

AGREEMENT OF
TRANSMISSION FACILITIES OWNERS TO ORGANIZE
THE
MIDWEST INDEPENDENT TRANSMISSION SYSTEM
OPERATOR, INC., A DELAWARE NON-STOCK CORPORATION

"As Accepted Version"

**WITH THE FEDERAL ENERGY REGULATORY
COMMISSION**

**This version of the Transmission Owners Agreement reflects all
Commission orders issued through May 12, 2008, including the
Commission's Order issued in
Docket No. ER08-664-000,
123 FERC ¶ 61,142 (2008).**

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Article One

THIS AGREEMENT, including all appendices attached hereto (hereinafter "Agreement"), is entered into by the undersigned owners of electric transmission facilities for the purpose of organizing the Midwest Independent Transmission System Operator, Inc., a Delaware non-stock corporation (hereinafter "Midwest ISO").

ARTICLE ONE

DEFINITIONS

I. In General.

Unless the context otherwise specifies or requires, the following terms used in this Agreement, or in any appendix to this Agreement, shall have the respective meanings set forth below. Additional terms are defined for convenience of reference in other provisions of this Agreement. When used in this Agreement, or in any appendix to this Agreement, such additional terms shall have the respective meanings set forth in such other provisions of this Agreement.

A. Agency Agreement. The agreement appended hereto as Appendix G which allows Non-transferred Transmission Facilities to be offered for transmission service under the Transmission Tariff.

B. Effective Date. The effective date as to any signatory to this Agreement is the date this Agreement is signed by the signatory, except as to Governmental Entities, as to whom this Agreement will become effective only upon fulfillment of the conditions specified in Article Seven, Paragraph C of this Agreement.

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C. **FERC**. The Federal Energy Regulatory Commission, or any successor agency.

D. **Funds Trust Agreement**. The Funds Trust Agreement among JPMorgan Chase Bank, N.A., Midwest Independent Transmission System Operator, Inc., and the Beneficiaries, as may be amended from time to time, under which agreement a trust is established and maintained for the receipt and distribution of revenues resulting from the provision of transmission services under the Transmission Tariff.

E. **Good Utility Practice**. Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

F. **He, Him, or His**. Includes "she," "her", or "hers", respectively.

G. **Local Balancing Authority**. An operational entity or Joint Registration Organization, as defined in the NERC Rules of Procedure, which is (i) responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined in the "Agreement Between Midwest ISO And Midwest ISO Balancing Authorities Relating To Implementation of TEMT, As Amended On March 14, 2008" (or

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successor agreement) ("Amended BA Agreement") for their local area within the Midwest ISO Balancing Authority Area, (ii) a Party to the Amended BA Agreement, excluding the Midwest ISO, and (iii) listed in Appendix A of the Amended BA Agreement.

H. Local Balancing Authority Area. The collection of generation, transmission, and loads within the metered boundaries of a Local Balancing Authority.

I. Member. A person or business entity which is (i) an Eligible Customer, as defined in the Transmission Tariff, or (ii) an Owner, as defined herein, and which pays to the Midwest ISO, the non-refundable membership fees as required herein. Such person or entity shall be a Member during the period covered by the applicable membership fees unless earlier terminated pursuant to this Agreement.

J. Midwest ISO Balancing Authority Area. The collection of generation, transmission, and loads within the metered boundaries of the Midwest ISO. The Midwest ISO Balancing Authority Area consists of the transmission system, load and generation resources interconnected to the Midwest ISO Transmission System, as defined under the Transmission Tariff, that: (i) function as a centrally coordinated system and (ii) operate subject to the single set of dispatch instructions determined and issued by the Midwest ISO.

K. Non-owner Member. A Member which is not an Owner.

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L. Non-transferred Transmission Facilities. The booked transmission facilities not identified in Appendix H to this Agreement which are the subject of the Agency Agreement.

M. Owner. A utility or other entity which owns, operates, or controls facilities for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven-factor (7-factor) test of the FERC set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) and which is a signatory to this Agreement. A public utility holding company system shall be treated as a single Owner for purposes of this Agreement. Each Owner shall pay the applicable membership fees and become a Member. Any termination of a utility's or entity's status as an Owner shall be determined pursuant to this Agreement.

N. Transfer Date. The date established pursuant to Article Two, Section X, Paragraph B of this Agreement.

O. Transmission Tariff. The transmission tariff on file with the FERC under which the Midwest ISO will offer transmission service, or any successor tariff.

P. Transmission System. The transmission facilities of the Owners which are committed to the operation of the Midwest ISO by this Agreement. These facilities shall include (i) all networked transmission facilities above 100 kilovolts (hereinafter "kV"); and (ii) all networked transformers where the two (2) highest voltages qualify under the voltage criteria of item (i) above. The facilities may also include other facilities

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that the Midwest ISO directs the Owner(s) to assign to it subject to the procedures set forth in Appendix B to this Agreement. The facilities comprising the Transmission System are identified in Appendix H to this Agreement. Appendix H shall be amended from time to time to reflect the addition of facilities to, or removal of facilities from, the Transmission System.

Q. User. A Transmission Customer under the Transmission Tariff or an entity that is a party to a transaction under the Transmission Tariff.

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ARTICLE TWO

ORGANIZATION AND GOVERNANCE OF THE MIDWEST ISO

I. Character Of The Organization.

A. Organization of Non-stock, Not-for-profit Corporation.

1. This Agreement sets forth the terms and conditions pursuant to which the Midwest ISO shall be governed and, to the extent provided herein, pursuant to which it shall be operated.

2. The Midwest ISO is to be organized as a non-stock, not-for-profit corporation, pursuant to Title 8, Chapter 1 of the laws of the State of Delaware. The Midwest ISO is not to be organized for profit and shall be operated exclusively for the promotion of social welfare, in furtherance of the public policy reflected in the Order of the FERC approving this Agreement and FERC Order No. 888. The Midwest ISO intends to file an application with the Department of the Treasury, Internal Revenue Service, for recognition of exemption from federal taxation pursuant to Section 501 of the Internal Revenue Code of 1986, as amended, or a successor provision (hereinafter "Internal Revenue Code").

3. No part of the net earnings, if any, of the Midwest ISO shall inure to the benefit of any Midwest ISO Member, Director, Officer, employee, or any other interested private person. The Midwest ISO is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments or

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distributions in furtherance of the purposes and objectives set forth in this Agreement, the attachments hereto, and the Transmission Tariff. No substantial part of the activities of the Midwest ISO shall be carrying on propaganda or otherwise attempting to influence legislation. The Midwest ISO shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

4. Notwithstanding any other provision of this Agreement, if the Internal Revenue Service determines that the Midwest ISO qualifies as a tax-exempt, not-for-profit corporation, the Midwest ISO shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under the Internal Revenue Code, or successor provisions in any subsequent federal tax laws, or such other provision or successor provisions under which the Internal Revenue Service may recognize that the Midwest ISO is exempt from taxation. If the Midwest ISO does not qualify for such tax exemption, the Midwest ISO shall, consistent with its other obligations under this Agreement, minimize its federal and state tax obligations.

B. Declaration. By agreeing to and executing this Agreement, the Owners declare that (i) the Transmission System committed to the operation and control of the Midwest ISO, (ii) the Non-transferred Transmission Facilities, and (iii) all revenues from the provision of transmission service provided by the Midwest ISO shall be managed, administered, received, and collected, in the manner and subject to the terms and conditions set forth in this Agreement, any amendments to this Agreement, and the Funds Trust Agreement.

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C. **Appendices.** This Agreement shall include all appendices, and, in the event of a conflict between this Agreement and any appendix, the appendix shall prevail as the intent of the signatories. All appendices to this Agreement are incorporated into this Agreement and expressly made a part hereof. In the event of a conflict between this Agreement, including any appendices, and the Transmission Tariff, the Transmission Tariff shall prevail as the intent of the signatories.

D. **Purpose of Authorization.** The authorization granted by the Owners to the Midwest ISO, subject to the terms of this Agreement, shall be sufficient to commit the operation and control of the Transmission System to the Midwest ISO for the following three purposes: (i) providing non-discriminatory open access transmission service over the Transmission System to transmission customers, including the Owners, who may lawfully request such service pursuant to a single tariff filed with the FERC; (ii) receiving funds associated with transmission services from transmission customers solely as agent for the Owners or their designee(s) and distributing such funds to the Owners or their designee(s) in accordance with this Agreement, Appendix C to this Agreement, and the Funds Trust Agreement; and (iii) being responsible for regional system security, in accordance with the provisions of this Agreement. Such authorization shall be effective on the Transfer Date. With regard to the Non-transferred Transmission Facilities, the Midwest ISO shall have such authority as is provided for in the Agency Agreement attached hereto as Appendix G. During the Transition Period, as defined in Appendix C to this Agreement, the Owners reserve for

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themselves the right to use their own transmission facilities to the extent required to transmit electric power and energy to their customers being served under bundled rates comparable to firm service under the Transmission Tariff.

E. **Title to Remain with Owners.** Legal and equitable title to the respective properties comprising the Transmission System, including all land and land rights, and to all transmission facilities which they may hereafter build or acquire, in accordance with Appendix B to this Agreement, shall remain with each respective Owner (unless the Owner transfers title to another entity), and is not changed by this Agreement. The respective Owners shall retain all rights incident to such legal and equitable title, including, but not limited to, the right, subject to applicable federal or state regulatory approvals, to build, acquire, sell, dispose of, use as security, convey any part of their property, or use such property for purposes other than providing transmission services (such as the use of such property for telecommunications purposes), provided that the exercise of any such rights shall not impair the reliability of the Transmission System.

F. **Bylaws.** The Bylaws of the Midwest ISO shall at all times be consistent with this Agreement and any amendments thereto. Appendix F to this Agreement shall be the initial Bylaws of the Midwest ISO.

II. Name, Location, And Start-up Functions.

A. **Name.** The name of the corporation is the Midwest Independent Transmission System Operator, Inc., in which name it may make and execute contracts

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and all kinds of instruments, acquire and convey real or personal property, sue and be sued, and conduct business, all as provided by applicable law and pursuant to the terms and conditions of this Agreement.

B. Principal Office. The principal office of the Midwest ISO shall be determined by the initial Board of Directors.

C. Place of Business. The Board may establish such branch offices or places of business as it shall determine to be in the best interests of the Midwest ISO consistent with the provisions of Article Three, Section IV, Paragraph F of this Agreement.

D. Start-up. The Owners may select and employ a person or an entity (or persons or entities) to perform such administrative and start-up functions as in the Owners' judgment may be necessary or desirable until the Board is elected. Such person or entity shall serve in such capacity until the election of the initial Board, and, during such service, shall exercise the authority and perform the duties of the Board and the President.

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III. Board Of Directors.

A. In General.

1. Initial Board of Directors. The Initial Board of Directors of the Midwest ISO (hereinafter sometimes referred to as "Board"), shall consist of seven (7) persons plus the President. The initial Board shall be elected by the Members at their initial meeting as specified in Article Two, Section V, Paragraph B of this Agreement from a slate of candidates presented to them by an independent executive search firm chosen by a majority vote of the signatories to this Agreement, with each signatory having one vote. Such firm shall select such candidates consistent with the qualification requirements set forth in Subparagraph 2 of this Paragraph A. The slate shall include at least two (2) candidates with the appropriate type of qualifications for each Board position. Each Member shall be entitled to cast a single vote for each of the seven (7) positions on the Board from among the candidates for each position. The candidates with the most votes shall fill the Director positions for which they were nominated. In the event of a tie among the candidates for a Board position, one (1) of the candidates shall be selected by a drawing. Two (2) Directors shall hold office for one (1) year; two (2) Directors shall hold office for two (2) years; and the final three (3) Directors shall hold office for three (3) years; and, in each foregoing case, until their respective successors are duly elected and qualified, or until their earlier resignation or removal. At the first meeting of the initial Board, the Directors shall determine each of their respective terms hereunder by a drawing.

2. Qualifications. A Director shall not be, and shall not have
been at any time

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within two (2) years prior to or subsequent to election to the Board, a director, officer, or employee of a Member, User, or an affiliate of a Member or User. At all times while serving on the Board, and for two (2) years thereafter, a Director shall have no material business relationship or other affiliation with any Member or User or an affiliate of a Member or User. A Director's participation in a pension plan of a Member or User or an affiliate thereof shall not be deemed to be a material business relationship as long as such pension plan is a defined benefit pension plan that does not involve ownership of the securities of the company sponsoring such plan. Similarly, a Director's ownership of securities in a Member or User or affiliate thereof shall not be deemed to be a material business relationship if such securities are held through a mutual fund, retirement fund, blind trust (as defined in Appendix A, Section II.E.6) or similar arrangement where the Director has no discretion to manage the assets in such an account. Of the seven (7) Directors, four (4) shall have expertise and experience in corporate leadership at the senior management or board of directors level, or in the professional disciplines of finance, accounting, engineering, or utility laws and regulation. Of the other three (3) Directors, one (1) shall have expertise and experience in the operation of electric transmission systems, one (1) shall have expertise and experience in the planning of electric transmission systems, and one (1) shall have expertise and experience in commercial markets and trading and associated risk management.

3. Succeeding Boards of Directors. After the election of the initial Board as provided above, succeeding Directors shall be elected to terms of three (3) years, except for any Director elected to fill a vacancy in the remainder of the

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term. Before the term of a Director expires, a nominating committee consisting of three Board Members whose terms are not expiring appointed by the Board and two members of the Advisory Committee selected by the Advisory Committee shall select an executive search firm to provide at least two (2) candidates to the nominating committee for each open Director position. Members may submit the names of candidates directly to the nominating committee. The Nominating Committee shall then provide at least two (2) candidates to the Board for each open position. The candidates for a specific Director position shall have the same type of qualifications as the Director being replaced, as set forth in Subparagraph 2 of this Paragraph A. At least thirty (30) days prior to the meeting of the Members at which the Directors will be elected, the Board shall distribute to the Members a slate of candidates consisting of one (1) candidate for each Director position to be filled. The Board shall also provide the Members with information on the qualifications and experience of the candidate to fill the Director seat for which each candidate is proposed. A candidate receiving a majority of the votes cast by the Members shall be elected. Should the Members fail to elect a candidate from the slate proposed by the Board, the Board shall prepare a new slate using the procedures set forth above for consideration by the Members at a meeting of the Members to be called no later than seventy-five (75) days after such election. Each Director shall serve until his successor shall have been duly elected and qualified, or until his earlier resignation or removal. Vacancies on the Board caused by a Director leaving office before the expiration

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of his term shall be filled by vote of the Board, which shall choose a candidate having the same type of qualifications as his predecessor from a list prepared by the nominating committee in consultation with an executive search firm chosen by the nominating committee. A Director selected to fill such a vacancy shall serve out the term of his predecessor.

4. Chairman of the Board. The Board shall select from among its members a Chairman of the Board. The Chairman shall serve in such capacity at the pleasure of the Board until the first meeting of the Board following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. The Chairman of the Board shall, unless otherwise determined by the Board, preside over all meetings of the Board and Members, and shall sign, with the Secretary, certificates of membership, the issuance of which shall have been authorized by the Board. The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as from time to time may be assigned to him by the Board.

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5. Vice Chairman. The Board shall select from among its members a Vice Chairman of the Board. The Vice Chairman shall serve in such capacity at the pleasure of the Board until its first meeting following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman of the Board, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

6. Resignation of Directors. Any Director may resign his office by submitting a signed notice of resignation, delivered or mailed to the principal office of the Midwest ISO. Such notice of resignation shall indicate the effective date of the resignation. If it does not indicate an effective date, the resignation shall take effect upon receipt of the notice at the principal office of the Midwest ISO.

7. Removal of Directors.

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a. Removal by Members. The Members may remove a Director by a vote of a majority of the Members. Removal proceedings may only be initiated by a petition signed by not less than twenty percent (20%) of all Members. The petition shall state the specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A Director sought to be removed shall be given fifteen (15) days to respond in writing to any charges set forth in the petition. The petition shall specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.

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B. Duties and Powers.

1. General. The management of all the property, business, and affairs of the Midwest ISO shall be vested in the Board. The Board may exercise all of the powers of the non-stock corporation and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers, and the management of the Midwest ISO) as it may deem proper and consistent with applicable law, this Agreement, the Transmission Tariff, the articles of incorporation, and the Bylaws of the Midwest ISO, provided that authority for such actions is not reserved to the Members or Owners. Except as provided in Article Two, Section IX, Paragraphs B and C of this Agreement, the enumeration of specific duties and powers in this Agreement shall not be construed in any way as a limitation on the general powers intended to be conferred on the Board.

2. Bylaws and regulations. The Board shall have the obligation to adopt such bylaws, regulations, policies, and practices as are not inconsistent with this Agreement and the Transmission Tariff that it deems necessary or desirable for the conduct of the business of the Midwest ISO and for the governance of itself, the Chief Executive Officer, the President, and all agents, employees, and representatives of the Midwest ISO, without undue discrimination.

3. Board oversight. The Board shall have responsibility to oversee the Chief Executive Officer's and/or the President's performance of the obligations of the Midwest ISO specified in Article Three of

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this Agreement. The performance of such obligations shall be carried out and executed by the Chief Executive Officer and/or the President with oversight as appropriate by the Board. The Board shall establish general policies to be followed by the Chief Executive Officer and/or the President and employees of the Midwest ISO in the conduct of their duties.

4. Standards of Conduct. The Directors shall comply with the Standards of Conduct set forth in Appendix A to this Agreement.

5. Collections and payments. The Board shall have the obligation to assure that the Chief Executive Officer and/or the President accounts for all transactions on the Transmission System and other activities of the Midwest ISO; submits bills for such transactions; pays the expenses of operation of the Midwest ISO; collects monies for transmission service from customers solely as agent for Owners or their designee(s) in accordance with the Transmission Tariff, and distributes monies to the Owners or their designee(s) in accordance with this Agreement, any associated agreements referred to in this Agreement, the Funds Trust Agreement, and the Transmission Tariff.

6. Employ staff. The Board shall have the power to employ staff, auditors, counsel, and other personnel as necessary to carry out the business of the Midwest ISO and may delegate to the Chief Executive Officer and/or the President all or part of such authority to employ such staff, auditors, counsel, and other personnel.

7. Board Committees. The Board may appoint such internal committees of the Board (hereinafter "Board Committees") as are necessary and

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appropriate for the conduct of the business of the Midwest ISO, provided that final responsibility for any action recommended by any such committee remains with the Board.

C. Meetings of the Board.

1. Meetings. Regular meetings of the Board shall be held at least quarterly, and other meetings shall be held from time to time on the call of the Chief Executive Officer (or, if the Board chooses not to elect the Chief Executive Officer, the President), Chairman, or a majority of the Board. A Director may participate in a meeting personally or by electronic means. Written notice of the date, location, and time of each meeting of the Board must be provided by first-class mail or by telefacsimile to each Director no later than seven (7) calendar days prior to the date of the meeting. Participation in a meeting by a Director is a waiver of any objection that the Director may make to any failure to give adequate notice under this provision. Any action required or permitted to be taken at any meeting of the Board, or of any Board Committee, may be taken without a meeting if all Directors or Board Committee members, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or Board Committee. Consistent with this Agreement, the Board shall have all procedural authority provided and options available under Title 8 of the Delaware Corporation Law, section 141.

2. Voting. Five (5) Directors shall constitute a quorum of the Board. Except as provided in Article Two, Section VIII, Paragraph C, Subparagraph 5 of this

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Agreement, the affirmative vote of a majority of the Directors present at a meeting is required to constitute any act or decision rendered by the Board.

3. Accounting. At each quarterly meeting of the Board, or such other time as the Board directs, the Board shall require the Chief Executive Officer (or, if the Board chooses not to elect the Chief Executive Officer, the President) to submit for Board approval a full statement of the conditions of the Midwest ISO, and all business transacted by it, and, when the statement is approved, shall cause a copy of it to be sent to each Member.

4. Minutes and reports. The Board shall cause to be kept by the Secretary, elected by it, a record of all meetings of the Board, Members, and Board Committees. Insofar as non-Members of the Midwest ISO are concerned, these records shall be conclusive for the Board of the facts and activities stated and recorded therein.

D. Compensation of Directors; Reimbursement of Expenses

1. Director compensation. Directors shall receive from the Midwest ISO such compensation, regular or special, as is set pursuant to this provision. The independent executive search firm chosen to select a slate of candidates for election for Director positions shall set Director compensation following such election, subject to approval of the Members. If two-thirds (2/3) or more of the Members vote to reject the search firm's recommended compensation, then the recommended compensation shall be rejected. In establishing the compensation for the initial Board, if there are not yet Members, then a vote of two-thirds (2/3) or more of the signatories to this Agreement shall

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be required to reject the search firm's recommended compensation. If the recommended compensation is rejected, then the search firm shall be requested to submit another recommendation or another search firm may be hired for such purpose.

2. Expenses. Directors, and their successors and assigns, shall have the right to reimbursement by the Midwest ISO for all of their actual expenses reasonably incurred or accrued in the performance of their duties as Directors of the Midwest ISO.

IV. Officers Of The Midwest ISO.

A. Titles. The Officers of the Midwest ISO shall be the Chief Executive Officer, the President, one or more Vice Presidents (in the discretion of the Board), and a Secretary.

B. Election and Term of Office. The Officers of the Midwest ISO shall be elected from time to time by the Board. Each Officer shall hold office at the pleasure of the Board.

C. Removal of Officers by Directors. Any Officer may be removed by the Board whenever, in the Board's judgment, the best interests of the Midwest ISO will be served thereby.

D. Chief Executive Officer. At its discretion, the Board shall have the power not to establish the office of the Chief Executive Officer, or if established, to combine the offices of the Chief Executive Officer and the President. In either case, the President shall exercise the powers and perform the duties of the Chief Executive Officer set forth herein.

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The Chief Executive Officer shall serve on the Board of the Midwest ISO. The Chief Executive Officer may vote on any matter presented at a Board meeting except when the Chief Executive Officer's vote would create a tied Board vote. In that circumstance, the Chief Executive Officer shall be barred from voting. The Chief Executive Officer also may not vote on the selection of, or continued employment of, the Chief Executive Officer or on the Chief Executive Officer's compensation. The Chief Executive Officer shall be

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included in the determination of a quorum of the Board for any meeting of the Board and in the determination of a majority vote of the Board for any purpose. The duties of the Chief Executive Officer are as follows:

1. Right of Chief Executive Officer to manage. The right of the Chief Executive Officer to exercise functional control over the operation of the Transmission System, insofar as is necessary to carry out the rights, duties, and obligations of the Midwest ISO as set forth in this Agreement, shall be absolute, unconditional, and free from the control and management of the Owners, who shall have only the rights specifically set forth in this Agreement. The Chief Executive Officer shall have the authority to act for the Midwest ISO before any and all applicable federal or state regulatory authorities to carry out the business of the Midwest ISO.

2. General powers. The Chief Executive Officer shall possess and exercise any and all such additional powers as are reasonably implied from the powers contained in this Agreement such as may be necessary or convenient in the conduct of any business or enterprise of the Midwest ISO. The Chief Executive Officer may (i) do and perform everything that (a) he deems necessary, suitable, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives, enumerated in this Agreement, or (b) that shall at any time appear conducive to, or expedient for, the protection or benefit of the Midwest ISO, and (ii) do and perform all other acts or things that are deemed necessary or incidental to the purposes set forth in this Agreement.

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3. Acquire property. The Chief Executive Officer shall have power to purchase, or otherwise acquire through leases, such property, except for transmission facilities which shall be governed by Appendix B to this Agreement, as necessary to carry out the obligations of the Midwest ISO as specified in Article Three of this Agreement.

4. Prosecute claims. The Chief Executive Officer shall have full and exclusive power and authority to demand, sue for, claim, and receive any and all revenues and monies due the Midwest ISO.

5. Borrow. The Chief Executive Officer shall have the power to borrow money up to the level authorized by the Board for the purposes of the Midwest ISO and to give the obligations of the Midwest ISO to secure such indebtedness.

6. Contracts. The Chief Executive Officer shall have the authority and power to make all such contracts as he may deem expedient and proper in conducting the business of the Midwest ISO, except as may be limited by the Board.

7. Taxes and assessments. The Chief Executive Officer shall have the power (i) to pay all taxes or assessments of whatever kind or nature imposed upon or against the Midwest ISO in connection with the Midwest ISO property, or upon or against the Midwest ISO property, or any part of such property; (ii) to do all acts and things as may be required or permitted by any present or future law for the purpose of making the activities of the Midwest ISO exempt from taxation; and, (iii) for any of the above-stated purposes, to do all such other acts and things as may be deemed by him necessary or desirable.

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8. Depository. In accordance with policies set by the Board, and subject to any limitations set forth in this Agreement or the Funds Trust Agreement, the Chief Executive Officer shall have the power to select a depository, and to deposit any monies or securities held by the Midwest ISO in connection with the performance of its obligations under this Agreement, with any one or more banks, trust companies, or other banking institutions deemed by the Chief Executive Officer to be responsible, such monies or securities to be subject to withdrawal on notice upon demand or in such manner as the Chief Executive Officer may determine, with no responsibility upon the Chief Executive Officer for any loss that may occur by reason of the failure of the person with whom the monies or securities had been deposited properly to account for the monies or securities so deposited.

E. President. If the Board has established the office of the Chief Executive Officer, the President shall, in the absence or disability of the Chief Executive Officer, exercise the powers and perform the duties of the Chief Executive Officer. The President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer and/or the Board consistent with this Agreement. The President shall not be eligible to serve on the Board of the Midwest ISO except when performing the duties of the Chief Executive Officer, as above provided, or except when the Board chooses not to establish the office of the Chief Executive Officer. If the Board chooses not to establish the office of the Chief Executive Officer, the President shall exercise the powers and perform the duties of the Chief Executive Officer.

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F. **Vice President.** If the Board chooses not to establish the office of the Chief Executive Officer, the Vice President or, if there be more than one, the Vice President designated by the Board, shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. Each Vice President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer (or, if the Board chooses not to elect the Chief Executive Officer, the President) and the Board consistent with this Agreement. No Vice President shall be eligible to serve on the Board of the Midwest ISO except when performing the duties of the President as above provided.

G. **Secretary.** The Secretary shall be responsible for the following duties:

1. Keeping the minutes of the applicable meetings in one or more books provided for that purpose;

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2. Seeing that all notices are duly provided in accordance with this Agreement, policies of the Midwest ISO, and any and all other documents which provide for the governance of the Midwest ISO;

3. Maintaining custody of the records of the business of the Midwest ISO and the seal of the Midwest ISO, and affixing such seal to all certificates of membership prior to the issuance thereof and to all documents, the execution of which, on behalf of the Midwest ISO, under its seal, is duly authorized in accordance with the provisions of this Agreement;

4. Keeping a register of the names and post office addresses of all Members and Directors;

5. Signing with the Chairman of the Board certificates of membership, the issuance of which shall have been authorized by the Board;

6. Keeping on file at all times at the principal office of the Midwest ISO a complete copy of this Agreement, and all amendments thereto, together with the corporate Bylaws and any policies concerning the governance of the Midwest ISO, and, at the expense of the Midwest ISO, forwarding or otherwise making available copies of such information to each of the Members and to the public to the extent required by law; and generally performing all duties instant to the office of Secretary and such other duties that, from time to time, may be assigned to the Secretary by the Board.

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H. **Standards of Conduct.** The Officers, agents, and employees of the Midwest ISO shall comply with the Standards of Conduct set forth in Appendix A to this Agreement.

I. **Bonds of Officers:** Any Officer, employee, or agent of the Midwest ISO charged with the responsibility for the custody of any of its funds or property may be required to give bond in such sums, and with such sureties, as the Board shall determine. The Board, in its discretion, may also require any other Officer, agent, or employee of the Midwest ISO to give bond in such amount, with such surety, as it shall determine. All premiums of the aforesaid bonds shall be paid by the Midwest ISO.

J. **Compensation.** Compensation of the Officers, agents, and employees of the Midwest ISO shall be established by the Board or pursuant to the policies approved by the Board.

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V. Members.

A. General Provisions.

1. Application for membership. New Members may join the Midwest ISO upon submittal of an application in a form approved by the Chief Executive Officer or, if the Board chooses not to elect the Chief Executive Officer, the President (or the person designated pursuant to Article Two, Section II, Paragraph D of this Agreement), and payment of the fees set forth in Article Six of this Agreement. Action upon any application for membership shall be taken at the first meeting of the Board pursuant to Article Two, Section III, Paragraph C of this Agreement following submission of the application, except as otherwise provided in Article Two, Section II, Paragraph D of this Agreement.

2. Owner status. A new Member may join as an Owner, provided that it (i) owns, operates, or controls facilities used for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven-factor (7-factor) test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC or the state regulatory authority) that are physically interconnected with the facilities of an existing Owner; (ii) agrees to sign this Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by this Agreement; and (iii) agrees to sign the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required under the Funds Trust Agreement if and/or when the Member receives revenues from transmission service, and prior to the existence of any right of

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the Member to receive revenues from transmission service under the Transmission Tariff executes the Funds Trust Agreement.

Upon fulfillment of these conditions, and upon completion of any physical integration of the new Owner's facilities with the Transmission System in a fashion consistent with the Chief Executive Officer's (or if the Board chooses not to elect the Chief Executive Officer, the President's) direction, the Board shall allow the new Member to become a signatory to this Agreement. In general, an Owner must own,

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operate, or control interstate transmission facilities as detailed above; however, on a case-by-case basis, the Board may waive the requirement that such facilities be physically interconnected if allowing the Member also to become an Owner will result in significant net benefits to the Midwest ISO and its Members.

3. Subject to Agreement. The rights of Members in the Midwest ISO shall be subject to all of the terms and conditions of this Agreement.

4. Manage or control by Members. No Member shall have any rights to manage or control the property, affairs, or business of the Midwest ISO, or any power to control the Directors in these respects.

5. Partition rights. No Member shall have any right to a partition of the property of the Midwest ISO during the continuance of the Midwest ISO; any partition shall be subject to all laws applicable to Delaware non-stock corporations and, in the event the Midwest ISO is exempt from taxation under any law, in accordance with all laws applicable to such exemption.

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B. Members' Meetings; Elections.

1. Meeting times. The Members shall hold their initial meeting at the principal office of the Midwest ISO, or other location designated by the Board, or by the person or entity selected pursuant to Article Two, Section II, Paragraph D of this Agreement, on the date designated by the Board or such person or entity, and shall hold meetings at such location on the third Monday of the same month each year thereafter, or such other day of said month as may be designated by the Board, for the purpose of electing Directors and of exercising and discharging any other powers or duties vested in them by this Agreement. Members shall hold their initial meeting on July 1, 1998, or as soon thereafter as is reasonably practical; provided, however, that the signatories to this Agreement, by majority vote (with each signatory having one vote), may extend this date if there exists significant uncertainty as to whether this Agreement will obtain necessary regulatory and tax approvals in a form satisfactory to the signatories by July 1, 1998.

2. Special meetings. After the Members' initial meeting, the Board or any twenty-five percent (25%) of the Members may call a special meeting of the Members at any time.

3. Notification. The Secretary shall provide notice to appropriate state regulatory authorities, the FERC, the members of the Board Advisory Committee (established pursuant to Section VI of this Article Two), and the public by posting on the Midwest ISO's Internet World-Wide Web Site or equivalent form of electronic posting at

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least seven (7) days prior to the meeting, of the time and place of all meetings of Members, whether regular or special.

4. Notification to Members. Notice mailed or sent by telefacsimile no later than seven (7) days prior to the date of the meeting, directed to the Member at the address as shown on the books of the Midwest ISO, shall be deemed sufficient for the provisions of this paragraph and for all other purposes, unless written notice of change of such address has been previously given to the Midwest ISO. In the case of special meetings, the Secretary shall also give notice to all Members of the general purpose of the meeting and the nature of the business to be considered at such meeting. Such a special meeting shall be limited to the business thus specified in the call, unless at least twenty-five percent (25%) of the Members consent in writing to the consideration of other matters. The Members of record eligible to participate in any meeting shall be determined as of the date notice of the meeting is provided to the Members.

5. Voting. At all meetings of Members, the Chairman, or such other person as may be designated by the Board, shall preside. Each Member shall be entitled to one vote, and Members may vote by proxy. Twenty-five percent (25%) of the Members, or their proxies, shall constitute a quorum for the purpose of any such meeting. The Board shall review from time to time the quorum requirements. Except where it is otherwise provided in this Agreement, a vote of a majority of the Members represented and voting at the meeting shall control.

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C. Limited Liability. All persons dealing with, or having any claim against, any Director, Officer, agent, or employee of the Midwest ISO acting on behalf of the Midwest ISO shall look only to the Midwest ISO for the payment of any debt, claim, damage, judgment, or decree of the Midwest ISO, or of any money or thing that may become due or payable in any way by the Midwest ISO, whether founded on contract or tort, and the Members shall not be personally or individually liable for any such debt, claim, damage, judgment, or decree.

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VI. External Committees.

A. Advisory Committee.

1. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty-three representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool ("MAPP") as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers (hereinafter "IPPs") and exempt wholesale generators (hereinafter "EWGs"), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) three (3) representatives of state regulatory authorities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in

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the MAPP region (as it existed on March 1, 2000); (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to the Midwest ISO, have entered into coordination or agency agreements with the Midwest ISO ("Coordination Members"). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings. The Advisory Committee shall be a forum for its members to be apprised of the Midwest ISO's activities and to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or the Midwest ISO. Nothing in this Agreement shall prohibit a corporate or other entity from participating in more than one

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stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports. The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

2. Members of the Advisory Committee shall be selected in the following manner:

a. The Owners' representatives on the Advisory Committee shall be selected in accordance with Article Two, Section VI, Paragraph B of this Agreement.

b. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting. Approval by the Board of such procedures shall not be unreasonably withheld.

c. The representatives of state regulatory authorities on the Advisory Committee shall be chosen by the state public service commissions which regulate the retail electric or distribution rates of the Owners who are signatories to this Agreement.

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d. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of the Midwest ISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

e. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

B. Owners' Committee. An Owners' Committee shall exist throughout the period of this Agreement. The Owners' Committee shall consist of one (1) person representing each of the Owners who are signatories to this Agreement. The Owners' Committee shall meet at its discretion to exercise the authority granted to the Owners as a group under this Agreement pursuant to Article Two, Section IX, Paragraph C of this Agreement. The Owners' Committee shall select three (3) representatives to serve on the Advisory Committee established pursuant to Article Two, Section VI, Paragraph A of this Agreement.

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VII. Open Meetings.

A. In General. Except as provided herein, all meetings of the Board, all meetings of committees (also sometimes referred to herein as "internal committees") and working groups of the Board (hereinafter "Board Committees and working groups"), all meetings of the Advisory Committee and all Members' meetings convened under Article Two, Section V, Paragraph B of this Agreement, shall be open to the public. Timely notice of such meetings and copies of all materials to be addressed at such meetings shall be provided to the members of the Advisory Committee, appropriate state regulatory authorities, and the FERC and posted on the Midwest ISO's Internet World-Wide Web site or equivalent form of electronic posting. The procedures adopted by the Board for the conduct of such meetings shall allow interested members of the public, including those stakeholders represented on the Advisory Committee, to provide oral and written comments at such meetings concerning any matter that may come before the Board, Board Committees and working groups, Advisory Committee, or Members, whichever is applicable, during the open portion of such meetings.

B. Availability of Minutes. The meeting minutes of all meetings of the Board, Board Committees and working groups, Advisory Committee, and Members addressed in Paragraph A of this Section VII shall be made available to the public and furnished to appropriate state regulatory authorities and the FERC, upon request; provided, however, that materials or information which is privileged or confidential pursuant to Paragraph C of

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this Section VII may be redacted from such minutes. Copies of executed or final documents, such as contracts, leases, and agreements, not otherwise required to be treated as confidential, shall be made available for review. In the event the basis for information being treated as confidential ceases to exist, said information shall thereafter be available for review.

C. Executive Sessions to Preserve Confidentiality. Executive sessions (closed to the public) shall be held as necessary to safeguard the confidentiality of (i) personnel-related information; (ii) information subject to the attorney-client privilege or to confidential treatment under the attorney-work product doctrine or concerning pending or threatened litigation; (iii) information that is confidential under Appendix A to this Agreement; (iv) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; (v) except as may be required by law, consideration of the sale or purchase of securities, investments, or investment contracts; (vi) strategy and negotiation sessions in connection with a collective bargaining agreement; (vii) discussion of emergency and security procedures; (viii) consideration of matters classified as confidential by federal or state law; (ix) matters to protect trade secrets, proprietary information, specifications for competitive bidding, or to discuss a specific proposal if open discussion would jeopardize the cost or siting or give an unfair competitive or bargaining advantage to any person or entity; and (x) discussion of proceedings by the Alternate Dispute Resolution Committee established under Appendix D to this Agreement.

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VIII. Due Diligence, Limited Liability, And Indemnification.

A. Due Diligence Duties. It shall be the duty of Directors, Officers, employees, agents, and other representatives of the Midwest ISO (i) to faithfully and diligently administer the Midwest ISO as would reasonable and prudent persons acting in their own behalf; (ii) to keep correct and accurate records of all business transacted; (iii) to exercise prudence and economy in the business of the Midwest ISO, including the minimization of tax liability if the Midwest ISO is not tax-exempt; (iv) to act in good faith, and only for the best interests of the Midwest ISO; (v) to annually render a full and correct account of the Midwest ISO business; and (vi) at the termination of the Midwest ISO, to render and to deliver all the properties and funds of the Midwest ISO in accordance with this Agreement and applicable law.

B. Limitations on Liability. No Director, Officer, agent, employee, or other representative of the Midwest ISO, and no corporation or other business organization that employs a Director of the Midwest ISO, or any Director, Officer, agent, or employee of such corporation or other business organization, shall be personally liable to the Midwest ISO, any Member, or any User for any act or omission on the part of any such Director, Officer, agent, employee, or other representative of the Midwest ISO, which was performed or omitted in good faith in his official capacity as a Director, Officer, agent, employee, or other representative of the Midwest ISO pursuant to the operation of this Agreement, or in any other capacity he may hold, at the request of the Midwest ISO, as its

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representative in any other organization. However, this release of liability shall not operate to release such a Director, Officer, agent, employee, or other representative of the Midwest ISO from any personal liability resulting from willful acts or omissions knowingly or intentionally committed or omitted by him in breach of this Agreement, for improper personal benefit, or in bad faith. Directors, Officers, agents, employees, or other representatives of the Midwest ISO also shall not be personally liable for any actions or omissions of others, including Owners, whose actions or omissions may relate to the Midwest ISO, or any property or property rights forming, or intended or believed to form, part of the Midwest ISO's property, or for any defect in the title to, or liens or encumbrances on, any such property or property rights.

C. **Indemnification**. It is the intent of the Midwest ISO to indemnify its Directors, Officers, agents, employees, or other representatives to the maximum extent allowed by law consistent with this Agreement. Each Director, Officer, agent, employee, or other representative of the Midwest ISO shall be indemnified by the Midwest ISO against all judgments, penalties, fines, settlements, and reasonable expenses, including legal fees, incurred by him as a result of, or in connection with, any threatened, pending or completed civil, criminal, administrative, or investigative proceedings to which he may be made a party by reason of his acting or having acted in his official capacity as a Director, Officer, agent, employee, or representative of the Midwest ISO, or in any other capacity which he

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may hold at the request of the Midwest ISO, as its representative in any other organization, subject to the following conditions:

1. Such Director, Officer, agent, employee, or other representative must have conducted himself in good faith and, in the case of criminal proceedings, he must have had no reasonable cause to believe that his conduct was unlawful. When acting in his official capacity, he must have reasonably believed that his conduct was in the best interests of the Midwest ISO, and, when acting in any other capacity, he must have reasonably believed that his conduct was at least not opposed to the best interests of the Midwest ISO.

2. If the proceeding was brought by or on behalf of the Midwest ISO, however, indemnification shall be made only with respect to reasonable expenses referenced above. No indemnification of any kind shall be made in any such proceeding in which the Director, Officer, agent, employee, or other representative shall have been adjudged liable to the Midwest ISO.

3. In no event, however, will indemnification be made with respect to any described proceeding which charges or alleges improper personal benefit to a Director, Officer, agent, employee, or other representative and where liability is imposed upon him on the basis of the receipt of such improper personal benefit.

4. In order for any Director, Officer, agent, employee, or other representative to receive indemnification under this provision, he shall vigorously assert

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and pursue any and all defenses to those claims, charges, or proceedings covered hereby which are reasonable and legally available and shall fully cooperate with the Midwest ISO or any attorneys involved in the defense of any such claim, charges, or proceedings on behalf of the Midwest ISO.

5. No indemnification shall be made in any specific instance until it has been determined by the Midwest ISO that indemnification is permissible in that specific case, under the standards set forth herein and that any expenses claimed or to be incurred are reasonable. These two (2) determinations shall be made by a majority vote of at least a quorum of the Board consisting solely of Directors who were not parties to the proceeding for which indemnification or reimbursement of expenses is claimed. If such a quorum cannot be obtained, a majority of at least a quorum of the full Board, including Directors who are parties to said proceeding, shall designate a special legal counsel who shall make said determinations on behalf of the Midwest ISO. In making any such determinations, the termination of any proceeding (except proceedings referred to in Article Two, Section VIII, Paragraph C, (2) of this Agreement) by judgment, order, settlement, conviction, or upon plea of *nolo contendere*, or its equivalent, shall not, in and of itself, be conclusive that the person did not meet the standards set forth herein.

6. Any reasonable expenses, as shall be determined above, that have been incurred by a Director, Officer, agent, employee, or other representative who has been made a party to a proceeding as defined herein, may be paid or reimbursed in

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advance upon a majority vote of a quorum of the full Board, including those who may be a party to the same proceeding. However, such Director, Officer, agent, employee, or other representative shall have provided the Midwest ISO with (i) a written affirmation under oath that he, in good faith, believes that he has met the conditions for indemnification herein, and (ii) a written undertaking that he shall repay any amounts advanced, with interest accumulated at a reasonable rate, if it is ultimately determined that he has not met such conditions. In addition to the indemnification and reimbursement of expenses provided herein, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall, if reasonably practical, purchase insurance that would protect the Midwest ISO, its Directors, Officers, agents, employees, or other representatives against reasonably expected liabilities and expenses arising out of the performance of their duties for the Midwest ISO.

D. **Reliance on Information Provided.** In addition to and without limiting the provisions contained in Paragraph B of this Section VIII, Directors, Officers, agents, employees, or other representatives of the Midwest ISO shall be fully protected in, and shall incur no personal liability to the Midwest ISO or its Members for acting on any notice, request, consent, certificate, affidavit, statement, resolution, or other instrument, paper, or document believed in good faith by them to be genuine and to be signed and certified by the person stated in such instrument, paper, or document to be familiar with the facts set forth in such instrument, paper, or document. Directors, Officers, agents, employees, or other representatives may, however, in their sole discretion, require any such instrument,

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paper, or document to be sworn to, before their acceptance of such instrument, paper, or document, or before any duty shall devolve on them to act on such instrument, paper, or document. Directors, Officers, agents, employees, or other representatives may also reasonably rely upon information provided by professionals and consultants of the Midwest ISO within the area of their expertise, provided such reliance is undertaken in good faith.

E. **Annual Report.** The Board shall annually make a written report showing the financial results of the Midwest ISO's operations during the preceding fiscal year. A copy of such report shall be furnished to each Member.

