

PUBLIC VOLUME

ATTACHMENT I

MISO LETTER TO ATC DATED SEPTEMBER 15, 2011



Clair J. Moeller
Vice President, Transmission Asset Management
Direct Dial: 651-632-8441
E-mail: cmoeller@misoenergy.org

September 15, 2011

American Transmission Company LLC
Attn: John Procario, President and CEO
W234 N2000 Ridgeview Parkway Court
Waukesha, WI 53188-1022

RE: Dubuque-Spring Green-Cardinal MVP and North La Cross-Madison MVP

Dear John:

The MISO Board of Directors is scheduled to review and vote on the current candidate Multi-Value Project (MVP) portfolio in December 2011. The Dubuque-Spring Green Cardinal MVP and the North La Cross-Madison MVP are two of the projects in that portfolio. Ownership of these projects is an important aspect to the Board's evaluation because ownership, whether solely or jointly, affects the cost estimates provided by each Transmission Owner. Ownership and cost estimates are issues to be resolved to provide finality to the current portfolio analysis.

Attachment FF to the tariff requires that:

For each project included in the recommended MTEP, the plan shall designate, [] one or more Transmission Owners or other entities to construct, own and/or finance the recommended project.

While this language will not preclude seeking Board approval of the candidate projects absent resolution of the ownership question, the dispute could create uncertainty with respect to the expected costs and construction of the projects. It is, therefore, in the interest of the involved Transmission Owners to resolve this issue expeditiously.

MISO is aware of ATC's position with regard to ownership of these two projects. However, without agreement between ATC and the other Transmission Owner to which each of these projects will connect, MISO believes that ATC's position contradicts the Transmission Owners Agreement, specifically Part IV of Appendix B. The Dubuque-Spring Green Cardinal MVP connects ATC and ITC. The North La Cross-Madison MVP connects ATC and Xcel. Thus, absent agreement otherwise, the Transmission Owners Agreement provides that the Transmission Owners share equal ownership in the MVPs. Part IV of Appendix B states:

Ownership and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong *equally* to each Owner, *unless such Owners otherwise agree*, and the responsibility for maintaining such facilities belongs to the Owners of the facilities unless otherwise agreed by such Owners. (emphasis added)



Clair J. Moeller
Vice President, Transmission Asset Management
Direct Dial: 651-632-8441
E-mail: cmoeller@misoenergy.org

If ATC seeks more than equal ownership in either of these two MVPs, ITC and/or Xcel must agree to it. Because ownership will affect the cost estimates for the projects and potentially introduce uncertainty in the approval process, ownership must be resolved and preferably before MISO finalizes the MVP portfolio for Board consideration. Thus, we encourage ATC to contact both ITC and Xcel to resolve ownership issues immediately. MISO notes that in the event of a dispute involving any element of the MTEP, Part IV of Appendix B provides an opportunity for the parties to utilize the MISO Dispute Resolution process under Attachment HH of the Tariff. In this regard, Part IV provides:

If the [MISO] Planning Staff and any Owner's planning representatives cannot reach agreement on any element of the Midwest ISO Plan, the dispute may be resolved through the Dispute Resolution process provided in Attachment HH of the Tariff or by the FERC or state regulatory authorities, where appropriate.

MISO strongly encourages ATC to proactively address this issue with ITC and Xcel. We request that ATC initiate such discussion within thirty (30) business days of this letter, after which MISO will provide a dispute letter to the ADR Committee under Attachment HH of the Tariff to initiate alternative dispute resolution procedures among ATC, ITC and Xcel to resolve this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Clair Moeller".

Clair Moeller
Vice President, Transmission Asset Management

CC: Paul Jett (ATC LLC)
Dan Sanford (ATC LLC)
Teresa Mogensen (Xcel)
Priti Patel (Xcel)
Doug Collins (ITCM)
Tom Vitez (ITCM)