wide security



# Who is TRANSLink?

# TRANSLink Transmission Company

*TRANSLink will be an independent transmission-only company that functionally controls the participating utilities' transmission assets.*

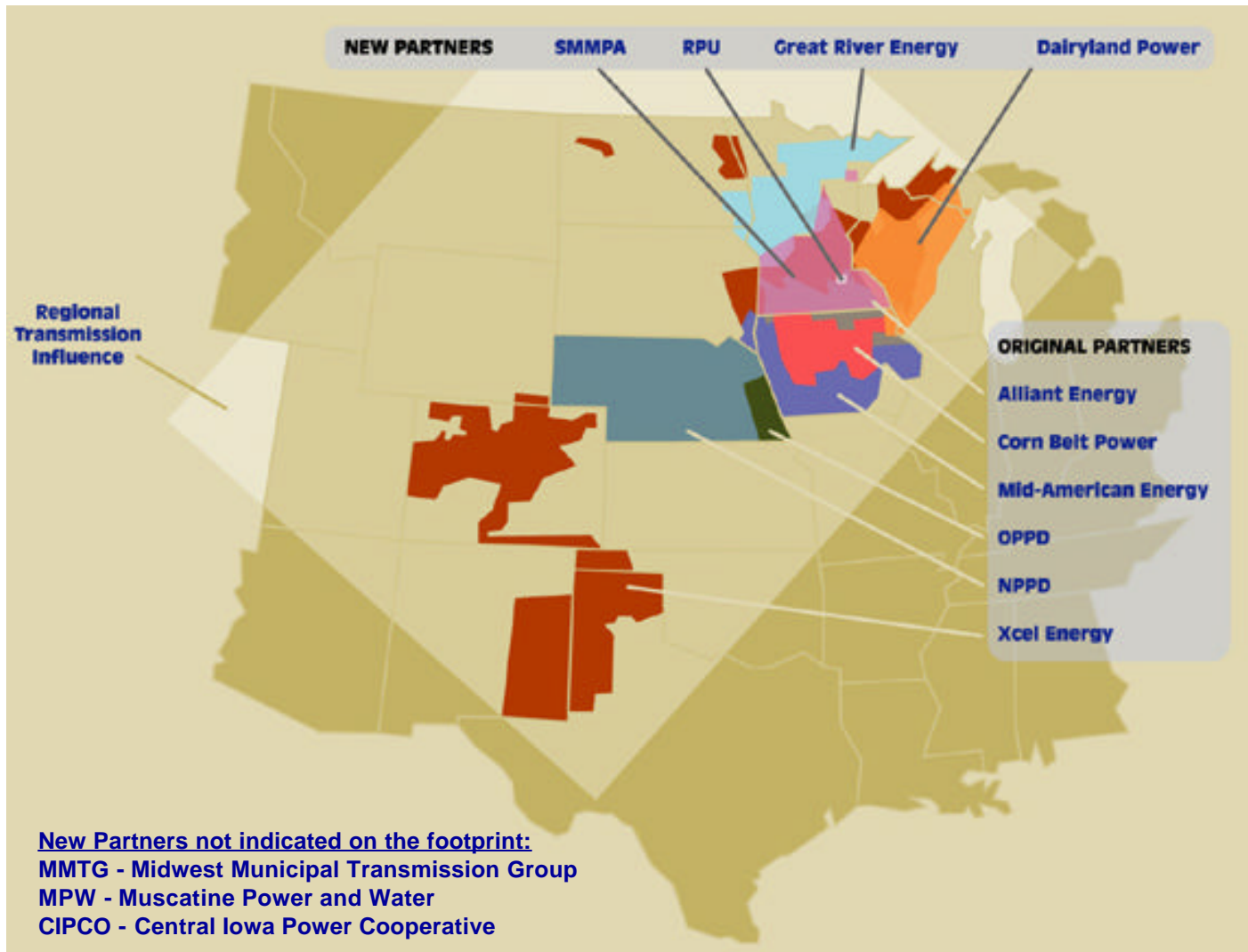
*TRANSLink is dedicated to reliably moving energy from where it is available to where it is needed.*



# What is TRANSLink?

- Regulated transmission asset owner and asset manager
- Multi-state, multi-constituent integrated transmission network
- TRANSLink will:
  - Plan and invest in transmission infrastructure and technology in the region
  - Have unique and equitable rate design
  - Consolidate regional operations
- Headquarters and control center – Minnesota
- Control & operation centers: Iowa & Nebraska