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IX. Amendments.

A. Amendments by Board. Except as provided in Article Two, Section IX, Paragraphs B and C of this Agreement, this Agreement, including all appendices, may be amended by the Board from time to time, subject to the receipt of any necessary federal and state regulatory approvals. The provisions of this Paragraph A cannot be amended except by unanimous vote of the Owners who are signatories to this Agreement.

B. Amendments Requiring Approval of Owners. The provisions of Paragraph C of this Section IX are regarded as basic to the Owners' bargain in surrendering operation of their transmission facilities to the Midwest ISO as provided herein, and, therefore, cannot be amended except by vote of the Owners who are signatories to this Agreement, in the manner specified in Paragraph C and subject to the receipt of any applicable federal and state regulatory approvals. The provisions of this Paragraph B cannot be amended except by unanimous vote of the Owners who are signatories to this Agreement.

C. Amendments by Owners. The matters referred to in Subparagraph 6 of this Paragraph C may be changed by action of the Owners, as set forth in such Subparagraphs, without approval by the Board, subject to the receipt of any necessary federal and state regulatory approvals. The matters referred to in Subparagraphs 1 through and including 5 and 8 of this Paragraph C may be changed by action of the

Article Two

Owners, as set forth in such Subparagraphs, with approval by the Board, subject to the receipt of all necessary federal and state regulatory approvals. Subparagraph 7 of this Paragraph C may be changed only pursuant to Article V, Section H of Appendix K.

1. Ownership rights. The ownership rights set forth in Article Two, Section I, Paragraph E of this Agreement shall not be changed except by unanimous vote by the Owners.

2. Board. The qualifications for, and total number of Directors on, the Board, as set forth in Article Two, Section III of this Agreement, shall not be changed for a period of five (5) years following the Transfer Date except by unanimous vote of the Owners. Thereafter, the qualifications and total number of Directors may be changed by action of the Board, subject to approval by the FERC, without approval by the Owners.

3. Duties. The relationship established pursuant to Article Three, Section III, Paragraph A of this Agreement, and the duties specified in Article Three, Section III, Paragraphs B, C, and D of this Agreement, shall not be changed except by unanimous vote of the Owners.

4. Access to books and records. The right of the Owners, individually and collectively, to have access to the books and records of the Midwest ISO, as established pursuant to Article Three, Section IV, Paragraph C of this Agreement, shall not be changed except by unanimous vote of the Owners.

5. Compliance with requirements. The responsibility of the Midwest ISO to comply with the guidelines, standards, policies, rules, regulations, orders, license

Article Two

conditions, and all other requirements of the North American Electric Reliability Council applicable regional reliability councils, or any successor organizations, applicable federal regulatory authorities, including the Nuclear Regulatory Commission and the FERC or any successor authorities, and state regulatory authorities, as set forth in Article Three, Section I, Paragraph A of this Agreement, shall not be changed except by unanimous vote of the Owners.

6. Revenue distribution and methodology and return of start-up costs.

The distribution of transmission service revenues collected by the Midwest ISO and the methodology for determining such distribution, as set forth in Appendix C to this Agreement, and the return of start-up costs, provided for in Appendix C to this Agreement, also shall not be changed except by unanimous vote of the Owners.

7. Filing Rights of Owners and the Midwest ISO Pursuant to Section 205 of the Federal Power Act. The rights of the Owners and the Midwest ISO to make filings pursuant to section 205 of the Federal Power Act shall be governed by the provisions of Appendix K to this Agreement.

8. Withdrawal rights. The withdrawal rights set forth in Articles Five and Seven of this Agreement shall not be changed except by unanimous vote by the Owners.

Article Two

X. Duration And Termination.

A. Period. Except with respect to Governmental Entities, as defined in Article Seven, Section C, this Agreement shall continue for a period of thirty (30) years from the earliest Effective Date for any signatory to this Agreement. Thereafter, it shall be renewed for successive five-year (5-year) terms unless, no later than two years prior to the end of any term, a majority of the Owners vote not to renew this Agreement. Notwithstanding any other provisions of this Agreement, the appendices thereto or the Transmission Tariff, as to Governmental Entities, who become signatories to this Agreement, the initial term of the Agreement shall begin as of the Effective Date applicable to the Governmental Entity, as provided in Article One, Section 1, through and including December 31 of the calendar year of execution. Thereafter, as to such Governmental Entities, this Agreement shall have a term of one (1) year and shall be automatically renewed for successive one (1) year terms; provided, however, that either the Midwest ISO or such Governmental Entity may cancel this Agreement at the end of each one (1) year term, including the initial term, without cause upon prior written notice to the other party at least thirty (30) days prior to the expiration of the then current term.

Article Two

B. Transfer Date. The transfer of operational control of the Transmission System from the respective Owners to the Midwest ISO pursuant to this Agreement shall not take place until the Midwest ISO can demonstrate that it is functionally able and ready to take over the provision of transmission service under the Transmission Tariff from the Owners. To reach this end, the Midwest ISO shall move as quickly as is reasonably practical to take the actions necessary for the Midwest ISO to begin providing such transmission services. The President shall notify the Owners of the date (hereinafter "Transfer Date") when such transfer is proposed to take place. The President shall provide, no later than sixty (60) days prior to the proposed Transfer Date, a technical demonstration of the ability of the Midwest ISO to perform such functions. Following such technical demonstration, the Owners' Committee may, by majority vote, postpone the Transfer Date if the technical demonstration raises reasonable concerns as to whether the Midwest ISO is capable of taking over the provision of transmission service from the Owners.

Article Two

C. **Interim Operations.** Nothing in this Agreement shall preclude the Midwest ISO from providing transmission service before it possesses the capability to implement full operations and responsibilities as described in this Agreement, provided that the Midwest ISO shall begin such "interim operations" only if all of the Owners agree. Both the Owners and the Midwest ISO shall investigate such interim operations.

D. **Withdrawal Notification.** An Owner may withdraw from the Midwest ISO at any time, but only upon notice as provided in Article Five, Sections I and IV, and Article Seven of this Agreement.

E. **Termination.** Upon the termination of the Midwest ISO, the Board shall, consistent with applicable federal and state regulatory requirements, liquidate the Midwest ISO, wind up its affairs, and dispose of its property and assets in the manner required by Delaware law applicable to non-stock corporations. Furthermore, in the event that the Midwest ISO is determined to be exempt from taxation by the Internal Revenue Service or any state governmental authorities, then such disposition shall be in accordance with all laws applicable to entities subject to the exemption granted.

Article Three

ARTICLE THREE

RIGHTS, POWERS, AND OBLIGATIONS OF THE MIDWEST ISO

I. Operation And Planning.

A. Functional Control. By this Agreement, each of the Owners authorizes the Midwest ISO to exercise functional control over the operation of the Transmission System as necessary to effectuate transmission transactions administered by the Midwest ISO. Such control shall be exercised in accordance with Good Utility Practice and shall conform to applicable reliability guidelines, policies, standards, rules, regulations, orders, license requirements and all other requirements of the North American Electric Reliability Council, applicable regional reliability councils, or any successor organizations, each Owner's specific reliability requirements and operating guidelines, and all applicable requirements of federal or state laws or regulatory authorities. Disputes regarding reliability requirements and operating guidelines may be resolved through the Dispute Resolution process provided for in Appendix D to this Agreement. Pending resolution of such disputes, the Owners' criteria shall be used by the Midwest ISO until the issue is resolved. The methods of functional control are set forth in more detail in Appendix E to this Agreement.

Article Three

B. Reliability. The Midwest ISO shall have responsibility for the reliability of the Transmission System in connection with its rights, powers, and obligations under this Agreement. The division of responsibility between the Midwest ISO and the Owners in maintaining the reliability of the Transmission System is set forth in more detail in Appendices B and E to this Agreement.

C. Planning Activities. The Midwest ISO shall engage in such planning activities as are necessary to fulfill its obligations under this Agreement and the Transmission Tariff. Such planning shall conform to applicable reliability requirements of the North American Electric Reliability Council, applicable regional reliability councils, or any successor organizations, each Owner's specific reliability requirements and operating guidelines, and all applicable requirements of federal or state laws or regulatory authorities. Such planning shall seek to minimize costs, consistent with the reliability and other requirements set forth in this Agreement. The division of responsibility between the Owners and the Midwest ISO for planning the Transmission System is set forth in more detail in Appendix B to this Agreement.

D. Performance of Regulatory Obligations. The Midwest ISO shall comply with existing transmission operation and planning obligations of an Owner, imposed by federal or state laws or regulatory authorities, which can no longer be performed solely by the Owner following transfer of functional control of its transmission facilities to the Midwest ISO, until such time as such obligations are changed or revised.

Article Three

II. Non-discriminatory Transmission Service.

A. Type of Service. The Midwest ISO shall offer transmission service over the entire Transmission System and over Non-transferred Transmission Facilities to all "Eligible Customers," as defined in the Transmission Tariff, including the Owners, on a non-discriminatory basis, pursuant to the Transmission Tariff and Agency Agreement attached hereto as Appendix G. The Transmission Tariff shall offer both network and point-to-point transmission service, as presently described in the FERC's pro-forma tariff adopted pursuant to FERC Order No. 888, 61 Fed. Reg. 21,540 (May 10, 1996), order on reh'g, Order No. 888-A, 62 Fed. Reg. 12,274 (March 14, 1997), or other forms of service pursuant to any superseding tariff. The Midwest ISO shall administer the Transmission Tariff.

B. Pricing. In connection with its administration of the Transmission Tariff, the Midwest ISO may propose to the FERC such transmission pricing for transmission service as is necessary to fulfill its obligations under this Agreement and may propose to the FERC such changes in prices, pricing methods, terms, and conditions as are necessary to continue to fulfill such obligations; provided, however, that the pricing approach set forth in Appendix C to this Agreement shall be changed only in accordance with Article Two, Section IX, Paragraphs B and C of this Agreement.

Article Three

C. **Standards of Conduct.** The Midwest ISO, its Directors, Officers, employees, contractors, and agents shall adhere to the Standards of Conduct set forth in Appendix A to this Agreement.

D. **OASIS.** The Midwest ISO shall implement an Open Access Same-time Information System or Systems (hereinafter sometimes referred to as "OASIS") or successor system(s) pursuant to the Transmission Tariff. The OASIS shall conform to the requirements for such systems as specified by the FERC.

E. **Ancillary Services.** The Midwest ISO shall offer, as part of the Transmission Tariff, such ancillary services as are required by the FERC to be offered. The Midwest ISO shall obtain such services from providers, in a manner which minimizes cost, consistent with its reliability responsibilities and other obligations under this Agreement. In obtaining such ancillary services, the Midwest ISO shall afford no undue preference or disadvantage to any supplier, including the Owners or their affiliates.

Article Three

III. Responsibilities Of The Midwest ISO To The Owners.

A. Relationship. The Midwest ISO and its Directors, Officers, employees, and agents shall have a custodial trust relationship to the Owners in performing the obligations set forth in Paragraphs B, C, and D of this Section III.

B. Promise Not to Impair Value. In performing their obligations under this Agreement, the Midwest ISO, its Directors, Officers, employees, and agents shall use their individual and collective best efforts to avoid physical damage to the Transmission System or any property of the Owners affected by the Midwest ISO's activities.

C. Revenues. All revenues for transmission service under the Transmission Tariff shall be received, held, used, managed, and distributed in accordance with this Agreement, the Funds Trust Agreement, and the Transmission Tariff.

D. Duty to Maximize Revenues. It shall be the duty of the Midwest ISO, its Directors, Officers, employees, and agents to maximize transmission service revenues associated with "Transmission Services," as defined in the Transmission Tariff, so as to most efficiently utilize the Transmission System as it exists at any given time consistent with Appendices B and E to this Agreement. The Board shall establish incentives for the Officers, employees, and agents of the Midwest ISO to meet this obligation.

E. Revenue Distribution. The Midwest ISO shall distribute on a monthly basis to each Owner or its designee(s) an amount determined in accordance with Appendix C to this Agreement.

Article Three

IV. Additional Obligations.

A. Assume Liability. With respect to the signatories to this Agreement, the Midwest ISO shall assume liability for any injury or damage to persons or property arising from the Midwest ISO's own acts or neglect, including the acts or neglect of its Directors, Officers, employees, agents, and contractors, and shall release, indemnify, and hold harmless each Owner, and the Owners as a group, from and against all damages, losses, claims, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising from the Midwest ISO's performance or neglect of its obligations under this Agreement, except in cases where, and only to the extent that, the gross negligence or intentional wrongdoing of an Owner, or the Owners as a group, contributes to the claimed injury or damage.

B. Dispute Resolution. The Midwest ISO shall resolve disputes between and among the Midwest ISO and the Owners, individually or collectively, and Users other than the Owners, in accordance with the procedures set forth in Appendix D to this Agreement. This provision does not apply to disputes covered under the Transmission Tariff.

C. Inspection and Auditing Procedures. The Midwest ISO shall grant each Member, its employees or agents, external auditors, and federal and state regulatory authorities having jurisdiction over the Midwest ISO or an Owner, such access to the Midwest ISO's books and records as is necessary to verify compliance by the Midwest ISO with this Agreement and to audit and verify transactions under this Agreement. Such

Article Three

access shall be at reasonable times and under reasonable conditions. The Midwest ISO shall also comply with the reporting requirements of federal and state regulatory authorities having jurisdiction over the Midwest ISO with respect to the business aspects of its business operations, including, but not limited to, the State of Delaware. Contacts between Officers, employees, and agents of any Owner and those of the Midwest ISO pursuant to this Paragraph C shall be strictly limited to the purposes of this Paragraph C and shall comply with the Standards of Conduct set forth in Appendix A to this Agreement.

D. Stranded Cost Recovery Charges. The Midwest ISO shall collect and distribute, as appropriate, any stranded cost recovery charges pursuant to applicable schedules accepted by the FERC.

E. Performance Incentives. The Midwest ISO shall develop appropriate incentives for efficient management and administration and shall file such incentives with the FERC.

F. Location for Midwest ISO Operations. The Midwest ISO shall promptly choose the location for Midwest ISO operations. The Midwest ISO shall review and give consideration to the report of any independent consultant hired by the Owners or by the Midwest ISO to identify and/or evaluate locations for Midwest ISO operations.

G. Standards Governing Post-Employment Restrictions, Gifts, and Other Matters.

Article Three

The Midwest ISO shall develop "ethics" standards governing, among other things, post-employment restrictions and gifts. As to post-employment restrictions, the Midwest ISO shall prohibit Directors and key employees (as identified by the Board) from having any involvement for twelve (12) months after they leave the Midwest ISO on behalf of any parties other than the Midwest ISO with regard to any matters in which they were substantially involved when serving for, or employed by, the Midwest ISO.

H. Incentives Regarding Location of Generation. The Midwest ISO shall consider whether incentives are necessary to ensure that new generators are located in areas that better facilitate transmission and do not detrimentally affect Available Transmission Capability, as defined in the Transmission Tariff. If it determines that such incentives are necessary, the Midwest ISO shall develop and file with the FERC any such incentives. Any such filing must comply with the requirements of Article Two, Section IX of this Agreement, if applicable.

V. Enforcement Authority.

A. Violations. The Midwest ISO shall have the authority to impose penalties or other sanctions for any of the following actions by an Owner or User (subject to the Dispute Resolution procedures discussed below):

1. Material and willful violations of Midwest ISO policies;

Article Three

2. Intentionally ignoring or disobeying any material directive from the Midwest ISO including, without limitation, operating orders or directives issued by the Midwest ISO;

3. Engaging in willful behavior which manipulates Available Transmission Capability to the detriment of other Users;

4. Willful violation of Midwest ISO operating standards; or

5. Willful violation of material provisions of this Agreement or the Transmission Tariff.

B. Penalties. Penalties or other sanctions for such violations may include one or more of the following:

1. Imposition of a penalty which shall be no more than \$10,000 per day, per violation.

2. Ability to withhold transmission revenues from an Owner until the violation ceases and any forfeiture is fully paid.

3. Termination of service to a User that consistently or habitually ignores or disobeys directives from the Midwest ISO, provided that the Midwest ISO complies with any applicable FERC requirements before such termination becomes effective.

C. Offset of Expenses. The Midwest ISO shall use revenues from any penalties under this Section V to offset Midwest ISO expenses.

Article Three

D. **Dispute Resolution.** All enforcement actions of the Midwest ISO, except for actions under Subparagraph 3 of Paragraph B of this Section V shall be subject to the Dispute Resolution provisions of Appendix D to this Agreement. The Midwest ISO shall be required to refund any forfeitures, including interest, which it is determined that the Midwest ISO was not justified in imposing. In such event, the Midwest ISO shall not be subject to any additional liability.

Article Four

ARTICLE FOUR

RIGHTS, POWERS, AND OBLIGATIONS OF THE OWNERS AND USERS

I. Operation And Planning.

A. Redispatch and Curtailment. Each Owner shall follow the directions of the Midwest ISO, its Officers, employees, or agents, in operating the Transmission System, redispatching generation, providing reactive supply and voltage control from generation sources or other ancillary services, and curtailing load, if so directed, in accordance with the Transmission Tariff. No Owner shall take any action which unduly interferes with the provision of transmission service by the Midwest ISO. Users that own or control generation that could affect the reliability or capability of the Transmission System and that are not Owners similarly shall follow the directions of the Midwest ISO in redispatching generation, providing reactive supply and voltage control from generation sources, and in providing other ancillary services consistent with the Transmission Tariff. Similarly, Users shall follow directives of the Midwest ISO to curtail load in accordance with the Transmission Tariff.

B. Maintenance Practices. Each Owner shall maintain its transmission facilities in accordance with Good Utility Practice. Each Owner shall follow the maintenance requirements set forth in more detail in Appendix E to this Agreement for both generation and transmission facilities. Users that own or control generation facilities

Article Four

that could affect the reliability or capability of the Transmission System similarly shall follow the requirements in Appendix E to this Agreement.

C. Construction. Each Owner shall use due diligence to construct transmission facilities as directed by the Midwest ISO in accordance with Article Three, Section I, Paragraph C of this Agreement and Appendix B to this Agreement, subject to such siting, permitting, and environmental constraints as may be imposed by state, local, and federal laws and regulations, and subject to the receipt of any necessary federal or state regulatory approvals. Such construction shall be performed in accordance with Good Utility Practice, industry standards, and any applicable requirements of federal or state laws or regulatory authorities. Each Owner shall be fully compensated for the costs of construction undertaken by such Owner in accordance with this Agreement, which compensation shall be in accordance with the Transmission Tariff and Appendix C to this Agreement.

D. Acquisition. In the event an Owner acquires transmission facilities not identified in Appendix H to this Agreement, such facilities shall not become part of the Transmission System unless the Midwest ISO, on its own initiative or in response to the request of any person, directs the Owner to assign such facilities to its control in accordance with Appendix E to this Agreement. In no event, however, shall any such facilities become part of the Transmission System or otherwise become subject to the

Article Four

Midwest ISO's control unless they are electrically connected to the Transmission System or, if not so connected, unless the Owner consents.

E. **Use of Distribution.** Each Owner shall provide such service over its distribution facilities as is necessary to effectuate transmission transactions administered to eligible customers under the Transmission Tariff by the Midwest ISO, at approved rates.

F. **Other Obligations.** Both Owners and Users, where applicable, shall comply with the requirements of Appendices B and E to this Agreement.

Article Four

II. Additional Obligations.

A. Providing Information. Each Owner and User shall provide such information to the Midwest ISO as is necessary for the Midwest ISO to perform its obligations under this Agreement and the Transmission Tariff. Information may be treated as confidential as more fully described in Appendix A to this Agreement.

B. Facilities Access. Each Owner shall allow the Midwest ISO, its Officers, employees, or agents, such access to Transmission System facilities as is necessary for the Midwest ISO to perform its obligations under this Agreement. Such access shall be at reasonable times and under reasonable conditions.

C. Inspection and Auditing Procedures. Each Owner shall grant the FERC, the Midwest ISO, its Officers, employees, and agents, and each state regulatory authority having jurisdiction over that Owner, such access to the Owner's books and records as is necessary for the Midwest ISO to perform its obligations under this Agreement and to audit and verify transactions under this Agreement. Such access shall be at reasonable times and under reasonable conditions. Each Owner shall comply with the reporting requirements of any federal or state regulatory authorities having jurisdiction over the Owner with respect to the business aspects of the Midwest ISO's business operations, including, but not limited to, the State of Delaware. Pursuant to this Paragraph C, contacts between Officers, employees, and agents of the Midwest ISO and those of any Owner

Article Four

shall be strictly limited to the purpose of this Paragraph C and shall conform to the Standards of Conduct set forth in Appendix A to this Agreement.

D. Assume Liability. With respect to the parties to this Agreement, each Owner (hereinafter "Indemnifying Owner") shall assume liability for any injury or damage to persons or property arising from its own acts or neglect, including the acts or neglect of its officers, employees, agents, or contractors, and shall indemnify and hold harmless the Midwest ISO and each other Owner (hereinafter "Indemnified Owners") from any damages, losses, claims, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or of third parties, arising from the Indemnifying Owner's performance or neglect of its obligations under this Agreement or from the Indemnifying Owner's exercise of the rights and powers preserved to it by this Agreement, except, and to the extent that, the gross negligence or intentional wrongdoing of the Midwest ISO or the Indemnified Owner(s) contributes to the claimed injury or damage. Except as provided in the Transmission Tariff, no Owner shall be liable for any costs or expenses relating to the operation, repair, maintenance, or improvement of any of the transmission facilities committed to the Transmission System by any other Owner.

Article Five

ARTICLE FIVE

WITHDRAWAL OF MEMBERS

I. Withdrawal Notice.

A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in the Midwest ISO at any time which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). A Member who is also an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), commence a process of withdrawal of its facilities from the Transmission System. Such withdrawal shall not be effective until December 31 of the calendar year following the calendar year in which notice is given, nor shall any such notice of withdrawal become effective any earlier than five (5) years following the date that the Owner signed this Agreement except as provided for in Article Five, Section IV and Article Seven of this Agreement. Notwithstanding this limitation on withdrawals during the first five years, in the event of a merger, consolidation, reorganization, sale, spin-off, or foreclosure, as a result of which substantially all of an Owner's transmission facilities which are part of the Transmission System are acquired by another entity, that entity shall have the right to withdraw its facilities from the Midwest ISO upon providing one (1) year's notice to the Midwest ISO. Such withdrawal, however, may

Article Five

become effective only if FERC approves the withdrawal. If any withdrawal creates a situation where an Owner's or Owners' transmission system is not physically interconnected with the Transmission

Article Five

System, the Midwest ISO shall determine if such withdrawal affects the ability of such Owner(s) to continue as an Owner(s). With regard to these withdrawal rights, the Owner shall remain a Member with all rights and obligations of a Member who is an Owner until such time as the FERC approves the withdrawal, as appropriate. However, no further FERC approval of the withdrawal is required for withdrawals pursuant to Article Five, Section IV and Article Seven of this Agreement, or for withdrawals by an Owner who is not subject to the jurisdiction of the FERC at the time it executes this Agreement.

II. Effect Of Withdrawal By An Owner On Contractual Obligations.

In the event of withdrawal of an Owner pursuant to Section I of this Article Five:

A. Users Held Harmless. Users taking service which involves the withdrawing Owner and which involves transmission contracts executed before the Owner provided notice of its withdrawal shall continue to receive the same service for the remaining term of the contract at the same rates, terms, and conditions that would have been applicable if there were no withdrawal. The withdrawing Owner shall agree to continue providing service to such Users and shall receive no more in revenues for that service than if there had been no withdrawal by such Owner.

B. Existing Obligations. All financial obligations incurred and payments applicable to time periods prior to the effective date of such withdrawal shall be honored by the Midwest ISO and the withdrawing Owner.

Article Five

C. **Construction of Facilities.** Obligations relating to the construction of new facilities pursuant to an approved plan of the Midwest ISO shall be renegotiated as between the Midwest ISO and the withdrawing Owner. If such obligations cannot be resolved through negotiations, they shall be resolved in accordance with Appendix D to this Agreement.

D. **Other Obligations.** Other obligations between the Midwest ISO and the withdrawing Owner shall be renegotiated as between the Midwest ISO and the withdrawing Owner.

III. **Regulatory And Other Approvals Or Procedures.**

Except as provided in Section IV of this Article Five, the withdrawal by an Owner of its facilities from the Midwest ISO shall be subject to applicable federal and state regulatory approvals or procedures as set forth in Article Five, Section I of this Agreement.

IV. **Withdrawal Because of Midwest ISO Configuration**

In the event that a signatory to this Agreement determines in its sole judgment that the Owners executing this Agreement do not form an acceptable Midwest ISO, then that signatory shall have the right to withdraw from the Agreement. This right of withdrawal will expire at Midnight on December 31, 1998. Any withdrawing Owner shall file a notice of withdrawal from the Agreement with the FERC. Such withdrawal may become effective only if such notice is approved or accepted by FERC or FERC otherwise allows the notice to become effective.

Article Six

ARTICLE SIX

MEMBERSHIP FEES

All entities eligible for membership in the Midwest ISO shall pay an initial membership fee of \$15,000 in order to become Members. On January 1 of each year, each Member shall pay an additional fee of \$1,000 to the Midwest ISO to retain its membership. All such fees are nonrefundable and may be adjusted from time to time, as may be appropriate, by the Board.

Article Seven

ARTICLE SEVEN

REGULATORY, TAX, AND OTHER AUTHORITIES

A. Regulatory And Other Authorities. This Agreement and the participation of the signatories to this Agreement is subject to acceptance or approval by the FERC and may be subject to actions of respective state regulatory authorities to which respective signatories may be subject and to the actions of any other governmental body which may affect the ability of any signatory to participate in this Agreement. This paragraph describes the signatories' rights and obligations in the event required regulatory and other approvals or acceptances are not obtained.

1. In the event the FERC disapproves or refuses in whole or in part to accept this Agreement or the Transmission Tariff, then this Agreement shall cease to be effective except that the signatories shall be obligated to attempt expeditiously and in good faith to negotiate a substitute agreement and tariff which address the reasons for such FERC action. If despite such good faith negotiation, the signatories are unable to produce such a substitute agreement and tariff, then the signatories shall have no further obligations under this Agreement, the Transmission Tariff or any filing associated herewith.

2. In the event the FERC by order imposes conditions on approval of the Agreement or the Transmission Tariff which adversely affect any signatory in the sole judgement of that signatory, each such signatory may, no later than thirty (30) days after the date of such order and upon notice to all signatories, withdraw from this Agreement. In

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such event, the signatories shall in good faith, negotiate to determine whether changes should be made to this Agreement or the Transmission Tariff to address the reasons for such signatory's withdrawal.

3. In the event any state regulatory authority refuses to permit participation by a signatory or imposes conditions on such participation which adversely affect a signatory in the sole judgement of that signatory, such signatory or any other signatory that is, in its sole judgement, adversely affected by such regulatory action (whether or not the signatory is subject to that regulatory authority's jurisdiction) may, no later than thirty (30) days after the date of such action, or after any such signatory concludes reasonably that the state regulatory authority has refused to act, and upon notice to all signatories, withdraw from this Agreement. In such event, the signatories shall, negotiate in good faith to determine whether changes should be made to this Agreement or the Transmission Tariff to address the reasons for such signatory's withdrawal.

4. In the event any other governmental body takes an action (or fails to take a necessary action) which adversely affects a signatory, in the sole judgment of such signatory, such signatory, that is, in its sole judgement, adversely affected by such governmental action or any other signatory (whether or not the signatory is subject to that regulatory authority's jurisdiction) may, no later than thirty (30) days after the date of such action, or after any such signatory concludes reasonably that the governmental body has

Article Seven

refused to act, and upon notice to all signatories, withdraw from this Agreement without any additional FERC authorization. In such event, the signatories hereto shall, in good faith, negotiate to determine whether changes should be made to this Agreement or the Transmission Tariff to address the reasons for such signatory's withdrawal.

B. Tax Authorities. If the Internal Revenue Service or any other federal or state taxing authority issues, or fails to issue, any ruling, or imposes any requirement or obligation, in connection with this Agreement or the Midwest ISO, adverse to any signatory (in the sole judgment of such signatory), then, within thirty (30) days of the date of such final action, or after the signatory concludes reasonably that the governmental body has refused to act, and upon notice to all signatories, such signatory may withdraw from this Agreement without any additional FERC authorization. In such event, the signatories shall, in good faith, negotiate to determine whether changes should be made to this Agreement to address the reasons for such signatory's withdrawal.

C. Effectiveness As To Certain Owners. The effectiveness of this Agreement as to an Owner which is a political subdivision of a state (hereinafter "Governmental Entity") and which has outstanding tax-exempt bonds issued to finance, in whole or in part, transmission or distribution facilities is dependent upon satisfaction or written waiver of the following conditions:

1. Receipt of an unqualified opinion of a nationally recognized bond counsel to the effect that the provisions of this Agreement do not adversely affect the

Article Seven

exclusion from gross income of interest on any such outstanding bonds issued to finance transmission and distribution facilities under the Internal Revenue Code of 1986, as amended;

2. Receipt of an unqualified opinion of a nationally recognized bond counsel and general counsel to such Governmental Entity to the effect that the provisions of this Agreement do not constitute a breach or impairment of, or a default under, any agreement to which such Governmental Entity is a party, including, but not limited to, its master bond resolution, as amended, and any power sales contracts with its municipal members (if any), as amended, or other agreements;

3. Receipt of a certificate of the Trustee for any such outstanding bonds issued for transmission and distribution facilities to the effect that the Governmental Entity's entry into this Agreement is permitted under the master bond resolution, as amended; and

4. Receipt of an opinion of a nationally recognized bond counsel and general counsel to the Governmental Entity that such Governmental Entity has full constitutional and statutory authority to enter into this Agreement. In the event that any of the foregoing conditions are not satisfied or waived by a Governmental Entity, then the adversely affected Governmental Entity shall promptly give notice of its objections or conditions which have not been satisfied to the other signatories, and the signatories shall expeditiously attempt in good faith to negotiate a substitute agreement.

Article Seven

D. **Regulatory Approvals of Withdrawals.** No signatory shall withdraw from this Agreement pursuant to the provision of this Article Seven, unless such signatory shall have filed a notice of withdrawal with the FERC and FERC has approved or accepted such notice or has otherwise allowed the notice to become effective.

Article Eight

ARTICLE EIGHT

MONITORING PROCEDURES AND ISO ASSESSMENT

A. Monitoring Procedures.

The Midwest ISO shall develop monitoring procedures to be effective before the Transfer Date. It shall file such procedures with FERC. In order to carry out this monitoring, the Midwest ISO shall establish procedures for independent monitoring either within the Midwest ISO or by contract with an independent entity. These procedures shall allow reports to be submitted directly to regulatory agencies. The monitoring entity's duties shall include monitoring the behavior of the Owners, generators, and Users to determine if there are any attempts to create transmission constraints to exclude competitors, or any other behavior that undermines the provision of transmission service. Such monitoring also shall include monitoring of the relationship between Local Balancing Authorities and the Midwest ISO on an ongoing basis to determine if the split of functions between the Local Balancing Authorities and the Midwest ISO creates any competitive or reliability problems affecting the Midwest ISO's provision of nondiscriminatory transmission service. The monitoring entity shall make recommendations in its reports or elsewhere for any changes to Midwest ISO rules or protocols that it believes are necessary.

Article Eight

B. Midwest ISO Assessment

No later than eighteen months after the Transfer Date, the Midwest ISO shall submit a report to the FERC assessing its operations. Among other things, the report shall assess (1) the relationship between existing generation control areas and the Midwest ISO to determine if the relationship needs to be revised or improved to allow the Midwest ISO to better assure reliability and to provide nondiscriminatory transmission service; (2) whether the Midwest ISO's approach to managing congestion needs to be revised; (3) the effectiveness of the system of functional control together with the penalties and sanctions provisions; (4) the need for generation redispatch to provide non-firm transmission service; and (5) whether the Midwest ISO requires other changes to better carry out its responsibilities. In addition, the report shall include a discussion of the additional data and analyses that the Midwest ISO may need in order to perform on-going and comprehensive market monitoring. In developing the report, the input of the Members shall be solicited and considered.

Article Nine

ARTICLE NINE

MISCELLANEOUS PROVISIONS

A. Descriptive Headings. The descriptive headings of Articles, Sections, Paragraphs, Subparagraphs, and other provisions of this Agreement have been inserted for convenience of reference only and shall not define, modify, restrict, construe, or otherwise affect the construction or interpretation of any of the provisions of this Agreement.

B. Governing Law. This Agreement shall be interpreted, construed, and governed by the laws of the State of Delaware, except to the extent preempted by the laws of the United States of America.

C. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, binding upon all of the Owners, notwithstanding that all such Owners may not have executed the same counterpart.

D. Successors And Assigns. This Agreement shall inure to the benefit of, and be binding upon, the Owners, their respective successors and assigns permitted hereunder, but shall not be assignable by any Owner, by operation of law or otherwise, without the approval of the Board, except as to a successor in the operation of the Owner's transmission facilities committed to the operation of the Midwest ISO by reason of a merger, consolidation, reorganization, sale, spin-off, or foreclosure, as a result of

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which substantially all such transmission facilities are acquired by such successor and such successor becomes an Owner under this Agreement.

E. No Implied Waivers. The failure of an Owner to insist upon or enforce strict performance of any of the specific provisions of this Agreement at any time shall not be construed as a waiver or relinquishment to any extent of such Owner's right to assert or rely upon any such provisions, rights, or remedies in that or any other instance, or as a waiver to any extent of any specific provision of this Agreement; rather the same shall be and remain in full force and effect.

F. Severability. Except for Article Two, Section IX, Article Five, and Article Seven of this Agreement, each provision of this Agreement shall be considered severable, and if for any reason any provision of this Agreement, or the application thereof to any person, entity, or circumstance, is determined by a court or regulatory authority of competent jurisdiction to be invalid, void, or unenforceable, then the remaining provisions of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated, and such invalid, void, or unenforceable provision shall be replaced with a suitable and equitable provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid, void, or unenforceable provision.

G. Renegotiation. If any provision of this Agreement, or the application thereof to any person, entity, or circumstance, is held by a court or regulatory authority

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of competent jurisdiction to be invalid, void, or unenforceable, or if a modification or condition to this Agreement is imposed by a regulatory authority exercising jurisdiction over this Agreement, then the Owners shall endeavor in good faith to negotiate such amendment or amendments to this Agreement as will restore the relative benefits and obligations of the Owners under this Agreement immediately prior to such holding, modification, or condition. If such negotiations are unsuccessful, then the Owners may exercise their individual or collective withdrawal or termination rights available under this Agreement.

H. Representations And Warranties. Each Owner represents and warrants to the other Owners that as of the later of the date it becomes an Owner under this Agreement or the Effective Date of this Agreement as to such Owner:

1. The Owner is duly organized, validly existing, and in good standing under the laws of the jurisdiction where organized.

2. Subject to any necessary approvals by federal or state regulatory authorities of the Midwest ISO, the Owner's participation in the Midwest ISO, or any transactions or actions covered by this Agreement, the execution and delivery by the Owner of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action on the part of the Owner and do not conflict with any applicable law or with any other agreement binding upon the Owner, other than third-party joint agreements covered by Paragraph N of this Article Nine.

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3. This Agreement has been duly executed and delivered by the Owner, and, subject to the conditions set forth in Subparagraph 2 of this Section H, this Agreement constitutes the legal, valid, and binding obligation on the part of the Owner, enforceable against it in accordance with its terms except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or other similar laws affecting the enforcement of creditor's rights generally, and by general principles of equity regardless of whether such principles are considered in a proceeding at law or in equity.

4. There are no actions at law, suits in equity, proceedings, or claims pending or, to the knowledge of the Owner, threatened against the Owner before or by any federal, state, foreign, or local court, tribunal, or governmental agency or authority that might materially delay, prevent, or hinder the performance by the Owner of its obligations hereunder.

I. **Further Assurances**. Each Owner agrees that it shall hereafter execute and deliver such further instruments, provide all information, and take or forbear such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the provisions of this Agreement.

J. **Delivery Of Notices**. Except as otherwise expressly provided herein, notices required under this Agreement shall be in writing and shall be sent to an Owner,

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Member, or the Midwest ISO by U.S. mail, overnight courier, hand delivery, telefacsimile, or other reliable electronic means. Any notice required under this Agreement shall be deemed to have been given either upon delivery, if by U.S. mail, overnight courier, or hand delivery, or upon confirmation, if given by telefacsimile or other reliable electronic means.

K. Limitations On Liability. No Owner, Member, or User shall be liable to any other Owner, Member, or User for any actions taken pursuant to the direction of the Midwest ISO except in cases of the gross negligence or intentional wrong-doing of such Owner, Member or User.

L. Entire Agreement. This Agreement, including the appendices attached hereto, the Transmission Tariff, the Agency Agreement and other agreements referenced herein constitute the entire agreement among the Owners with respect to the subject matter of this Agreement, and no previous or contemporary oral or written representations, agreements, or understandings made by any officer, agent, or employee of any Owner shall be binding on any Owner unless contained in this Agreement, including the appendices attached hereto, the Transmission Tariff, the Agency Agreement, or other agreements referenced herein.

M. Good Faith Efforts. Each Owner agrees that it shall in good faith take all reasonable actions necessary to permit such Owner to fulfill its obligations under this Agreement. Where the consent, agreement, or approval of any Owner must be

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obtained hereunder, such consent, agreement, or approval shall not be unreasonably withheld, conditioned, or delayed. Where any Owner is required or permitted to act, or omit to act, based on its opinion or judgment, such opinion or judgment shall not be unreasonably exercised. To the extent that the jurisdiction of any federal or state regulatory authority applies to any part of this Agreement and/or the transactions or actions covered by this Agreement, each Owner shall cooperate with all other Owners to secure any necessary or desirable approval or acceptance of such regulatory authorities of such part of this Agreement and/or such transactions or actions.

N. Third-Party Joint Agreements. This Agreement, including the appendices to this Agreement, the Transmission Tariff, and the Agency Agreement shall not be construed, interpreted, or applied in such a manner as to cause any Owner to be in material breach, anticipatory or otherwise, of any agreement (in effect on the later of the Effective Date of this Agreement as to such Owner or the date that it becomes an Owner under this Agreement) between such Owner and one or more third parties who are not Owners under this Agreement (regardless of the inclusion of one or more other Owners as parties to such agreement) for the joint ownership, operation, or maintenance of any electrical facilities covered by this Agreement, the Transmission Tariff, or the Agency Agreement. An Owner who has such a third-party joint agreement shall discuss with the Board and the other Owners under this Agreement any material conflict between such third-party joint agreement and this Agreement, the Transmission

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Tariff, or the Agency Agreement raised by a third party to such joint agreement, but the resolution of such a conflict shall, vis-à-vis the Board and the other Owners under this Agreement, be and remain within the sole discretion of such Owner; provided, however, that such Owner shall, if otherwise unresolved, utilize the available remedies and dispute resolution procedures to resolve such conflict, including, but not limited to, submitting such conflict to the FERC for resolution; provided, further, that in no event shall such Owner enter into a resolution of such conflict which would impair the reliability of the Transmission System.

O. **No Partnership.** The Owners do not intend that the Midwest ISO constitute a partnership or joint venture, and no Owner shall be entitled to act as an agent for any other Owner with respect to the Midwest ISO.

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IN WITNESS WHEREOF, the Owners have caused their duly authorized representatives to execute and attest this Agreement, on their respective behalves, as of the day of 12/21/98

Mark A. Torgerson
Signature

~~Big Rivers Electric Corporation~~
Name of Owner

President & CEO
Title of Signatory

APPENDIX A

APPENDIX A

STANDARDS OF CONDUCT

I. Background.

It is the policy of the Midwest ISO to operate in a fair and non-discriminatory manner and to implement such rules and regulations in the governance of the organization as necessary to prevent control, or the appearance of control, of the decision-making process by any Owner, Member, or User of the Transmission System; and

It is the policy of the Midwest ISO to operate and plan the Transmission System without adverse distinction or preference to any Owner, Member, or User of the Transmission System, and that investments in facilities be made by the Owners as directed by the Midwest ISO without discrimination; and

It is the policy of the Midwest ISO that the Directors, agents, Officers, and employees of the organization shall not have a direct financial interest in, or a conflict of interest with, any Owner, Member, or User of the Transmission System or any affiliates of such entities.

Nothing in this Appendix A is intended to restrict or expand any rights that any federal or state regulatory authorities may have to receive or have access to any information.

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II. Standards.

In furtherance of the above policies, the Standards of Conduct for the Midwest ISO shall include, but not be limited to, the following Standards:

A. The Midwest ISO, its Directors, agents, Officers, and employees shall operate and plan the Transmission System without adverse distinction or preference to any Owner, Member, or User of the Transmission System. In addition, the Transmission Tariff shall be applied to any Owner, Member, or User of the Transmission System without adverse distinction or preference to any of the Owners, Members, or Users of the Transmission System.

B. The operation of the Midwest ISO shall be conducted in such a manner that it shall be separate from the operations of the Owners, Members, or Users of the Transmission System.

C. The Midwest ISO, in operating its business, shall require any consultant, contractor, and/or subcontractor of the Midwest ISO to disclose to the Midwest ISO all financial affiliations and conflicts of interest with Owners, Members, or Users of the Transmission System. The Midwest ISO shall have the discretion to determine if the contents of such disclosure warrant disqualification of such consultant, contractor, or subcontractor.

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D. No Midwest ISO Director, agent, Officer, or employee shall have any involvement in the sale of electric energy at wholesale or retail except as required or allowed by the Agreement or the Transmission Tariff.

E. The Directors, agents, Officers, and employees of the Midwest ISO shall not have a direct financial interest in, or stand to be financially benefited by, any transaction with any of the Owners, Members, or Users of the Transmission System. Each Director, agent, Officer, and employee of the Midwest ISO in a decision-making position shall certify in writing that he does not have a direct financial interest in any Owner, Member, or User of the Transmission System and that a conflict of interest does not exist. To that end, no Midwest ISO Director, agent, Officer, or employee may directly own securities issued by any Owner, Member, or User of the Transmission System, except under the following circumstances:

1. Each Midwest ISO Director, agent, Officer, or employee shall dispose of those securities or transfer such securities to a non-discretionary blind trust within six (6) months of the time of his affiliation or employment with the Midwest ISO.
2. Each Midwest ISO Director, agent, Officer, or employee shall dispose of those securities or transfer such securities to a non-discretionary blind trust within six (6) months of the time a new Owner or Member is added, or a new User of the Transmission System begins taking service under the Transmission Tariff, where the Midwest ISO

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Director, agent, Officer, or employee owns securities of such User, Owner, or Member.

3. If a Midwest ISO Director, agent, Officer, or employee receives a gift or inheritance of those securities, he must dispose of such securities or transfer such securities to a non-discretionary blind trust within six (6) months of the date of receipt.
4. Nothing in this Paragraph E shall be interpreted to preclude a Director, agent, Officer, or employee of the Midwest ISO from indirectly owning securities issued by an Owner, Member, or User of the Transmission System through a mutual fund, blind trust or similar arrangement (other than a fund or arrangement specifically targeted towards the electric industry or the electric utility industry, or any segments thereof) under which the Director, agent, Officer, or employee does not control the purchase or sale of such securities.
5. Participation in a pension plan of an Owner, Member, or User of the Transmission System shall not be deemed to be a direct financial benefit as long as such pension plan is a defined benefit pension plan that does not involve ownership in the securities of the company sponsoring such plan.
6. For the purposes of this Agreement, a "blind trust" means a legally binding arrangement in which a fiduciary third party trustee (the

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administrator of the trust) has full management discretion over the assets of the trust (the securities), and the trust beneficiary (i.e., the Midwest ISO Director, agent, Officer or employee) has no knowledge of the holdings or assets of the trust.

F. The Midwest ISO Directors, agents, Officers and employees shall not provide non-public transmission and reliability (hereinafter "T/R") information (including T/R information obtained from the Owners, Members, and Users of the Transmission System in the normal course of Midwest ISO business) to anyone outside the Midwest ISO, except for such disclosure of information to T/R employees of Owners (as determined under the applicable standards of the FERC) to the extent necessary to transact Midwest ISO business. Those T/R employees, in turn, are governed by the FERC Order No. 889, 61 Fed. Reg. 21737 (May 10, 1996), order on reh'g, 62 Fed. Reg. 12484 (March 14, 1997) or successor standards of the FERC – standards of conduct – as far as sharing any such information with their respective merchant employees, as determined under the applicable standards of the FERC. The Midwest ISO shall maintain the confidentiality of any market information obtained from merchant employees of any User of the Transmission System or other entity.

G. If an employee of the Midwest ISO discloses confidential information relating to the operation or function of the organization, which disclosure is contrary to the Standards of Conduct, then notice of such disclosure shall be posted immediately on the Midwest ISO OASIS (or successor system as approved by the FERC).

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H. The Midwest ISO Directors, agents, Officers, and employees shall treat all information supplied by an entity seeking transmission service under the Transmission Tariff, or supplied in connection with Midwest ISO coordination center(s) operations, as confidential, unless the information is required to be put on the Midwest ISO OASIS, or the entity seeking transmission service agrees that the information can be disclosed, or the information is otherwise publicly available.

Notwithstanding the restrictions contained in this Paragraph H, Midwest ISO Directors, agents, Officers, and employees may share information with third parties where required to satisfy the Operating Standards and Policies of the North American Electric Reliability Council (hereinafter "NERC") or successor reliability entity. A confidentiality statement must be executed by the third party before any such information is disclosed. To the extent required by FERC regulations, such information shall be put on the Midwest ISO OASIS.

I. Midwest ISO Directors, agents, Officers, and employees shall not give preferential access to transmission information, or any other information, to any third party.

Midwest ISO Directors, agents, Officers, and employees shall be prohibited from providing to any entity engaged in wholesale or retail sales of electric energy, or to any employee, representative, or agent of any such entity (except T/R employees as provided in Paragraph F, Section II of the Appendix A), information regarding the Transmission System covered by the Transmission Tariff, unless that information is: (i) posted on the Midwest ISO OASIS; (ii) otherwise available to the general public without restriction; or (iii) is the type of information disclosed to any third party on a nonpreferential basis.

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Any disclosures of transmission information not in compliance with this Paragraph I shall be posted immediately on the Midwest ISO OASIS.

J. Directors, Officers, agents, and employees of the Midwest ISO shall strictly enforce all Transmission Tariff provisions established by the Midwest ISO. In the event any Director, Officer, agent, or employee of the Midwest ISO may exercise his discretion, or is allowed by the Transmission Tariff to exercise his discretion, with respect to transactions or actions covered by the Transmission Tariff, then such discretion shall be exercised fairly and impartially, and such event shall be logged and available for FERC audit.

K. No employee, agent, or contractor of any entity engaged in wholesale or retail sales of electric energy shall have access to the Midwest ISO coordination center(s), except for educational tours approved by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) where notification of such tours is posted on the Midwest ISO OASIS.

L. Notices shall be posted on the Midwest ISO OASIS of any employee engaged in transmission and/or reliability functions who is terminated or transferred from the Midwest ISO. The posted information shall include the name of the employee, the title of the employee while performing service for the Midwest ISO, and the effective date of the transfer or termination.

M. The Midwest ISO shall maintain its books and records separately from those of any Owner, Member, or User of the Transmission System.

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N. The Midwest ISO shall establish and file with the Board of Directors a complaint procedure for alleged violations of any of the Standards of Conduct set forth in this Appendix A. The complaint procedure shall provide for the opportunity of alternative dispute resolution, as set forth in the Agreement.

O. The Midwest ISO shall inform and train Midwest ISO Directors, agents, Officers, and employees with regard to these Standards of Conduct. The Midwest ISO shall distribute copies of these Standards of Conduct to each Midwest ISO Director, agent, Officer, and employee, and require that each such Director, agent, Officer and employee execute the attached compliance statement. The Midwest ISO shall monitor compliance with these Standards of Conduct. Any Director, agent, Officer, or employee of the Midwest ISO failing to comply with these Standards of Conduct may be subject to disciplinary action. Discipline may take the form of reprimand, suspension without pay, limitation in the scope of responsibilities, monetary fines, or termination, which discipline shall be within the discretion of the Midwest ISO.

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COMPLIANCE STATEMENT

I, _____, have read and received training on the
Midwest ISO's Standards of Conduct and agree to comply with these Standards.

Date: _____

(Signature)

Printed Name: _____

(Title)

APPENDIX B

APPENDIX B

PLANNING FRAMEWORK

I. Overview.

This Appendix B describes the process to be used by the Midwest ISO in planning the Transmission System. Nothing in this Appendix is intended to restrict or expand existing state laws or regulatory authority.

The following transmission facilities of the Owners shall constitute the Transmission System for which the Midwest ISO shall be responsible for operating and planning by the terms of the Agreement: (i) all networked transmission facilities above 100 kilovolts (hereinafter "kV"); and (ii) all networked transformers whose two (2) highest voltages qualify under the voltage criteria of item (i).

Network transmission facilities (including terminal equipment) are (i) transmission elements capable of carrying power in both directions for sustained periods, and (ii) components that are connected to such transmission facilities and are used for voltage or stability control of the Transmission System, including shunt inductors, shunt capacitors, and synchronous condensers. Appendix H to the Agreement identifies the facilities that constitute the Transmission System for which the Midwest ISO shall have operating and planning responsibility.

The Midwest ISO may direct the Owners to assign Non-transferred Transmission Facilities to its control as part of the Transmission System, subject to obtaining any necessary approvals of federal or state regulatory authorities, when such action is determined to be necessary to relieve a constraint or for security purposes. The

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Midwest ISO also may require that Owners take back control of facilities included in the Transmission System subject to any such necessary approvals. If an Owner disputes such an order from the Midwest ISO, the dispute shall be resolved pursuant to the dispute resolution provisions set forth in Appendix D to the Agreement.

With regard to Non-transferred Transmission Facilities, the Midwest ISO shall review and comment on the plans developed by the Owners of these facilities. With respect to such facilities, the Midwest ISO shall have only that planning authority necessary to carry out its responsibilities under the Transmission Tariff. Thus, the Midwest ISO, when performing System Impact and Facilities Studies under the Transmission Tariff, shall treat these Non-transferred Transmission Facilities just as it would facilities comprising the Transmission System. Similarly, the Midwest ISO shall require Owners to make Available Transmission Capability (hereinafter "ATC") determinations involving such Non-transferred Transmission Facilities under the Transmission Tariff. The Midwest ISO shall coordinate the analyses of ATC associated with Non-transferred Transmission Facilities with the affected Owners. Any disputes concerning Non-transferred Transmission Facilities shall be subject to the dispute resolution procedures under the Agreement.

The planning of all Non-transferred Transmission Facilities, as well as all distribution facilities, shall be done by the Owners. Furthermore, each Owner, in carrying out its planning responsibilities to meet the reliability needs of all loads connected to the Owner's transmission facilities and to pursue projects that will promote

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expanded trading in generation markets, to better integrate the grid and to alleviate congestion may, as appropriate, develop and propose plans involving modifications to any of the Owner's transmission facilities which

Issued by: James P. Torgerson, Issuing Officer
Issued on: June 13, 2003

Effective: February 1, 2002

Revisions filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT01-87-005, et al., issued on May 14, 2003 (*Midwest Independent Transmission System Operator, Inc.* 103 FERC ¶ 61,169 (2003)).

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are part of the Transmission System. All such plans developed by the Owners may be incorporated into the Midwest ISO regional plan, as described in Section VI of this Appendix B. Plans developed by the Owners that involve only Non-transferred Transmission Facilities may be incorporated into the Midwest ISO regional plan, as appropriate. The Owners shall continue to have planning responsibilities for meeting their respective transmission needs in collaboration with the Midwest ISO subject to the requirements of applicable state law or regulatory authority.

II. The Midwest ISO Planning Staff And The Planning Advisory Committee.

The planning function of the Midwest ISO shall be the responsibility of the Midwest ISO Planning Staff (hereinafter "Planning Staff"). The process for carrying out the planning of the Midwest ISO shall be collaborative with Owners, Users, and other interested parties. The Midwest ISO shall be organized to engage in such planning activities as are necessary to fulfill its obligations under the Agreement and the Transmission Tariff. In exercising such authority, the Midwest ISO shall (i) evaluate and respond to requests for transmission service that extend into or fall within the "Planning Time Horizon" (defined as two (2) weeks and beyond); and (ii) develop a comprehensive Midwest ISO-wide transmission plan (hereinafter the "Midwest ISO Plan"). In order to carry out this planning function, the Planning Staff shall have the following responsibilities, set forth in more detail in subsequent Sections of this Appendix B: (i) to calculate ATC in the Planning Time Horizon; (ii) to process transmission service requests in the Planning Time Horizon; (iii) to develop cost-effective plans to resolve transmission constraints that would otherwise preclude

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requested transmission service; (iv) to create the Midwest ISO Plan by integrating, evaluating, and modifying the transmission plans, and other findings from (a) Facilities Studies, (b) plans and analyses developed by the individual Owners, and/or sub-regional groups, to define needs within the Owner's system(s), (c) plans and analyses developed by the Planning Staff to define regional needs, and (d) Planning Staff analyses giving consideration to information from the Planning Advisory Committee (established under this Appendix B) and other sources. The Midwest ISO shall make the final determination in the process, subject to the Dispute Resolution procedures under the Agreement and subject to review by the FERC or state regulatory authorities where appropriate.

There is hereby created a Planning Advisory Committee consisting of one (1) representative from each of the constituent groups represented on the Advisory Committee established pursuant to Article Two, Section VI, Paragraph A of the Agreement. The Planning Advisory Committee shall be a source of input to the Planning Staff concerning the development of the Midwest ISO Plan. The Planning Staff shall exercise its discretion in how it utilizes this advice in carrying out its responsibilities.

III. Calculation Of ATC.

The Planning Staff shall be responsible for calculating ATC of the Transmission System for the Planning Time Horizon. In calculating ATC, the Planning Staff shall: (i) take into account transmission limits that may appear regardless of whether such limits involve transferred Transmission System facilities or Non-transferred Transmission

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Facilities; (ii) use planning criteria which are compatible with operations, including the use of appropriate equipment ratings; (iii) follow the general principles set forth in the NERC documents, *Transfer Capability* (May 1995) and *Available Transfer Capability: Definition and Determination* (June 1996), as those documents may be revised from time to time; (iv) provide for projected load growth, all relevant committed transactions and their resulting power flows throughout the interconnection; and (v) use appropriate analytical tools to determine thermal, voltage, and stability constraints.

The Planning Staff shall adhere to applicable reliability criteria of NERC, and regional reliability councils, or successor organizations, and Owner's planning criteria filed with federal, state, or local regulatory authorities. In the event that the Planning Staff questions the appropriateness of such Owner's planning criteria, the matter may be resolved through the Dispute Resolution process provided for in Appendix D to the Agreement. Until any such dispute is resolved, the Owner's criteria shall govern. The Planning Staff shall also apply equipment capability ratings provided by the Owners for their respective Transmission System facilities. The process to be used by the Planning Staff to validate the ratings is discussed in Section V of this Appendix B. Disputes regarding equipment capability ratings may be resolved through the Dispute Resolution process provided for in Appendix D to the Agreement. The Planning Staff shall at all times comply with the procedures of the Transmission Tariff for calculating ATC.

IV. Evaluation Of Transmission Service Requests.

The Planning Staff shall receive, evaluate, and respond to all requests for transmission service that extends into or occurs within the Planning Time Horizon and

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involves the use of the Transmission System. With respect to all such requests, the Planning Staff shall analyze and make the determination on access to the Transmission System, including the amount of firm (non-recallable) and/or non-firm (recallable) service which the Transmission System can support. The Planning Staff shall document all requests for transmission service, the disposition of those requests, and supporting data. The Planning Staff shall coordinate with the Owners to process requests for service involving the use of Non-transferred Transmission Facilities and distribution facilities relating to service under the Transmission Tariff. The Planning Staff shall consult with the transmission planning representatives of the Owners and/or operators of the affected transmission facilities on matters such as equipment, procedures, maintenance, reliability, and public or worker safety. The Planning Staff shall provide the transmission planning representatives of each Owner with sufficient information to model local conditions and to monitor local consequences of Midwest ISO decisions by the Planning Staff related to ATC values and requests for transmission service. Any dispute regarding ATC calculations shall be subject to the applicable Dispute Resolution procedures.

V. Resolution Of Transmission Constraints.

When the evaluation of posted ATCs reveals apparent transmission constraints that would preclude a requested firm transaction, the Planning Staff shall investigate the ability of operating guides and redispatch of generation to permit the transaction to proceed, to the extent that available information, in the form of existing studies and

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models, permit. In evaluating and resolving transmission constraints, the Planning Staff shall act in a manner consistent with the provisions of the Transmission Tariff.

The Planning Staff shall follow the procedures of the Transmission Tariff when conducting System Impact and Facilities Studies. Upon receipt of an approved Facilities Study Agreement, the Planning Staff shall form, chair, and direct the activities of an Ad Hoc Planning Committee that includes representatives of all affected Owners. The Ad Hoc Planning Committee shall develop expansion alternatives, perform the described studies, and develop the resulting options, costs, and service agreement which shall be provided to the transmission customer by the Planning Staff.

Each Owner shall file with the Midwest ISO information regarding the physical ratings of all of its equipment in the Transmission System. This information is intended to reflect the normal and emergency ratings routinely used in regional load flow and stability analyses. In carrying out its responsibilities, the Midwest ISO shall apply ratings that have been provided by the respective Owners and have been verified and accepted as appropriate by the Midwest ISO where such ratings affect Midwest ISO reliability. When requested by the Midwest ISO, Owners shall provide specific methods by which the ratings of equipment are calculated. If the Planning Staff and the Owners' respective planning representatives cannot reach agreement on a rating, the dispute shall be resolved through the Dispute Resolution process provided in Appendix D to the Agreement. However, the Midwest ISO shall use the ratings provided by the Owner unless and until such ratings are changed through the Dispute Resolution process or by voluntary agreement with the affected Owner.

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VI. Development Of The Midwest ISO Transmission Plan.

The Planning Staff, working in collaboration with representatives of the Owners and the Planning Advisory Committee, shall develop the Midwest ISO Plan, consistent with Good Utility Practice and taking into consideration long-range planning horizons, as appropriate. The Planning Staff shall develop this plan for expected use patterns and analyze the performance of the Transmission System in meeting both reliability needs and the needs of the competitive bulk power market, under a wide variety of contingency conditions. The Midwest ISO Plan will give full consideration to all market participants, including demand-side options, and identify expansions needed to support competition in bulk power markets and in maintaining reliability. This analysis and planning process shall integrate into the development of the Midwest ISO Plan among other things: (i) the transmission needs identified from Facilities Studies carried out in connection with specific transmission service requests; (ii) the transmission needs identified by the Owners in connection with their planning analyses to provide reliable power supply to their connected load customers and to expand trading opportunities, better integrate the grid and alleviate congestion; (iii) the transmission planning obligations of an Owner, imposed by federal or state law(s) or regulatory authorities, which can no longer be performed solely by the Owner following transfer of functional control of its transmission facilities to the Midwest ISO; (iv) the inputs provided by the Planning Advisory Committee; and (v) the inputs, if any, provided by the state regulatory

Issued by: James P. Torgerson, Issuing Officer
Issued on: June 13, 2003

Effective: February 1, 2002

Revisions filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT01-87-005, et al., issued on May 14, 2003 (*Midwest Independent Transmission System Operator, Inc.* 103 FERC ¶ 61,169 (2003)).

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authorities having jurisdiction over any of the Owners. In the course of this process, the Planning Staff shall seek out opportunities to coordinate or consolidate, where possible, individually defined transmission projects into more comprehensive cost-effective developments subject to the limitations imposed by prior commitments and lead time constraints. This multi-party collaborative process is designed to ensure the development of the most efficient and cost-effective Midwest ISO Plan that will meet reliability needs and expand trading opportunities, better integrate the grid, and alleviate congestion, while giving consideration to the inputs from all stakeholders.

Issued by: James P. Torgerson, Issuing Officer
Issued on: June 13, 2003

Effective: February 1, 2002

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The Planning Staff shall test the Midwest ISO Plan for adequacy and security based on all applicable criteria. The Midwest ISO Plan shall adhere to applicable reliability requirements of NERC, regional reliability councils, or successor organizations, Owners' planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local system planning and operating reliability criteria. If the 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 Appendix D to the Agreement or by the FERC or state regulatory authorities, where appropriate. The Midwest ISO Plan shall have as one of its goals the satisfaction of all regulatory requirements. That is, the Midwest ISO shall not require that projects be undertaken where it is expected that the necessary regulatory approvals for construction and cost recovery will not be obtained.

The Planning Staff shall present the Midwest ISO Plan, along with a summary of relevant alternatives that were not selected, to the Board for approval on a biennial basis, or more frequently if needed. The proposed Midwest ISO Plan shall include specific projects already approved as a result of the Midwest ISO entering into service agreements with transmission customers where such agreements provide for identification of needed transmission construction, its timetable, cost, and Owner or other parties' construction responsibilities. Ownership and the responsibility to construct facilities which are connected to a single Owner's system belong to that Owner, and that Owner is responsible for maintaining such facilities. Ownership and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong

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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. Finally, ownership and the responsibility to construct facilities which are connected between an Owner(s)' system and a system or systems that are not part of the Midwest ISO belong to such Owner(s) unless the Owner(s) and the non-Midwest ISO party or parties otherwise agree; however, the responsibility to maintain the facilities remains with the Owner(s) unless otherwise agreed.

If the designated Owner is financially incapable of carrying out its construction responsibilities or would suffer demonstrable financial harm from such construction, alternate construction arrangements shall be identified. Depending on the specific circumstances, such alternate arrangements shall include solicitation of other Owners or others to take on financial and/or construction responsibilities. Third-parties shall be permitted and are encouraged to participate in the financing, construction and ownership of new transmission facilities as specified in the Midwest ISO Plan. In the event interest among other Owners or other entities is not sufficient to proceed, all Owners, subject to applicable regulatory requirements, shall be responsible for sharing in the financing of the project and/or hiring of a contractor(s) to construct the needed transmission facility; provided, however, the Owners' obligations under this sentence shall be subject to the Owners being satisfied that they will be compensated fully for their investments and will not be subject to additional regulatory requirements, unless the Owners otherwise agree to waive either or both of these requirements

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Approval of the Midwest ISO Plan by the Board certifies it as the Midwest ISO's plan for meeting the transmission needs of all stakeholders subject to any required approvals by federal or state regulatory authorities. The Midwest ISO shall provide a

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copy of the Midwest ISO Plan to all applicable federal and state regulatory authorities. The affected Owner(s) shall make a good faith effort to design, certify, and build the designated facilities to fulfill the approved Midwest ISO Plan. However, in the event that a proposed project is being challenged through the Dispute Resolution process under the Agreement, the obligation of the Owners to build that specific project (subject to required approvals) is waived until the project emerges from the Dispute Resolution process as an approved project. The Board shall allow the Owners to optimize the final design of specific facilities and their in-service dates if necessary to accommodate changing conditions, provided that such changes comport with the approved Midwest ISO Plan and provided that any such changes are accepted by the Midwest ISO. Any disagreements concerning such matters shall be subject to the Dispute Resolution process under Appendix D to the Agreement.

The Planning Staff shall assist the affected Owner(s) in justifying the need for, and obtaining certification of, any facilities required by the approved Midwest ISO Plan by preparing and presenting testimony in any proceedings before state or federal courts, regulatory authorities, or other agencies as may be required. The Midwest ISO shall publish annually, and distribute to all Members and all appropriate state regulatory authorities, a five-to-ten-year (5-to-10-year) planning report of forecasted transmission requirements. Annual reports and planning reports shall be available to the general public upon request.

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VII. Planning Responsibilities Of Owners.

To fulfill their roles in the collaborative process for the development of the Midwest ISO Plan, the Owners shall develop expansion plans for their transmission facilities while taking into consideration the needs of (i) connected loads, including load growth, (ii) new customers and new generation sources within the Owner's system, and (iii) known transmission service requests. Any plans that call for modifications to the Transmission System which would significantly affect ATC must be approved by the Midwest ISO before being implemented. However, the Midwest ISO shall develop a streamlined approval process for reviewing and approving projects proposed by the Owners so that decisions will be provided to the Owner within thirty (30) days of the projects submittal to the Midwest ISO unless a longer review period is mutually agreed upon. Any dispute concerning such matters shall be subject to the Dispute Resolution procedures under Appendix D to the Agreement. In the event that the Midwest ISO fails to act or produce results through the Dispute Resolution procedures under the Agreement within a reasonable time (as determined by the Board) of the Owner's submission of its proposed projects, approval of the proposed project(s) by the Midwest ISO shall be automatically conveyed to the affected Owner(s), subject to all requisite approvals.

Owners shall provide to the Planning Staff any necessary modeling or supporting data, planning criteria applicable to the Owner's system, and system-specific operating procedures. Owners shall carry out other duties deemed appropriate by the Owners that support the objectives of the Midwest ISO planning process, the calculation of ATC,

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or regional reliability analyses. Owners shall participate in the integration and testing of the Midwest ISO Plan. Owners shall serve on Ad Hoc Planning Committees established by the Planning Staff to respond to transmission service requests and other matters. Owners shall also calculate ATC at points of delivery to or receipt from Non-transferred Transmission Facilities and distribution facilities.

VIII. Coordination Between Midwest ISO Operating And Planning Staffs.

The Planning Staff shall provide support to the Midwest ISO Operating Staff (hereinafter "Operating Staff") in determining and posting ATC during the Operating Time Horizon (as defined by the Operating Staff) and in developing and reviewing operating procedures. The Planning Staff also shall assist the Operating Staff by performing operational planning assessments for near-term system configurations. Within their respective time horizons, the Operating and Planning Staffs shall have the same general responsibilities for determining whether the Transmission System can accommodate a specific transaction. The Planning Staff shall be responsible for all responses to requests for transmission service that require an expansion of the Transmission System or Non-transferred Transmission Facilities.

IX. Miscellaneous Responsibilities Of Planning Staff.

Among its general responsibilities, the Planning Staff shall: (i) review and comment on Owners' transmission plans; (ii) provide general oversight of all studies performed by Owners for the Midwest ISO; (iii) identify alternatives for further study and review that could increase the efficient and economic use of the Transmission System; (iv) analyze and assess the Transmission System periodically to ensure operational

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reliability, adequacy, and security, and that the long-term needs of transmission customers are being met; (v) facilitate communications among Owners, transmission customers, generation suppliers, and other stakeholders; and (vi) periodically monitor real-time data to identify emerging trends that require modification of planning assumptions to assure the reliable operation of the Transmission System in the future.

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**PRICING AND REVENUE DISTRIBUTION,
RETURN OF START-UP COSTS, AND
RENEGOTIATION PROCEDURES FOR
GRANDFATHERED AGREEMENTS**

The following represents the agreement of the Owners on pricing, revenue distribution, the return of Start-up Costs contributed by the Owners, and on the renegotiation procedures for certain Grandfathered Agreements.

I. Additional Definitions. Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix C, and, when used in this Appendix C, the following terms shall have the respective meanings set forth below.

A. Border Transmission Owner. A Midwest ISO Owner whose transmission facilities are interconnected with those of a non-Midwest ISO owner.

B. Bundled Load. The aggregate usage by customers who purchase electric services as a single service or customers who purchase electric services under a retail tariff rate schedule that includes power, energy and delivery components, as distinguished from customers who purchase Transmission Service as a separate service.

C. Drive-in. Point-to-Point Transmission Service where the generation source is outside the Midwest ISO and the load is located within the Midwest ISO.

D. Drive-out. Point-to-Point Transmission Service where the generation source is located within the Midwest ISO and the load is located outside of the Midwest ISO.

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E. **Drive-through.** Point-to-Point Transmission Service where both the generation source and the load are located outside of the Midwest ISO.

F. **Drive-within.** Point-to-Point Transmission Service where both the generation source and the load are located within the Midwest ISO.

G. **First Substantive Order.** The first order in which the FERC accepts for filing this Agreement and the Transmission Tariff (or if separately accepted, the later of the two (2) orders), even if the FERC orders changes to this Agreement or the Transmission Tariff, or sets for hearing the question of the justness or reasonableness of the Agreement or the Tariff.

H. **Grandfathered Agreements.** For revenue distribution purposes, the following types of agreements shall be considered Grandfathered Agreements: (i) non open access tariff transmission service agreements executed before the First Substantive Order date; (ii) bundled contracts which include transmission service as part of the contract executed prior to the First Substantive Order date; (iii) network and long-term firm Point-to-Point Transmission Service agreements executed prior to the First Substantive Order date; (iv) accepted and confirmed short-term firm and non-firm Point-to-Point Transmission transactions under open access transmission tariffs which were accepted and confirmed prior to the First Substantive Order date; and (v) Transmission Service agreements executed pursuant to Schedule F of the Mid-Continent Area Power Pool Open-Access Transmission Tariff executed prior to the Transfer Date.

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For pricing purposes, the first, second, and fifth categories above shall be Grandfathered Agreements. The third and fourth categories of agreements shall be considered only Grandfathered Agreements for pricing purposes if the pricing terms cannot be changed under sections 205 and 206 of the FPA (except under the Mobile-Sierra "public interest" standard).

I. **Host Zone**. The Zone where load is physically connected to the Midwest ISO transmission network either directly or through a distribution system.

J. **Load Serving Entity**. Any entity that, has undertaken an obligation to provide or obtain electric energy for end-use customers by statute, franchise, regulatory requirement or contract for load located within or attached to the Transmission System. Where a distribution cooperative or a municipal distribution system otherwise covered by the prior sentence is a wholesale customer of a generation and transmission cooperative or a municipal joint action agency, the generation and transmission cooperative or municipal joint action agency may act as the Load Serving Entity for such distribution cooperative or municipal distribution system.

K. **Network Transmission Service**. Defined the same as in the definition of Network Integration Transmission Service in the Transmission Tariff.

L. **Point-to-Point Transmission Service**. Defined the same as in the definition of the same term in the Transmission Tariff.

Issued by: James P. Torgerson, Issuing Officer
Issued on: May 13, 2003

Effective: April 1, 2002

Filed to comply with the April 11, 2003 Order of the FERC in Docket Nos. ER98-1438-012, ER98-1438-013, ER02-111-004 and ER02-111-005 (*Midwest Independent Transmission System Operator, Inc.*, 103 FERC ¶ 61,038 (2003)).

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M. Transition Period. The Transition Period begins on the Transfer Date and ends on the sixth anniversary of the Transfer Date.

N. Zone(s). The transmission pricing zone(s) identified in the Transmission Tariff as it (they) may be changed pursuant to this Appendix C.

II. Pricing.

A. Rates and Procedures Applicable during the Transition Period.

The following are the major elements of Midwest ISO pricing during the Transition Period:

Issued by: James P. Torgerson, Issuing Officer
Issued on: May 13, 2003

Effective: April 1, 2002

Filed to comply with the April 11, 2003 Order of the FERC in Docket Nos. ER98-1438-012, ER98-1438-013, ER02-111-004 and ER02-111-005 (*Midwest Independent Transmission System Operator, Inc.*, 103 FERC ¶ 61,038 (2003)).

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1. Transition Period Rates.

a. During the Transition Period, the Midwest ISO shall employ a Zonal pricing structure for both Network Transmission Service and Point-to-Point Transmission Service associated with loads physically located within a Midwest ISO Zone. The Zonal rates for each Zone shall be based on the costs of the booked transmission facilities within the Zone. Payment of the Zonal rate allows the customer to obtain transmission service over the facilities covered by the Transmission Tariff without paying additional base transmission charges. The Zones shall be as specified in the Transmission Tariff submitted as part of the initial filing with the FERC to establish the Midwest ISO or to add a new Owner that is a transmission provider and is or would have been a specified zone for pricing under an existing or proposed regional transmission tariff. The Zones only may be changed to reflect the effectuation of a merger (or consolidation and reorganization), to add a new Owner that operates a control area in existence on or before the date of the initial filing with the FERC to establish the Midwest ISO, or to reflect the withdrawal from the Midwest ISO of an Owner or Owners.

b. The rates for Network Transmission Service and Drive-in and Drive-within Point-to-Point Transmission Service shall be the rates for the Zone in which the load is located. The rates for Drive-through and Drive-out Point-to-Point Transmission Service shall be the single Midwest ISO system-wide rate calculated as set forth in the Transmission Tariff.

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2. Applicability to All Load

a. Each Transmission Owner, to the extent it is a Load Serving Entity, shall take Network Integration Transmission Service or Point-to-Point Transmission Service from the Midwest ISO in accordance with the Tariff, subject to the limitations in this Part II, Paragraph A.3 subparts a. through e. below for (1) Bundled Load served by a Load Serving Entity; and (2) load being served at wholesale under a Grandfathered Agreement. Each Transmission Owner that is a Load Serving Entity shall enter into a service agreement(s) under the Tariff with the Midwest ISO for such Transmission Service. A Transmission Owner, making contractual arrangements to act as agent on behalf of another Transmission Owner(s) with load located in the same pricing zone subject to Grandfathered Agreements, will be permitted to make arrangements for Network Integration Transmission Service or Point-to-Point Transmission Service with the Midwest ISO for load served by the other Transmission Owner(s).

b. All other Load Serving Entities not covered under Part II, Paragraph A.2 subpart a. above shall take Network Integration Transmission Service or Point-to-Point Transmission Service from the Midwest ISO in accordance with this Tariff and shall enter into a service agreement(s) under this Tariff with the Midwest ISO for such Transmission Service. A Transmission Owner that is not the Load Serving Entity may make contractual arrangements to act as agent on behalf of the Load Serving Entity for payment of the applicable Schedule 10 charges.

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3. Limitations on Charges and Cost Responsibilities.

a. **Bundled Load:** Transmission Owners taking Network Integration Transmission Service to serve their Bundled Load shall not pay charges pursuant to Schedules 1 through 6 and Schedule 9 and also shall not be responsible for losses from network resources located within their Control Areas or pricing zone pursuant to Attachment M. The Transmission Owner, however, shall be responsible for losses under Attachment M for network resources located outside of its Control Area or pricing zone that are within or attached to the Transmission System.

b. **Grandfathered Agreements for Load Inside of the ISO:** For the transmission service provided as a result of or pursuant to Grandfathered Agreements for load inside of the ISO, each Transmission Owner which is a party to that Grandfathered Agreement shall not be obligated to pay charges under Schedules 1 through 9, nor shall it be responsible for losses under Attachment M. Each Transmission Owner shall remain responsible for payment of the applicable Schedule 10 charges for the services taken pursuant to Section II, Paragraph A.2, subpart a above for its load, which may include wholesale loads under Grandfathered Agreements.

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c. **Grandfathered Agreements for Load Outside of the ISO:** For the transmission service provided as a result of or pursuant to Grandfathered Agreements for load outside of the ISO, the Transmission Owner shall be exempt from rates under this Tariff for services provided pursuant to the existing agreements, except for charges under Schedule 10, which will reimburse the Transmission Provider for the services it performs.

d. **Exception to Section II(A)(3)(b) and (c):** Notwithstanding the provisions of this Section II, Paragraph A. 3 subparts b. and c. above, (I) if ancillary services are not taken or provided under the Grandfathered Agreement, in whole or in part, then such ancillary services which are not provided under such Grandfathered Agreement shall be provided and charged for under this Tariff; and (II) if losses are not provided or paid for under the Grandfathered Agreement, then losses shall be provided in accordance with Attachment M.

e. **Direct Billing to Customers under Grandfathered Agreement:** Once a Service Agreement, either executed or unexecuted, between the Midwest ISO and the customer which is a party to the Grandfathered Agreement is effective, the Midwest ISO shall bill the customer for Schedule 10 charges associated with providing service rather than the Transmission Owner.

f. **Service under Grandfathered Agreements shall continue according to their terms. Grandfathered Agreements are listed in Attachment P to the Transmission Tariff.**

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[Reserved for future use]

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B. Rates and Procedures Applicable after the Transition Period

1. Rates.

a. The rates for Point-to-Point and Network Transmission Service shall be the same as the rates during the Transition Period which are specified in Section II, Paragraph A.1 above except under the conditions specified in subparagraphs b or c of this paragraph B.1.

b. The Midwest ISO shall file to combine zones (i) if all of the Owners in the Zones to be combined that are paying the Midwest ISO for transmission service associated with Bundled Load agree to combine such zones; (ii) if all of the Owners in contiguous Zones that are paying the Midwest ISO for transmission service associated with Bundled Load are allowed to recover amounts they pay the Midwest ISO for such transmission service in the applicable rates; provided, however, any Owner may agree to have zones combined whether or not the Owner recovers or is assured recovery of payments to the Midwest ISO; or (iii) if there are contiguous zones that are to be combined where there are no Owners paying the Midwest ISO for transmission service associated with Bundled Load.

c. The Midwest ISO shall file a revision to the rate formula which is set forth in Attachment O to the Transmission Tariff to implement Midwest ISO system-wide transmission rates (i.e., the same transmission rate shall apply to all customers) (i) if all Owners paying the Midwest ISO for transmission service associated with Bundled Load agree; (ii) if all Owners that are paying the Midwest ISO for transmission service

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associated with Bundled Load are allowed to recover such payments; or (iii) there are no Owners paying the Midwest ISO for transmission service associated with Bundled Load.

d. In order to implement and facilitate any rate revisions to paragraphs b and c of this Section II.B.1., the Midwest ISO shall establish procedures to provide for the development and submission of a filing to FERC, which shall be submitted at least six months before the end of the Transition Period.

2. Load under Transmission Tariff.

The Midwest ISO Transmission Tariff shall be applicable to all transmission service arranged over Midwest ISO transmission facilities whether for Bundled Load, for electric load that is not Bundled Load, or for deliveries made pursuant to Grandfathered Agreements; provided, however, that Grandfathered Agreements shall not be abrogated or modified by this Agreement. Owners shall be required to take transmission service under the Midwest ISO Transmission Tariff to serve Bundled Load to which they are providing bundled electric service unless some other entity is obtaining the necessary transmission service from the Midwest ISO.

C. Other Pricing Matters.

1. Owners shall be appropriately compensated for the construction of transmission facilities required by the Midwest ISO. The appropriate compensation or compensation requirements are set forth in Attachment N to the Transmission Tariff submitted as part of the initial filing with the FERC to establish the Midwest ISO.

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2. Prior to the end of the fourth (4th) year of the Transition Period, each Owner shall file a request with the appropriate regulatory authority or authorities (unless a proceeding has already been initiated or completed) for a determination of which of its facilities are transmission facilities or which are distribution in accordance with the seven (7) factor test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any applicable successor test. Each Owner shall use its best effort to cause these determinations to be made before the end of the Transition Period. Owners that are not subject to regulation by a regulatory authority shall apply to the Midwest ISO for such a determination.

3. The ISO Cost Adder mechanism for the Transition Period shall be calculated as set forth in Schedule 10 to the Transmission Tariff submitted as part of the initial filing with the FERC to establish the Midwest ISO.

III. Revenue Distribution.

Notwithstanding any language to the contrary in this Appendix C or the Agreement, the Midwest ISO shall cause the distribution monthly of the Owners' revenues associated with transmission services in accordance with this Appendix C. Any distribution of revenues to and among the Owners shall be consistent with this Appendix C.

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The revenues subject to this Section III are the transmission revenues associated with charges under Schedules 7, 8, and 9 to the Transmission Tariff.

A. Revenue Distribution during Transition Period.

1. Except by mutual agreement of the parties to a Grandfathered Agreement, the Midwest ISO shall not collect or distribute any revenues for transmission service related to such agreements during the Transition Period. The Owner providing the transmission service under a Grandfathered Agreement shall continue to receive payment directly from the customer under the Grandfathered Agreement. Nothing contained in this paragraph affects any rights of any party to unilaterally make application to FERC to alter, amend, or terminate a Grandfathered Agreement.

2. Revenues collected by the Midwest ISO for transmission services involving retail electric load that had the right to choose a different supplier under a state retail access program or legislation, shall be fully distributed to the Host Zone, regardless of whether the customers comprising such retail electric load have exercised such right to choose.

3. Revenues collected by the Midwest ISO for transmission services associated with power transactions where the generation source(s) and load(s) are physically located within the same Host Zone shall be fully distributed to that Host Zone whether the generation source is controlled by the Owner or another entity.

4. Revenues collected by the Midwest ISO for Network Transmission Service shall be fully distributed to the Host Zone.

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5. Revenues collected by the Midwest ISO for Point-to-Point Transmission Service for delivery directly to a wholesale requirements customer or a former wholesale requirements customer shall be distributed to the Host Zone.

6. Revenues collected by the Midwest ISO for Drive-in Point-to-Point Transmission Service shall be fully distributed to the Border Transmission Owner if that Owner purchases power from outside the Midwest ISO for delivery to its Zone and pays the Midwest ISO for such transmission service to effectuate that purchase.

7. All other Midwest ISO transmission revenues (*i.e.*, other than those revenues specified in Paragraphs 1-6 above) shall be distributed among Zones as follows: (i) fifty percent (50%) of such revenues shall be distributed in proportion to transmission investment (calculated each month based on the relative proportion of transmission investment reflected in the then applicable rates determined by the formula in Attachment O to the Transmission Tariff); and (ii) fifty percent (50%) of such revenues shall be shared based upon power flows. Such power flows shall be calculated using load flow analysis techniques to develop transaction participation factors. The methodology for developing transaction participation factors is described in Appendix C-1. Participation factors less than three percent (3%) shall be ignored.

Notwithstanding the foregoing in this paragraph 7, Transmission Owners that are also Mid-Continent Area Power Pool ("MAPP") members electing to take Network Integration Transmission Service pursuant to Section 37.5 of the Transmission Tariff shall receive no revenues under this paragraph from Point-to-Point Transmission

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Service associated with Transmission Owner purchases of power. Such MAPP Transmission Owners shall participate in all other revenue sharing under this paragraph 7.

8. The Owners located within a Zone that has more than one (1) Owner shall appoint a single Owner or designee to receive the revenues allocated to the Zone and to further distribute such revenues pursuant to agreement of the Owners within the Zone. If the Owners in a Zone cannot agree to a methodology for distributing such revenues, Owners may seek recourse through the Dispute Resolution procedures under Appendix D to the Agreement or the Owners may go to the FERC for resolution. An intra-Zonal revenue distribution methodology shall, to the greatest extent possible, minimize cost shifts so that the Owners shall continue to receive the revenues they would have received absent the formation of the Midwest ISO.

B. Revenue Distribution after the Transition Period Ends.

Revenues collected by the Midwest ISO after the end of the Transition Period shall be distributed in accordance with Section III.A of this Appendix C to the Agreement.

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[Reserved for Future Use.]

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IV. Return Of Start-up Costs.

The Midwest ISO shall pay back an Owner's contributions to the Start-up Costs, plus reasonable interest; provided, however, only Owners that are signatories to the Agreement when it is initially filed with the FERC shall receive a return of their contribution to the Start-up Costs incurred prior to the date of filing. Those Owners that are not signatories at the time of filing shall forfeit any right to a return of their contributions to Start-up Costs incurred prior to the date of the initial filing. For those Owners that become signatories after the initial filing with FERC and make contributions to Start-up Costs after the date they become signatories, the Midwest ISO shall return those post-filing Start-up Costs after paying back all Start-up Costs incurred before the initial FERC filing date. The Midwest ISO shall obtain financing as soon as is reasonably possible to pay back such Owners and shall do so promptly upon receiving the necessary monies. The Midwest ISO also shall use any membership fees to pay back such Owners as soon as possible but no later than twelve (12) months after the date of the First Substantive Order. The Start-up Costs shall include only the following costs:

A. Contributions to cover outside joint expenses (i.e., outside legal costs and consultant or contractor costs) relating to the development of the Midwest ISO filing and implementation of the Agreement.

B. Costs associated with joint meetings of Owners and others relating to the formation of the Midwest ISO.

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C. Contributions relating to equipment, software, or other items related to the start-up of the Midwest ISO. These contributions include monies spent associated with equipment, software, and other items for (1) the Midwest ISO's systems; and (2) the Owners' systems where such expenditures are necessary to allow the Owners' systems to interface with the ISO. Payments made to consultants related to the start-up of the Midwest ISO are included within such expenditures.

D. Contributions to allow the Midwest ISO to obtain financing.

E. Contributions or monies paid relating to the recruitment, hiring, and/or employment of Directors, Officers, employees, and contractors by the Midwest ISO including salaries and other compensation and insurance premiums and any monies paid to any person or entity performing administrative and start-up functions until the Midwest ISO Board is elected.

F. Any other contributions by Owners to Midwest ISO expenses or costs in response to a request of the Midwest ISO Board or Officers.

For any facilities, software, or other items involving modifications or additions to the Owners' systems for which the Owners receive reimbursement of their costs under this Article IV, the Owners shall not include such facilities, software, or other items, or portions thereof, in their rates or in any charges to the Midwest ISO.

V. Renegotiation Procedures For Certain Grandfathered Agreements.

For Grandfathered Agreements where the agreements result in the payment of pancaked rates within the Midwest ISO, the parties to the agreement shall enter into

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good faith negotiations to consider the amendment or termination of the agreement. These negotiations shall conclude no later than the first day on which the Midwest ISO begins providing service under the Transmission Tariff. During this negotiating period, the parties to the Grandfathered Agreement cannot raise any issues regarding amendment or termination of such Grandfathered Agreement with the FERC. At the end of the negotiating period, if the parties to the Grandfathered Agreement are unable to reach agreement, then either party may utilize whatever rights it otherwise would have to request that the FERC consider the need for an amendment or to terminate the Grandfathered Agreement. Except as specifically provided in this Section V, this provision does not affect any rights or arguments that a party to a Grandfathered Agreement may have.

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APPENDIX C-1

APPENDIX C-1

DEVELOPMENT OF TRANSACTION PARTICIPATION FACTORS

In developing transaction participation factors (hereinafter "TPFs") for use in transmission revenue distribution, the Midwest ISO shall employ the principles outlined in this Appendix C-1, as described below.

Power Flow Models: The Midwest ISO shall develop power flow base cases with sufficient detail to represent the transmission systems of the Midwest ISO and surrounding networks, using the NERC power flow base case library. Power flow base cases should be developed annually for a number of load levels and various seasons (such as summer and winter) to recognize changes in the transmission system configuration, load level, and power flow patterns. Transformer taps and switched shunts should be held fixed and the phase angle regulators should be modeled as they would be in transmission reliability studies. Other modeling adjustments should be incorporated as appropriate.