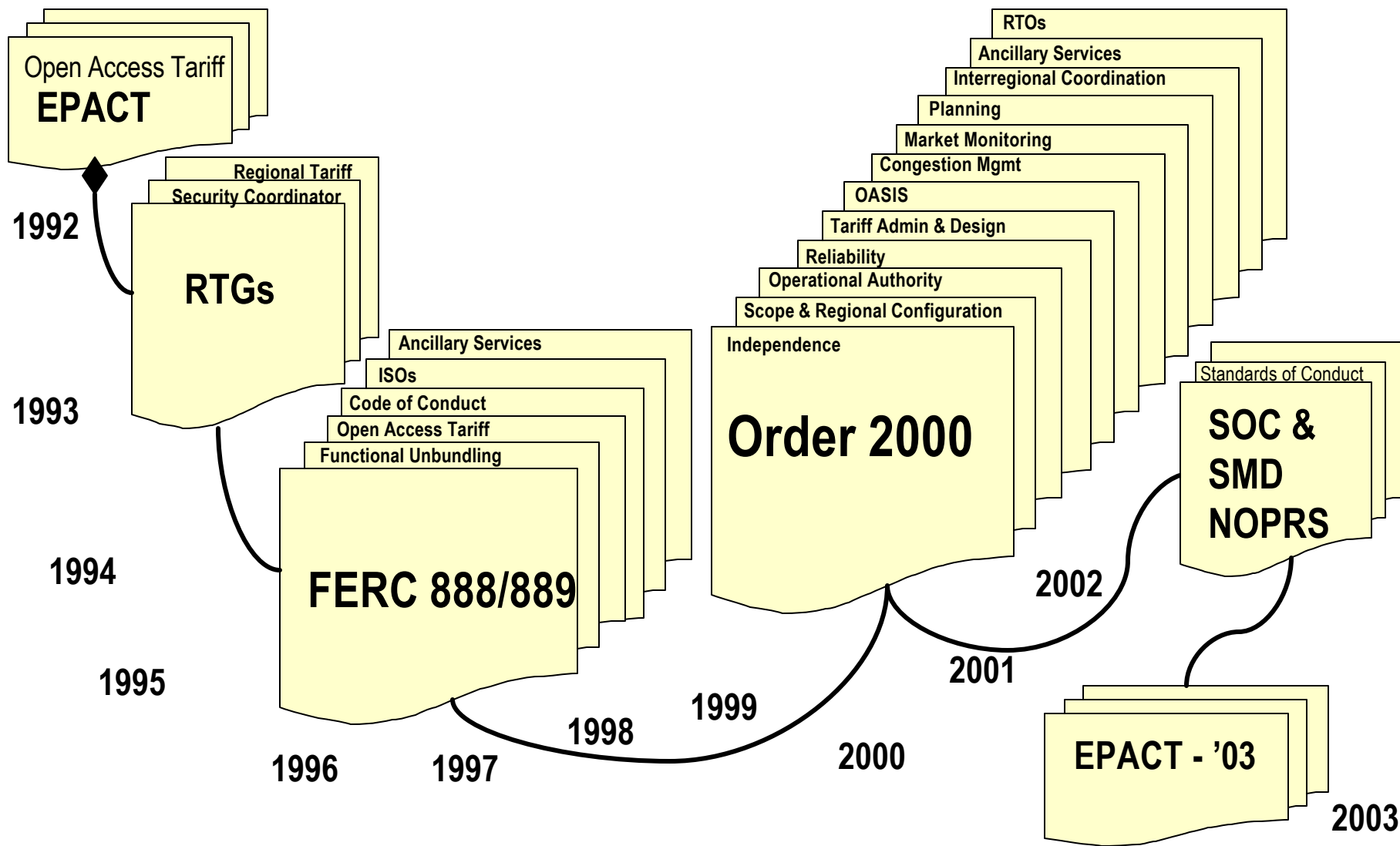
# TRANSLink Footprint





# **What Deregulation Forces Caused the Creation of TRANSLink?**

# The Road to Restructuring



## **MISO and TRANSLink's Distinct Roles A Team Effort With No Duplication**

- MISO provides:
  - Inter-regional solutions
  - Direct inter-regional traffic
  - Monitor inter-regional and interconnection-wide security
  - Role of market administrator
  - Tariff administration
  - Provides Market Monitor
- ITCs provide:
  - Network infrastructure and facilities
  - Local presence for:
    - planning forum
    - siting
    - R.O.W. acquisition
    - design and construct
    - systems maintenance
    - switching
    - storm restoration

# TRANSLink Rate Design

- Uses highway-zonal design
- Based on cost-causation principles
- Overall revenue requirement basically the same as under MISO formula, but better cost and revenue allocation
- Mitigate revenue loss from MISO license plate without the large cost shift

# How Does TRANSLink Benefit Wind Energy?

- Regional planning and investment to meet local needs
- Regional control consolidation
- Aggregated interconnections and simplified application processes
- Focused transmission provider and service innovation