Power Transaction Simulations: Each potential power transaction should be simulated by scaling load down in the selling (or from) control area by an appropriate amount (e.g., 100 MW) and scaling load up by the same amount in the buying (or to) control area, making a corresponding adjustment in the scheduled interchange of the affected control areas. Each power flow simulation should be solved using an AC solution.

Calculations of TPFs: Tables showing the TPF for each Midwest ISO Zone shall be constructed for each simulated transaction. When a Midwest ISO control area is host to the load or power source for a transaction, the TPF for that control area shall be 100%. A TPF which represents the response of each other Midwest ISO system affected by the simulated transaction shall be calculated. This calculation may be accomplished in several steps as follows:

- Algebraically sum the tie line flows between each affected control area and each interconnected control area neighbor of such control area (i.e., determine the net flow in (+) or out (-) over all ties of each control area to control area interface) for the base case and corresponding transaction simulation case;
- Compare the corresponding base case and transaction simulation case results and determine the tie line power flow change for each such control area interface;
- Sum the absolute values of such changes in tie line flows over all the control area interfaces of such control area; and
- Divide the sum by two and the simulation transaction amount, setting all TPF of less than 0.03 (3%) to zero.

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APPENDIX C-2

**REVENUE DISTRIBUTION FOR ALLIANCE-MIDWEST ISO
SUPER-REGIONAL RATE ADJUSTMENT CHARGE**

I. Additional Definitions. Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix C-2, and, when used in this Appendix C-2, the following terms shall have the respective meanings set forth below.

A. ARTO-MISO Settlement. The March 21, 2001 settlement filed in FERC Docket No. ER01-123-000, *et al.* and accepted by FERC on May 8, 2001. Illinois Power Co., 95 FERC ¶ 61,183 (2001).

B. Alliance-Midwest ISO Super Region. The transmission systems and the NERC-certified electrically metered control areas of the Alliance Companies and the Owners (including the ATC LLC Companies).

C. SRA. The Super-Regional Rate Adjustment which is being filed pursuant to the ARTO-MISO Settlement.

II. Revenue Distribution.

The Midwest ISO shall pass through monthly the Owners' revenues associated with transmission services in accordance with Appendix C-2. In order to provide revenues on a monthly basis, the Midwest ISO may estimate the revenues to be received by each Owner subject to a true-up. The revenues subject to this Section II are the transmission revenues associated with SRA charges under Schedule 13 to the Transmission Tariff. The following methodology is used to distribute revenues received associated with such SRA charges:

Revenues shall be allocated based on the relative proportions of SRA payments made by the Owners or load serving entities within each Zone as set forth on Appendix C-2, Attachment 1.

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**APPENDIX C-2
ATTACHMENT 1**

TRANSMISSION OWNER'S RELATIVE SHARE OF TOTAL SRA PAYMENTS

Transmission Owner	SRA Payments	Percentage
Alliant Energy West (IES Utilities & IPC)	\$1,777,154	4%
ATCLLC	\$9,971,393	20%
Central Illinois Light Co.	\$927,159	2%
Cinergy Services (includes IMPA & WVPA)	\$4,675,465	9%
City Water, Light & Power (Springfield, IL)	\$160,525	0%
Hoosier Energy	\$1,508,693	3%
International Transmission Company	\$21,792,002	44%
Indianapolis Power & Light	\$293,130	1%
Louisville G & E/Kentucky Utilities	\$1,347,532	3%
Lincoln Electric (Neb.) System	\$16,823	0%
Manitoba Hydro	\$6,960	0%
Minnesota Power	\$121,232	0%
Montana-Dakota Utilities Co.	\$0	0%
Otter Tail Power	\$133,391	0%
Southern Illinois Power Cooperative	\$461,845	1%
UtiliCorp United Kansas	\$6,253	0%
UtiliCorp United Missouri	\$2,866,416	6%
Vectren Eenergy	\$117,648	0%
Xcel Energy (Northern States Power)	\$3,147,282	6%
Total	\$49,330,901	100%

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REVENUE DISTRIBUTION FOR MIDWEST ISO REGIONAL THROUGH AND OUT RATE

I. **Additional Definitions.** Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix C-3, and, when used in this Appendix C-3, the following terms shall have the respective meanings set forth below.

A. **ARTO-MISO Settlement.** The March 21, 2001 settlement filed in FERC Docket No. ER01-123-000, et al. and accepted by FERC on May 8, 2001. Illinois Power Co., 95 FERC ¶ 61,183 (2001).

B. **Alliance-Midwest ISO Super Region.** The transmission systems and the NERC-certified electrically metered control areas of the Alliance Companies and the Owners (including the ATC LLC Companies).

C. **RTOR.** The Regional Through and Out Rate which is set forth in Schedule 14 of the Transmission Tariff.

II. **Revenue Distribution.**

The Midwest ISO shall cause the distribution monthly of the Owners' revenues associated with transmission services established by the Owners in accordance with Appendix C-3 and the Funds Trust Agreement. In order to cause the distribution of revenues on a monthly basis, the Midwest ISO may estimate the revenues to be received by each Owner subject to a true-up. The revenues subject to this Section II are the transmission revenues associated with RTOR charges under Schedule 14 to the Transmission Tariff. The following methodology is used to distribute revenues received associated with such RTOR component:

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1. Fifty percent (50%) based on the relative share of total lost revenues of each entity identified on Appendix C-3, Attachments 1, 1A and 1B, with those relative shares set out on Appendix C-3, Attachment 1A for the period October 1, 2003 through April 30, 2004, Appendix C-3, Attachment 1 for the period May 1, 2004 through September 30, 2005, and Appendix C-3, Attachment 1B for the period beginning, October 1, 2005.

2. Fifty percent (50%) based on the relative flows across the facilities of each entity identified on Appendix C-3, Attachment 1 (for the period May 1, 2004 through September 30, 2005), Appendix C-3, Attachment 1A (for the period October 1, 2003 through April 30, 2004), and Appendix C-3, Attachment 1B (for the period beginning October 1, 2005) resulting from the provision of transmission service under the Midwest ISO OATT for Drive-through and Drive-out Point-to-Point transmission service transactions.

APPENDIX C-3
ATTACHMENT 1 (1 of 3)
For Service Rendered May 1, 2004 Through September 30, 2004
Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	Lost Revenues	Percentage
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	\$41,067,813	20.94%
American Transmission Company, LLC	\$10,704,021	5.46%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$34,342,411	17.51%
Central Illinois Light Co.	\$742,743	0.38%
Cinergy Services (includes IMPA & WVPA)	\$31,913,382	16.27%
City Water, Light & Power (Springfield, IL)	\$334,484	0.17%
Hoosier Energy R.E.C.	\$332,770	0.17%
International Transmission Company	\$1,861,031	0.95%
Indianapolis Power & Light	\$4,107,286	2.09%
ITC Midwest LLC ¹	\$3,842,715	1.96%
Louisville Gas & Electric/Kentucky Utilities	\$19,929,568	10.16%
Lincoln Electric (Neb.) System	\$383,915	0.20%
Manitoba Hydro	\$4,315,793	2.20%
Michigan Electric Transmission Company, LLC	\$4,682,713	2.39%
Minnesota Power, Inc.	\$2,710,339	1.38%
Montana-Dakota Utilities Co.	\$557,988	0.28%
Northern Indiana Public Service Company	\$5,641,752	2.88%
Otter Tail Power Co.	\$771,979	0.39%
Southern Illinois Power Cooperative	\$591,480	0.30%
UtiliCorp United Kansas	\$711,376	0.36%
UtiliCorp United Missouri	\$3,079,507	1.57%
Vectren Energy Delivery	\$2,358,291	1.20%
Xcel Energy Services, Inc. (Northern States Power)	\$21,153,592	10.79%
Total	\$196,136,949	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX C-3
ATTACHMENT 1 (2 of 3)
For Service Rendered October 1, 2004 Through November 30, 2004
Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	Lost Revenues	Percentage
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	\$41,067,813	18.99%
American Transmission Company, LLC	\$10,704,021	4.95%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$34,342,411	15.88%
Central Illinois Light Co.	\$742,743	0.34%
Cinergy Services (includes IMPA & WVPA)	\$31,913,382	14.76%
City Water, Light & Power (Springfield, IL)	\$334,484	0.15%
Hoosier Energy R.E.C.	\$332,770	0.15%
Illinois Power Company	\$20,113,298	9.30%
International Transmission Company	\$1,861,031	0.86%
Indianapolis Power & Light	\$4,107,286	1.90%
ITC Midwest LLC ¹	\$3,842,715	1.78%
Louisville Gas & Electric/Kentucky Utilities	\$19,929,568	9.22%
Lincoln Electric (Neb.) System	\$383,915	0.18%
Manitoba Hydro	\$4,315,793	2.00%
Michigan Electric Transmission Company, LLC	\$4,682,713	2.17%
Minnesota Power, Inc.	\$2,710,339	1.25%
Montana-Dakota Utilities Co.	\$557,988	0.26%
Northern Indiana Public Service Company	\$5,641,752	2.61%
Otter Tail Power Co.	\$771,979	0.36%
Southern Illinois Power Cooperative	\$591,480	0.27%
UtiliCorp United Kansas	\$711,376	0.33%
UtiliCorp United Missouri	\$3,079,507	1.42%
Vectren Energy Delivery	\$2,358,291	1.09%
Xcel Energy Services, Inc. (Northern States Power)	\$21,153,592	9.78%
Total	\$216,250,247	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX C-3
ATTACHMENT 1 (3 of 3)
For Service Rendered December 1, 2004 through September 30, 2005
Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	Lost Revenues	Percentage
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	\$41,067,813	18.92%
American Transmission Company, LLC	\$10,704,021	4.93%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$34,342,411	15.82%
Central Illinois Light Co.	\$742,743	0.34%
Cinergy Services (includes IMPA & WVPA)	\$31,913,382	14.70%
City Water, Light & Power (Springfield, IL)	\$334,484	0.15%
Great River Energy	\$799,075	0.37%
Hoosier Energy R.E.C.	\$332,770	0.15%
Illinois Power Company	\$20,113,298	9.27%
International Transmission Company	\$1,861,031	0.86%
Indianapolis Power & Light	\$4,107,286	1.89%
ITC Midwest LLC ¹	\$3,842,715	1.77%
Louisville Gas & Electric/Kentucky Utilities	\$19,929,568	9.18%
Lincoln Electric (Neb.) System	\$383,915	0.18%
Manitoba Hydro	\$4,315,793	1.99%
Michigan Electric Transmission Company, LLC	\$4,682,713	2.16%
Minnesota Power, Inc.	\$2,710,339	1.25%
Montana-Dakota Utilities Co.	\$557,988	0.26%
Northern Indiana Public Service Company	\$5,641,752	2.60%
Otter Tail Power Co.	\$771,979	0.36%
Southern Illinois Power Cooperative	\$591,480	0.27%
UtiliCorp United Kansas	\$711,376	0.33%
UtiliCorp United Missouri	\$3,079,507	1.42%
Vectren Energy Delivery	\$2,358,291	1.09%
Xcel Energy Services, Inc. (Northern States Power)	\$21,153,592	9.75%
Total	\$217,049,322	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX C-3
ATTACHMENT 1A

For Service Rendered October 1, 2003 – April 30, 2004
Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	Lost Revenues	Percentage
American Transmission Company, LLC	\$10,763,823	6.85%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$34,355,870	21.86%
Central Illinois Light Co.	\$786,401	0.50%
City Water, Light & Power (Springfield, IL)	\$365,779	0.23%
Cinergy Services (includes IMPA & WPA)	\$32,560,164	20.72%
Hoosier Energy	\$339,399	0.22%
Indianapolis Power & Light	\$4,122,145	2.62%
International Transmission Company	\$1,891,957	1.20%
ITC Midwest LLC ¹	\$3,905,956	2.49%
Louisville G & E/Kentucky Utilities	\$20,240,480	12.88%
Lincoln Electric (Neb.) System	\$383,915	0.24%
Manitoba Hydro	\$4,360,912	2.77%
Michigan Electric Transmission Company, LLC	\$4,697,124	2.99%
Minnesota Power	\$2,727,443	1.74%
Montana-Dakota Utilities Co.	\$565,000	0.36%
Northern Indiana Public Service Company	\$5,814,753	3.70%
Otter Tail Power	\$782,653	0.50%
Southern Illinois Power Cooperative	\$712,880	0.45%
UtiliCorp United Kansas	\$711,376	0.45%
UtiliCorp United Missouri	\$3,079,507	1.96%
Vectren Energy	\$2,370,613	1.51%
Xcel Energy (Northern States Power)	\$21,614,402	13.75%
Total	\$157,152,552	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

**APPENDIX C-3
ATTACHMENT 1B
For Service Rendered October 1, 2005 to March 31, 2006
Transmission Owner's Relative Share of Total Lost Revenues**

Transmission Owner	Lost Revenues	Percentage
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	\$47,150,786	19.37%
American Transmission Company, LLC	\$10,841,613	4.45%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$37,196,127	15.28%
Central Illinois Light Co.	\$805,681	0.33%
Cinergy Services (includes IMPA & WVPA)	\$35,603,958	14.63%
City Water, Light & Power (Springfield, IL)	\$370,772	0.15%
Great River Energy	\$799,075	0.33%
Hoosier Energy R.E.C.	\$370,449	0.15%
Illinois Power Company	\$20,113,298	8.26%
International Transmission Company	\$4,839,662	1.99%
Indianapolis Power & Light	\$4,189,921	1.72%
ITC Midwest LLC ¹	\$3,955,282	1.62%
Louisville Gas & Electric/Kentucky Utilities	\$20,803,949	8.55%
Lincoln Electric (Neb.) System	\$383,915	0.16%
Manitoba Hydro	\$4,420,322	1.82%
Michigan Electric Transmission Company, LLC	\$4,769,896	1.96%
Minnesota Power, Inc.	\$2,745,135	1.13%
Montana-Dakota Utilities Co.	\$575,182	0.24%
Northern Indiana Public Service Company	\$13,943,961	5.73%
Otter Tail Power Co.	\$795,715	0.33%
Southern Illinois Power Cooperative	\$724,636	0.30%
UtiliCorp United Kansas	\$711,376	0.29%
UtiliCorp United Missouri	\$3,079,507	1.26%
Vectren Energy Delivery	\$2,438,200	1.00%
Xcel Energy Services, Inc. (Northern States Power)	\$21,814,102	8.96%
Total	\$243,442,520	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX C-3
ATTACHMENT 1C
For Service Rendered April 1, 2006 to August 31, 2006
Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	Lost Revenues	Percentage
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	\$47,150,786	19.36%
American Transmission Company, LLC	\$10,841,613	4.45%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$37,196,127	15.27%
Central Illinois Light Co.	\$805,681	0.33%
Duke Energy Shared Services (includes IMPA & WVPA)	\$35,603,958	14.62%
City Water, Light & Power (Springfield, IL)	\$370,772	0.15%
Great River Energy	\$799,075	0.33%
Hoosier Energy R.E.C.	\$370,449	0.15%
Illinois Power Company	\$20,113,298	8.26%
International Transmission Company	\$4,839,662	1.99%
Indianapolis Power & Light	\$4,189,921	1.72%
ITC Midwest LLC ¹	\$3,955,282	1.62%
Louisville Gas & Electric/Kentucky Utilities	\$20,803,949	8.54%
Lincoln Electric (Neb.) System	\$383,915	0.16%
Manitoba Hydro	\$4,420,322	1.81%
Michigan Electric Transmission Company, LLC	\$4,769,896	1.96%
Minnesota Power, Inc.	\$2,745,135	1.13%
Montana-Dakota Utilities Co.	\$575,182	0.24%
Northern Indiana Public Service Company	\$13,943,961	5.72%
Otter Tail Power Co.	\$795,715	0.33%
Southern Illinois Power Cooperative	\$724,636	0.30%
SMMPA	\$140,595	0.06%
UtiliCorp United Kansas	\$711,376	0.29%
UtiliCorp United Missouri	\$3,079,507	1.26%
Vectren Energy Delivery	\$2,438,200	1.00%
Xcel Energy Services, Inc. (Northern States Power)	\$21,814,102	8.96%
Total	\$243,583,115	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX C-3
ATTACHMENT 1D
For Service Rendered September 1, 2006 and Thereafter
Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	Lost Revenues	Percentage
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	\$47,150,786	21.57%
American Transmission Company, LLC	\$10,841,613	4.96%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	\$37,196,127	17.02%
Central Illinois Light Co.	\$805,681	0.37%
Duke Energy Shared Services (includes IMPA & WVPA)	\$35,603,958	16.29%
City Water, Light & Power (Springfield, IL)	\$370,772	0.17%
Great River Energy	\$799,075	0.37%
Hoosier Energy R.E.C.	\$370,449	0.17%
Illinois Power Company	\$20,113,298	9.20%
International Transmission Company	\$4,839,662	2.21%
Indianapolis Power & Light	\$4,189,921	1.92%
ITC Midwest LLC ¹	\$3,955,282	1.81%
Manitoba Hydro	\$4,420,322	2.02%
Michigan Electric Transmission Company, LLC	\$4,769,896	2.18%
Minnesota Power, Inc.	\$2,745,135	1.26%
Montana-Dakota Utilities Co.	\$575,182	0.26%
Northern Indiana Public Service Company	\$13,943,961	6.38%
Otter Tail Power Co.	\$795,715	0.36%
Southern Illinois Power Cooperative	\$724,636	0.33%
SMMPA	\$140,595	0.06%
Vectren Energy Delivery	\$2,438,200	1.12%
Xcel Energy Services, Inc. (Northern States Power)	\$21,814,102	9.98%
Total	\$218,604,368	100%

¹ See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX C-4

REVENUE DISTRIBUTION FOR SECA

I. **Additional Definitions.** Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix C-4, and, when used in this Appendix C-4, the following terms shall have the respective meanings set forth below.

A. **SECA.** Seams Elimination Charge/Cost Adjustments/Assignments. The SECA is the mechanism for recovery of the lost revenues resulting from the elimination of through and out rates for transactions between the Midwest ISO and PJM. The SECA is to be paid by entities in PJM for (1) the period beginning on December 1, 2004 and ending on March 31, 2005, and (2) the subsequent period beginning on April 1, 2005 and ending on March 31, 2006.

B. **PJM.** PJM Interconnection, L.L.C.

C. **Coordinating Owner.** Manitoba Hydro.

D. **Owner.** For the purposes of Appendix C-4, the term Owner includes Manitoba Hydro, which is a Coordinating Owner.

E. **MWh.** Megawatt hour.

II. **Revenue Distribution.**

The Midwest ISO shall cause the distribution of the revenues received (from SECA charges under Schedule 21 of the Midwest ISO Transmission Tariff or from SECA charges implemented within PJM) to compensate the Owners for lost revenues in proportion to each Owner's lost revenues ratio in accordance with this Appendix C-4 and the Funds Trust Agreement. Each Owner's lost revenues ratio is set forth on Appendix C-4, Attachment 1.

APPENDIX C-4

The Owners for the purposes of the revenue distribution are listed on Appendix C-4, Attachment 1. Each Owner may designate another entity or other entities to recover the revenues it would be due under this provision.

**APPENDIX C-4
ATTACHMENT 1**

Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	(Dec. 1, 2004 to Dec. 31, 2004)	(Jan. 1, 2005 to Mar. 31, 2005)	(Apr. 1, 2005 to Apr. 30, 2005)	(May 1, 2005 to Mar. 31, 2006)
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	10.44%	9.06%	9.02%	9.27%
American Transmission Company, LLC	0.68%	0.58%	2.04%	2.04%
American Transmission Systems, Incorporated (a subsidiary of FirstEnergy Corp.)	34.12%	43.53%	42.94%	42.63%
Central Illinois Light Co.	0.46%	0.39%	0.47%	0.47%
Cinergy Services (includes IMPA & WVPA)	12.96%	10.97%	6.53%	6.53%
City Water, Light & Power (Springfield, IL)	0.12%	0.10%	0.14%	0.14%
Great River Energy	0.06%	0.06%	0.08%	0.08%
Hoosier Energy R.E.C.	0.84%	0.71%	0.55%	0.55%
Illinois Power Company	13.06%	10.88%	13.32%	13.36%
Indianapolis Power & Light	1.98%	1.68%	1.16%	1.16%
International Transmission Company	4.42%	3.79%	3.62%	3.62%
ITC Midwest LLC ¹	1.64%	1.44%	1.29%	1.29%
Louisville Gas & Electric/Kentucky Utilities	4.76%	4.06%	3.69%	3.69%
Manitoba Hydro	1.78%	1.52%	1.46%	1.46%
Michigan Electric Transmission Company, LLC	1.96%	1.67%	2.33%	2.33%
Minnesota Power, Inc.	0.57%	0.50%	0.43%	0.43%
Montana-Dakota Utilities Co.	0.24%	0.20%	0.18%	0.18%
Northern Indiana Public Service Company	2.88%	2.53%	6.48%	6.49%

APPENDIX C-4
ATTACHMENT 1 – cont'd.

Transmission Owner's Relative Share of Total Lost Revenues

Transmission Owner	(Dec. 1, 2004 to Dec. 31, 2004)	(Jan. 1, 2005 to Mar. 31, 2005)	(Apr. 1, 2005 to Apr. 30, 2005)	(May 1, 2005 to Mar. 31, 2006)
Otter Tail Power Co.	0.42%	0.36%	0.34%	0.35%
Southern Illinois Power Cooperative	0.15%	0.13%	0.27%	0.27%
Vectren Energy Delivery	0.83%	0.71%	0.59%	0.59%
Xcel Energy Services, Inc. (Northern States Power)	5.63%	5.13%	3.09%	3.09%

See, Joint Application of ITC Holdings Corp., ITC Midwest LLC ("ITC Midwest"), and Interstate Power and Light Company ("IPL") seeking authorization and approval for the sale by IPL and the purchase by ITC Midwest of IPL's jurisdictional transmission facilities.

APPENDIX D

APPENDIX D

DISPUTE RESOLUTION PROCEDURES

Attachment HH (Dispute Resolution Procedures) of the Open Access Transmission and Energy Markets Tariff is incorporated herein by reference.

[Reserved for Future Use.]

APPENDIX E

FRAMEWORK FOR OPERATIONAL RESPONSIBILITIES

I. General Description Of Midwest ISO's Operational Responsibilities.

The Midwest ISO, Owners, and Users shall be responsible for operational functions set forth in this Section I of this Appendix E. To the extent that there is any discrepancy between the functions and responsibilities of the Midwest ISO, Owners and Users as defined herein, and those defined in the Transmission Tariff, the Transmission Tariff shall prevail. To the extent there is any discrepancy between the functions and responsibilities of the Midwest ISO, Owners, Users, and Local Balancing Authorities as defined herein, and those defined in the Amended BA Agreement, the Amended BA Agreement shall prevail.

A. Midwest ISO Responsibilities. The Midwest ISO shall be responsible for the following operational functions:

1. The Midwest ISO shall have functional control of the Transmission System as set forth in Section II of this Appendix E and as defined in Article One, Section I, Paragraph L of the ISO Agreement.

2. The Midwest ISO shall review and approve, as appropriate, requests for service and schedule transmission transactions as set forth in Section III of this Appendix E and shall determine available transmission capability (hereinafter "ATC") under the Transmission Tariff as set forth in Section III of this Appendix E, and in Appendix B to the Agreement.

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3. The Midwest ISO shall implement and administer the Transmission Tariff applicable to the Transmission System and Non-transferred Transmission Facilities as set forth in Section IV of this Appendix E, and in Appendix B to the Agreement.

4. The Midwest ISO shall be responsible for the security of the Transmission System as set forth in Section V of this Appendix E.

5. The Midwest ISO shall offer ancillary services required to support transmission service as set forth in Section VI of this Appendix E.

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6. The Midwest ISO shall approve the scheduling of maintenance of all transmission facilities making up the Transmission System and shall coordinate with generation owners, as appropriate, the scheduling of maintenance on generation facilities as set forth in Section VII of this Appendix E.

7. The Midwest ISO shall be responsible for operations of OASIS system(s) in accordance with the Transmission Tariff.

8. The Midwest ISO shall monitor and coordinate voltage levels that shall be the responsibility of the Local Balancing Authority Areas to maintain.

9. The Midwest ISO shall be responsible for administering the functions and responsibilities as defined in the Transmission Tariff in its role as the Reliability Authority, Market Operator, Interchange Scheduling Agent and Balancing Authority.

B. Owners' and Users' Responsibilities. As described more fully below, the Owners and Users, as appropriate, shall have the following responsibilities:

1. The Owners shall retain ownership of their transmission facilities comprising the Transmission System, and shall physically operate these facilities, subject to the Midwest ISO's direction, and maintain those facilities, subject to the Midwest ISO's scheduling approval as set forth in Sections II and VII of this Appendix E.

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2. The Owners and Users who are Local Balancing Authorities shall continue to operate the Local Balancing Authority Areas for local generation control and economic dispatch as set forth in Section III of this Appendix E.

3. The Owners shall provide transmission service through their transmission facilities at the direction of the Midwest ISO pursuant to the terms of the Transmission Tariff as set forth in Section IV of this Appendix E.

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4. The Owners and Users shall comply with the instructions of the Midwest ISO in its role as System Security Coordinator as set forth in Section V of this Appendix E.

5. The Owners shall perform maintenance on their transmission facilities included in the Transmission System under schedules as approved by the Midwest ISO, and shall coordinate maintenance on their Non-transferred Transmission Facilities and generation facilities significantly affecting Midwest ISO transmission capability or transmission reliability with the Midwest ISO as set forth in Section VII of this Appendix E. All Users that are not Owners shall coordinate maintenance on their generation facilities significantly affecting such transmission capability or reliability with the Midwest ISO.

6. The Owners and Users, where appropriate, shall offer to redispatch generating units in accordance with the Transmission Tariff, when feasible, subject to receiving appropriate compensation. The Owners and Users shall submit and coordinate unit schedules with the Midwest ISO that affect transmission capability or transmission reliability.

7. The Owners shall obtain approval of the Midwest ISO before taking transmission facilities included in the Transmission System out of service except in cases involving endangerment to the safety of employees or the public or damage to facilities. With regard to Non-transferred Transmission Facilities, the Owners shall

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provide notice to the Midwest ISO, as required from time to time by the Midwest ISO, before taking such facilities out of service.

8. Owners and Users shall be responsible for administering the functions and responsibilities as defined in the Transmission Tariff in their role as Local Balancing Authorities, Market Participants, Transmission Service Providers and Transmission Operators.

II. Control Over Transmission Facilities.

A. Midwest ISO Control.

1. The Midwest ISO shall have functional control over the combined transmission facilities of the Owners that make up the Transmission System. Appendix H to the Agreement specifies all transmission facilities that initially shall constitute the Transmission System.

2. The Midwest ISO shall periodically review whether the Transmission System facilities under its functional control constitute all of the Owners' facilities necessary to provide reliable transmission service contemplated under the Agreement and the Transmission Tariff.

3. The Midwest ISO may exercise temporary operational control over any Non-transferred Transmission Facilities or associated non-generation facilities of an Owner in order to prevent or remedy a system emergency.

4. The Midwest ISO shall maintain a publicly available registry of all facilities that constitute the Transmission System.

5. The Midwest ISO shall, in consultation with affected Owners, other affected Members, and the Advisory Committee develop, and then revise from time-to-

APPENDIX E

time as appropriate, operating procedures governing its exercise of operational control over the Transmission System (hereinafter "Operating Procedures"). The Operating Procedures shall be provided to the Owners, and, except to the extent determined by the Board as otherwise necessary for emergency or security reasons, such procedures shall be made available to the public. The Midwest ISO shall comply with its Operating Procedures in exercising its functional control over the Transmission System. To the extent required, such Operating Procedures shall be filed with the appropriate regulatory agency or agencies.

6. The Midwest ISO shall not exercise its operational control of the Transmission System in such a way as to interfere with rights of Users in contracts between an Owner and a User that are in effect as of the Effective Date of the Agreement (hereinafter "Existing Contracts").

7. The Midwest ISO shall be responsible for coordinating with the applicable regional reliability councils and shall join such councils as appropriate.

8. The Midwest ISO shall comply with any transmission operating obligations of an Owner imposed by Federal or state law or authorities which can no longer be performed solely by the Owner following transfer of functional control of its transmission facilities to the Midwest ISO, until such obligations are revised or changed.

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9. The Midwest ISO (i) shall take no action that would impair the safety and reliability of nuclear facilities; and (ii) shall take actions consistent with nuclear license conditions or requirements or as otherwise required by the Nuclear Regulatory Commission ("NRC").

B. Owner Responsibilities.

1. The Owners shall be obligated to physically operate and maintain their transmission facilities that are part of the Transmission System, and to comply with the directions of the Midwest ISO with respect to such operation and maintenance issued in compliance with the Operating Procedures.

C. Retained Rights of Owners. The Owners shall retain all rights of ownership in their transmission facilities, subject to the Midwest ISO's functional control of the Transmission System in accordance with the terms of this Appendix E. Nothing in this Appendix E shall be deemed to restrict or prohibit access to transmission facilities by the Owners, or those acting under their authority, when such access does not involve the removal of a transmission element from service or otherwise affect the provision of transmission services. To the extent required by the Midwest ISO, the Midwest ISO shall be notified by the Owners when maintenance is being performed on a facility that could result in unplanned outages of a transmission line or transformer.

APPENDIX E

III. Determination Of Available Transmission Capability And Transmission Scheduling.

A. Available Transmission Capability. For transactions of less than two (2) weeks' duration, the Midwest ISO operations staff shall determine the ATC consistent with the terms of the Transmission Tariff and Appendix B to the Agreement. See Appendix B to the Agreement for ATC determinations of two (2) weeks or more.

1. The Midwest ISO shall review all data received from non-Midwest ISO control areas, independent transmission system operators, regional reliability councils, or other entities that impact ATC calculations.

2. The Midwest ISO shall share data with non-Midwest ISO control areas, independent transmission system operators, regional reliability councils, or other entities with whom data must be exchanged, as requested, in order to determine ATC.

B. Transmission Service Requests. The Midwest ISO shall receive and process all transmission service requests in accordance with the Transmission Tariff.

As a result:

1. The Midwest ISO shall be ultimately responsible for conducting all System Impact Studies associated with a request for transmission service. The analysis required shall be coordinated between the Midwest ISO and the Owners as follows:

a. The Midwest ISO shall provide sufficient information to the transmission/reliability representatives of all affected Owners to allow them to model local consequences of the requested service.

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b. The Midwest ISO shall coordinate with affected Owners' transmission/reliability representatives when processing requests for service into and out of Non-transferred Transmission Facilities or distribution facilities.

c. The Midwest ISO shall consult with Owners with respect to equipment-specific and Non-transferred Transmission Facilities issues.

2. Upon completion of any required System Impact Studies, the Midwest ISO shall be responsible for making the final determination as to the amount of firm and non-firm transmission capacity that is available under the Transmission Tariff, and for resolving requests for transmission service in accordance with the terms of the Transmission Tariff.

3. When there is not adequate transmission capability to satisfy a transmission request, the Midwest ISO shall relieve or facilitate the relief of the transmission constraint consistent with the terms of the Transmission Tariff.

4. The Midwest ISO shall be responsible for documenting all transmission service requests under the Transmission Tariff, the disposition of such requests, and any supporting data required to support the decision with respect to such requests.

C. Scheduling Transmission Service Transactions. The Midwest ISO shall schedule all transmission service transactions involving the Transmission Tariff, including transactions under Existing Contracts, as follows:

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1. The Midwest ISO shall schedule and curtail transmission service and schedule the allocation of losses and ancillary services in accordance with the Transmission Tariff.

2. The Midwest ISO shall, in consultation with the affected Owners, other affected Members, and the Advisory Committee, develop and from time-to-time, amend when necessary, detailed scheduling protocols (hereinafter "Scheduling Protocols"), which shall be provided to all Members and made publicly available. For Members and Users who are operators of nuclear generating facilities, the Midwest ISO shall enter into written agreements, which define scheduling protocols, limitations, and restrictions necessary to ensure the safety and reliability of such facilities. The Scheduling Protocols shall not conflict with the provisions of the Transmission Tariff. All scheduling shall be performed in accordance with the Scheduling Protocols. To the extent required, such Scheduling Protocols shall be filed with the appropriate regulatory agency or agencies.

3. In performing its scheduling functions, the Midwest ISO shall ensure that the Transmission System is operated in compliance with applicable NERC, regional reliability council or successor organizations, and all other applicable operating reliability criteria.

4. The Midwest ISO shall inform all Local Balancing Authorities and the transmission reliability representatives of all Owners of the approved schedules under the Transmission Tariff, and of any subsequent changes made thereto.

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5. The Midwest ISO shall perform all inadvertent flow accounting for Member Local Balancing Authority Areas and shall coordinate the performance of such accounting with non-Member entities.

D. Owners' and Users' Responsibilities. The Owners and Users who are Local Balancing Authorities shall continue to operate their Local Balancing Authority Areas for local generation control and economic dispatch purposes. In so doing, the Owners and Users shall comply with the scheduling instructions of the Midwest ISO issued pursuant to the Scheduling Protocols.

IV. Administration Of Transmission Tariff.

A. Midwest ISO Responsibilities.

1. The Midwest ISO shall be solely responsible for administering the Transmission Tariff.

2. The Midwest ISO shall negotiate as appropriate to develop reciprocal service, equitable tariff application, compensation principles, and any related arrangements.

3. The Midwest ISO shall monitor the service provided under the Transmission Tariff to determine if any hoarding of transmission capacity is occurring. The Midwest ISO shall attempt to eliminate the hoarding initially through direct contacts with the customer. If hoarding continues, then the Midwest ISO may file a complaint with FERC or develop and file with FERC other procedures or mechanisms to address hoarding.

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B. Owner Responsibilities. The Owners shall provide transmission service through their transmission facilities that are subject to the Transmission Tariff as directed by the Midwest ISO pursuant to the Transmission Tariff.

V. Security Of The Transmission System.

A. General.

1. The security and reliability of the Transmission System shall be the responsibility of the Midwest ISO.

2. The Owners who are Local Balancing Authorities shall continue to be responsible for such Balancing Authority functions as may be assigned to an Owner as a Local Balancing Authority, as prescribed in the Amended BA Agreement in a secure and reliable manner, subject to the requirements of this Appendix E.

3. The Midwest ISO is hereby designated and shall be the Security Coordinator of the Transmission System for the Owners. In this role, the Midwest ISO shall have security monitoring and emergency response functions, as described in more detail in Section V, Paragraphs B and C of this Appendix E.

4. The Midwest ISO shall be the Balancing Authority for the Transmission System, as defined under the Transmission Tariff, and shall be responsible for those functions prescribed in the Amended BA Agreement.

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B. Security Monitoring.

1. The Midwest ISO shall periodically perform load-flow and stability studies of the Transmission System to identify and address security problems.

2. The Owners shall continue to monitor their own Local Balancing Authority Areas for system security. They shall be responsible for identifying and addressing local security problems, consistent with the requirements of this Appendix E.

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3. The Owners shall continuously provide the Midwest ISO with all data required to assess the security of the Transmission System consistent with NERC (or successor organizations) requirements, and consistent with regional requirements and the Standards of Conduct.

4. The Midwest ISO shall exchange necessary security information with other non-Member control areas, independent transmission system operators and regional reliability councils consistent with NERC (or successor organizations) requirements, with regional requirements and the Standards of Conduct.

5. The Midwest ISO shall monitor real-time data to determine whether any Local Balancing Authority Areas are experiencing generation capacity deficiencies. If a generation capacity deficiency event threatens the security of the system, the Midwest ISO shall take appropriate action, including if necessary ordering the shedding of firm load.

C. Emergency Response.

1. The Midwest ISO shall work with the Owners, appropriate state agencies, regional reliability councils, and other security coordinators to develop regional security plans and emergency operating procedures.

2. The Midwest ISO shall, in coordination with the Members and the Advisory Committee and in compliance with applicable state and federal laws and standards, develop, and from time-to-time update, procedures for responding to emergencies (hereinafter the "Emergency Procedures"). The Emergency Procedures shall be provided to all Members and shall be made available to the public.

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a. The Emergency Procedures shall include procedures for responding to specified critical contingencies.

b. The Midwest ISO shall continuously analyze issues that may require the initiation of emergency response actions. Such analysis shall be made at the Midwest ISO's initiative or at the request of Members, regional reliability councils, or other independent system operators or control areas. The Emergency Procedures shall be amended to include any changes or additions resulting from such analysis.

c. The Emergency Procedures shall make provision for system restoration including priority restoration of off-site power to nuclear generating facilities.

3. The Midwest ISO shall direct the response to any emergency in the Transmission System pursuant to the Emergency Procedures. Individual Owners, Users, and Local Balancing Authorities shall carry out the required emergency actions as directed by the Midwest ISO, including the shedding of firm load if required for regional security.

4. After the conclusion of an emergency condition, any affected entity that disagrees with the Midwest ISO's handling of the emergency may resolve that disagreement pursuant to the dispute resolution procedures of Appendix D to the Agreement or the Transmission Tariff, as appropriate.

VI. Ancillary Services.

A. The Midwest ISO shall offer to provide all Ancillary Services as defined and required under the Transmission Tariff.

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B. As part of its scheduling function, the Midwest ISO shall ensure that every scheduled transaction is supported by the required ancillary services and shall deny any scheduling request where the required ancillary services have not been arranged.

C. **Owners' and Other Generators' Responsibilities.**

1. All Owners and Users that own generation within the Midwest ISO shall be required to offer to provide ancillary services to the extent required under the Transmission Tariff. For FERC regulated public utilities, the charges by the generation owners for such ancillary services shall be in accordance with FERC accepted or approved rate schedules.

VII. **Transmission And Generation Maintenance.**

A. **Planned Transmission Maintenance.** The Midwest ISO's approval is required for all planned maintenance of facilities in the Transmission System. The approval process shall be as follows:

1. All Owners shall submit their planned transmission maintenance schedules to the Midwest ISO for a minimum of a rolling one-year (1-year) period. The planned maintenance schedules shall be updated daily.

2. Planned transmission maintenance requests shall be submitted to the Midwest ISO for its approval at least two (2) weeks in advance of an outage.

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3. The Midwest ISO shall determine if, and the extent to which, such planned transmission maintenance requests affect ATC, Ancillary Services, the security of the Transmission System, and any other relevant effects. This determination shall include appropriate analytical detail. Within two (2) business days of receiving a planned maintenance request, the Midwest ISO shall either approve the request or deny the request and provide an acceptable time frame in which the maintenance can be performed. Failure by the Midwest ISO to act within the two (2) day period shall be deemed as approval of the request.

4. The Midwest ISO shall have the authority to revoke any previously-approved planned transmission maintenance outages if forced transmission outages or other circumstances compromise the integrity or reliability of the Transmission System. The Midwest ISO shall notify the Owner of the decision to revoke approval of the maintenance as soon as possible after the circumstances arise that create the need for the revocation. If an Owner incurs any additional costs associated with the deferred transmission maintenance, the Owner shall be compensated for those costs pursuant to procedures adopted by the Midwest ISO, applied on a non-discriminatory basis to all Owners, and filed with FERC.

5. As part of its review process, the Midwest ISO shall identify planned transmission maintenance schedules that limit ATC and, if requested by a User, shall identify opportunities and associated costs for rescheduling planned maintenance to enhance ATC.

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6. The Midwest ISO shall be responsible for documenting all planned transmission maintenance requests, the disposition of those requests, and all data supporting the disposition of each request.

B. Unplanned and Emergency Transmission Maintenance. The Midwest ISO shall coordinate with the Owners to implement schedules for unplanned transmission maintenance. For emergency transmission maintenance, when conditions endanger the safety of employees or the public, or may result in damage to facilities, the Owners shall notify the Midwest ISO of such emergency maintenance. Approval by the Midwest ISO for such emergency transmission maintenance is not required.

C. Generation Maintenance. The Midwest ISO shall coordinate the maintenance of generating units of the Owners and other generating units as appropriate to the extent such generation maintenance affects the transmission capability or transmission reliability of the Midwest ISO as follows:

1. All Owners and Users owning or controlling generation affecting Midwest ISO transmission capability or security shall submit their planned generating unit maintenance schedules to the Midwest ISO for a minimum of a rolling one-year (1-year) period. The planned maintenance schedules shall be updated daily.

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2. The Midwest ISO shall analyze a planned generating unit maintenance schedule to determine its effect on ATC, ancillary services, the security of the Transmission System, and any other relevant effects. The Midwest ISO shall inform a Member or User if its maintenance schedule is expected to have an impact on the security of the Transmission System.

3. As part of its review process, the Midwest ISO shall identify generating unit maintenance schedules that limit ATC and shall identify opportunities and associated costs for rescheduling planned maintenance to enhance ATC. Owners or Users shall be compensated for additional costs associated with rescheduling such planned generating unit maintenance pursuant to procedures adopted by the Midwest ISO, applied on a non-discriminatory basis to all Owners and Users, and filed with FERC.

4. The Midwest ISO shall be responsible for documenting all planned generating unit maintenance schedules, all schedule changes, and all studies and services performed with respect to planned generation maintenance.

5. For Members and Users who are operators of nuclear generating facilities, the Midwest ISO shall enter into written agreements which define planned transmission and generating unit maintenance scheduling criteria, limitations and restrictions necessary to insure the safety and reliability of such facilities.

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BYLAWS

of the

MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.
A Delaware Non-Stock Corporation

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1. *Definitions.* Unless the context otherwise specifies or requires, certain capitalized terms are used in these Bylaws and the attached appendices with the meanings set forth below or in other provisions of these Bylaws.

Agency Agreement - The agreement allowing Non-transferred Transmission Facilities to be offered by the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") for transmission service under the Transmission Tariff. The Agency Agreement is Appendix G to the Midwest ISO Agreement.

Effective Date - The effective date of the Midwest ISO Agreement.

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FERC - The Federal Energy Regulatory Commission, or any successor agency.

Funds Trust Agreement – The Funds Trust Agreement among JPMorgan Chase Bank, N.A., Midwest Independent Transmission System Operator, Inc., and the Beneficiaries, as may be amended from time to time, under which agreement a trust is established and maintained for the receipt and distribution of revenues resulting from the provision of transmission services under the Transmission Tariff.

Good Utility Practice- Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

He, Him, or His - Includes "she," "her," or "hers."

Member - A person or business entity which is (i) an Eligible Customer, as defined in the Transmission Tariff, or (ii) an Owner, as defined herein, and which pays to the Midwest ISO, the non-refundable membership fees as required herein. Such person or entity shall be a Member during the period covered by the applicable membership fees unless earlier terminated pursuant to the Bylaws.

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Midwest ISO Agreement - The Agreement Of Transmission Facilities Owners To Organize The Midwest Independent Transmission System Operator, Inc., A Delaware Non-Stock Corporation, and any amendments thereto, and as accepted by the FERC.

Non-owner Member - A Member which is not an Owner.

Non-transferred Transmission Facilities - The booked transmission facilities not identified in Appendix F to the Midwest ISO Agreement which are the subject of the Agency Agreement.

Owner - A utility or other entity which owns, operates, or controls facilities for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven-factor (7 – factor) test of the FERC set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) and which is a signatory to the Midwest ISO Agreement. A public utility holding company system shall be treated as a single owner for purposes of the Midwest ISO Agreement. Each Owner shall pay the applicable membership fees and become a Member. Any termination of a utility's or entity's status as an Owner shall be determined pursuant to the Midwest ISO Agreement and these Bylaws.

Person - Any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, governmental agency, cooperative, association,

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other entity, or individual, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person, as the context may require.

Transmission Tariff - The transmission tariff on file with the FERC under which the Midwest ISO will offer transmission service, or any successor tariff.

Transmission System - The transmission facilities of the Owners which are committed to the operation of the Midwest ISO by the Midwest ISO Agreement. The facilities comprising the Transmission System are identified in Appendix H to the Midwest ISO Agreement.

User - A Transmission Customer under the Transmission Tariff or an entity that is a party to a transaction under the Transmission Tariff.

Section 1.2. Interpretation. In the event of any conflict between these Bylaws and the Midwest ISO Agreement, the Midwest ISO

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Agreement shall control. The descriptive headings of Articles and Sections of these Bylaws have been inserted for convenience of reference only and shall not define, modify, restrict, construe, or otherwise affect their construction or interpretation.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. Organization. The Midwest ISO is a non-stock, not-for-profit corporation, pursuant to Title 8, Chapter 1 of the laws of the State of Delaware. The Midwest ISO shall be operated exclusively for the promotion of social welfare, in furtherance of the public policy reflected in the Order of the FERC approving the Midwest ISO Agreement and FERC Order No. 888. No part of the net earnings, if any, of the Midwest ISO shall inure to the benefit of any Midwest ISO Member, Director, Officer, employee, or any other interested private person. The Midwest ISO is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments or distributions in furtherance of the purposes and objectives set forth in the Midwest ISO Agreement and the Transmission Tariff. No substantial part of the activities of the Midwest ISO shall be carrying on propaganda or otherwise attempting to influence legislation. The Midwest ISO shall not participate in or intervene in any political campaign on behalf of any candidate for

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public office. In the event that the Internal Revenue Service deems the Midwest ISO to be exempt from federal taxation under § 501(c) of the Internal Revenue Code, the Midwest ISO shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under the Internal Revenue Code, or successor provisions in any subsequent federal tax laws, or such other provision or successor provisions under which the Internal Revenue Service may recognize that the Midwest ISO is exempt from taxation. If the Midwest ISO is not tax-exempt, the Midwest ISO shall minimize its federal and state tax obligations.

Section 2.2. *Offices.* The principal office of the Midwest ISO shall be located as determined by the initial Board of Directors. The Board may establish such branch offices or places of business as it shall determine to be in the best interests of the Midwest ISO.

Section 2.3. *Start-up.* The Owners may select and employ a person or an entity (or persons or entities) to perform such administrative and start-up functions as in the Owners' judgment may be necessary or desirable until the Board is elected. Such person or entity shall serve in such capacity until the election of the initial Board, and, during such service, shall exercise the authority and perform the duties of the Board and the President.

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ARTICLE III

MEMBERS

Section 3.1. *Qualifications; Membership Fees; Term.* (a) Qualifications. Any Person which (i) is an Eligible Customer (as defined in the Transmission Tariff) or an Owner and (ii) pays to the Midwest ISO the non-refundable membership fees set forth in Section 3.1(b) shall be eligible to become a Member. A person may apply to become a Member of the Midwest ISO by submitting an application in the form then approved by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and making payment of the membership fees set forth in Section 3.1(b) of these Bylaws. Action upon any application for membership shall be taken at the first meeting of the Board following submission of the membership application.

(b) Membership Fees. All entities eligible for membership in the Midwest ISO shall pay an initial membership fee of \$15,000 in order to become Members. On January 1 of each year, each Member shall pay an additional fee of \$1,000 to the Midwest ISO to retain its membership. All such fees are nonrefundable and may be adjusted from time to time, as may be appropriate, by the Board.

(c) Term. A Person shall be a Member during the period covered by the applicable membership fees unless earlier terminated as provided in these Bylaws.

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(d) Withdrawal of Members. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw

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from membership in the Midwest ISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). A Member who is also an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), commence a process of withdrawal of its facilities from the Transmission System. The terms and conditions of such withdrawal are specified in the Midwest ISO Agreement.

Section 3.2. *Owner Status.* Members admitted to Membership after the start-up of the Midwest ISO who wish also to have the status as Owners, must (i) own, operate, or control facilities used for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven factor (7-factor) test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) that are physically interconnected with the facilities of an existing Owner; (ii) express its agreement to become a signatory to the Midwest ISO Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Midwest ISO Agreement, and (iii) express its agreement to become a signatory to the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Funds Trust Agreement if and/or when it receives revenues for transmission service, and prior to the existence of any right of the Member to receive revenues from transmission service under the Transmission Tariff executes the Funds Trust Agreement. Upon fulfillment of these conditions, and upon completion of any physical integration of the new Owner's facilities with the Transmission System in a

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fashion consistent with the Chief Executive Officer's (or if the Board chooses not to elect the Chief Executive Officer, the President's) direction, the Board shall allow the new Member to become a signatory to the Midwest ISO Agreement. In general, an Owner must own, operate, or control interstate transmission facilities as detailed above; however, on a case-by-case basis, the Board may waive the requirement that such facilities be physically interconnected if allowing the Member also to become an Owner will result in significant net benefits to the Midwest ISO and its Members.

Section 3.3. *No Rights of Members to Manage or Control.* No Member shall have any rights to manage or control the property, affairs, or business of the Midwest ISO, or any power to control the Board in these respects.

Section 3.4. *Regular Meetings.* The Members shall hold their initial meeting at the principal office of the Midwest ISO, or other location designated by the Board, or by the person or entity selected pursuant to Section 2.3 of these Bylaws, on the date designated by the Board or such person or entity, and shall hold meetings at such location on the third Monday of the same month each year thereafter, or such other day of said month as may be designated by the Board, for the purpose of electing Directors and of exercising and discharging any other powers or duties vested in them by the Midwest ISO Agreement and the Bylaws. Members shall hold their initial meeting on July 1, 1998, or as soon

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thereafter as is reasonably practical. Provided, however, that the signatories to the Midwest ISO Agreement, by majority vote (with each signatory having one vote), may, pursuant to the terms and conditions of the Midwest ISO Agreement, extend this date.

Section 3.5. *Special Meetings.* The Board or any twenty-five percent (25%) of the Members may call special meetings of the Members at any time.

Section 3.6. *Notification.* (a) The Secretary shall provide notice to appropriate state regulatory authorities, FERC, the members of the Board Advisory Committee (established pursuant to the Midwest ISO Agreement), and the public by posting on the Midwest ISO's Internet World-Wide Web Site or equivalent form of electronic posting at least seven (7) days prior to the meeting, of the time and place of all meetings of Members, whether regular or special.

(b) Notice mailed to a Member or sent by telefacsimile no later than seven (7) days prior to the date of the meeting, directed to the Member at the address as shown on the books of the Midwest ISO, shall be deemed sufficient for the provisions of this provision and for all other purposes, unless written notice of change of such address has been previously given to the Midwest

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ISO. In the case of special meetings, the Secretary shall also give notice to all Members of the general purpose of the meeting and the nature of the business to be considered at such meeting. Such a special meeting shall be limited to the business thus specified in the case, unless at least twenty-five percent (25%) of the Members consent in writing to the consideration of other matters. The Members of record eligible to participate in any meeting shall be determined as of the date notice of the meeting is provided to the Members.

Section 3.7. *Conduct of Meetings; Quorum; Voting.* At all meetings of Members, the Chairman of the Board, or such other person as may be designated by the Board, shall preside. Each Member shall be entitled to one vote, and Members may vote by proxy. Twenty-five percent (25%) of the Members, or their proxies, shall constitute a quorum for the purpose of any such meeting. Except where it is otherwise provided in these Bylaws, a vote of a majority of the Members represented and voting at the meeting shall control.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. *General Powers.* There shall be a Board of Directors of the Midwest ISO which shall consist of seven (7) persons plus the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). The Board may exercise all of the powers of the non-stock corporation and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers, and the management of the Midwest ISO) as it may deem proper and consistent with applicable law, the

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Midwest ISO Agreement, the Transmission Tariff, the articles of incorporation, and these Bylaws, provided that authority for such actions is not reserved to the Members or Owners.

Section 4.2. *Qualifications.* A Director shall not be, and shall not have been at any time within two (2) years prior to or subsequent to election to the Board, a Director, Officer, or employee of a Member, User, or an affiliate of a Member or User. At all times while serving on the Board, and for two (2) years thereafter, a Director shall have no material business relationship or other affiliation with any Member or User or an affiliate of a Member or User. A Director's participation in a pension plan of a Member or User or an affiliate thereof shall not be deemed to be a material business relationship if the Member's or User's financial performance has no material effect on such pension plan. Similarly, a Director's ownership of securities in a Member or User or affiliate thereof shall not be deemed to be a material business relationship if such securities are held through a mutual fund, retirement fund, blind trust (as defined in Appendix A, Section II.E.6) or similar arrangement where the Director has no discretion to manage the assets in such an account. Of the seven (7) Directors, four (4) shall have expertise and experience in corporate leadership at the senior management or board of directors level, or in the professional disciplines of finance, accounting, engineering, or utility laws and regulation. Of the other three (3) Directors, one (1) shall have expertise and experience in the operation of electric transmission systems, one (1) shall have expertise and experience in the planning of electric transmission systems, and one (1) shall have expertise and experience in commercial markets and trading and associated risk management.

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Section 4.3. *Number; Election.* (a) Initial Board. The initial Board shall be elected by the Members at their initial meeting from a slate of candidates presented to them by an independent executive search firm chosen by a majority vote of the signatories to the Midwest ISO Agreement, with each signatory having one vote. Such firm shall select such candidates consistent with the qualification requirements set forth in Section 4.2. The slate shall include at least two (2) candidates with the appropriate type of qualifications for each Board position. Each Member shall be entitled to cast a single vote for each of the seven (7) positions on the Board from among the candidates for each position. The candidates with the most votes shall fill the Director positions for which they were nominated. In the event of a tie among the candidates for a Board position, one (1) of the candidates shall be selected by a drawing. Two (2) Directors shall hold office for one (1) year; two (2) Directors shall hold office for two (2) years; and the final three (3) Directors shall hold office for three (3) years; and, in each foregoing case, until their respective successors are duly elected and qualified, or until their earlier resignation or removal. At the first meeting of the initial Board, the Directors shall determine each of their respective terms hereunder by a drawing.

(b) Succeeding Boards. After the election of the initial Board as provided above, succeeding Directors shall be elected to terms of three (3) years, except for any Director elected to fill a vacancy in the remainder of the term. Before the term of a Director expires, a nominating committee consisting of three Board Members whose terms are not expiring appointed by the Board and two members of the Advisory Committee selected by the Advisory Committee shall select an executive search firm to provide at least two (2) candidates to the

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nominating committee for each open Director position. Members may submit the names of candidates directly to the nominating committee. The Nominating Committee shall then provide at least two (2) candidates to the Board for each open position. The candidates for a specific Director position shall have the same type of qualifications as the Director being replaced, as set forth in Subparagraph 2 of this Paragraph A. At least thirty (30) days prior to the meeting of the Members at which the Directors will be elected, the Board shall distribute to the Members a slate of candidates consisting of one (1) candidate for each Director position to be filled. The Board shall also provide the Members with information on the qualifications and experience of the candidate to fill the Director seat for which each candidate is proposed. A candidate receiving a majority of the votes cast by the Members shall be elected. Should the Members fail to elect a candidate from the slate proposed by the Board, the Board shall prepare a new slate using the procedures set forth above for consideration by the Members at a meeting of the Members to be called no later than seventy-five (75) days after each election. Each Director shall serve until his successor shall have been duly elected and qualified, or until his earlier resignation or removal. Vacancies on the Board caused by a Director leaving office before the expiration of his term shall be filled by vote of the Board, which shall choose a candidate having the same type of qualifications as his predecessor from a list prepared by the nominating committee in consultation with an executive search firm chosen by the nominating committee. A Director selected to fill such a vacancy shall serve out the term of his predecessor.

Section 4.4. *Chairman of the Board.* The Board shall select from among its members a Chairman of the Board. The Chairman shall serve in such capacity at the pleasure of the Board until the first meeting of the Board following the next succeeding annual meeting of the

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Members, or until his successor shall have been elected and have qualified. The Chairman of the Board shall, unless otherwise determined by the Board, preside over all meetings of the Board and Members, and shall sign, with the Secretary, certificates of membership, the issuance of which shall have been authorized by the Board. The Chairman shall perform all duties incident to the office of

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Chairman of the Board and such other duties as from time to time may be assigned to him by the Board.

Section 4.5. *Vice Chairman.* The Board shall select from among its members a Vice Chairman of the Board. The Vice Chairman shall serve in such capacity at the pleasure of the Board until its first meeting following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman of the Board, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6. *Resignation of Directors.* Any Director may resign his office by submitting a signed notice of resignation, delivered or mailed to the principal office of the Midwest ISO. Such notice of resignation shall state the effective date of resignation. If the notice does not indicate an effective date, the resignation shall take effect upon receipt of the notice at the principal office of the Midwest ISO.

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Section 4.7. *Removal of Directors.* (a) Removal by Members. The Members may remove a Director by a vote of a majority of the Members. Removal proceedings may only be initiated by a petition signed by not less than twenty percent (20%) of all Members. The petition shall state the specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A Director sought to be removed shall be given fifteen (15) days to respond in writing to any charges set forth in the petition. The petition shall specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.

(b) Removal by Owners for Unauthorized Acts. If the Board of the Midwest ISO changes, or attempts to change, any of the provisions of the Midwest ISO Agreement identified in Article Two, Section IX, Paragraph C of the Midwest ISO Agreement without obtaining the requisite approval of the Owners as specified therein, or if the Board fails to enact these Bylaws or enacts any Bylaws contrary to the Midwest ISO Agreement, or if the Board fails or refuses to fulfill the duties owed to the Owners set forth in Article Three, Section III, Paragraphs B and C of the Midwest ISO Agreement, then the Board shall be deemed to have acted without authorization, and may be removed in its entirety by unanimous vote of the Owners' Committee (established by

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Article Two, Section VI, Paragraph B of the Midwest ISO Agreement), provided that such removal shall be subject to approval by the FERC. Removal proceedings hereunder shall be initiated only by the delivery by the Owners' Committee to the Chairman of the Board of a statement specifying in detail the manner in which the Board has acted without authorization. The Board shall have sixty (60) days to respond to such a statement, after which the Owners may, by unanimous vote of the Owners' Committee, reaffirm their proposal to remove the Board if they are not satisfied with the Board's response. If the Owners vote unanimously to reaffirm their proposal, they shall file such proposal with the FERC and provide notice to the appropriate state regulatory authorities. Upon the FERC's approval of such proposal, the Board shall be removed in its entirety and a new Board shall be selected in accordance with the provisions for the selection of an initial Board specified in these Bylaws. The new Board so selected shall have all of the powers specified herein as belonging to the Board, including the power to replace the Chief Executive Officer, the President and other Officers, employees, or agents of the Midwest ISO chosen by the removed Board or its predecessors. Nothing herein shall be deemed to prejudice any right any Owner may otherwise have under the FPA or other provisions of law.

Section 4.8. *Meetings; Notification.* Regular meetings of the Board shall be held at least quarterly, and other meetings shall be held from time to time on the call of the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), Chairman, or a majority of the

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Board. A Director may participate in a meeting personally or by electronic means. Written notice of the date, location, and time of each meeting of the Board must be provided by first-class mail or by telefacsimile to each Director no later than seven (7) calendar days prior to the date of the meeting. Participation in a meeting by a Director is a waiver of any objection that the Director may make to any failure to give adequate notice under this provision. Any action required or permitted to be taken at any meeting of the Board, or of any Board Committee, may be taken without a meeting if all Directors or Board Committee members, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or Board Committee. Consistent with the Midwest ISO Agreement, the Board shall have all procedural authority provided and options available under Title 8 of the Delaware Corporation Law, section 141, as such law may be amended or, any successor provision thereto.

Section 4.9. *Quorum; Voting.* Five (5) Directors shall constitute a quorum of the Board. Except as provided in Section 4.7 of these Bylaws, the affirmative vote of a majority of the Directors present at a meeting is required to constitute any act or decision rendered by the Board.

Section 4.10. *Accounting.* At each quarterly meeting of the Board, or such other time as the Board directs, the Board shall require

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the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to submit for Board approval a full statement of the conditions of the Midwest ISO, and all business transacted by it, and, when the statement is approved, shall cause a copy of it to be sent to each Member.

Section 4.11. *Minutes and Reports.* The Board shall cause to be kept by the Secretary, elected by it, accurate minutes of all meetings of the Board, Members, and Board Committees. Insofar as non-Members of the Midwest ISO are concerned, these records shall be conclusive for the Board of the facts and activities stated and recorded therein.

Section 4.12. *Director Compensation and Expenses.* Directors shall receive from the Midwest ISO such compensation, regular or special, subject to the terms and conditions stated in the Midwest ISO Agreement, Article Two, Section Three, Paragraph D, Subparagraph 1. The independent executive search firm chosen to select a slate of candidates for election for Director positions shall set Director compensation following such election, subject to approval of the Members. If two-thirds (2/3) or more of the Members vote to reject the search firm's recommended compensation, then the recommended compensation shall be rejected. In establishing the compensation for the initial Board, if there are not yet Members, then a vote of two-thirds (2/3) or more of the signatories to the

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Midwest ISO Agreement shall be required to reject the search firm's recommended compensation. If the recommended compensation is rejected, then the search firm shall be requested to submit another recommendation or another search firm may be hired for such purpose. Directors, and their successors and assigns, shall have the right to reimbursement by the Midwest ISO for all of their actual expenses reasonably incurred or accrued in the performance of their duties as Directors of the Midwest ISO.

Section 4.13. *Annual Report.* The Board shall annually make a written report showing the financial results of the Midwest ISO's operations during the preceding fiscal year. A copy of such report shall be furnished to each Member.

Section 4.14. *Board Oversight.* The Board of Directors shall oversee the Chief Executive Officer's and/or the President's performance of the obligations of the Midwest ISO specified in the Midwest ISO Agreement and these Bylaws. The performance of such obligations shall be carried out and executed by the Chief Executive Officer and/or the President with oversight as appropriate by the Board. The Board shall establish general policies to be followed by the Chief Executive Officer and/or the President and employees of the Midwest ISO in the conduct of their duties. The Board shall have the obligation to assure that the Chief Executive Officer and/or the President accounts for all transactions on the Transmission System and other activities of the

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Midwest ISO; submits bills for such transactions; pays the expenses of operation of the Midwest ISO; collects monies for transmission service from customers solely as agent for Owners or their designee(s) in accordance with the Transmission Tariff; and distributes monies to the Owners or their designee(s) in accordance with the Midwest ISO Agreement, any associated agreements referred to in the Midwest ISO Agreement, the Funds Trust Agreement, and the Transmission Tariff.

Section 4.15. *Standards of Conduct.* The Directors shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement, and, by direction or oversight, shall require that the Officers and employees of the Midwest ISO also comply with such standards.

Section 4.16. *Employ Staff.* The Board shall have the power to employ staff, auditors, counsel, and other personnel as necessary to carry out the business of the Midwest ISO, and may delegate to the Chief Executive Officer and/or the President all or part of such authority to employ such staff, auditors, counsel, and other personnel.

Section 4.17. *Board Committees.* The Board may appoint such committees of the Board of Directors as are necessary and appropriate for the conduct of the Midwest ISO's business, provided that final responsibility for any action recommended by any such committee remains with the Board.

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ARTICLE V

OFFICERS

Section 5.1. *Titles.* The Officers of the Midwest ISO shall be the Chief Executive Officer, the President, one or more Vice Presidents (in the discretion of the Board), and a Secretary.

Section 5.2. *Election and Term of Office.* The Officers of the Midwest ISO shall be elected from time to time by the Board. Each Officer shall hold office at the pleasure of the Board.

Section 5.3. *Removal of Officers by Directors.* Any Officer may be removed by the Board whenever, in the Board's judgment, the best interests of the Midwest ISO will be served thereby.

Section 5.4. *Chief Executive Officer.* At its discretion, the Board shall have the power not to establish the office of the Chief Executive Officer, or if established, to combine the offices of the Chief Executive Officer and the President. In either case, the President shall exercise the powers and perform the duties of the Chief Executive Officer set forth herein. The Chief Executive Officer shall serve on the Board of the Midwest ISO. The Chief Executive Officer may

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vote on any matter presented at a Board meeting except when the Chief Executive Officer's vote would create a tied Board vote. In that circumstance, the Chief Executive Officer shall be barred from voting. The Chief Executive Officer also may not vote on the selection of, or continued employment of the Chief Executive Officer or on the Chief Executive Officer's compensation. The Chief Executive Officer shall be included in the determination of a quorum of the Board for any meeting of the Board and in the determination of a majority vote of the Board for any purpose. The duties of the Chief Executive Officer are as follows:

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(a) Right of Chief Executive Officer to Manage. The right of the Chief Executive Officer to exercise functional control over the operation of the Transmission System, insofar as is necessary to carry out the rights, duties, and obligations of the Midwest ISO as set forth in the Midwest ISO Agreement, shall be absolute, unconditional, and free from the control and management of the Owners, who shall have only the rights specifically set forth in the Midwest ISO Agreement. The Chief Executive Officer shall have the authority to act for the Midwest ISO before any and all applicable federal or state regulatory authorities to carry out the business of the Midwest ISO.

(b) General Powers. The Chief Executive Officer shall possess and exercise any and all such additional powers as are reasonably implied from the powers contained in the Midwest ISO Agreement such as may be necessary or convenient in the conduct of any business or enterprise of the Midwest ISO. The Chief Executive Officer may (i) do and perform everything that (a) he deems necessary, suitable, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives, enumerated in the Midwest ISO Agreement, or (b) that shall at any time appear conducive to, or expedient for, the protection or benefit of the Midwest ISO, and (ii) do and perform all other acts or things that are deemed necessary or incidental to the purposes set forth in the Midwest ISO Agreement.

(c) Acquire Property. The Chief Executive Officer shall have power to purchase, or otherwise acquire through leases, such property, except for transmission facilities which shall be governed by Appendix B to the Midwest ISO Agreement, as necessary to carry out the obligations of the Midwest ISO as specified in Article Three of the Midwest ISO Agreement.

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(d) Prosecute Claims. The Chief Executive Officer shall have full and exclusive power and authority to demand, sue for, claim, and receive any and all revenues and monies due the Midwest ISO.

(e) Borrow. The Chief Executive Officer shall have the power to borrow money up to the level authorized by the Board for the purposes of the Midwest ISO and to give the obligations of the Midwest ISO to secure such indebtedness.

(f) Contracts. The Chief Executive Officer shall have the authority and power to make all such contracts as he may deem expedient and proper in conducting the business of the Midwest ISO, except as may be limited by the Board.

(g) Taxes and Assessments. The Chief Executive Officer shall have the power (i) to pay all taxes or assessments of whatever kind or nature imposed upon or against the Midwest ISO in connection with the Midwest ISO property, or upon or against the Midwest ISO property, or any part of such property; (ii) to do all acts and things as may be required or permitted by any present or future law for the purpose of making the activities of the Midwest ISO exempt from taxation; and (iii) for any of the above-stated purposes, to do all such other acts and things as may be deemed by him necessary or desirable.

(h) Depository. In accordance with policies set by the Board, and subject to any limitations set forth in the Midwest ISO Agreement or the Funds Trust Agreement, the Chief

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Executive Officer shall have the power to select a depository, and to deposit any monies or securities held by the Midwest ISO in connection with the performance of its obligations under the Midwest ISO Agreement, with any one or more banks, trust companies, or other banking institutions, that are federally insured and deemed by the Chief Executive Officer to be responsible, such monies or securities to be subject to withdrawal on notice upon demand or in such manner as the Chief Executive Officer may determine, with no responsibility upon the Chief Executive Officer for any loss that may occur by reason of the failure of the person with whom the monies or securities had been deposited properly to account for the monies or securities so deposited.

Section 5.5. *President.* If the Board has established the office of the Chief Executive Officer, the President shall, in the absence or disability of the Chief Executive Officer, exercise the powers and perform the duties of the Chief Executive Officer. The President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer and/or the Board consistent with this Agreement. The President shall not be eligible to serve on the Board of the Midwest ISO except when performing the duties of the Chief Executive Officer, as above provided, or except when the Board chooses not to establish the office of the Chief Executive Officer. If the Board chooses not to establish the office of the Chief Executive Officer, the President shall exercise the powers and perform the duties of the Chief Executive Officer.

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Section 5.6. *Vice President.* If the Board chooses not to establish the office of the Chief Executive Officer, the Vice President or, if there be more than one, the Vice President designated by the Board, shall in the absence or disability of the President, exercise the powers and perform the duties of the President. Each Vice President shall exercise such other powers and perform such other duties as shall be prescribed by Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and the Board consistent with the Midwest ISO Agreement and these Bylaws. No Vice President shall be eligible to serve on the Board of the Midwest ISO except when performing the duties of the President as provided in the Midwest ISO Agreement.

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Section 5.7. Secretary. The Secretary shall be responsible for the following duties:

(a) Keeping the minutes of the applicable meetings in one or more books provided for that purpose;

(b) Seeing that all notices are duly provided in accordance with these Bylaws, policies of the Midwest ISO, and any and all other documents which provide for the governance of the Midwest ISO;

(c) Maintaining custody of the records of the business of the Midwest ISO and the seal of the Midwest ISO, and affixing such seal to all certificates of membership prior to the issuance thereof and to all documents, the execution of which, on behalf of the Midwest ISO, under its seal, is duly authorized in accordance with the provisions of these Bylaws;

(d) Keeping a register of the names and post office addresses of all Members and Directors;

(e) Signing with the Chairman of the Board certificates of membership, the issuance of which shall have been authorized by the Board or Members;

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(f) Keeping on file at all times at the principal office of the Midwest ISO a complete copy of the Midwest ISO Agreement, and all amendments thereto, together with these Bylaws and any policies concerning the governance of the Midwest ISO, and, at the expense of the Midwest ISO, forwarding or otherwise making available copies of such information to each of the Members and to the public to the extent required by law; and generally performing all duties instant to the office of Secretary and such other duties that, from time to time, may be assigned to the Secretary by the Board.

Section 5.8. *Standards of Conduct.* The Officers, agents, and employees of the Midwest ISO shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement.

Section 5.9. *Bonds of Officers.* Any Officer, employee, or agent of the Midwest ISO charged with the responsibility for the custody of any of its funds or property shall give bond in such sums, and with such sureties, as the Board shall determine. The Board, in its discretion, may also require any other Officer, agent, or employee of the Midwest ISO to give bond in such amount, with such surety, as it shall determine. All premiums of the aforesaid bonds shall be paid by the Midwest ISO.

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Section 5.10. Compensation. Compensation of the Officers, agents, and employees of the Midwest ISO shall be established by the Board or pursuant to the policies approved by the Board.

ARTICLE VI

EXTERNAL COMMITTEES

Section 6.1. Advisory Committee. (a) At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty-three (23) representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool ("MAPP") as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers ("IPPs") and exempt wholesale generators ("EWGs"), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000,

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or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) three (3) representatives of state regulatory authorities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to the Midwest ISO have, entered into coordination or agency agreements with the Midwest ISO ("Coordination Members"). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings. The Advisory Committee shall be a forum for its members to be apprised of the Midwest ISO's

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activities and to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or the Midwest ISO. Nothing in the Midwest ISO Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports. The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

(b) Members of the Advisory Committee shall be selected in the following manner:

(i) The Owners' representatives on the Advisory Committee shall be selected in accordance with Section 6.2 of these Bylaws.

(ii) The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting. Approval by the Board of such procedures shall not be unreasonably withheld.

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(iii) The representatives of state regulatory authorities on the Advisory Committee shall be chosen by the state public service commissions which regulate the retail electric or distribution rates of the Owners who are signatories to the Midwest ISO Agreement.

(iv) The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of the Midwest ISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

(v) Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

(c) In order to ensure appropriate representation on the Advisory Committee, the Board may change the size and composition of the Advisory Committee at three-year (3-year) intervals.

Section 6.2. Owners' Committee. An Owners' Committee shall exist throughout the period of the Midwest ISO Agreement. The Owners' Committee shall consist of one (1) person representing each of the

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Owners who are signatories to the Midwest ISO Agreement. The Owners' Committee shall meet at its discretion to exercise the authority granted to the Owners as a group under these Bylaws, including voting upon the matters set forth in Sections 4.8(b) and 8.2(b) of these Bylaws, and under the Midwest ISO Agreement. The Owners' Committee shall select three (3) representatives to serve on the Advisory Committee established pursuant to Section 6.1 of these Bylaws.

ARTICLE VII

OPEN MEETINGS

Section 7.1. *Open Meetings.* Except as provided herein, all meetings of the Board, all meetings of Board Committees and working groups, all meetings of the Advisory Committee and all Members' meetings shall be open to the public. Timely notice of such meetings and copies of all materials to be addressed at such meetings shall be provided to the members of the Advisory Committee, appropriate state regulatory authorities, and the FERC and posted on the Midwest ISO's Internet World-Wide Web Site or equivalent form of electronic posting. The procedures adopted by the Board for the conduct of such meetings shall allow interested members of the public, including those stakeholders represented on the Advisory Committee, to provide oral and written comments at such meetings concerning any matter that may come before the Board, Board Committees and working groups, Advisory Committee, or Members, whichever is applicable, during the open portion of such meetings.

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Section 7.2. Minutes. The meeting minutes of all meetings of the Board, Board Committees and working groups, Advisory Committee, and Members shall be made available to the public and furnished to appropriate state regulatory authorities and the FERC, upon request; provided, however, that materials or information which is privileged or confidential pursuant to Section 7.3 of these Bylaws may be redacted from such minutes. Copies of executed or final documents, such as contracts, leases, and agreements, not otherwise required to be treated as confidential shall be made available for review. In the event the basis for information being treated as confidential ceases to exist, said information shall thereafter be available for review.

Section 7.3. Executive Sessions to Preserve Confidentiality. Executive sessions (closed to the public) shall be held as necessary to safeguard the confidentiality of (a) personnel-related information; (b) information subject to the attorney-client privilege or to confidential treatment under the attorney-work product doctrine or concerning pending or threatened litigation; (c) information that is confidential under Appendix A to the Midwest ISO Agreement; (d) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; (e) except as may be required by law, consideration of the sale or purchase of securities, investments, or investment contracts; (f) strategy and negotiation sessions in connection with a collective bargaining agreement; (g) discussion of

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emergency and security procedures; (h) consideration of matters classified as confidential by federal or state law; (i) matters to protect trade secrets, proprietary information, specifications for competitive bidding, or to discuss a specific proposal if open discussion would jeopardize the cost or siting or give an unfair competitive or bargaining advantage to any person or entity; and (j) discussion of proceedings by the Alternate Dispute Resolution Committee established under Appendix D to the Midwest ISO Agreement.

**ARTICLE VIII
DUE DILIGENCE, LIABILITY, AND INDEMNIFICATION**

Section 8.1. *Due Diligence Duties.* It shall be the duty of Directors, Officers, employees, agents, and other representatives of the Midwest ISO (a) to faithfully and diligently administer the Midwest ISO as would reasonable and prudent persons acting in their own behalf; (b) to keep correct and accurate records of all business transacted; (c) to exercise prudence and economy in the business of the Midwest ISO, including the minimization of tax liability if the Midwest ISO is not-tax exempt; (d) to act in good faith, and only for the best interests of the Midwest ISO; (e) to annually render a full and correct account of the Midwest ISO business; and (f) at the termination of the Midwest ISO, to render and to deliver all the properties and funds of the Midwest ISO in accordance with the Midwest ISO Agreement and applicable law.

Section 8.2. *Limitations on Liability.* No Director, Officer, agent, employee, or other representative of the Midwest ISO, and no corporation or other business organization that employs a Director of the Midwest ISO, or any Director, Officer, agent, or employee of such

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corporation or other business organization, shall be personally liable to the Midwest ISO, any Member, or any User for any act or omission on the part of any such Director, Officer, agent, employee, or other representative of the Midwest ISO, which was performed or omitted in good faith in his official capacity as a Director, Officer, agent, employee, or other representative of the Midwest ISO pursuant to the operation of the Midwest ISO Agreement, or in any other capacity he may hold, at the request of the Midwest ISO, as its representative in any other organization. However, this release of liability shall not operate to release such a Director, Officer, agent, employee, or other representative of the Midwest ISO from any personal liability resulting from willful acts or omissions knowingly or intentionally committed or omitted by him in breach of the Midwest ISO Agreement, for improper personal benefit, or in bad faith. Directors, Officers, agents, employees, or other representatives of the Midwest ISO also shall not be personally liable for any actions or omissions of others, including Owners, whose actions or omissions may relate to the Midwest ISO, or any property or property rights forming, or intended or believed to form, part of the Midwest ISO's property, or for any defect in the title to, or liens or encumbrances on, any such property or property rights.

Section 8.3. *Indemnification.* The Midwest ISO shall indemnify each Director, Officer, agent, employee, or other representative strictly in accordance with the terms and conditions of the Indemnification provisions of the Midwest ISO Agreement, Article II, Section VIII.

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**ARTICLE IX
AMENDMENTS**

Section 9.1. *Amendment.* These Bylaws may be amended by the Board from time to time, subject to the receipt of all necessary federal and state regulatory approvals, and provided that no amendment is contrary to the Midwest ISO Agreement.

**ARTICLE X
MISCELLANEOUS MATTERS**

Section 10.1. *Dispute Resolution.* The Midwest ISO shall resolve disputes between and among the Midwest ISO and the Owners, individually or collectively, and Users other than the Owners, in accordance with the procedures set forth in Appendix D to the Midwest ISO Agreement. This provision does not apply to disputes covered under the Transmission Tariff.

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Section 10.2. *Inspection and Auditing Procedures.* The Midwest ISO shall grant each Member, its employees or agents, external auditors, and federal and state regulatory authorities having jurisdiction over the Midwest ISO or an Owner, such access to the Midwest ISO's books and records as is necessary to verify compliance by the Midwest ISO with the Midwest ISO Agreement and to audit and verify transactions under the Midwest ISO Agreement. Such access shall be at reasonable times and under reasonable conditions. The Midwest ISO shall also comply with the reporting requirements of federal and state regulatory authorities having jurisdiction over the Midwest ISO with respect to the business aspects of its business operations, including, but not limited to, the State of Delaware. Contacts between Officers, employees, and agents of any Owner and those of the Midwest ISO pursuant to this Section 10.2 shall be strictly limited to the purposes of this Section 10.2 and shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement.

ARTICLE XI

WITHDRAWAL OR TERMINATION OF MEMBERS

Section 11.1. *Withdrawal Notice.* A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in the Midwest ISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President).

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A Member who is also an Owner may withdraw under the procedures and rights specified in the Midwest ISO Agreement and shall be subject to the regulatory approvals referred to

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in that Agreement or as provided by applicable law. The effect of such withdrawal shall be as stated in that Agreement.

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**AGENCY AGREEMENT FOR OPEN ACCESS
TRANSMISSION SERVICE
OFFERED BY THE MIDWEST ISO FOR
NONTRANSFERRED TRANSMISSION FACILITIES**

Through this Agreement ("Agency Agreement"), the entity executing this Agency Agreement ("Transmission Owner"), allows the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") to offer and provide transmission service over certain facilities as detailed below.

RECITALS

- A. A group of Owners will be filing or will have filed an Open Access Transmission Tariff ("Transmission Tariff") with the Federal Energy Regulatory Commission ("FERC") as part of a proposal for the Midwest ISO to become an Independent System Operator ("ISO"). Upon FERC approval and the transfer of those facilities in accordance with the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation ("Agreement"), the Midwest ISO will control certain transmission facilities, control of which will be transferred to it under Section 203 of the Federal Power Act, 16 U.S.C. § 824b. The Midwest ISO will offer to provide open access transmission service across those facilities. Through the Transmission Tariff, it is intended that the Midwest ISO also will offer to provide transmission service over other booked transmission facilities, control of which will not be transferred to the Midwest ISO under Section 203 of the Federal Power

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Act as part of the initial filings. These other booked transmission facilities are the "Non-transferred Transmission Facilities."

- B. The Owners are or will be members of the Midwest ISO. The Owners will or may maintain control of Non-transferred Transmission Facilities that are offered for service under the Midwest ISO Transmission Tariff.
- C. In order for the Midwest ISO to offer service over Non-transferred Transmission Facilities, it is necessary that Owners provide the authority to the Midwest ISO to provide the transmission and other services necessary to effectuate the Transmission Tariff.
- D. The Owners also will be entering into or will have entered into the Agreement which will detail the rights and responsibilities of the Owners, members and of the Midwest ISO.
- E. Each Owner will enter into an Agency Agreement to authorize the Midwest ISO to act as its agent in the performance of its tariff administration duties with regard to Non-transferred Transmission Facilities; to commit Non-transferred Transmission Facilities and services as required for the performance of service agreements and of the Transmission Tariff; to arrange for dispute resolution; and for other purposes as specified herein and in the Agreement. This Agency Agreement pertains only to the Non-transferred Transmission Facilities and has no affect or bearing on service over any other transmission or other facilities.

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TERMS OF AGREEMENT

1. Incorporation Of Transmission Tariff.

1.1 Incorporation Of Transmission Tariff Into Agreement.

The Transmission Tariff, including each and every constituent part, is incorporated into this Agency Agreement as though set forth herein in its entirety. In the event of any conflict between any provision of this Agency Agreement and the Transmission Tariff, the Transmission Tariff shall control.

2. Appointment Of Midwest ISO As Agent.

The Transmission Owner appoints the Midwest ISO as its agent to enter into service agreements in conformity with the Transmission Tariff on its behalf with regard to service involving Non-transferred Transmission Facilities. It is agreed that all such service agreements will bind the Transmission Owner to perform to the requirements and specifications of the Transmission Tariff and service agreements where appropriate.

3. Performance By Transmission Owner.

The Transmission Owner agrees to provide all services necessary or appropriate for performance under the Transmission Tariff and service agreements thereunder with regard to service involving Non-transferred Transmission Facilities. Upon the Midwest ISO's request, the Transmission Owner further agrees to provide the Midwest ISO with all information necessary or appropriate relating to the Non-transferred Transmission Facilities to permit or facilitate the Midwest ISO to perform its tariff administration functions under the Transmission Tariff and service agreements relating to such facilities.

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4. Payment Of Transmission Owners.

The Midwest ISO shall distribute revenues associated with service under the Transmission Tariff among Transmission Providers in accordance with Appendix C to the Agreement.

5. Effectiveness, Duration Of Agency Agreement, and Withdrawal Rights.

The Agency Agreement is effective on the Transfer Date as defined in the Agreement unless the Owner withdraws from the Agreement before the Transfer Date. In that event, this Agency Agreement shall not become effective. The term of this Agency Agreement shall thereafter be coextensive with the duration of the Transmission Owner's participation as an Owner under the Agreement. The Transmission Owner's withdrawal rights and obligations associated with such withdrawal under this Agency Agreement shall be as set forth in the Agreement.

6. Liability And Indemnification.

The liability and indemnification provisions governing the Midwest ISO's liability to the Transmission Owner and any indemnification shall be the same as set forth in either the Transmission Tariff or the Agreement, whichever provision is applicable.

7. Dispute Resolution Procedures.

Any dispute between or among the Midwest ISO and the Transmission Owner shall be resolved in accordance with the Dispute Resolution Procedures of either the Transmission Tariff or the Agreement, whichever procedures are applicable.

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8. Integration And Amendment.

This is an integrated agreement which contains all terms and conditions of agreement between the parties concerning the subject matter. Any prior or oral agreements concerning the subject matter not stated herein are superseded by this Agency Agreement. This Agency Agreement may be amended only by an executed writing.

9. Authority.

The Transmission Owner hereto represents that the person executing this agreement on its behalf is authorized to execute this agreement and bind such Transmission Owner to its terms, and that such authorization has been made in compliance with all applicable laws, articles of incorporation, bylaws, and resolutions and in a manner that the authorization is binding upon the Transmission Owner.

TRANSMISSION OWNER

Company: _____

Signature: _____

Title: _____

Date: _____

APPENDIX H

APPENDIX H

TRANSMISSION SYSTEM FACILITIES

This Appendix provides the description and supporting documents for the Transmission System transferred to Midwest ISO for the purposes of planning and operation. In general, the criteria defining the Transmission System include:

1. All networked facilities above 100 kV.
2. All transformers whose two highest voltages qualify under the above voltage criteria.
3. All substation equipment that form the endpoints of the transmission lines in item 1, terminate the transformers in item 2, or provide voltage/stability control.

Each Transmission Owner provided, as a minimum, the following information on their facilities:

The descriptions of the transmission lines, including:

1. The names of the substations associated with a transmission line (the two endpoints for a two terminal line or the two endpoints and intermediate taps for multi-tapped lines).
2. The voltage level of each line.
3. Circuit maps containing each line or documents describing each line.
4. The mileage associated with each transmission line or tap section was optional and was provided by some Transmission Owners.
5. Ratings of each line were optional and were provided by some Transmission Owners.

APPENDIX H

Descriptions of the transformers meeting criteria 2 above, including:

1. Name of substation where transformer is located.
2. Voltage levels.
3. Number of windings (Optional).
4. Tap changing capabilities -- load and no load taps (Optional).
5. Ratings of each transformer were optional and were provided by some Transmission Owners.

If the map or circuit diagram provided by a Transmission Owner contained Non-transferred Transmission Facilities, these Non-transferred Transmission Facilities were marked out indicating that they were not included in the facilities to be controlled and planned by the Midwest ISO.

In cases of jointly owned facilities, there was an indication of the jointly owned facilities through symbols or specific notations.

Interconnections between transmission systems (Midwest ISO Transmission Owners and non-Midwest ISO Owners) are clearly marked on the system one-line drawings. The names or initials of the companies who own the facilities on each side of the interconnections are provided.

APPENDIX H

The following Transmission Owners provided descriptions of their Transmission System facilities:

1. Central Illinois Public Service Company (CIPSCo)
2. Cinergy
3. Commonwealth Edison Company (ComEd)
4. Hoosier Energy
5. Illinois Power Company
6. Kentucky Utilities (KU)
7. Louisville Gas & Electric Company (LG&E)
8. Union Electric Company (UE)
9. Wisconsin Electric Power Company (WEPCo)
10. Wabash Valley Power Association (WVPA)

APPENDIX I

**APPENDIX I
INDEPENDENT TRANSMISSION COMPANIES**

This Appendix sets forth a general framework for the development and operation of Independent Transmission Companies ("ITC's") within the Midwest ISO. Any conflict between Appendix I and other provisions of this Agreement or the Transmission Tariff shall be governed by the provisions of this Appendix. Under Appendix I, certain responsibilities which currently reside with the Midwest ISO may be assigned to an ITC, if it chooses to accept those responsibilities and if the Federal Energy Regulatory Commission ("FERC") acceptance or approval of the assignment is obtained as provided herein.

This Appendix I is intended to describe broad areas regarding the assignment of certain rights, responsibilities, and functions to an ITC. Any entity or entities submitting a proposal to become an ITC ("Filing Entity") shall submit a filing with FERC detailing each of the rights, responsibilities, and functions the ITC proposes to assume from the Midwest ISO together with specifics on implementing any of these assigned rights, responsibilities, and functions. The Filing Entity may do this through multiple filings as the ITC develops or through a single filing. Before submitting any filing to FERC, however, the Filing Entity shall provide details of the filing to the Midwest ISO at least thirty days before the filing date. In the filing to FERC, the Filing Entity shall demonstrate to FERC that the rights, responsibilities and functions proposed to be assigned to the ITC are appropriate by showing, among other things, that the proposed ITC's governance and structure assures independence of the ITC from any market participant and that the proposed ITC is of sufficient size and configuration to assume such rights, responsibilities, and functions appropriately. The Midwest ISO, its members, and others shall have the right to intervene, comment, or protest any such ITC filing or to file a complaint under Section 206 of the Federal Power Act with regard to any such ITC filing or document.

1. FERC APPROVAL

- 1.1 FERC Acceptance As A Prerequisite. Before receiving the rights and responsibilities provided for under this Appendix I, the Filing Entity shall apply for and receive a FERC order accepting the ITC proposal to be implemented and finding that the proposed ITC satisfies FERC's independence criteria and any other applicable criteria such that the entity may be treated as an ITC under this Appendix I.
- 1.2 Effect of FERC Acceptance. Once FERC issues an order accepting the filing and providing the finding required under Section 1.1, then the ITC may operate within the Midwest ISO consistent with the rights, responsibilities, and functions that have been accepted or approved by FERC.

APPENDIX I

1.3 Effect of FERC Denial. A Filing Entity which does not receive a FERC order finding satisfaction of FERC's independence and other applicable criteria shall be treated as an Owner under this Agreement once it executes the Agreement and Agency Agreement (if applicable). It shall not be considered an ITC eligible to assign the responsibilities detailed in this Appendix I until such time as it receives the necessary FERC order.

2. SECURITY COORDINATION

2.1 Regional Security Coordinator. The Midwest ISO shall be the regional security coordinator and shall perform the functions specified in Appendix E, Section V of this Agreement for all Midwest ISO transmission systems, including any ITC transmission systems.

2.2 ITC Actions. An ITC may take actions to preserve the security of the ITC system before requesting assistance from the Midwest ISO. The ITC shall inform the Midwest ISO of any such actions and coordinate such actions with the Midwest ISO.

2.3 Ultimate Authority. Notwithstanding any other provision in this Appendix I, the Midwest ISO may intercede and direct appropriate actions in its role as the regional security coordinator. If such Midwest ISO action is disputed, the Midwest ISO's position shall control pending resolution of the dispute.

3. BASE TRANSMISSION RATES

3.1 Right to File Rate Changes. The ITC shall possess the unilateral right, without receiving any Midwest ISO approval, to make filings at FERC proposing rate or rate structure changes (including incentive rate structures) involving base transmission charges for service to load within the ITC. Base transmission charges as used herein refer to the charges in Schedules 7, 8, and 9 of the Midwest ISO tariff or such other similar schedules used by the ITC. All other service to load outside the ITC is subject to the Midwest ISO base transmission charges. However, in the development of the "Drive-through" and "Drive-out" Midwest ISO rates, the ITC may submit inputs to the rate calculation for the ITC's facilities and costs which differ from the Midwest ISO rate formula that is part of the Transmission Tariff so long as the ITC has sought and received FERC authorization for the inclusion of such inputs in the Midwest ISO "Drive-through" and "Drive-out" transmission rates.

APPENDIX I

3.2 Limitations. The ITC may not unilaterally propose transmission rates to FERC that do not preserve revenues or payments due Midwest ISO Owners that are outside the ITC.

3.3 No Rate Pancaking. Notwithstanding its rights under Section 3.1, the ITC shall not implement rates or a rate structure which results in a transmission customer paying the ITC and the Midwest ISO more than one base transmission charge for any one transaction.

4. REVENUE DISTRIBUTION

4.1 ITC Receipt of Transmission Revenues. The ITC shall receive and/or retain revenues resulting from the provision of transmission service under the Tariff in accordance with Appendix C of this Agreement. The ITC may take no unilateral action which interferes with or affects the revenue distribution provided for in Appendix C of this Agreement or which interferes with the collection by the Midwest ISO of the revenues due it for services it provides or arranges. If the ITC receives revenues which other Owners or the Midwest ISO are entitled to receive, the ITC shall forward such revenues to the Owners or the Midwest ISO as soon as possible.

4.2 Redistribution of Revenues. The ITC may distribute the revenues due it in accordance with Appendix C of this Agreement in any manner it wishes subject to receiving any necessary regulatory approvals, without involvement of the Midwest ISO.

4.3 Funds Trust Agreement. The ITC shall agree to sign the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required under the Funds Trust Agreement, and prior to the existence of any right of the ITC to receive revenues from transmission service under the Transmission Tariff shall execute the Funds Trust Agreement.

5. CONGESTION MANAGEMENT

5.1 ITC Congestion Management. Before filing any congestion management mechanism for constraints within the ITC, the ITC shall advise the Midwest ISO of its proposed filing, and both the ITC and the Midwest ISO shall use reasonable efforts to reach agreement on the filing. After a reasonable consultation process and even without agreement being reached, the ITC shall possess the right to file at FERC, without Midwest ISO approval, a mechanism for congestion management for constraints within the ITC.

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5.2 Limitations. Any such ITC congestion management mechanism shall not operate in instances where its operation would cause a material adverse effect upon the Midwest ISO transmission system outside of the ITC or upon the users of that system. In addition, before the ITC congestion management mechanism becomes effective, the ITC and the Midwest ISO shall develop protocols detailing when the Midwest ISO and ITC congestion management mechanisms would operate. The ITC shall file such protocols with FERC and the protocols must be accepted or approved by FERC before the ITC congestion management mechanism becomes effective.

6. LOSSES

6.1 Right to File. The ITC shall possess the unilateral right to file at FERC, without any Midwest ISO approval, a mechanism for determining loss responsibility within the ITC, provided that this method does not affect the losses received by Transmission Owners and generators in areas outside of the ITC.

7. TARIFF ADMINISTRATION

7.1 Service under the Midwest ISO Tariff. Customers will receive transmission service under a single Midwest ISO Tariff which will apply to transmission service over the entire Midwest ISO (including the ITC), subject to changes to the Tariff accepted by FERC that the ITC may propose pursuant to this Appendix I. Customers will apply for service on the Midwest ISO OASIS. The Midwest ISO will execute the agreements with the customers for service and studies. The ITC shall make all decisions on rate discounts for ITC-only transactions.

7.2 Studies. If a system impact or other study is required to evaluate the ability of the ITC to provide the transmission service and the transaction is within the ITC, then the ITC shall possess the right to assume responsibility for the study, subject to coordination with the Midwest ISO. If a facilities study is required to study a constraint within the ITC, then the ITC shall possess the right to assume responsibility for the study in coordination with the Midwest ISO. With regard to such studies, the Midwest ISO shall administer the contracts with the customers and shall provide the notices and make the filings under the Transmission Tariff.

APPENDIX I

- 7.3 ATC. The Midwest ISO shall administer the ATC calculation in accordance with this Agreement and shall calculate CBM and TRM, provided that the ITC shall possess the unilateral right to provide the ratings, operating guides, and assumptions to be used in calculating ATC over the ITC facilities. If the Midwest ISO disagrees with these ratings, operating guides, or assumptions, the ITC's position shall prevail pending dispute resolution.
- 7.4 Scheduling. Customers will schedule through the processes established by the Midwest ISO. Scheduling protocols will be between the Midwest ISO and the control areas and/or the ITC.

8. CURTAILMENTS

- 8.1 ITC Responsibilities. For curtailments of transmission pursuant to the Tariff, if the curtailment involves a transaction within the ITC or is the result of a system problem or constraint within the ITC, then the ITC will have the first opportunity to address the need for or to carry out the curtailment of transactions within the ITC, subject to the Midwest ISO's authority to act as regional security coordinator. The ITC and the Midwest ISO shall develop protocols for the coordination of curtailments.
- 8.2 Midwest ISO Responsibilities. If the ITC is unsuccessful in addressing the curtailment as provided in Section 8.1, then the Midwest ISO shall assume responsibility for carrying out the curtailment provisions of the Tariff. In all circumstances other than those provided in Section 8.1, the Midwest ISO shall possess full responsibility for addressing the curtailment consistent with the Transmission Tariff and this Agreement.

9. OPERATIONS

- 9.1 Ratings and Operating Procedures. The ITC may establish ratings and operating procedures for its facilities subject to dispute resolution if the Midwest ISO disagrees. The ITC's position shall prevail pending dispute resolution.
- 9.2 Transmission Maintenance. The ITC may set its own transmission maintenance and outage schedules subject to dispute resolution if the Midwest ISO disagrees. The ITC shall coordinate such transmission maintenance and outage schedules with the Midwest ISO. With regard to such schedules, the ITC's position shall prevail during the dispute resolution process unless the Midwest ISO determines that system security is involved, in which case the Midwest ISO's determination shall prevail pending dispute resolution.

APPENDIX I

- 9.3 **Generation Maintenance.** The ITC may assume from the Midwest ISO the coordination of generator maintenance for generators within the ITC with regard to those generators which are required to coordinate maintenance pursuant to Appendix E, Section VII of this Agreement. The ITC shall inform the Midwest ISO of those maintenance activities.
- 9.4 **Congestion Management and Must Run Units.** The ITC may control congestion management consistent with Section V of this Appendix I and must run units to the extent permitted by FERC.
- 9.5 **Temporary Operational Control.** The Midwest ISO may assume temporary operational control over the ITC's facilities when required to return the Midwest ISO system to a secured state as required by its role as a regional security coordinator.

10. PLANNING

- 10.1 **ITC Plan.** The ITC may develop its plan for the construction of transmission facilities within the ITC. The ITC shall inform and provide a copy of its plan to the Midwest ISO as soon as it is available and shall coordinate with the Midwest ISO to the maximum extent practicable. Midwest ISO approval is not required for the ITC plan, subject to any dispute resolution as provided in Section 10.2 of this Appendix. Such ITC plan shall become part of the Midwest ISO regional plan, subject to Section 10.2. If the Midwest ISO believes that an ITC planned facility will have a material impact on facilities outside of the ITC which are located within the Midwest ISO, the ITC planned facility shall not be placed into operation until such time as the Midwest ISO has a reasonable time to review the ITC plan and any disputes are resolved.
- 10.2 **Midwest ISO Disagreement.** If the Midwest ISO disagrees with the ITC's plan, the Midwest ISO's disagreement with the plan will be resolved through dispute resolution.
- 10.3 **Regional Planning.** Nothing in this Section X is intended to change the responsibility of the Midwest ISO to develop a regional plan, including the ITC facilities, as provided in this Agreement.

APPENDIX I

11. BILLING AND REMITTANCE

- 11.1 ITC Responsibilities. For transactions occurring solely within the ITC or where the load is located within the ITC, the ITC possesses the right to perform the Midwest ISO billing, credit, and accounting responsibilities for those transactions.
- 11.2 Return of Revenues. If the ITC receives revenues which it is not entitled to receive pursuant to Appendix C of this Agreement, it shall as soon as possible remit those revenues to the Midwest ISO.

12. MONITORING AND PENALTIES

- 12.1 Midwest ISO Responsibilities. The Midwest ISO will continue to impose and collect penalties as currently provided in the Agreement and Tariff, and to perform the monitoring functions pursuant to this Agreement for transactions involving the ITC.
- 12.2 Exception. The ITC will be allowed to impose and collect penalties approved by FERC associated with its congestion management program so long as any such penalty does not cause an entity to be subjected to a penalty by both the Midwest ISO and the ITC for the same violation.
- 12.3 Monitoring and Assessment of ITC-Midwest ISO Relationship. The Midwest ISO shall monitor the ITC-Midwest ISO relationship to determine if the division of functions creates a competitive or reliability problem that affects the Midwest ISO's ability to provide reliable, non-discriminatory transmission service.
- 12.4 The Midwest ISO will monitor markets operating by an ITC.

13. LIABILITY

- 13.1 Assumption of Liability. The ITC shall assume all liabilities associated with its acts or omissions regarding those functions for which it has assume responsibility. The ITC shall indemnify and hold harmless the Midwest ISO for any and all liabilities associated with the ITC's actions.

14. DISPUTE RESOLUTION

- 14.1 Dispute resolution as used in this Appendix I refers to the dispute resolution procedures included as Appendix D to this Agreement, as it may be amended. The Midwest ISO shall consider whether any changes to its dispute resolution procedures need to be made to implement this Appendix I.

APPENDIX I

15. NOTIFICATION OF ASSUMPTION OF RESPONSIBILITIES

15.1 The ITC shall provide notice to the Midwest ISO of its election to assume the responsibilities described in Sections 7.2-7.4, 8.1, 9.1-9.4, 10.1, and 11.1 of this Appendix I. The ITC must provide notice to allow the Midwest ISO sufficient time to implement procedures to allow coordinated operation of the ITC together with the Midwest ISO.

16. OPERATING PROCEDURES AND PROTOCOLS

16.1 The ITC and the Midwest ISO shall cooperate and use their best efforts to develop the necessary operating procedures and protocols to allow timely start-up of the ITC pursuant to this Appendix I. Any disagreements shall be resolved pursuant to dispute resolution. Once such procedures and protocols have been developed, either through agreement or after dispute resolution, the Midwest ISO shall post such procedures and protocols on its website.

APPENDIX J

**REVENUE DISTRIBUTION FOR
SCHEDULE 18**

I. Additional Definitions. Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix J, and, when used in this Appendix J, the following terms shall have the respective meanings set forth below.

A. GridAmerica Companies. The GridAmerica Companies are Ameren Services Company, as agent for its electric utility affiliates Union Electric Company d/b/a AmerenUE and Central Illinois Public Service Company d/b/a AmerenCIPS, America Transmission Systems, Incorporated, a subsidiary of FirstEnergy Corp., and Northern Indiana Public Service Company.

B. Initial GridAmerica Companies. The Initial GridAmerica Companies are America Transmission Systems, Incorporated, a subsidiary of FirstEnergy Corp., and Northern Indiana Public Service Company.

C. Coordinating Owner. Manitoba Hydro.

D. Owners' and Coordinating Owner's Revenues. Owners' and Coordinating Owner's Revenues are those revenues collected by the Midwest ISO from the GridAmerica Companies' zones pursuant to Schedule 18 for distribution to Owners, other than the GridAmerica Companies, and Coordinating Owner.

APPENDIX J

II. Revenue Distribution.

The Midwest ISO shall cause the distribution monthly of the Owners' and Coordinating Owner's Revenues associated with transmission services under Schedule 18 in accordance with this Appendix J and the Funds Trust Agreement. This Appendix J shall not apply to revenues collected under Schedule 18 by the Midwest ISO from zones other than the GridAmerica Companies' zones for distribution to the GridAmerica Companies. In order to cause the distribution of revenues on a monthly basis, the Midwest ISO may estimate the revenues to be received by each Owner and Coordinating Owner subject to a true-up. The following methodology is used to distribute revenues received associated with charges under Schedule 18:

Revenues shall be fully distributed to the Owners and Coordinating Owner based on each Owner's and Coordinating Owner's relative share of total lost revenues collected from GridAmerica Companies' zones, with those relative shares set out on Appendix J, Attachment 1. For this Section II, lost revenues collected from GridAmerica Companies' zones only reflect those test period revenues that would be eliminated because of the GridAmerica Companies joining the Midwest ISO.

III. Effective Date.

Appendix J will be effective on the first date that one of the GridAmerica Companies have their transmission facilities under the Transmission Tariff and charges under Schedule 18 begin.

**APPENDIX J
 ATTACHMENT 1**

**OWNERS' AND COORDINATING OWNER'S RELATIVE SHARE OF LOST REVENUES
 COLLECTED FROM THE GRIDAMERICA COMPANIES' ZONES UNDER SCHEDULE 18¹**

Transmission Owner	Lost Revenues (all GridAmerica Companies under the Transmission Tariff)	Percentage (all GridAmerica Companies under the Transmission Tariff)	Lost Revenues (Initial Grid- America Companies)	Percentages (Initial Grid-America Companies)
Alliant Energy West (IES Utilities and IPC)	\$112,567	1.23%	\$49,326	0.68%
American Transmission Company LLC	\$137,592	1.50%	\$77,790	1.07%
Central Illinois Light Co.	\$62,938	0.69%	\$19,280	0.27%
Cinergy Services, Inc.	\$3,690,576	40.32%	\$3,043,794	41.94%
City Water L&P, Springfield, Illinois	\$36,288	0.40%	\$4,993	0.07%
Hoosier Energy	\$37,679	0.41%	\$31,050	0.43%
International Transmission Company	\$2,978,631	32.54%	\$2,947,705	40.62%
Indianapolis Power & Light Company	\$82,635	0.90%	\$67,776	0.93%
LG&E Corporation	\$874,381	9.55%	\$563,469	7.76%
Manitoba Hydro	\$104,529	1.14%	\$59,410	0.82%
Michigan Electric Transmission Co. LLC	\$87,183	0.95%	\$72,772	1.00%
Minnesota Power, Inc.	\$34,796	0.38%	\$17,692	0.24%
Montana-Dakota Utilities Co.	\$17,194	0.19%	\$10,182	0.14%
Northern States Power Companies	\$660,510	7.22%	\$199,700	2.75%
Otter Tail Power Company	\$23,736	0.26%	\$13,062	0.18%
Southern Illinois Power Cooperative	\$133,156	1.45%	\$11,756	0.16%
Vectren	\$79,909	0.87%	\$67,587	0.93%
TOTAL	\$9,154,299	100.0%	\$7,257,344	100.0%

¹ The percentages of total lost revenues collected from the GridAmerica Companies' zones pursuant to Schedule 18 resulting from the GridAmerica Companies having their transmission facilities under the Transmission Tariff shall be calculated for each Owner based upon the test period used to derive the charges under Schedule 18 of the Transmission Tariff. The percentages reflect all three GridAmerica Companies having their transmission facilities under the Transmission Tariff. For any month in which one or more GridAmerica Companies do not have their transmission facilities under the Transmission Tariff, the Lost Revenues and Percentages columns on the table would need to be revised to reflect only those GridAmerica Companies that do have their transmission facilities under the Transmission Tariff. For any month in which none of the GridAmerica Companies have their transmission facilities under the Transmission Tariff, Schedule 18 shall not apply and both the Lost Revenues and Percentage columns on the table would be zero for all Owners. In addition, if any of the Owners listed on the table withdraw from the Midwest ISO, upon the effectiveness of that withdrawal the Lost Revenues and Percentages columns on the table would need to be revised to reflect that withdrawal.

APPENDIX K

**FILING RIGHTS PURSUANT TO SECTION 205 OF THE FEDERAL POWER
ACT OF THE OWNERS AND THE MIDWEST ISO**

The following represents the agreement of the Transmission Owners and the Midwest ISO on filing rights pursuant to section 205 of the Federal Power Act.

I. Additional Definitions. Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix K, and when used in this Appendix K, the following terms shall have the respective meanings set forth below.

A. Appendix I Agreement. One of the following agreements:

(a) "Appendix I Agreement by and Between International Transmission Company and the Midwest Independent Transmission System Operator, Inc." dated August 31, 2001, as amended by the "Supplemental Agreement" by and among the Midwest Independent Transmission System Operator, Inc., International Transmission Company, and undersigned Owners dated November 15, 2001, as such agreement may be amended from time to time; (b) "Second Amended and Restated Appendix I ITC Agreement" by and between the Midwest ISO and GridAmerica LLC, dated as of May 30, 2003, as such agreement may be amended from time to time, and (c) any additional agreement that may be entered into by and between the Midwest ISO and a third party pursuant to Appendix I of the Agreement.

B. Attachment O. The rate formula set out in the Tariff, from Sheet No. 364 through 393, as may be amended from time to time.

- C. **FPA**. The Federal Power Act, 16 U.S.C. § 824 et al.
- D. **Grandfathered Agreements**. The agreements listed on Attachment P of the Transmission Tariff as that attachment may be changed from time to time.
- E. **Non-Jurisdictional Transmission Owners**. Owners of transmission facilities that are not FERC public utilities, but over which service is provided by the Midwest ISO under the Transmission Tariff and who have transferred functional control of those facilities to the Midwest ISO.
- F. **Parties**. The Transmission Owners and the Midwest ISO.
- G. **Transmission Owner**. The owner of, and/or holder of FPA section 205 filing rights with respect to, transmission facilities, service over which is provided by the Midwest ISO under the Transmission Tariff and functional control over which has been transferred to the Midwest ISO, and who is a signatory to the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights, filed with FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108. Only Transmission Owners that are public utilities under the FPA are included within this definition of Transmission Owner when the term is used to specify filing rights under FPA section 205.

II. Division Of Filing Rights

A. Transmission Revenue Requirements. Each Transmission Owner shall possess the full and exclusive right to submit filings under FPA section 205 with regard to its transmission revenue requirements. This full and exclusive right shall include the right to propose a new rate formula or any change to any component of any rate formula used to calculate its revenue requirements, if applicable, provided that such a change is related to that Transmission Owner's revenue requirements. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section A.

B. Attachment O. In order to change the Attachment O rate formula, the governance and coordination provisions of Articles III and IV of this Appendix K shall apply, provided that those Transmission Owners that do not have their revenue requirements calculated through such formula shall not have voting rights pursuant to Articles III and IV of this Appendix K with respect to such a change.

C. Zonal Rates.

1. Generally. The Transmission Owner(s) whose transmission facilities comprise the facilities within a zone shall possess the full and exclusive right to submit filings under FPA section 205 with regard to the transmission rate design for that zone for network load and transactions sinking within that zone; provided, however, that any filing made pursuant to this Article II, Section C, Paragraph 1 shall not in any

way affect the rates charged or revenues collected in any other zone. Filings that may be made under this Article II, Section C, Paragraph 1 include, but are not limited to the following types of rate design changes: (1) changing from a formula rate to stated rates or vice-versa; (2) changing the form or type of formula rate; (3) proposing incentive rates; and (4) proposing performance-based rates. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 1.

2. Multiple Transmission Owners Within a Zone. If there are multiple Transmission Owners within a zone, those Transmission Owners should seek to reach agreement on a rate design. If no agreement is reached, then each Transmission Owner within the zone shall have the right to submit a FPA section 205 filing proposing an initial rate design or rate design change for the zone. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 2.

3. Zone Boundaries. For filings that propose to realign, eliminate, or otherwise reconfigure rate zones, only those Transmission Owners whose zones would be realigned, eliminated, or otherwise reconfigured by a filing shall possess the corresponding FPA section 205 rights. If there are multiple Transmission Owners whose rate zones would be realigned, eliminated, or otherwise reconfigured pursuant to a filing,

then all such Transmission Owners shall reach agreement before making a filing under this article. Transmission Owners shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 3. Nothing in this Article II, Section C, Paragraph 3 is intended to modify, in any way, existing provisions and limitations applicable to zone boundary changes, including those included in Appendix C of the Agreement.

D. Rates Affecting More Than One Zone and Through and Out Rates.

Except as may be provided in Article II, Section E, Paragraph 2 of this Appendix K, the Transmission Owners shall possess the full and exclusive right to submit filings under FPA section 205 with regard to transmission rate design associated with rates affecting more than one zone as well as for transactions going through or out of the Midwest ISO. The filing right specified in this Article II, Section D shall be subject to the governance and coordination provisions of Articles III and IV of this Appendix K.

Limitations: Notwithstanding the foregoing, each Transmission Owner shall fully control its revenue requirement component used in calculating the total through and out rates set forth in Schedules 7 and 8 of the Transmission Tariff and in any other Transmission Tariff Schedule setting forth rates affecting more than one zone in which individual Transmission Owner revenue requirements are used to derive the rate.

E. Transmission Upgrades and New Transmission Facilities.

1. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit filings with regard to transmission upgrades and new transmission facilities that affect only the rates within the applicable Transmission Owner's Transmission Tariff zone(s). This provision applies to (a) a Transmission Owner constructing transmission upgrades or new transmission facilities in its own zone and seeking recovery of costs through rates that apply only to its zone; (b) a Transmission Owner constructing, or otherwise assuming financial responsibility for, transmission upgrades or new transmission facilities in a zone other than that Transmission Owner's zone and seeking recovery of costs through rates that apply only to its own zone; and (c) a Transmission Owner assigned costs associated with transmission upgrades or new transmission facilities and seeking recovery of costs through rates that apply only to its zone.

2. Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to the allocation of costs associated with transmission upgrades and new transmission facilities affecting multiple Transmission Tariff zones; provided, however, that this filing right shall be subject to the governance provisions of Article III of this Appendix K with regard to filings made by Transmission Owners, and Article IV of this Appendix K with regard to filings made by either the Transmission Owners or the Midwest ISO.

F. Retail Transmission. Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to revising the Transmission Tariff to include or change the terms or conditions applicable to transmission services for unbundled retail transmission customers. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section F; provided, however, that any such filing shall not materially affect any other Transmission Owner.

G. Schedule 1 Costs. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit its revenue requirements to be recovered under Schedule 1 of the Transmission Tariff. The Transmission Owners shall possess the full and exclusive right under FPA section 205 to submit changes in rates and rate design under Schedule 1 of the Transmission Tariff subject to the governance and coordination provisions of Articles III and IV of this Appendix K; provided, however, if a rate or rate design proposal affects only one zone, the Transmission Owner(s) in that zone may file under FPA section 205 without following the governance and coordination provisions of Articles III and IV of this Appendix K.

H. Other Costs. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to file a proposal or rate to recover other costs imposed on it and nothing in this Appendix K shall be interpreted as precluding any Transmission Owner from making a FPA section 205 filing to propose a method or rate

for recovering any other cost the Transmission Owner may incur as a result of Midwest ISO actions (unless expressly dealt with herein in which case the specific provision would apply), provided that such costs are not otherwise recovered in rates. These other costs may include non-transmission costs such as the costs associated with implementing the Midwest ISO's directives with regard to preserving reliability or energy markets, including (but not limited to) directives pursuant to a Midwest ISO Transmission and Energy Markets Tariff (or successor document). A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section H and shall, instead, have a full, exclusive, and unilateral right to submit any filing that only affects the rates within its zone(s); provided, however, that any proposal that requires loads in other zones to bear some or all of the costs shall be subject to Articles III and IV of this Appendix K.

I. Ancillary Services Other Than Schedule 1. Both Transmission Owners that own or control generation or other resources capable of providing ancillary services (offered to customers pursuant to the Transmission Tariff) and the Midwest ISO shall have the right to submit filings under FPA section 205 to govern the rates, terms, and conditions applicable to the provision of ancillary services. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II,

Section I; provided, however, that any ancillary service proposal with regional impacts shall be subject to the governance and coordination provisions of Articles III and IV of this Appendix K.

J. Seams Agreements. The Midwest ISO shall invite the participation of the Transmission Owners in any discussions with adjoining transmission providers or transmission owners, having as their purpose the consummation of a seams agreement containing provisions that could affect transmission revenues or impose costs or responsibilities on any or all of the Transmission Owners. The execution of agreements with adjoining transmission providers or owners shall be subject to the stakeholder review process provided for in the Agreement. The Midwest ISO shall take appropriate measures, consistent with its responsibilities under Article Three, Section D of the Agreement, to minimize the risk that any seams agreement will result in a net reduction in revenues recoverable by a Transmission Owner.

K. Other Provisions Affecting Transmission Revenues. With regard to any other tariff provision affecting transmission revenues, the Midwest ISO and the Transmission Owners shall each have filing rights under FPA section 205. The filing right specified in this Article II, Section K shall be subject to the limitations set forth in Article II, Section D above, and the governance and coordination provisions of Articles III and IV of this Appendix K.

L. Provisions Not Addressed in Article II, Sections A-K of this Appendix

K. Except as provided herein, the Midwest ISO shall have the full and exclusive right to submit filings under FPA section 205 with regard to its Transmission Tariff and related documents; provided, however, that nothing herein shall prevent the Midwest ISO from inviting the participation of one or more Transmission Owners in any such submission; and provided further that nothing in this provision or Appendix K provides the Midwest ISO with any authority (other than that which it already may possess) to submit revisions to the Agreement or to any documents to which it is not a party.

III. TRANSMISSION OWNER GOVERNANCE ISSUES

A. FPA section 205 filings subject to this Article III, as provided for in Article II of this Appendix K, shall not be made by individual Transmission Owners. Instead, it is the intention of all Parties that Transmission Owners will coordinate the filing rights subject to this Article III through the development of joint filings of the type set forth herein. Decisions on whether or not to make a joint section 205 filing shall be made by majority vote, on a "one Transmission Owner – one vote" basis; provided that any entity that has one or more written delegations of authority to exercise section 205 rights on the matter that is the subject of a vote shall be authorized to cast a vote under each such delegation of authority. A minority of Transmission Owners may submit a filing under FPA section 205, provided the minority consists of at least three (3) Transmission Owners that either own or have been delegated authority to

exercise section 205 rights concerning combined gross transmission plant of at least \$2,500,000,000 as calculated based on the gross transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports).

IV. COORDINATION

A. Transmission Owners Coordination. Transmission Owner(s), whether acting individually or jointly pursuant to Article III of this Appendix K, shall provide the Midwest ISO and all other Transmission Owners with at least thirty (30) days' notice before submitting any FPA section 205 filing that is subject to this Article IV as provided for in Article II of this Appendix K, unless circumstances require a shorter notice, in which case the Transmission Owner(s) shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Transmission Owner(s) will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Midwest ISO believes it necessary, the Transmission Owner(s) will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

B. Transmission Owners and Midwest ISO Coordination for Midwest ISO Filings. On any filing in which both the Midwest ISO and the Transmission Owners possess filing rights under FPA section 205 and which the Midwest ISO proposes to file, the Midwest ISO will provide advance notice to the Transmission Owners of at least

thirty (30) days before making a filing under FPA section 205, unless circumstances require a shorter notice, in which case the Midwest ISO shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Midwest ISO will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Transmission Owners believe it necessary, the Midwest ISO will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

C. **Transmission Owners and Midwest ISO Coordination.** In instances in which both the Midwest ISO and the Transmission Owners in whole or in part intend to submit FPA section 205 filings on the same or similar subjects or tariff provisions, the Midwest ISO and the Transmission Owners shall meet to determine if a joint filing could be submitted. If the Midwest ISO and the Transmission Owners cannot agree to a joint filing, then separate filings may be submitted.

V. **MISCELLANEOUS**

A. **Jurisdiction.** Nothing in this Appendix K is intended to provide FERC with jurisdiction over Non-Jurisdictional Transmission Owners who may rely on the Midwest ISO to submit filings for them with regard to their individual revenue requirements or rate designs.

B. **FPA Section 206 Rights.** Nothing in this Appendix K is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to seek revisions to any document pursuant to FPA section 206. Moreover, nothing in this

Appendix K is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to intervene in any proceeding before FERC or to protest or comment upon any filing made with FERC.

C. **Appendix I of the Agreement.** Nothing in this Appendix K is intended to affect or in any way abridge the rights of Independent Transmission Companies under their respective Appendix I Agreement(s) and related agreements, as may be supplemented from time to time.

D. **Agreement and Transmission Revenue Distribution.** Nothing in this Appendix K is intended to modify or affect the filing rights of Transmission Owners and restrictions on such filing rights relating to the Agreement set forth in the Agreement or to provide the Midwest ISO with any filing rights with regard to transmission revenue distribution.

E. **Others' Filing Rights.** Nothing in this Appendix K is intended to affect the FPA section 205 filing rights of any entity which is not a Party. Nor is anything in this Appendix K intended to affect the procedural rights of any other interested party, including state regulatory commissions, regarding a filing submitted by the Midwest ISO or a Transmission Owner (or both) pursuant to Article II of this Appendix K.

F. **Midwest ISO Administration of Transmission Tariff.** Nothing in this Appendix K is intended to eliminate the Midwest ISO's responsibility for administering the Transmission Tariff in a prudent manner, consistent with the Agreement and FERC requirements. To that end, the Midwest ISO shall continue its administrative functions with regard to the Transmission Tariff in which, for example, it is responsible for

ensuring that the formatting of the Transmission Tariff pages (including those pages submitted by Transmission Owners for advance Midwest ISO review pursuant to Article IV, Section A of this Appendix K) is in compliance with FERC requirements, and in which it remains the administrator of the Transmission Tariff even for Transmission Tariff provisions over which the Transmission Owners possess FPA section 205 filing rights under this Appendix K. In addition, nothing in this Appendix K is intended to affect the rights the Midwest ISO possesses to discount transmission service under the Transmission Tariff consistent with the provisions of this Appendix K. Additionally, nothing in this Appendix K forbids the Midwest ISO, if specifically authorized by a Transmission Owner or by multiple Transmission Owners, as appropriate, from making a filing on behalf of the Transmission Owner(s).

G. Grandfathered Agreements. Nothing in the Appendix K is intended to affect or modify whatever rights any entity may possess to seek modification of any Grandfathered Agreements.

H. Appendix K Modifications. It is the intent of the Parties that the provisions of this Appendix K, and the conforming changes to the Transmission Tariff and the Agreement required by this Appendix K, shall be subject to change solely by written amendment executed by the Midwest ISO and the Transmission Owners, with execution by the Transmission Owners requiring approval by a majority of the Transmission Owners provided, however, that any such amendment is not affirmatively opposed by three (3) or more Transmission Owners collectively owning gross transmission plant of at least \$2,500,000,000 as calculated based on the gross

transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports). Otherwise, no Party may make a FPA section 205 filing that, if accepted or approved by FERC, would in any way have the effect of (1) canceling, modifying or limiting the FPA section 205 filing rights of any other Party provided for in this Appendix K, or (2) converting exclusive FPA section 205 filing rights of a Party provided for in this Appendix K into non-exclusive rights.

I. **Mobile-Sierra Standard.** It is the intent of the Parties that any change to any provision of this Appendix K, or to any conforming change to the Transmission Tariff or the Agreement, that is not proposed pursuant to Article V, Section H of this Appendix K whether proposed by a Party, non-Party, or the FERC shall be limited to the maximum extent permissible by law and shall be subject to the Mobile-Sierra public interest standard of review applicable to fixed rate agreements; provided, however, that beginning five years from the date of execution of the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights (filed at FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108), actions initiated by the FERC, acting *sua sponte* pursuant to FPA section 206, shall be governed by the just and reasonable standard.

VI. TERM

This Appendix K shall remain in effect for 5 years from the date it becomes effective and shall remain in effect from year to year thereafter unless (a) it is deemed withdrawn pursuant Section 6.12 of the Settlement Agreement Between

APPENDIX K

Transmission Owners and Midwest ISO on Filing Rights (filed at FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108) (referred to as "Filing Rights Settlement" for purposes of this Article VI, Section A), (b) it is withdrawn pursuant to a modification or amendment executed pursuant to Sections 6.8 and/or 6.9 of the Filing Rights Settlement, or (c) three-fourths of the Transmission Owners then subject to this Appendix K give one year advance notice in writing that they wish to terminate this Appendix K; provided, however, that unless expressly stated otherwise, this Appendix K shall not be deemed withdrawn if modified or amended under Sections 6.8 and/or 6.9 of the Filing Rights Settlement; and provided further that a Transmission Owner shall not be subject to, or otherwise bound by, this Appendix K at any time following its effective withdrawal from either the Agreement or an Appendix I Agreement.

**AGREEMENT BETWEEN MIDWEST ISO AND MIDWEST ISO BALANCING
AUTHORITIES RELATING TO IMPLEMENTATION OF TEMT,
AS AMENDED ON MARCH 14, 2008**

The Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”) and the Midwest ISO Local Balancing Authorities (“LBA”) agree to the following terms.

1. RECITALS

- 1.1 In its August 6, 2004 Order in *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER04-691-000 (paragraphs 123 and 138), the Federal Energy Regulatory Commission (“FERC” or “Commission”) ordered procedures before a settlement judge to resolve issues between the Midwest ISO and Midwest ISO Balancing Authorities relating to implementation of the Open Access Transmission and Energy Markets Tariff (“EMT”).
- 1.2 The Parties had conversations, participated in settlement conferences and developed a Settlement Agreement to which the Original Agreement was attached that when filed represented a settlement of the issues between the Balancing Authorities and the Midwest ISO relating to implementation of the EMT.
- 1.3 Through the Original Agreement the Parties set out in detail the division and transfer of certain responsibilities between Balancing Authorities and the Midwest ISO relating to implementation of the EMT. The Original Agreement was accepted by the Commission in the February 18, 2005 Order.¹
- 1.4 The Parties are amending the Original Agreement to accommodate the development and implementation of the Midwest ISO’s Ancillary Services Markets.
- 1.5 The Parties believe that this Agreement is in the public interest.

¹ See, *Midwest Independent Transmission System Operator, Inc., et al.*, 110 FERC ¶ 61,177 (2005).

2. DEFINITIONS

- 2.1 **ACTUAL INTERCHANGE.** The metered interchange over a specific interconnection, including pseudo-ties, between two directly interconnected Balancing Authorities.
- 2.2 **AMENDED AGREEMENT.** The Original Agreement as amended on March 14, 2008.
- 2.3 **ANCILLARY SERVICES.** As defined in Module A of the Tariff.
- 2.4 **ANCILLARY SERVICES MARKETS.** The Midwest ISO markets for Ancillary Services the Midwest ISO seeks to establish through a Commission filing.
- 2.5 **AREA CONTROL ERROR (“ACE”).** The instantaneous difference between a Balancing Authority’s net Actual Interchange and Scheduled Interchange, taking into account the effects of frequency bias including a correction for meter error.
- 2.6 **BALANCING AUTHORITY.** The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports the Eastern Interconnection frequency in real-time.
- 2.7 **BALANCING AUTHORITY AREA (“BAA”).** The collection of generation, transmission, and loads within the metered boundaries of a Balancing Authority. A Balancing Authority maintains load-resource balance within its Balancing Authority Area.
- 2.8 **BALANCING AUTHORITIES COMMITTEE (“BA COMMITTEE”).** A committee comprised of one member from each of the Parties to this Amended Agreement.
- 2.9 **BULK ELECTRIC SYSTEM.** The electrical generation resources, transmission lines, interconnection with neighboring systems, and associated equipment generally operated at voltages of 100kV or higher. Bulk Electric System also may include facilities that operate at voltages of lower than 100 kV that are used to support those facilities that generally operate at voltages of 100 kV or higher.
- 2.10 **BUSINESS DAYS.** Any day other than a Saturday or Sunday or a national holiday.

- 2.11 **CRITICAL CYBER ASSETS.** Cyber assets essential to the reliable operation of critical facilities, systems, and equipment which, if destroyed, degraded, or otherwise rendered unavailable, would affect the reliability of the Bulk Electric System.
- 2.12 **DEFAULT.** As defined in Section 12.
- 2.13 **EFFECTIVE DATE.** The effective date of this Amended Agreement as specified in Section 13.
- 2.14 **EMERGENCY.** An abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the Bulk Electric System.
- 2.15 **EMT.** The Midwest ISO's Open Access Transmission and Energy Markets Tariff, as modified from time to time, and is superseded by the Midwest ISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff") upon implementation of the Tariff.
- 2.16 **EXTERNAL BALANCING AUTHORITY.** A Balancing Authority outside of the Midwest ISO Balancing Authority Area.
- 2.17 **FERC or the COMMISSION.** The Federal Energy Regulatory Commission or any successor agency.
- 2.18 **GOOD UTILITY PRACTICE.** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to the acceptable practices, methods, or acts generally accepted in the region, including those practices required by Section 215(a)(4) of the Federal Power Act.
- 2.19 **INTERCONNECTION.** The Eastern Interconnection defined by NERC.

- 2.20 **LOCAL BALANCING AUTHORITY (“LBA”).** An operational entity or Joint Registration Organization, as defined in the NERC Rules of Procedure, which is (i) responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined in this Amended Agreement for their local area within the Midwest ISO Balancing Authority Area, (ii) a Party to this Amended Agreement, excluding the Midwest ISO, and (iii) shown in Appendix A to this Amended Agreement.
- 2.21 **LOCAL BALANCING AUTHORITY AREA (“LBAA”).** The collection of generation, transmission, and loads that are within the metered boundaries of an LBA.
- 2.22 **MARKET PARTICIPANTS.** As defined in Module A of the Tariff.
- 2.23 **MIDWEST ISO.** The Midwest Independent Transmission System Operator, Inc. or any successor organization. The entity responsible for compliance with NERC Balancing Authority Reliability Standards in accordance with the terms of this Amended Agreement.
- 2.24 **MIDWEST ISO BALANCING AUTHORITY AREA (“MBAA”).** The collection of generation, transmission, and loads within the metered boundaries of the Midwest ISO. The MBAA consists of the transmission system, load and generation resources interconnected to the Midwest ISO Transmission System, as defined under the Tariff, that: (i) function as a centrally coordinated system and (ii) operate subject to the single set of dispatch instructions determined and issued by the Midwest ISO.
- 2.25 **MIDWEST ISO TO AGREEMENT.** The Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation.
- 2.26 **NERC.** The North American Electric Reliability Corporation, or any successor organization.
- 2.27 **NERC BALANCING AUTHORITY RELIABILITY STANDARDS.** Those reliability standards and requirements applicable to Balancing Authorities as those standards and requirements exist or are hereafter modified or adopted by NERC.
- 2.28 **NET SCHEDULED INTERCHANGE.** The net of all Scheduled Interchange for a Balancing Authority Area.

- 2.29 **OPERATING PROTOCOLS.** The operating protocols entitled “Operating Protocols of the Local Balancing Authorities and the Midwest ISO Balancing Authority” that are developed and approved by the BA Committee, as may be amended from time to time, to describe in more detail the obligations of the Parties to implement this Amended Agreement.
- 2.30 **ORIGINAL AGREEMENT.** The “Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating To Implementation of TEMT,”
- 2.31 **PARTY OR PARTIES.** The entity or entities that have executed this Amended Agreement.
- 2.32 **REGIONAL RELIABILITY ORGANIZATION (“RRO”).** The Regional Entities established in *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, 114 FERC ¶ 61,104, *order on reh’g*, Order No. 672-A, 114 FERC ¶ 61,238 (2006) or NERC-approved regional organizations that have been delegated reliability responsibilities by NERC, or its successor organization, to ensure that a defined area of the Bulk Electric System is reliable, adequate, and secure.
- 2.33 **RELIABILITY COORDINATOR.** The entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the wide area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of interconnection reliability operating limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.
- 2.34 **SETTLEMENT AGREEMENT.** The Offer of Settlement submitted to FERC on October 5, 2004 to which the Original Agreement was attached and all attachments thereto.
- 2.35 **SCHEDULED INTERCHANGE.** The planned interchange between two adjacent Balancing Authorities.
- 2.36 **TARIFF.** The Midwest ISO’s Open Access Transmission, Energy and Operating Reserve Markets Tariff, as may be amended from time to time.
- 2.37 **TRANSMISSION CUSTOMER.** An entity taking transmission service under the Tariff.

3. RELATIONSHIP TO MIDWEST ISO TO AGREEMENT

- 3.1 **MIDWEST ISO TO AGREEMENT.** Nothing in this Amended Agreement shall be construed or is intended to cause or effect a modification to the Midwest ISO TO Agreement. This Amended Agreement is intended to be separate from the Midwest ISO TO Agreement. All rights and obligations currently existing under the Midwest ISO TO Agreement remain.
- 3.2 **RELATIONSHIP TO ORIGINAL AGREEMENT.** Once the provisions in Section 13.2 of the Original Agreement and the Amended Agreement are satisfied to allow the Amended Agreement to take effect, the Amended Agreement shall supercede the Original Agreement upon the effective date specified in this Amended Agreement; provided, however, this shall not eliminate any rights or obligations relating to prior actions which shall survive the Original Agreement including, but not limited to, rights or obligations arising under the following provisions: (i) indemnification; (ii) waivers of liability; (iii) no agreement to jurisdiction; (iv) default; (v) cost recovery; and (vi) obligations upon termination by entities that terminated their participation in the Original Agreement without executing this Amended Agreement. Notwithstanding the foregoing in this Section 3.2, the Midwest ISO and the LBAs shall maintain the functionality necessary to comply with the Original Agreement for a specific² number of days after Ancillary Services Markets start-up.

4. OPERATIONS

- 4.1 **GENERAL.** In carrying out obligations under this Amended Agreement, each LBA and the Midwest ISO shall (i) follow Good Utility Practice, (ii) comply with applicable policies, standards and requirements of NERC and the applicable RRO, and (iii) follow applicable laws, regulations, and orders.
- 4.2 **PURPOSE.** The purpose of this Amended Agreement is to delineate the responsibilities (including applicable NERC and RRO reliability requirements) between the Midwest ISO and the LBAs to establish the MBAA that facilitates the operation of the Ancillary Services Markets to be implemented under the Tariff.

² The numbers of days will be determined in the Reversion Plan prior to execution of the Amended Agreement.

- 4.3 **RESPONSIBILITY FOR TASKS.** In its role as a Balancing Authority, the Midwest ISO shall perform NERC and applicable RRO Balancing Authority tasks within the MBAA except as delineated in Section 4 of this Amended Agreement.
- 4.3.1 The Midwest ISO shall document each NERC and applicable RRO Balancing Authority task within the MBAA that has been assigned to an LBA.
- 4.3.2 The Midwest ISO and an LBA may agree by separate written contract to transfer additional responsibilities between an LBA and the Midwest ISO set forth in this Section 4 of this Amended Agreement. Any such contract shall not be considered a modification or amendment to this Amended Agreement. Such contracts shall be funded independently.
- 4.3.3 Nothing in this Amended Agreement would preclude an LBA from delegating one or more of its LBA tasks described in this document to one or more entities. In those circumstances, local agreements between those entities will govern the delineation of responsibilities and associated compliance for that LBAA.
- 4.3.4 Each load, generation facility, and transmission facility within the metered boundaries of the MBAA and within the Midwest ISO transmission system shall be within an LBAA. Each LBAA shall have only one LBA except as stated in the attached "Appendix B".
- 4.3.5 To the extent that a generator is participating in the Midwest ISO Ancillary Services Markets and is not within the metered boundaries (including pseudo-ties) of an LBAA, it shall be pseudo-tied within the MBAA, and for the purposes of the BA Agreement, the Midwest ISO shall be responsible for all NERC BA tasks and associated BA compliance for such facilities.

4.4 **REGISTRATION AND CERTIFICATION.** LBAs and the Midwest ISO shall each comply with NERC and applicable RRO registration and certification requirements related to the Balancing Authority function consistent with the tasks assigned under this Amended Agreement.

4.5 **RESPONSIBILITIES RELATING TO ACTUAL INTERCHANGE**

- 4.5.1 LBAs with tie lines, including pseudo-ties, with External Balancing Authorities shall be responsible for ensuring that adequate metering, communications, and related equipment is maintained and employed to obtain Actual Interchange data as identified in the Operating Protocols.
- 4.5.2 LBAs with tie lines, including pseudo-ties, with External Balancing Authorities shall be responsible for collecting, calculating, verifying and providing to the Midwest ISO Actual Interchange values, as identified in the Operating Protocols, for each such tie line. Such LBAs shall provide to the Midwest ISO an interchange meter error component, as identified in the Operating Protocols, for its external tie lines.
- 4.5.3 LBAs with tie lines with External Balancing Authorities shall be responsible for gathering after-the-fact tie line accounting data with External Balancing Authorities that are interconnected to the LBA and providing such data to the Midwest ISO.

4.6 **DATA EXCHANGE**

- 4.6.1 The Midwest ISO shall provide each LBA with real-time and projected control and dispatch information for all resources within the LBAA as specified in the Operating Protocols.
- 4.6.2 Each LBA and the Midwest ISO shall provide the information and data that a Party reasonably requires to carry out its responsibilities, as determined by the requesting Party, under this Amended Agreement as specified in the Operating Protocols.
- 4.6.3 Each LBA shall be responsible for knowing the status of all resources, generation and transmission available for use within its LBAA except as stated in Appendix B.
- 4.6.4 Upon separate written agreement with an LBA, a Market Participant may arrange for information to be provided to the Midwest ISO through the LBA. Such agreement to provide information shall include protocols for accurate data provision as well as any terms for reimbursement of the LBA for the costs associated with the provision of information. The LBA shall implement the information transfer in accordance with the agreement. Neither the LBA nor the Midwest ISO shall be responsible for any errors in the information received from a Market Participant that such LBA transfers to the Midwest ISO.

4.7 OTHER

- 4.7.1 Each LBA shall continue to be responsible for the coordination of controllable loads that are not considered resources under the Tariff with load serving entities within its LBAA.
- 4.7.2 Each LBA shall comply with directives of the Reliability Coordinator, in accordance with NERC standards, including implementing emergency procedures.

4.8 PARALLEL RESPONSIBILITIES UNDER NORMAL OPERATIONS

- 4.8.1 The Midwest ISO and each LBA shall be individually responsible for reporting any disturbances or unusual occurrences in the MBAA or LBAA, respectively, that are suspected or determined to be caused by sabotage, to the appropriate systems, governmental agencies, and regulatory bodies.
- 4.8.2 The Midwest ISO and each LBA shall be individually responsible for identification and protection of Critical Cyber Assets, within its respective scope of operations, to support reliable operation of the Bulk Electric System.
- 4.8.3 The Midwest ISO and each LBA shall be individually responsible for adequate and reliable telecommunications facilities internally and with others for the exchange of interconnection and operating information necessary to maintain reliability within its respective scope of operations. Along with maintaining telecommunications facilities, the Midwest ISO and each LBA shall ensure that these communications capabilities are staffed and available for addressing real-time emergency conditions.
- 4.8.4 The Midwest ISO and each LBA shall be individually responsible for providing its personnel with a training program that will support reliable system operation and effective communications within its respective scope of operations. However, the Midwest ISO shall be responsible for providing operational coordination training to its appropriate employees and the appropriate employees of the LBAs.

4.9 **EMERGENCY OPERATIONS**

- 4.9.1 In coordination with the LBAs, the Midwest ISO shall document procedures necessary to operate during an Emergency or an abnormal operating condition, as declared by the Midwest ISO.
- 4.9.2 Each LBA shall maintain procedures necessary to implement the documented Midwest ISO procedures that an LBA is expected to perform during an Emergency or an abnormal operating condition.
- 4.9.3 The Midwest ISO and each LBA shall have reasonable capabilities in place for ensuring continuity of reliable operations in the event that its primary control center functionality becomes inoperable.
- 4.9.4 In coordination with the Midwest ISO, each LBA shall ensure plans, procedures, and resources for its LBAA are available to restore the electric system to a normal condition in the event of a partial or total shutdown of the Bulk Electric System.
- 4.9.5 The LBAs shall take all reasonable steps to assist the Midwest ISO during an Emergency in the Midwest ISO region. The LBAs shall not be obligated to procure energy during an Emergency in the Midwest ISO region.

5. **OPERATING PROTOCOLS AND SPECIFIC NERC REQUIREMENT ASSIGNMENT**

- 5.1 **INITIAL ASSIGNMENT OF TASKS.** The BA Committee shall create, maintain and provide to NERC a list of assignments of each of the NERC Balancing Authority Reliability Standards to either the Midwest ISO and/or the LBAs in accordance with this Amended Agreement. This list shall be provided to each applicable RRO for compliance monitoring.
- 5.2 **SUBSEQUENT TASKS.** When new applicable RRO or NERC Balancing Authority Reliability Standards tasks are required, the BA Committee shall enter into good faith negotiations to determine whether the Midwest ISO and/or LBAs shall be responsible for performing the new tasks. Prior to resolution by the BA Committee, the Midwest ISO shall be responsible for performing new applicable RRO or NERC Balancing Authority Reliability Standards tasks in accordance with Section 4 of this Amended Agreement.

- 5.3 **MODIFIED TASKS.** When an applicable RRO or NERC Balancing Authority Reliability Standards task is modified, the BA Committee shall enter into good faith negotiations to determine whether the Midwest ISO and/or LBAs shall be responsible for performing the modified task. Prior to resolution by the BA Committee, the entity responsible for performing the modified applicable RRO or NERC Balancing Authority Reliability Standards task, in accordance with Section 4 of this Amended Agreement, shall remain responsible for performing such task.
- 5.4 **OPERATING PROTOCOLS.** The BA Committee shall be required to develop and maintain Operating Protocols that provide for specific data transfers, and other operational requirements necessary to carry out the delineation of Midwest ISO and LBA responsibilities pursuant to this Amended Agreement.
- 5.5 **ADDITIONAL LBA TASKS.** The Midwest ISO will identify and provide to the BA Committee any functions beyond NERC and RRO requirements that an LBA would be expected to perform. Upon approval by the BA Committee, such functions will be incorporated within the Operating Protocols for implementation by the applicable LBA (s). For any functions not applicable to all LBAs, adoption and implementation must be agreeable to the majority of the applicable LBA (s).

6. LIMITATIONS ON MIDWEST ISO ACTIONS

- 6.1 **GOOD UTILITY PRACTICE.** The Midwest ISO shall not issue any orders to another Party pursuant to this Amended Agreement or take any action pursuant to this Amended Agreement that the Midwest ISO knows or should know would result in damage to any of a Parties' facilities, or injury to any person, or that is not in accordance with Good Utility Practice.
- 6.2 **APPLICABLE LAWS.** The Midwest ISO shall not issue any orders to another Party pursuant to this Amended Agreement or take any action pursuant to this Amended Agreement which the Midwest ISO knows or should know would cause a violation of applicable law or tariffs.

7. INDEMNIFICATION, LIABILITIES, INSURANCE

- 7.1 **INDEMNIFICATION.** The Midwest ISO shall at all times indemnify, defend, and save harmless other Parties to this Amended Agreement and their officers, shareholders, directors, agents, contractors, employees, and members (*i.e.*, cooperative members and municipal joint action agency members) from and against any and all damages, losses, claims, including without limitation claims and actions relating to injury to, or death of, any person, or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties or other Parties, arising out of or resulting from the Party's performance of its obligations under this Amended Agreement or the Midwest ISO's performance of its obligations under this Amended Agreement, except in cases of gross negligence or intentional misconduct by the Party.
- 7.2 **LIMITATION OF LIABILITY.** No Party shall be liable to the Midwest ISO for any damages whatsoever, including, without limitation, direct, indirect, incidental, special, multiple, consequential (including without limitation attorneys' fees and litigation costs), exemplary, or punitive damages arising out of or resulting from any act or omission in any way associated with the performance of the Party's responsibilities under this Amended Agreement, except to the extent, and only to the extent, that the Party is found liable for gross negligence or intentional misconduct, in which case the Party shall not be liable for any indirect, incidental, special, multiple, consequential (including without limitation attorneys' fees and litigation costs), exemplary or punitive damages. The Midwest ISO shall not be liable to any Party for any indirect, incidental, special, multiple, consequential (including without limitation attorneys' fees and litigation costs), exemplary or punitive damages.
- 7.3 **INSURANCE.** The Midwest ISO shall obtain and maintain adequate insurance coverage to cover the indemnifications and liabilities under this Amended Agreement subject to its ability to secure such coverage at a reasonable cost. Before obtaining, changing or renewing such coverage, the Midwest ISO shall consult with the Parties, with that consultation to take place no later than ninety (90) days prior to the renewal date or changes in coverage.

8. COST RECOVERY

- 8.1 **TARIFF.** Schedule 24 of the Tariff shall not be modified without satisfaction of the voting requirements set forth in Section 14.4 in this Amended Agreement.
- 8.2 **COST REIMBURSEMENT.** The Balancing Authority Committee shall establish reimbursement guidelines based on functions being administered or transferred to the Midwest ISO. The Midwest ISO shall directly reimburse an LBA for reasonable costs incurred by an LBA to implement this Amended Agreement. To the extent that the Midwest ISO directly reimburses an LBA, then the costs reimbursed shall not be recovered by that LBA through Schedule 24 of the Tariff. Cost reimbursement under this Section 8.2 shall be limited to costs incurred by signatories, or their successors and assigns, to the Original Agreement. Any cost recovery by additional signatories shall be addressed, if at all, by separate agreement with the Midwest ISO under specific reimbursement guidelines established by the BA Committee.
- 8.3 **SANCTIONS.** Compliance with and any associated sanctions related to NERC and applicable RRO requirements, absent regulatory directive otherwise, shall be the responsibility of the Midwest ISO or the individual LBA assigned the task pursuant to this Amended Agreement.
- 8.4 **COST INCURRENCE LIMITS.** The Midwest ISO shall not knowingly take any action under this Amended Agreement which would cause an LBA to incur or face costs relating to fulfilling its responsibilities pursuant to this Amended Agreement that are not recoverable pursuant to the Tariff provision to be implemented as provided in Schedule 24 of the Tariff, or otherwise reimbursed by the Midwest ISO.

9. CONFIDENTIALITY

- 9.1 **BALANCING AUTHORITIES.** (i) In general, personnel of a Balancing Authority or an LBA performing functions under this Amended Agreement shall keep all information received from the Midwest ISO or other entities relating to its performance under this Amended Agreement confidential and shall not disclose such information to Market Participants (including marketing personnel that are part of the same company as the LBA) or entities which it reasonably believes may become Market Participants. (ii) The one exception to subparagraph (a) involves any entity with personnel who perform both LBA and marketing functions and does so as of the time it executes this Amended Agreement. For an LBA with personnel who perform both LBA and marketing functions, the Midwest ISO shall have the authority to limit the information provided to that LBA (provided that if no other entity controls generation in the LBAs, then there will be no need to limit the information provided and provided that the Midwest ISO shall provide sufficient information to allow the LBA to perform its functions under this Amended Agreement and to comply with NERC and RRO requirements). Each LBA with personnel performing such dual functions shall notify the Midwest ISO of that fact, and, to the extent permitted by law, the LBA shall not disclose confidential information to third party Market Participants or third parties which it reasonably believes may become Market Participants. (iii) Notwithstanding the above, by entering into this Amended Agreement, no LBA shall be obligated to restructure its operations (in place as of the time of its execution of the Original Agreement or Amended Agreement, whichever is earlier) to separate LBA personnel from marketing personnel.
- 9.2 **MIDWEST ISO.** The Midwest ISO, its directors, officers, employees, contractors, and agents shall adhere to the Standards of Conduct set forth as Attachment A to the Midwest ISO TO Agreement with regard to all activities related to this Amended Agreement.
- 9.3 **ADDITIONAL REQUIREMENTS.** All data provided under the Amended Agreement shall be subject to the following confidentiality provisions. An LBA shall not be required to sign or comply with additional Midwest ISO confidentiality requirements, such as Attachment Z to the Tariff. The LBAs shall release and hold the Midwest ISO harmless from any unauthorized disclosures of confidential information. The LBAs shall establish and implement internal procedures promptly notifying the Midwest ISO if the LBA becomes aware of any breaches of confidentiality, including, but not limited to, cyber security breaches. The Midwest ISO shall release and hold the LBAs harmless from any unauthorized disclosures of confidential information and shall establish and implement internal procedures promptly notifying the LBAs if the Midwest ISO becomes aware of any breaches of confidentiality, including, but not limited to, cyber security breaches.

10. DISPUTE RESOLUTION

- 10.1 **GENERAL.** All disputes arising under this Amended Agreement shall be finally determined by binding arbitration in accordance with this Section, except disputes as to whether a Party is in Default and what the remedies should be with respect to any Default. The ruling of the arbitrator may be enforced by any court with jurisdiction over that matter.
- 10.2 **PROCEDURES.** Arbitration shall be conducted in accordance with the following procedures, and other procedures determined by the arbitrator that are consistent with the following. Within ninety (90) days of the Effective Date the Amended Agreement, the Parties shall seek to reach agreement on a roster of at least three arbitrators who will be available to resolve disputes under this Amended Agreement. If the Parties are unable to agree on at least three arbitrators, the Midwest ISO shall compile a list of all Parties' proposed arbitrators. Each Party shall have seven (7) days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the Midwest ISO. If a Party does not return the list within the time specified, all persons named therein shall be deemed acceptable to that Party. From the persons that have been approved on all lists, and in accordance with the designated order of mutual preference consistent with the Rules of the American Arbitration Association, the Midwest ISO shall inform the other Parties of the resulting top three names. The Midwest ISO shall contact each arbitrator in order of listed preference and determine which of the arbitrators is available and able to arbitrate the dispute within the time frames required. For each dispute subject to arbitration, the Midwest ISO shall choose one of the arbitrators from the three or more arbitrators identified pursuant to this Section, based on the arbitrators' availability. Upon written notice of a dispute provided to all affected Parties, the arbitrator shall convene a hearing within seven (7) calendar days of the written notice. At the hearing the affected Parties each shall have the opportunity to make arguments, offer evidence by way of oral testimony and exhibits, and cross examine, provided that the hearing shall be concluded within one day to the extent practicable. The arbitrator then shall issue a decision no later than three (3) Business Days after conclusion of the hearing. The affected Parties may submit written pre-hearing statements prior to the hearing. The arbitrator shall be responsible for the conduct of the hearing. The Parties involved in the arbitration shall share equally the joint costs and fees of the arbitration as well as bearing their own costs. At any time, by mutual agreement, three-fourths of the LBAs and by the agreement of the Midwest ISO, the Parties may add arbitrators to or remove arbitrators from the roster of arbitrators. If one or more arbitrators become unavailable, the Parties shall choose a replacement(s) to the roster consistent with the voting in Section 14.4.

11. INSPECTION AND AUDITING PROCEDURES

- 11.1 **LBA.** Each LBA shall provide the Midwest ISO with access to its books and records and facilities as necessary to allow the Midwest ISO to determine compliance with this Amended Agreement. Such access shall be upon reasonable notice, at reasonable times, and under reasonable conditions.
- 11.2 **MIDWEST ISO.** The Midwest ISO shall provide LBAs with access to its books and records and facilities as necessary to allow determination of compliance with this Amended Agreement. Such access shall be upon reasonable notice, at reasonable times, and under reasonable conditions.

12. DEFAULT AND NON-PERFORMANCE

- 12.1 **NON-PERFORMANCE.** Any failure to carry out any term of this Amended Agreement shall be considered non-performance. A Party alleging non-performance shall provide written notice of such non-performance within seven (7) calendar days to the alleged non-performing Party. The alleged non-performing Party then shall have seven (7) calendar days (or some other time period agreed to by the Parties) to correct the non-performance or to dispute the allegation of non-performance pursuant to the provisions of Section 10.
- 12.2 **DEFAULT.** If a Party fails to correct the non-performance or fails to dispute the allegation of non-performance as provided in Section 12.1, or the Party is found to be a non-performing Party through the dispute resolution provisions in Section 10 and fails to correct the non-performance as provided in Section 12.1 then the Party shall be considered to be in Default.
- 12.3 **REMEDY FOR DEFAULT.** One or more Parties, individually or collectively, may seek appropriate remedies in court, including, but not limited to, specific performance and equitable relief, in the event of a Default by another Party.

13. TERM, TERMINATION, EFFECTIVENESS, WITHDRAWAL

- 13.1 **EFFECTIVE DATE AND TERM.** This Amended Agreement shall be filed at FERC when the conditions stated in Section 13.3 have been satisfied. The Effective Date of this Amended Agreement shall be as provided in Section 13.2. This Amended Agreement shall remain in effect for two (2) years from the Effective Date and shall remain in effect from year to year thereafter unless either (i) the Midwest ISO or (ii) three-fourths of the LBAs then subject to this Amended Agreement give one year advance notice in writing that they wish to terminate this Amended Agreement.
- 13.2 **DETERMINATION AND LIMITATIONS ON EFFECTIVENESS.** The Amended Agreement shall become effective on the date the Ancillary Services Market begins operations provided that the following events have occurred: (i) the applicable RROs have certified, including on a conditional basis, that the Midwest ISO can begin operations as the Balancing Authority of the MBAA to comply with NERC Balancing Authority Reliability Standards; (ii) the provisions of Sections 13.2 and 13.4 of the Original Agreement have been satisfied; (iii) FERC accepts or approves the Amended Agreement; and (iv) any modifications ordered by FERC are accepted consistent with Sections 13.2 and 13.4 of the Original Agreement.
- 13.3 **FILING.** The Balancing Authority Committee may authorize the Midwest ISO to file at the Commission the Amended Agreement consistent with the direction as approved under the voting requirements of Section 13.4 of the Original Agreement.
- 13.4 **TERMINATION.** In the event that the Midwest ISO gives notice to terminate this Amended Agreement, such termination shall not be effective until suitable arrangements for the provision of its Balancing Authority responsibilities are in place. Suitability of the arrangements will be determined by the BA Committee and NERC.

- 13.5 **WITHDRAWAL.** (a) An LBA may withdraw from this Amended Agreement if (i) there are no transmission facilities or there will no longer be transmission facilities subject to the Midwest ISO's functional control located within the LBAA of that entity, or for a generation-only LBA, there are no direct interconnections with any portion of the transmission system subject to the Midwest ISO's functional control; (ii) the LBA ceases or will cease to be an LBA; (iii) the Tariff provisions in Schedule 24 are materially modified or conditioned by a final Commission order; (iv) the entity obtains or receives an order to withdraw from the Midwest ISO by a regulatory authority with jurisdiction over that entity, or (v) the entity terminates service under an applicable Rate Schedule, the terms of which required the entity to become a signatory to this Amended Agreement. (b) The LBA shall provide at least one hundred eighty (180) days notice (or a shorter time period if required by a regulatory authority with jurisdiction, or by law, or as agreed to by the Midwest ISO) to the Midwest ISO of such withdrawal, which withdrawal may not be effective any earlier than the date upon which the applicable conditions set forth in this Section 13.5 are fully satisfied.
- 13.6 **RIGHTS AND RESPONSIBILITIES.** Each LBA and the Midwest ISO shall be subject to the rights and responsibilities under this Amended Agreement for any actions or inactions occurring prior to the effective date of the LBA's withdrawal or termination of this Agreement.
- 13.7 **SURVIVAL OF INDEMNIFICATION.** The provisions of this Amended Agreement related to any indemnification obligation shall survive the termination of this Amended Agreement under Section 13 or the withdrawal of a Party under Section 13 to the full extent necessary for their enforcement and the protection of the Party in whose favor they run with regard to actions or inactions occurring prior to the effective date of the termination or withdrawal, except that in the case of withdrawal of an LBA, any action or claim against that LBA related to this Amended Agreement shall commence within three (3) years of the effective date of the withdrawal.

14. MODIFICATIONS AND AMENDMENTS

14.1 RESERVED.

14.2 **OTHER MODIFICATIONS OR CONDITIONS.** Except as provided in Section 14.4, the Parties intend that there will be no other modifications or conditions to this Amended Agreement. Notwithstanding anything to the contrary in this Amended Agreement, in the event of any changes in NERC, Commission, RRO, or Tariff requirements which materially affect this Amended Agreement, the Parties will negotiate in good faith appropriate changes to this Amended Agreement. Unless the Parties agree to such changes as provided in Section 14.4, they will refer the issues to dispute resolution under Section 10.

14.3 **STANDARD OF REVIEW.** Absent the agreement of the Parties as detailed in Section 14.4, the standard of review for changes or conditions to this Amended Agreement, whether proposed by a Party, or the Commission acting *sua sponte*, shall be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the “Mobile-Sierra” standard). As to any non-contracting third party, the standard of review shall be the most stringent standard permissible under applicable law.

14.4 **VOTING FOR ACCEPTANCE OF MODIFICATIONS OR CONDITIONS.** This Amended Agreement may be modified or conditioned only by at least a three-fourths affirmative vote of the LBAs (each LBA receiving one vote regardless of size, except as stated in the “Appendix B”.) with the assent of the Midwest ISO; provided, however, no such modification or condition may be imposed on a Party that does not agree to the modification or condition to the extent that the modification or condition will cause the Party to no longer be in compliance with NERC or RRO requirements.

15. MISCELLANEOUS PROVISIONS

15.1 **SETTLEMENT.** This Amended Agreement represents a negotiated settlement between and among the Parties. As such, this Amended Agreement does not establish any precedent.

15.2 **ASSIGNMENT.** Each LBA may assign its rights and obligations under this Amended Agreement to another entity subject to receiving the approval of the Midwest ISO; such approval shall not be unreasonably withheld.

- 15.3 **JURISDICTION.** By entering into this Amended Agreement which shall be filed with the Commission and notwithstanding any provision in this Amended Agreement, the LBAs are not in any way agreeing individually or collectively that their activities under this Amended Agreement are subject to Commission jurisdiction. In addition, nothing in this Amended Agreement shall be construed (i) to confer Commission jurisdiction over LBAs that are not public utilities, or (ii) as a consent or waiver with respect to such jurisdiction, or (iii) to cause a non-public utility to take any action or participate in any filing or appeal that would confer Commission jurisdiction over a non-public utility or require a non-public utility to comply with any Order or Rule issued by the Commission. A Party's actions, decisions, and performance under this Amended Agreement, including without limitation the exercise of its rights to withdraw from or terminate this Amended Agreement, shall not be subject to Commission approval.
- 15.4 **RESERVATION OF RIGHTS.** Nothing in this Amended Agreement shall affect a Party's rights to argue issues that are not resolved pursuant to this Amended Agreement in proceedings at the Commission and in the courts.
- 15.5 **BALANCING AUTHORITIES COMMITTEE.** A BA Committee shall be formed by the Parties. The purpose of the BA Committee shall be to review performance under this Amended Agreement, discuss issues that may arise related to such performance, develop and approve Operating Protocols, and, if necessary or advisable, to propose amendments to this Amended Agreement for consideration by the Parties. The BA Committee shall be comprised of a member and an alternate for each Party, who has authority to bind the Party. The BA Committee shall meet at least twice each year on dates to be determined by the Midwest ISO after consultation with the BA Committee members. The Midwest ISO shall facilitate such meetings. The BA Committee shall establish procedures to govern its actions consistent with the terms of this Amended Agreement.
- 15.6 **CONSOLIDATION OF LBAs.** The Parties agree that any consolidations of LBAs by LBAs shall be accommodated under this Amended Agreement. This Amended Agreement shall not be construed as inhibiting the consolidation of LBAs by LBAs.

- 15.7 **ADDITIONAL LBAS.** The Parties agree that any External Balancing Authority may become a signatory to this Amended Agreement, subject to receiving the approval of the Midwest ISO, so long as the External Balancing Authority agrees to be bound by the provisions of this Amended Agreement as a LBA within the MBAA and ceases to be an External Balancing Authority.
- 15.8 **GOVERNING LAW.** This Amended Agreement shall be governed by and construed in accordance with the laws of Delaware.
- 15.9 **COMPLETE AGREEMENT.** This Amended Agreement shall constitute the complete agreement of the Parties on the subject matters covered herein.
- 15.10 **FORCE MAJEURE.** No Party shall be considered to be in breach of this Amended Agreement to the extent that a failure to perform its obligations is due to an “Uncontrollable Force.” The term “Uncontrollable Force” means an event or circumstance which prevents one Party from performing its obligations, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which by the exercise of due diligence, or Good Utility Practice, the claiming Party is unable to avoid, cause to be avoided, or overcome. Any Party rendered unable to fulfill any of its obligations by reason of an Uncontrollable Force shall give immediate notice of such fact to the other Parties and shall exercise due diligence to remove such inability within a reasonable time period. If a Party is unable to perform actions under this Amended Agreement due to the actions of an independent third party (e.g. not a consultant or affiliate of the Party), that shall be considered an Uncontrollable Force.
- 15.11 **NO AGENCY RELATIONSHIP.** This Amended Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between or among the Parties, or any of the Parties, or to impose any partnership obligation or partnership liability upon any of the Parties. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or act as, or be, an agent or representative of, or otherwise bind, any other Party. Tasks undertaken or transferred to a Party shall be independently performed by that Party.
- 15.12 **REPRESENTATIONS AND WARRANTIES.** Each Party warrants that it possesses the necessary authority to enter into and agree to this Amended Agreement.

- 15.13 **EXECUTION BY COUNTERPARTS.** This Amended Agreement may be executed in any number of counterparts, and upon execution of a counterpart by each of those Parties, each executed counterpart shall have the same force and effect as an original instrument as if each of those Parties had signed the same instrument.
- 15.14 **NO THIRD PARTY BENEFICIARIES.** Except as otherwise provided herein, this Amended Agreement is not intended to, and does not create, any rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 15.15 **NO MARKET PARTICIPANT.** The performance of functions described in this Amended Agreement shall not cause a Party to become a Market Participant.
- 15.16 **NOTICE.** Each Party shall designate an individual to receive notice under this Amended Agreement by providing the individual's name, address, phone number, and email address to the BA Committee. The BA Committee shall maintain the list of individuals to receive notice. It shall be the responsibility of each individual Party to update its notice information when necessary.

IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

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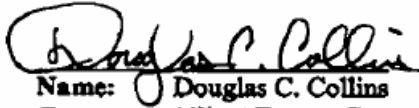
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Name: Douglas C. Collins
Company: Alliant Energy Corporate Services
Date: 10-5-04

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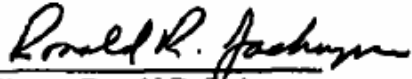
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Name: Ronald R. Jickups
Company: CInergy Services, Inc.
(on behalf of The
Cincinnati Gas & Electric
Company, PSI Energy, Inc.
and The Union Light, Heat,
and Power Company)
Date: September 30, 2004

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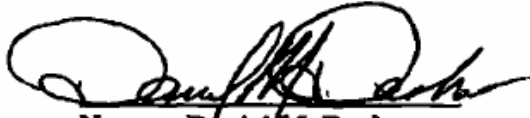
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Name: Daniel M. Dasho
Company: City of Columbia Water & Light
Date: October 4, 2004

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Signing solely in its capacity as a "contractor" of International Transmission Company for purposes of the indemnification and third-party beneficiary provisions in Section 6 and Section 14.14 of the aforementioned Agreement and as a "Party" for purposes of the aforementioned Agreement



Name: ROBERT A. RICHARD

Company: Detroit Edison Company

Date: OCTOBER 5, 2004

IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: David W. Sandefur
Company: Hoosier Energy REC, Inc.
Date: October 4, 2004

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: Jim D. Cyrulowski
Position: VP - Asset Perf. & Engineering
Company: International Transmission Company
Date: 10/4/2004

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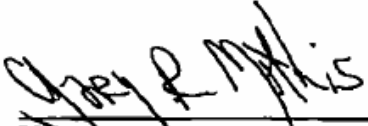
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Gary R. Mathis - Senior Director
Company: Madison Gas & Electric Co.
Date: 10-05-04

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Charles V. Waits
Company: Michigan Electric Transmission
Company, LLC
Date: October 1, 2004

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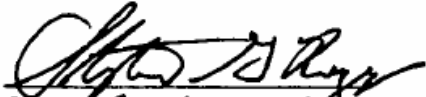
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: *Stephen G Kozey*
Company: *Midwest ISO*
Date: *10/15/04*

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: *Thomas E. Ferguson*
Company: *Minnesota Power*
Date: *October 4, 2008*

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Andrea Stomberg
Company: Montana-Dakota Utilities Co.
Date: October 5, 2004

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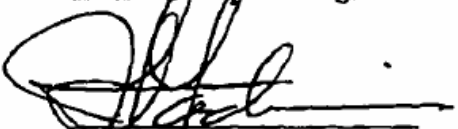
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: Jerry L. Godwin, VP & COO
Company: Northern Indiana Public Service Co.
Date: October 4, 2004

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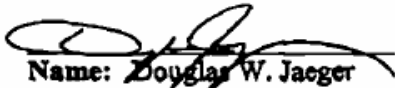
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: Douglas W. Jaeger
Vice President
Company: Xcel Energy Services Inc.
On behalf of Northern States
Power Company and Northern
States Power Company (Wisconsin)
Date: October 1, 2004

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Name: Rodney C.H. School
Company: Otter Tail Power
Date: October 4, 2004

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Bill Hutchison

Name: Bill Hutchison
Company: Southern Illinois Power
Cooperative, Inc.
Date: 10/01/2004

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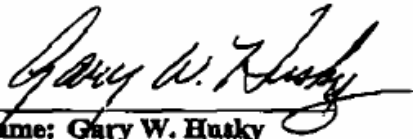
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Gary W. Husky
Company: Southern Indiana Gas and Electric Company (d/b/a Vectren Energy Delivery of Indiana)
Date: October, 4, 2004

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Clinton A. Vince
Mary E. Bengt
Attorneys for Wisconsin Electric Power Company
Sullivan & Worcester LLP
1666 K Street, NW
Washington, DC 20006

Name:
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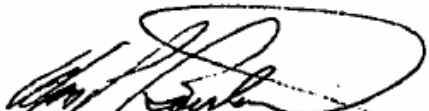
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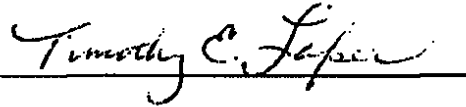
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



**William L. Bourbonnais
Vice President – Transmission
WPS Resources Corporation
October 1, 2004**

IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

A handwritten signature in cursive script, reading "Timothy E. Lafser", is written over a horizontal line.

Name: Timothy E Lafser

Company: Ameren Services Company, as agent for Union Electric Company d/b/a AmerenUE, Central Illinois Public Service Company d/b/a AmerenCIPS, Central Illinois Light Co. d/b/a AmerenCILCO, and Illinois Power d/b/a AmerenIP

Date: November 10, 2004

IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Michael L. Holtzman
Name: *Michael L Holtzman*
Company: *Indianapolis Power & Light*
Date: *October 12, 2004*

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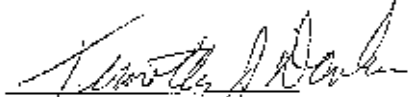
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: THOMAS J. AVLIN, MAYOR
Company: CITY OF SPRINGFIELD
Date:

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Company:
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Stanley F. Szwed
Name: Stanley F. Szwed
Company: FirstEnergy Service
Company on behalf of
American Transmission Systems
Incorporated
Date: October 6, 2004

Name:
Company:
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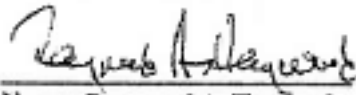
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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: Gordon C Pietsch
Company: Great River Energy
Date: 4/21/05

IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Raymond A. Hayward
Company: Southern Municipal Power Agency MN
Date: 05-16-06

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IN WITNESS WHEREOF, the signatories have caused this Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Name:
Company:
Date:



Name: W E GARRITY
Company: CONSUMERS ENERGY
Date: 5/21/08

APVD AS TO FORM
MBZ

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APPENDIX A

LISTING OF LOCAL BALANCING AUTHORITIES

Alliant Energy Corporate Services, Inc., on behalf of Wisconsin Power & Light Company and Interstate Power and Light Company

Ameren Services Company, as agent for Union Electric Company (d/b/a AmerenUE), Central Illinois Public Service Company (d/b/a AmerenCIPS), Central Illinois Light Co. (d/b/a AmerenCilco), and Illinois Power (d/b/a AmerenIP)

City of Columbia Water & Light

City Water, Light & Power (Springfield, IL)

Consumers Energy Company

Detroit Edison Company

Duke Energy Shared Services, Inc., on behalf of Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., and Duke Energy Ohio, Inc.

FirstEnergy Service Company, on behalf of American Transmission Systems Incorporated

Great River Energy

Hoosier Energy REC, Inc.

Indianapolis Power & Light Company

Integrus Energy Group, on behalf of Wisconsin Public Service Corporation and Upper Peninsula Power Company

International Transmission Company/Michigan Electric Transmission Company, LLC, on behalf of Michigan Electric Coordinated Systems

Madison Gas & Electric Co.

Minnesota Power

Montana-Dakota Utilities Co.

Northern Indiana Public Service Co.

Otter Tail Corporation d/b/a Otter Tail Power Company

Southern Illinois Power Cooperative, Inc.

Southern Indiana Gas and Electric Company (d/b/a Vectren Energy Delivery of Indiana)

Southern Minnesota Municipal Power Agency

Wisconsin Electric Power Company

Xcel Energy Services Inc., on Behalf of Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation

APPENDIX B

AGREEMENT GOVERNING THE ALLOCATION OF LOCAL BALANCING AUTHORITY RESPONSIBILITIES WITHIN THE MICHIGAN ELECTRIC COORDINATED SYSTEMS

This **AGREEMENT** (“Michigan Agreement”) is entered into as of this 22nd day of May, 2008 and is effective on the date that the Midwest Independent Transmission System Operator, Inc. (Midwest ISO”) starts its ancillary services market (the “Effective Date”). This Michigan Agreement is entered into by and between Consumers Energy Company, a corporation organized under the laws of Michigan, with offices at One Energy Plaza, Jackson, Michigan 49201 (“Consumers Energy”), The Detroit Edison Company, a corporation organized under the laws of New York, with offices at 2000 2nd Avenue, Detroit, Michigan 48226 (“Detroit Edison”), International Transmission Company, doing business as *ITCTransmission*, a corporation organized under the laws of Michigan, with offices at 39500 Orchard Hill Place, Suite 200, Novi, Michigan 48375 (“ITC”), and Michigan Electric Transmission Company, a corporation organized under the laws of Michigan, with offices at 39500 Orchard Hill Place, Suite 200, Novi, Michigan 48375 (“METC”).

RECITALS

- A. Michigan Electric Coordinated Systems (“MECS”) is a North American Electric Reliability Corporation (“NERC”) certified Balancing Authority Area within Michigan.
- B. In 2000, Detroit Edison transferred its transmission assets to ITC, which, since March 2003, has operated as an independent transmission company, unaffiliated with Detroit Edison.
- C. In 2002, Consumers Energy transferred its transmission assets to METC (now a wholly-owned subsidiary of ITC’s parent company), which, since that time, has operated as an independent transmission company, unaffiliated with Consumers Energy.
- D. As a consequence of the these corporate transactions, there are no longer any fully vertically integrated investor-owned utilities in MECS; transmission, distribution and generation functions are performed by different Michigan Parties, depending upon asset ownership, and the Michigan Parties currently work together to perform all of the Balancing Authority functions in MECS, to ensure ongoing compliance with NERC Reliability Standards.

- E. This Michigan Agreement is part of the “Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating To Implementation of TEMT, as Amended” (“BA Agreement”), which, among other things, allocates, as between the Midwest ISO and the Balancing Authorities within the Midwest ISO footprint, responsibility for compliance with NERC Reliability Standards applicable to Balancing Authorities, such allocation to take effect upon commencement of the Midwest ISO’s ancillary services market.
- F. Under the BA Agreement, all existing Balancing Authorities are redefined as Local Balancing Authorities (“LBAs”), with the Midwest ISO assuming the role of Balancing Authority for the Midwest ISO footprint.
- G. To perform all of the essential functions to ensure compliance with NERC Reliability Standards applicable to Balancing Authorities, the Michigan Parties have agreed that this Michigan Agreement, and the Michigan Requirements Matrix, as defined herein, shall govern the allocation of LBA responsibilities delegated from the Midwest ISO among the Michigan Parties.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Michigan Agreement, the Michigan Parties agree as follows:

ARTICLE 1. DEFINITIONS

All capitalized terms shall be defined as set forth in the BA Agreement, except as may be modified herein. In addition, the terms below shall be defined as stated.

1.1 **MECS**: For the purposes of this Michigan Agreement, shall be defined as ITC and METC.

1.2 **Michigan Party**: Consumers Energy, Detroit Edison, ITC and METC are each a Michigan Party, and collectively are the Michigan Parties.

1.3 **Michigan Requirements Matrix**: the matrix that sets forth each Reliability Standard Requirement applicable to LBAs, as identified in the Midwest ISO BA and LBA requirements matrix attached to the Joint Registration Organization registration submitted to NERC on November 1, 2007 (as may hereafter be revised), and identifies one or more Michigan Parties, as appropriate, as the entity or entities responsible for compliance with such requirement.

1.4 **Reliability Standards**: The reliability standards established by NERC that define the reliability requirements for planning and operating the North American bulk power system.

1.5 **Reliability Standard Requirement(s)**: A requirement identified in a Reliability Standard that defines in greater detail the tasks and functions that must be performed under such Reliability Standard.

ARTICLE 2. IDENTIFICATION OF LOCAL BALANCING AUTHORITIES

2.1 Consumers Energy, Detroit Edison, and MECS shall each be an LBA solely with respect to the Reliability Standard Requirements assigned to it, and specifically identified, in the Michigan Requirements Matrix; *provided, however*, that ITC and METC shall be responsible for the MECS' actions identified in Section 3.1.

2.2 Consistent with each Michigan Party's "Balancing Authority Joint Certification Application" submitted to NERC on October 31, 2007, Consumers Energy, Detroit Edison and MECS shall each be certified with NERC and, as applicable, NERC's regional reliability council, as a "Balancing Authority" solely with respect to those Reliability Standard Requirements expressly assigned to it under the Michigan Requirements Matrix; *provided, however*, that ITC and METC shall be responsible for MECS' actions not expressly assigned to Consumers Energy and Detroit Edison, in accordance with Section 3.1.

ARTICLE 3. RESPONSIBILITIES

3.1 Consumers Energy and Detroit Edison shall be directly responsible and accountable to NERC and, as applicable, NERC's regional reliability council, for compliance with Reliability Standard Requirements expressly assigned to Consumers Energy and Detroit Edison, respectively, under the Michigan Requirements Matrix. MECS shall be directly responsible and accountable to NERC and, as applicable, NERC's regional reliability council, for compliance with all other Reliability Standard Requirements in the metered boundaries of MECS, not expressly assigned to Consumers Energy and Detroit Edison under the Michigan Requirements Matrix. For example, MECS would be responsible for LBA functions performed for municipal entities and IPPs.

3.2 An updated copy of the Michigan Requirements Matrix will at all times be made available to NERC, FERC, the Midwest ISO, and the BA Committee, upon request, and shall include all Reliability Standard Requirements applicable to LBAs, as identified in the Midwest ISO BA and LBA requirements matrix attached to the Joint Registration Organization registration submitted to NERC on November 1, 2007, as may hereafter be amended. The Michigan Parties shall be solely responsible for making, and shall be solely authorized to make, amendments to the Michigan Requirements Matrix, which shall be amended only upon unanimous vote of the Michigan Parties; *provided, however*, that if i) NERC adopts a new Reliability Standard that establishes new or different LBA responsibilities or ii) the BA Committee establishes new or different LBA responsibilities, or reallocates LBA responsibilities then the Michigan Parties agree that, to avoid any gap in compliance, Consumers Energy, Detroit Edison and MECS shall perform any necessary functions, consistent with Section 3.3 below, without awaiting amendment to the Michigan Requirements Matrix. Any necessary amendments shall be made at the earliest possible date, to ensure that the Michigan Requirements Matrix is at all times updated. Until an amended Michigan Requirements Matrix is approved, MECS shall be the default responsible LBA.

3.3 The Michigan Requirements Matrix shall at all times comport with the allocation of responsibilities among Consumers Energy, Detroit Edison and MECS, except as noted in Section 3.2. These responsibilities may include, but are not limited to:

3.3.1 MECS will be responsible for:

- 3.3.1.1 All tie line metering tasks
- 3.3.1.2 All communications with adjacent BAs, transmission owners and reliability coordinators
- 3.3.1.3 Directing system restoration efforts
- 3.3.1.4 Coordinating transmission outages
- 3.3.1.5 Coordinating load shedding throughout MECS
- 3.3.1.6 Coordinating actions with independent power producers and other operating entities in emergency circumstances
- 3.3.1.7 All LBA tasks related to overall LBAA operation, including monitoring of, coordination, and communication with all entities within the MECS LBAA.
- 3.3.1.8 All LBA tasks performed in the LBAA by Parties other than Consumers Energy and Detroit Edison.

3.3.2 Consumers Energy and Detroit Edison will be responsible for the following actions on assets either owned or controlled by the applicable entity:

- 3.3.2.1 Commencing and adjusting generation in emergency circumstances.
- 3.3.2.2 Commencing and adjusting load management, including the utilization of interruptible and curtailable load, planning for and implementing manual load shed, and conducting auto load shed in under-frequency and under-voltage conditions
- 3.3.2.3 Performing appropriate tasks to ensure that adequate emergency plans are in place, i.e., maintenance of fuel supply and inventory plans, fuel switching plans, etc.
- 3.3.2.4 Coordinating generation outages with MECS and MISO.
- 3.3.2.5 Arranging delivery of electrical energy or fuel in emergency circumstances
- 3.3.2.6 Public appeals
- 3.3.2.7 Reporting and notifications to government agencies

- 3.3.3 Consumers Energy, Detroit Edison and MECS will be individually responsible for actions on and with assets they directly own or control:
 - 3.3.3.1 Emergency plans
 - 3.3.3.2 Communication protocols
 - 3.3.3.3 Back up power supply and facilities
 - 3.3.3.4 All critical infrastructure requirements
 - 3.3.3.5 All operations training required to satisfy the Reliability Standard Requirements assigned to them under the Michigan Requirements Matrix.
- 3.3.4 Consumers Energy and Detroit Edison will have access only to data or information related to their respective companies, or as otherwise authorized by FERC. Neither Consumers Energy nor Detroit Edison will have authority as an LBA over any other MECS LBAA entity, nor will Consumers Energy or Detroit Edison have any responsibility as an LBA related to the performance of any other MECS LBAA entity.
- 3.3.5 When a task or responsibility is allocated to an LBA in the Amended BA Agreement, and that task or responsibility is not expressly listed in the BA Matrix (and the Michigan Matrix), then that task will be the responsibility of the MECS LBA.

ARTICLE 4. MODIFICATIONS AND AMENDMENTS

4.1 The Michigan Parties shall be solely responsible for making, and shall be solely authorized to make, amendments to this Michigan Agreement, which shall be amended only upon unanimous vote of the Michigan Parties; provided, however, that Section 5.2 of this Michigan Agreement shall be amended only by an affirmative vote of at least three-fourths (3/4) of all LBAs under the BA Agreement. The Michigan Parties will cast one vote on any proposed amendment(s) to Section 5.2, which vote shall be determined by a two-thirds (2/3) majority internal vote by the Michigan Parties, with ITC and METC only casting one vote between them.

4.2 The Michigan Parties cannot make any changes to this Michigan Agreement which will be binding on any other Party to the BA Agreement.

ARTICLE 5. BA AGREEMENT

5.1 Each Michigan Party shall be a signatory to the BA Agreement and shall be governed by its terms unless such terms are unequivocally contradicted by this Agreement.

5.2 Each Michigan Party shall be permitted to participate individually on the BA Committee, as defined in the BA Agreement. At the BA Committee, the Michigan Parties will cast one vote, which shall be determined by a two-thirds (2/3) majority internal vote by the Michigan Parties, with ITC and METC only casting one vote between them.

ARTICLE 6: INDEMNIFICATION AMONG THE MICHIGAN PARTIES

6.1 In the event that NERC, an RRO, FERC, or the State of Michigan levies sanctions or penalties on a Michigan Party that is not identified in Section 3.1 as being responsible for the task or action to which the sanction or penalty relates, the Michigan Party that is responsible for the task or action under Section 3.1 shall indemnify, defend and save harmless the other Michigan Parties from such penalties or sanctions (including the Michigan Party's respective officers, shareholders, directors, agents, contractors, and employees) and all claims, attorney fees, and all other obligations resulting from such levied sanctions or penalties.

IN WITNESS WHEREOF, the Michigan Parties hereto have caused this agreement to be executed by their fully authorized representatives as of the day and year first above written.

Consumers Energy Company

By: _____
Name: _____
Title: _____

International Transmission Company

By: _____
Name: _____
Title: _____

Michigan Electric Transmission Company, LLC

By: _____
Name: _____
Title: _____

The Detroit Edison Company

By: _____
Name: _____
Title: _____

ARTICLE 6: INDEMNIFICATION AMONG THE MICHIGAN PARTIES

6.1 In the event that NERC, an RRO, FERC, or the State of Michigan levies sanctions or penalties on a Michigan Party that is not identified in Section 3.1 as being responsible for the task or action to which the sanction or penalty relates, the Michigan Party that is responsible for the task or action under Section 3.1 shall indemnify, defend and save harmless the other Michigan Parties from such penalties or sanctions (including the Michigan Party's respective officers, shareholders, directors, agents, contractors, and employees) and all claims, attorney fees, and all other obligations resulting from such levied sanctions or penalties.

IN WITNESS WHEREOF, the Michigan Parties hereto have caused this agreement to be executed by their fully authorized representatives as of the day and year first above written.

Consumers Energy Company

By: WE GARRITY
Name: WE GARRITY
Title: SENIOR VICE PRESIDENT

APVD AS TO FORM
MED

International Transmission Company

By: _____
Name: _____
Title: _____

Michigan Electric Transmission Company, LLC

By: _____
Name: _____
Title: _____

The Detroit Edison Company

By: _____
Name: _____
Title: _____

Issued by: T. Graham Edwards, Issuing Officer
Issued on:

Effective: September 9, 2008

Issued by: Stephen G. Kozey, Issuing Officer
Issued on: May 23, 2008

Effective: September 9, 2008

ARTICLE 6: INDEMNIFICATION AMONG THE MICHIGAN PARTIES

6.1 In the event that NERC, an RRO, FERC, or the State of Michigan levies sanctions or penalties on a Michigan Party that is not identified in Section 3.1 as being responsible for the task or action to which the sanction or penalty relates, the Michigan Party that is responsible for the task or action under Section 3.1 shall indemnify, defend and save harmless the other Michigan Parties from such penalties or sanctions (including the Michigan Party's respective officers, shareholders, directors, agents, contractors, and employees) and all claims, attorney fees, and all other obligations resulting from such levied sanctions or penalties.

IN WITNESS WHEREOF, the Michigan Parties hereto have caused this agreement to be executed by their fully authorized representatives as of the day and year first above written.

Consumers Energy Company

By: _____
Name: _____
Title: _____

International Transmission Company

By: Elizabeth Howell
Name: Elizabeth Howell
Title: VP, Operations

Michigan Electric Transmission Company, LLC

By: Daniel J. Ogilvie
Name: Daniel J. Ogilvie
Title: Secretary

The Detroit Edison Company

By: Steven Komes
Name: Steven Komes
Title: ESVP

**ADJACENT BALANCING AUTHORITY
COORDINATION AGREEMENT**

This Adjacent Balancing Authority Coordination Agreement is made this 29th day of December 2009 by and between Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), and Big Rivers Electric Corporation ("Big Rivers"), also referred to herein as the Midwest ISO Balancing Authority ("Midwest ISO BA") and the Big Rivers Balancing Authority ("Big Rivers BA") respectively, and hereinafter collectively referred to as the "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the North American Electric Reliability Corporation ("NERC") Board of Trustees approved adoption of "Reliability Standards for the Bulk Electric Systems of North America" and conversion of the NERC Operating Manual to a subset of such standards on February 8, 2005, including standards of the NERC Operating Manual which address coordination agreements and data sharing for Balancing Authorities; and

WHEREAS, the Big Rivers Balancing Authority is a NERC certified Balancing Authority; and

WHEREAS, the Midwest ISO is a NERC certified Balancing Authority.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, it is agreed as follows:

ARTICLE I
DEFINITIONS

Unless the context otherwise specifies or requires, capitalized terms used herein shall have the respective meanings assigned herein for all purposes of this Agreement (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Any capitalized term not defined in this Article I shall have the definition assigned to it by the NERC "Glossary of Terms Used in Reliability Standards" as approved by the NERC Board of Trustees and the Federal Energy Regulatory Commission as amended from time to time and incorporated herein by this reference, or as otherwise understood by common usage in the electric utility industry. In the event of a conflict between a definition set forth in this Article I and a definition set forth in such NERC "Glossary of Terms Used in Reliability Standards" or a definition as understood by common usage in the electric industry, the definition set forth in this Article I shall control.

As used in this Agreement:

- 1.1 **Agreement** shall mean this Agreement, together with all schedules, exhibits and appendices hereto, as amended from time to time.
- 1.2 **Balancing Authority (“BA”)** shall mean the responsible entity that maintains load-interchange-generation balance within a Balancing Authority Area and supports Interconnection frequency in real time.
- 1.3 **Balancing Authority Area** shall mean the portion of the generation and transmission system within the metered boundary of the Balancing Authority, in which the Balancing Authority functions are performed.
- 1.4 **Delivery BA** shall mean the Party, or another Balancing Authority, that delivers Emergency Energy Assistance.
- 1.5 **Emergency** shall mean: (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or (iii) a condition that requires implementation of emergency procedures as defined in either Party’s Business Practice Manual.
- 1.6 **Emergency Energy** shall mean the energy provided as a result of the request for Emergency Energy assistance under this Agreement, when the Receiving BA is experiencing an Energy Emergency Alert Level 2 (EEA2).
- 1.7 **External BA** shall mean a Balancing Authority that is not a Party to this Agreement.
- 1.8 **FERC** shall mean the Federal Energy Regulatory Commission or any successor federal agency, commission or department.
- 1.9 **Local Balancing Authority (“LBA”)** shall mean an operational entity which is: (i) responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined for its local area within the Midwest ISO Balancing Authority Area, and (ii) a party (other than the Midwest ISO) to the Balancing Authority Amended Agreement which, among other things, establishes the subset of NERC Balancing Authority Reliability Standards for which the LBA is responsible.
- 1.10 **Market Participant** shall mean an entity that has successfully completed the registration process and other requirements of the Midwest ISO Tariff and has been qualified by the Midwest ISO as a Market Participant thereunder.

- 1.11 Midwest ISO Energy and Operating Reserve Market** shall mean the day-ahead and real-time markets for electric energy and operating reserves, and associated financial transmission rights, operated by the Midwest ISO pursuant to the Midwest ISO Tariff.
- 1.12 Midwest ISO Tariff** shall mean the tariff for transmission, and energy and operating reserve markets, in the Midwest ISO as in effect from time to time, including any schedules, appendices, attachments or exhibits attached thereto.
- 1.13 NERC** shall mean the North American Electric Reliability Corporation or any successor thereto; including a FERC approved Electric Reliability Organization (or "ERO").
- 1.14 NERC ID** is the four character alphanumeric representation of entities registered at TSIN.com and used by those entities for the purposes of conducting business on OASIS Phase 1A and completing NERC interchange transaction tags.
- 1.15 Receiving BA** shall mean the BA that issues the request for Emergency Energy assistance and actually receives the Emergency Energy schedule.
- 1.16 Transmission System** shall mean the transmission facilities owned or controlled by a Transmission Service Provider that are used to provide Transmission Service under an applicable Open Access Transmission Tariff.

ARTICLE II

PURPOSE

SECTION 2.1 Purpose. The purpose of this Agreement is to establish an appropriate clear and comprehensive agreement between the Midwest ISO BA and the Big Rivers BA as it relates to:

- 2.1.1 Emergency Energy assistance.
- 2.1.2 Communication and coordination of normal and emergency operating procedures.
- 2.1.3 Voice and data communication requirements, as well as coordination of communications during normal and emergency operating conditions.
- 2.1.4 Providing data to support operational planning and security assessment studies.
- 2.1.5 Coordination of outages of equipment including voltage regulating

2.1.6 Inadvertent Interchange accounting and payback.

SECTION 2.2 Compliance. The Parties state that the Balancing Authority procedures and policies of their respective organizations meet the requirements of standards established by NERC.

ARTICLE III **TERM OF AGREEMENT**

SECTION 3.1 Term. This Agreement shall become effective on the day it is signed by both Parties, and shall continue in effect until terminated by either Party upon not less than thirty (30) days written notice to the other Party. The effective date of the rates terms and conditions for the sale of Emergency Energy set forth in Schedule EE-1 of this Agreement shall be the date established by FERC for sales of Emergency Energy supplied by the Midwest ISO. The Midwest ISO shall file this Agreement with FERC within 5 days of execution, with a request that Ferc make the rates, terms, and conditions for the sale of Emergency Energy supplied by the Midwest ISO effective on January 1, 2010. The right to terminate shall be within the sole discretion of either Party, provided that if the failure to have in effect an agreement between the Parties would reasonably be expected to constitute a violation of any ERO or regional reliability standards, the Parties agree to negotiate in good faith a successor agreement that will satisfy the reliability standard in question.

SECTION 3.2 Obligations upon Termination. The following provisions of this Agreement shall survive its termination: (i) final settlement of the obligations of each Party under Article VII of this Agreement, including the accounting for the period ending with the last day of the month for which this Agreement is effective; (ii) the provisions of this Agreement necessary to conduct final billings, collections and accounting with respect to all matters arising hereunder; and (iii) the indemnification provisions as applicable to periods prior to such termination. The Parties shall cooperate with each other in the unwinding of their arrangements under this Agreement in order to minimize disruptions in the provision of reliability provided by each Party.

SECTION 3.3 NERC Standard Revisions. The Parties agree to perform their respective obligations under this Agreement in compliance with the then current and applicable NERC Reliability Standards. In the event that revisions to the NERC Reliability Standards applicable to this Agreement are approved by the NERC Board and FERC, the Parties shall meet (either in person or via conference call) or exchange correspondence, either in letter form or via e-mail, within ninety (90) days of the approval to discuss whether such revisions affect the terms and conditions of this Agreement, the necessity for any mutually agreeable revisions to this Agreement, and/or whether the revisions affect the need for this Agreement.

ARTICLE IV
ADMINISTRATION

SECTION 4.1 Formation of an Operating Committee. To administer the arrangements under this Agreement, the Parties may, by mutual agreement, establish an Operating Committee (“OC”). If the Parties determine to establish such a committee, the OC shall have the following duties and responsibilities:

- (i) Initiate process reviews at the request of the other Party for activities undertaken in the performance of this Agreement; and
- (ii) In its discretion, take other actions, including the establishment of subcommittees and/or task forces, to address any issues that the OC deems necessary in the implementation of this Agreement.

4.1.1 Operating Committee Representatives. Upon a decision by the Parties to establish an Operating Committee, each Party shall designate a primary and alternate representative to the OC and shall inform the other Party of its designated representatives by Notice. A Party may change its designated OC representatives at any time, provided that timely Notice is given to the other Party. Each designated OC representative shall have the authority to make decisions on issues that arise during the performance of this Agreement. Decisions of the OC shall be by unanimous consent.

4.1.2 Dispute Resolution. In the event of a Dispute arising out of or relating to this Agreement that is not resolved by the representatives of the Parties who have been designated under Section 4.1.1 of this Agreement within seven (7) days of the reference to such representatives of such Dispute, each Party shall, within fourteen (14) days’ written notice by either Party to the other, designate a senior officer with authority and responsibility to resolve the Dispute and refer the Dispute to them. The senior officer designated by each Party shall have authority to make decisions on its behalf with respect to that Party’s rights and obligations under this Agreement. The senior officers, once designated, shall promptly begin discussions in a good faith effort to agree upon a resolution of the Dispute. If the senior officers do not agree upon a resolution of the Dispute within fourteen (14) days of its referral to them, or do not within the same fourteen (14) day period agree to refer the matter to some individual or organization for alternate dispute resolution, then either Party shall have the right to pursue any and all remedies available to it at law or in equity. Neither the giving of notice of a Dispute, nor the pendency of any Dispute resolution process as described in this Section, shall relieve a Party of its obligations under this Agreement, extend any notice period described in this Agreement or extend any period in which a Party must act as described in this Agreement. Notwithstanding the requirements of this section, either Party may terminate this Agreement in accordance with its

provisions, or pursuant to an action at equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE V **COORDINATION**

SECTION 5.1 Process for Requesting Assistance. To the extent practicable, the Midwest ISO BA and the Big Rivers BA will coordinate and assist each other when requested, to the extent possible. The following procedure will be utilized:

5.1.1 Upon the recognition of a situation requiring coordination between the Midwest ISO BA and the Big Rivers BA, initial contact will be made via telephone, if possible.

5.1.2 The on-shift operators will discuss the situation and agree on the appropriate actions required.

5.1.3 The Midwest ISO BA and the Big Rivers BA will communicate, advise or direct the appropriate actions within their respective systems.

5.1.4 The available multi-directional communication options among the Midwest ISO BA, LBA, and the Big Rivers BA are the Reliability Coordinator Information System (RCIS), telephones, faxes, and e-mail.

5.1.5 The contact information for reliability actions taken pursuant to this Agreement is set forth in Exhibit A of this Agreement.

5.1.6 Concurrently with the execution of this Agreement, each Party shall notify the other Party of its applicable NERC ID, and (if different) the NERC ID that will schedule the Emergency Energy transactions through the Physical Scheduling System. Prior to the transfer of Emergency Energy as agreed by the Parties under this Agreement, each Party shall satisfy any applicable credit requirements as set forth in Section 7.4. A Party shall promptly notify the other Party of any changes to the NERC IDs in writing by fax, email or overnight delivery of a signed notification.

SECTION 5.2 Process for Coordinating Emergency Energy Assistance. The Midwest ISO BA and Big Rivers BA will, pursuant to this Agreement, arrange for Emergency Energy, and assist each other to obtain emergency assistance from remote Balancing Authorities. In the event that one Party needs to request Emergency Energy assistance from the other Party, or from another Balancing Authority, pursuant to this Agreement, the Receiving BA shall initiate the following procedure.

5.2.1 Receiving BA shall request its own Reliability Coordinator to issue an Energy Emergency Alert Level 2 (EEA2).

5.2.2 Receiving BA shall request Emergency Energy from the Delivery BA.

5.2.3 Delivery BA shall verify that it can support the Emergency Energy

requested.

5.2.4 Delivery BA shall also verify with its associated Transmission Operator and Transmission Provider that the transmission interface can support the transaction.

5.2.5 If a Party to this Agreement is unable for any reason to supply Emergency Energy as the Delivery BA, it will make reasonable efforts to facilitate the transfer of Emergency Energy from an interconnected Balancing Authority that can act as the Delivery BA.

5.2.6 Receiving BA shall create an Electronic Tag (E-Tag) with the Delivery BA as source.

5.2.7 Both Receiving and Delivery BA shall approve the E-Tag.

5.2.8 During energy or capacity emergencies, the Midwest ISO BA shall communicate and coordinate necessary operations with the Midwest ISO Local Balancing Authorities and the other affected external Balancing Authorities when the Midwest ISO is the Receiving BA or when Big Rivers BA is the Receiving BA but is not adjacent to the Delivery BA.

SECTION 5.3 Process for Coordinating Normal and Emergency Operating Procedures. The Midwest ISO BA and the Big Rivers BA will use the same communication protocols during normal and emergency conditions.

5.3.1 The Midwest ISO BA and the Big Rivers BA are individually responsible for overall Emergency Operations planning and coordination of such plans. The Midwest ISO BA and the Big Rivers BA will include the affected LBAs, Load Serving Entities and Transmission Operators within their respective areas into the development process of the overall Normal and Emergency Operating Procedures.

5.3.2 The Midwest ISO LBAs shall provide the Midwest ISO RC with local restoration (as developed under Midwest ISO EOP-005) and load shed plans (as developed under Midwest ISO EOP-003). The local restoration and load shed plans will include coordination with Transmission Operators in the applicable LBA. These plans will be coordinated by the Midwest ISO RC to develop an overall Midwest ISO plan for regional emergency operations. The Midwest ISO emergency plans will include the overall coordination.

5.3.3 The Midwest ISO BA shall provide neighboring External BA's with the overall Midwest ISO emergency plans, although LBAs may need to be involved for situations of cross-boundary islanding and restoration. The Midwest ISO BA and the Big Rivers BA will update and share with one another all of the applicable Emergency Operations plans annually.

SECTION 5.4 Data Exchange The Parties agree that data currently exchanged through each of their respective Reliability Coordinators meets each Party's needs to support their respective balancing authority tasks and duties. Both Parties agree that they currently meet the data submittal requirements from their Reliability Coordinator and will continue to meet these requirements.

Should either Party identify any future data requirements, both Parties agree to work to exchange the data through their respective Reliability Coordinators. If exchange of the data through the Reliability Coordinators is not possible, both Parties agree to work together to exchange the new data in an agreed upon reliable data exchange medium. The Party requesting additional data or information shall provide a written, reliability-based justification to the other Party supporting the request for such additional data or information. The Party receiving the request to provide data has the right to accept or reject the other Party's justification. In the event a dispute arises regarding the need for such data to be exchanged, it shall be resolved pursuant to the Dispute Resolution process in Section 4.1.2 of this Agreement.

Any data or other confidential information exchanged by the Parties pursuant to this Agreement shall be subject to the confidentiality provisions of the NERC Operating Reliability Data Confidentiality Agreement.

SECTION 5.5 Outage Coordination. The Midwest ISO BA and the Big Rivers BA shall coordinate transmission and generation maintenance schedules to maximize capacity or conserve fuel, including water, if such capacity or fuel are in short supply. If existing procedures already exist between other NERC registered functions of the Midwest ISO and the Big Rivers BA, then those procedures may be used to meet this requirement of this Agreement and Requirement R7.3 of regulatory approved NERC standard EOP-001-0.

SECTION 5.6 Points of Interconnection. The Midwest ISO BA and the Big Rivers BA shall exchange, and update, a list of the tie lines that are points of interconnection between the Parties. The lists of tie lines shall be maintained by each Party in a separate master document.

SECTION 5.7 Operations Planning and Security Assessment Information. Subject to the requirements of Section 5.4, the Midwest ISO BA and the Big Rivers BA shall be responsible for providing operating data requested by the other Party, and receiving operating data from the other Party as needed for the Midwest ISO BA and the Big Rivers BA to perform their reliability responsibilities. The Midwest ISO LBAs may also request operating data directly from the Big Rivers BA if needed to perform the LBA reliability responsibilities, and the Big Rivers BA agrees to provide such data directly to such LBAs.

The Midwest ISO BA shall provide operating data requested by the Big Rivers BA or its Reliability Coordinator for performing operational reliability assessments and to coordinate reliable operations within the Midwest ISO and the Big Rivers BA Reliability Coordinator Areas.

SECTION 5.8 Inadvertent Interchange Payback. The Midwest ISO is responsible to accurately report Inadvertent Interchange in coordination with the LBAs who are responsible for providing the Midwest ISO BA with after-the-fact Actual Interchange

data as coordinated with the Big Rivers BA.

On a monthly basis, the Midwest ISO BA and the Big Rivers BA shall report to each other their Inadvertent Interchange for the prior month along with each Party's accumulated Inadvertent Interchange.

SECTION 5.9 Communication. During normal and emergency operations, the Midwest ISO BA and the Big Rivers BA shall use any, some or all of the listed communication mediums: Reliability Coordinator Information System (RCIS), telephones, faxes, and e-mail. Contact information for these mediums will be periodically reviewed and communicated by each Party. The Midwest ISO BA and the Big Rivers BA agree to use uniform line identifiers when referring to transmission facilities of an interconnected network.

ARTICLE VI **FACILITY EVACUATION**

If either Party is required to evacuate its operational work area, it shall notify the other Party of such evacuation as soon as feasible by any practical means of communications.

If and when the Party becomes functional utilizing its plan for loss of its control center functionality, it shall notify the other Party by any practical means in its plan.

The Midwest ISO BA and the Big Rivers BA are each individually responsible for having a plan to continue reliability operations in the event that one of their control centers becomes inoperable. Each Party shall be responsible for annual review, testing and training of its plan. The Midwest ISO BA shall coordinate its plan and the review of such plan with the Big Rivers BA and adjacent LBAs. Each Party shall include in its plan needed communication with the Midwest ISO BA, adjacent LBAs and neighboring External BAs.

ARTICLE VII **BILLING AND PAYMENT**

SECTION 7.1 Billing and Settlement

Both the Midwest ISO and Big Rivers shall perform the billing and settlement of the Emergency Energy and associated delivery costs, if any, pursuant to this Article VII.

7.1.1 The Delivery BA shall bill the Receiving BA for Emergency Energy, and the Receiving BA agrees to pay for Emergency Energy as set forth in Schedule EE-1 of this Agreement and this Article VII.

SECTION 7.2 Periodic Billing

Each Party shall receive a statement from the other Party as set forth in Section 7.3, setting forth any amounts due from that Party as a result of any charges imposed pursuant to this Agreement.

SECTION 7.3 Payment

- 7.3.1 Unless otherwise specifically agreed upon in writing by the Parties, the seven-day period following receipt of an invoice shall be the standard period for all payments under this Agreement. Promptly after each Emergency Energy schedule between the Parties, the Delivery BA shall prepare, or cause to be prepared, and, within fifteen (15) days of the end of the calendar month in which such transaction occurs, render to the Receiving BA an invoice for the payment obligations incurred hereunder.
- 7.3.2 All invoices to a Party under this Agreement shall be due and payable in immediately available same-day funds, in accordance with the invoice instructions, within seven (7) days following the Party's receipt of the invoice. If such a day is not a banking day, then payment is due and payable on the first banking day common to the Parties following the due date. Receiving BA will make payments by electronic funds transfer in the currency of the United States of America, or by other mutually agreeable method(s), to the account designated by the Delivery BA.
- 7.3.3 If the rendering of an invoice hereunder is unavoidably delayed, the Delivery BA may issue an interim invoice based on estimated charges. Each final invoice shall be subject to adjustment for any errors in calculation, meter readings, estimating or otherwise. Any such adjustments shall be made as promptly as practical, but in no event later than six months after issuing the invoice.
- 7.3.4 Any amount not paid by the due date shall be deemed delinquent and subject to interest. Interest shall be computed from the date of collection until the date refunds are made as follows:
 - 7.3.4.1 Interest on any unpaid amounts (not including amounts placed in a cash collateral account as financial security) shall be calculated in accordance with the methodology for interest on refunds in the FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment.

- 7.3.4.2 If a Party objects to all or a portion of any invoice, that Party shall, on or before the date payment of the invoice is due, pay the full amount of the invoice and give notice to the invoicing Party, within thirty (30) days from the date the invoice is rendered, setting forth in specific details the basis for its objection and the amount thereof in dispute. The authorized officers of the Parties involved, or their designees, shall use their best efforts to develop a solution to the billing dispute. The authorized officers may choose to submit the billing dispute to the dispute resolution procedures set forth in Section 4.1.2 of this Agreement. If the objection is upheld resulting in a refund, the disputing Party shall receive interest upon such amount as specified in Section 7.3.4.1 herein from the date payment was received until the date upon which refund is made. Any refunds agreed to will be paid, with interest, on or before the thirtieth (30th) day following the date such agreement is reached. If such a day is not a banking day, then payment is due and payable on the first banking day common to the Parties following the due date.
- 7.3.5 Notwithstanding any other provision of this Section 7, if Big Rivers (or its financially responsible party designated pursuant to Section 7.4) is a Market Participant, then for all amounts owing to or from the Midwest ISO transacting for and on behalf of its Market Participants under this Agreement, the billing and payment terms for transmission service provided by Midwest ISO as the Transmission Provider, and for Energy and Operating Reserve Markets transactions shall be the terms set forth in the Midwest ISO Energy and Operating Reserve Markets Tariff, as such terms may be modified from time to time by an order of the FERC.
- 7.3.6 The applicable billing and payment provisions of this Agreement shall continue in effect after termination of this Agreement to the extent necessary to provide for final billing, billing adjustments, payments and disposition of any claims outstanding.

SECTION 7.4 Creditworthiness

- 7.4.1 If Big Rivers intends to purchase or sell transmission service or Emergency Energy under this Agreement through an agent, whether or not such agent is an affiliate of Big Rivers, then prior to implementing this Agreement Big Rivers shall designate in writing such agent to be the financially responsible party for payments due from Big Rivers under this Agreement. Big Rivers may upon written notice to the Midwest ISO change its designated agent. An agent designated for this purpose shall be the financially responsible party and shall meet the requirements of this Section 7.4. If Big Rivers designates an agent as the financially responsible party, Big Rivers need not separately meet the requirements of

Sections 7.4.2 or 7.4.3 so long as its designated agent meets the requirements of Sections 7.4.2 or 7.4.3, however Big Rivers shall remain financially, and in all other respects, liable for transactions pursuant this Agreement.

- 7.4.2 A Party, or an agent designated as the financially responsible party, that has been deemed by the Midwest ISO to have adequate credit support pursuant to the requirements of the Midwest ISO Tariff, and Attachment L thereto, shall be deemed creditworthy under this Agreement unless and until such credit standing under the Midwest ISO Tariff is altered or revoked. An agent designated by a Party to be the financially responsible party shall sign this Agreement to indicate its acceptance of the obligation to make payment as set forth herein.
- 7.4.3 If either Party reasonably deems the other Party (or such Party's designated financially responsible party) not to be creditworthy for purposes of this Agreement, subject to good faith efforts to reach agreement on reasonable and appropriate security, such Party shall have no obligation to deliver Emergency Energy, provide transmission service or incur any further financial liability to other Party under this Agreement after it reasonably deems such other Party not to be creditworthy unless and until such reasonable and appropriate security is provided.

SECTION 7.5 Failure to Pay

- 7.5.1 If any Party or its designated financially responsible party, fails to pay the amounts due as set forth in Section 7.3 of this Agreement for a period exceeding 30 days following the due date, the collecting Party may file a complaint for the purpose of collecting said amounts in an appropriate court of competent jurisdiction.
- 7.5.2 In the event of failure to pay or other default exceeding 30 days following the due date or other date for performance, in addition to the remedy stated in Section 7.5.1, the non-defaulting Party may terminate this Agreement in its entirety or may upon written notice to the defaulting Party immediately suspend its obligation to provide Emergency Energy or transmission service used to deliver Emergency Energy under this Agreement, until the act of default is cured.
- 7.5.3 Notwithstanding any other provision of this Section 7.5, if Big Rivers or the designated financially responsible party is a Market Participant, then the remedies for default available to the Midwest ISO shall be the terms set forth in the Midwest ISO Energy and Operating Reserve Markets Tariff, as such terms may be modified from time to time by an order of the FERC.

ARTICLE VIII
LIMITATION ON OBLIGATION

SECTION 8.1 This Agreement is not intended to affect the control that the transmission owning members (“Member Systems”) of the Midwest ISO or Big Rivers have over their own facilities and the use thereof. Notwithstanding anything in this Agreement to the contrary, no Party shall be required by the terms of this Agreement to provide any services to any other person that is not a Party to this Agreement.

SECTION 8.2 Nothing in this Agreement shall require a Party or any Member Systems to construct facilities primarily for the benefit of the other Party or a Member System of the other Party.

SECTION 8.3 Nothing in this Agreement shall entitle a Party or a Member System to interfere with the right of the other Party or a Member System of the other Party to proceed with system additions or alterations, which, in its sole opinion, are required to provide adequate and reliable service to its customers.

SECTION 8.4 Nothing in this Agreement shall require a Party or a Member System to take any action requested by the other Party, including without limitation the supply of Emergency Energy, load shedding, the expenditure of funds, or acquisition of equipment if such actions would, in its sole judgment, cause it to violate safety, equipment, or regulatory or statutory requirements. In the event a Party or Member System of a Party declines to take such requested actions, it must immediately inform its own Reliability Coordinator so that such information can be immediately relayed to the other Party requesting such action.

SECTION 8.5 Nothing in this Agreement shall bind any other Balancing Authority to the terms of this Agreement. The adjacent interconnections of the Midwest ISO BA and the Big Rivers BA are separate and unique, and are therefore beyond the scope of the terms and conditions in this Agreement.

ARTICLE IX
LIABILITY

SECTION 9.1 No Liability. In no event shall either Party (including its officers, directors, employees, and agents) be liable to the other Party, or the other Party's Member Systems, or any other person or entity, for losses or damages (whether direct, indirect, incidental, or consequential) arising out of or related to any performance, non-performance or delay in performance of an obligation or action under this Agreement, whether based on contract, tort, strict liability, warranty, or otherwise, including without limitation, any action or failure to act by either Party related to any request, recommendation, or requirement of either, or another, Reliability Coordinator.

SECTION 9.2 Indemnification. Neither Party shall indemnify, defend, or save harmless the other Party from any damages, losses, claims or obligations by or to third parties arising out of or resulting from a Party's performance of its various obligations under this Agreement, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs or expenses, court costs, attorneys' fees, or otherwise.

ARTICLE X
MISCELLANEOUS PROVISIONS

SECTION 10.1 Termination Notice. Any termination notices required by this Agreement shall be in writing and may be given by hand or sent by first class U.S. Mail, or express mail delivery to the applicable address as provided below:

If to Midwest ISO:

Stephen G. Kozey
General Counsel and Secretary
U.S. Mail:
P.O. Box 4202
Carmel, IN 46082-4202

Parcels:

720 City Center Dr.
Carmel, IN 46033

Tel: 317-249-5431
Fax: 317-249-5912

If to Big Rivers:

Mark A. Bailey
President & CEO
U.S. Mail:
P.O. Box 24
Henderson, KY 42419

Parcels:

201 Third Street
Henderson, KY 42420

Tel: 270-844-6101
Fax: 270-827-2558

SECTION 10.2 Waiver. Any waiver at any time by either Party of its rights under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be considered a waiver with respect to any subsequent instance or matter.

SECTION 10.3 Assignment. Neither Party shall sell, assign, or otherwise transfer any or all of this Agreement or any or all of its respective rights, or delegate any or all of its respective obligations under this Agreement without the prior written consent of the other Party.

SECTION 10.4 Merger Clause. This Agreement and the Exhibits comprise the full and complete statement of the agreement between the Parties and supersedes and cancels all prior communications, understandings and agreements between the Parties, whether written or oral, expressed or implied relating to the subject matter of this Agreement. No amendments, changes or modifications to this Agreement are valid, unless made in writing and signed by a duly authorized representative of each of the Parties.

SECTION 10.5 Responsibility for Costs. No fees, or other amounts are payable as a result of application of this Agreement. Each Party shall be solely and independently responsible for its conduct and any expenses or costs incurred under this Agreement, except for the obligation to pay for Emergency Energy, as set forth herein.

SECTION 10.6 Nature of Relationship. The Parties hereto agree that no employment, agency, joint venture, teaming, partnership, business arrangement or fiduciary relationship shall be deemed to exist or arise between them with respect to this Agreement.

SECTION 10.7 Governing Law. This Agreement, and the rights and obligations of the Parties arising out of this Agreement, shall be governed by and shall be construed, enforced, and performed in accordance with the Federal laws of the United States of America. To the extent that there is no applicable Federal law, this Agreement, and the rights and obligations of the Parties arising out of this Agreement, shall be governed by and shall be construed, enforced, and performed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws.

SECTION 10.8 Headings. The descriptive headings in the various Articles and Sections of this Agreement have been inserted for convenience of reference only, and shall in no way modify or restrict any of the terms and provisions hereof.

SECTION 10.9 Exhibits. The Exhibits to this Agreement are attached hereto and incorporated by reference. The Exhibits may be amended from time to time as specifically set forth in the respective Exhibits.

SECTION 10.10 Confidentiality. The Parties agree that their confidentiality obligations under this Agreement shall be consistent with and subject to the requirements of the NERC confidentiality restrictions governing non-disclosure of operating information.

SECTION 10.11 Other Entities. Nothing in this Agreement is intended to confer benefits upon any person or entities not a Party, including without limitation the Member

Systems of the Midwest ISO or entities taking service of any kind from the Big Rivers BA, respectively. Nothing in this Agreement shall be construed as a stipulation for the benefit of others, and no third party, including without limitation the Member Systems of the Midwest ISO or entities taking service of any kind from the Big Rivers BA, respectively, shall be entitled to enforce this Agreement against either Party.

SECTION 10.12 No Representation or Warranty. Neither Party shall be deemed to make any representation or warranty, express or implied, as to the truth, accuracy or completeness of any information or data exchanged or provided (or not exchanged or provided) to the other Party pursuant to this Agreement. The receiving Party, and all persons receiving such data and information, shall be solely responsible for any reliance thereon, and all investigation thereof, and expressly waive any and all rights of recourse against the Party providing the information.


SECTION 10.13 Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one and the same instrument. It shall not be necessary that any counterpart hereof be executed by both Parties so long as at least one counterpart is executed by each Party. A facsimile or photocopy of any signature shall have the same force and effect as an original.

SECTION 10.14 No Waiver of Jurisdictional Immunity. If a Party is not subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") as a "public utility" under the Federal Power Act, that Party shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over the Party. Nothing in this Agreement waives any objection to, or otherwise constitutes consent to, the jurisdiction by FERC over the Party or its transmission service, facilities and rates.

[Signatures appear on following page]

IN WITNESS WHEREOF, the signatories hereto have caused this Agreement to be executed by their duly authorized officers.

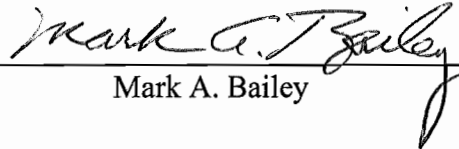
FOR Midwest Independent Transmission System Operator, Inc.

By:  12-29-09
WILLIAM C. PHILLIPS
Vice President
Standards Compliance & Strategy
Date

Vice President,
Standards, Compliance & Strategy

FOR Big Rivers Electric Corporation

NERC ID NCR 01180

By:  12/22/09
Mark A. Bailey
Date

President & CEO

SCHEDULE EE-1
EMERGENCY ENERGY SETTLEMENTS AND CHARGES

The rate to be charged by Midwest ISO BA when supplying Emergency Energy pursuant to this Agreement shall be the FERC approved tariff rate as stated in this Schedule EE-1, as such rate may be changed from time to time. The rate to be charged by Big Rivers BA when supplying Emergency Energy pursuant to this Agreement shall be the tariff rate as stated in this Schedule EE-1, as such rate may be changed from time to time. The terms and conditions applicable to the settlement of such charges are as follows:

- 1.0 Payment will be financial, and accounting for Emergency Energy will be in whole megawatt-hours.
- 2.0 For energy received by Big Rivers, the charges shall be calculated as follows:
 - 2.1 Midwest ISO supplying Big Rivers from the Midwest ISO Energy and Operating Reserves Market for and on behalf of its Market Participants shall be paid 150% of the hourly LMP per megawatt-hour at the Commercial Node used to provide such service.
 - 2.2 Midwest ISO supplying Big Rivers from the Midwest ISO Energy and Operating Reserves Market for and on behalf of its Market Participants while simultaneously receiving energy from the Delivery BA shall be paid the higher of: (i) 150% of the hourly LMP per megawatt-hour at the Commercial Node at which Emergency Energy is injected by the Delivery BA, or (ii) 150% of the hourly LMP per megawatt-hour at the Commercial Node at which the Emergency Energy is removed by the Receiving BA.
- 3.0 For energy received by the Midwest ISO, into the Midwest ISO Energy and Operating Reserve Markets for and on behalf of its Market Participants, the charges shall be calculated as follows:
 - 3.1 Big Rivers shall be paid: the greater of (i) 150% of the hourly LMP at the interface at which the energy enters the Midwest ISO Energy and Operating Reserve Market or (ii) \$100 per megawatt-hour; or (iii) 110% of the verifiable cost of the resource(s) used to provide such service.
 - 3.2 When Big Rivers has facilitated the transfer of Emergency Energy from another BA to the Midwest ISO, Big Rivers shall be paid its Transmission Service charges and losses, as set forth in Section 5 of this Schedule EE-1, associated with the transfer of Emergency Energy from the Delivery BA to the Midwest ISO.
- 4.0 As used in this Schedule EE-1, the term “verifiable costs” shall mean the cost of fuel, operation and maintenance, energy provided for electric losses, purchased power, and other costs that would not have been otherwise incurred if the

Emergency Energy had not been supplied. The term “verifiable costs” does not include the cost of Transmission Service.

- 5.0 In addition to the charges outlined above, the Receiving BA shall pay any applicable transmission charges, including such charges for losses incurred for the delivery of Emergency Energy.
- 6.0 The Point of Delivery for Emergency Energy shall be as follows:
 - 6.1 When the Midwest ISO is the Delivery BA, the Point of Delivery shall be the interface node of the Midwest ISO BA to Big Rivers. Big Rivers (or the Receiving BA if Big Rivers is not also the Receiving BA) is responsible to acquire and pay for any applicable Transmission Service and Losses from applicable Transmission Service Providers.
 - 6.2 When Big Rivers is the Delivery BA, the Point of Delivery shall be the point of interconnection between the Parties, provided the Delivery BA is directly connected with the Receiving BA.
 - 6.2.1 If the Delivery BA is not directly interconnected with the Receiving BA, then Point of Delivery shall be the interface between the Delivery BA and the physically interconnected Transmission System that is in the pathway to the Receiving BA, and:
 - 6.2.1.1 the Receiving BA is responsible to pay for any applicable Transmission Service and Losses from applicable Transmission Service Providers, and
 - 6.2.1.2 if the Receiving BA requires the use of the Midwest ISO Transmission System, in addition the Receiving BA shall be subject to congestion costs of the Midwest ISO Transmission System, as set forth in the Midwest ISO Tariff.
 - 6.3 Notwithstanding Sections 6.1 and 6.2 of this Schedule EE-1, the Point of Delivery for Canadian Balancing Authorities, as Delivery BA and as Receiving BA, shall be the Canada-United States international border.

EXHIBIT A

Midwest ISO Contact Information:

Tim Aliff
Senior Manager
Central Region Operations
(317) 249-5654 (Office)
(317) 697-4837(Cell)
(317) 249-5860 (Fax)
taliff@midwestiso.org

Big Rivers BA Contact Information:

Big Rivers Electric Corporation
David Crockett
Vice President System Operations
P.O. Box 24
Henderson, KY 42419

Office; 270-844-6205
Cell: 270-748-4138

ATTACHMENT RR-1

Form of Service Agreement for Real-Time Reserve Services During Phased Integration

- 1.0 This Service Agreement, dated as of the 29th day of December, 2009 is entered into, by and between the Midwest ISO (“Transmission Provider”) and Big Rivers Electric Corporation (“Reserve Services Customer”), (also hereafter referred to as Party or Parties as the context requires).
- 2.0 The Reserve Services Customer has been determined by the Transmission Provider to be eligible for Reserve Services as set forth in Attachment RR of the Tariff, and the Transmission Provider agrees to provide service upon the request of an authorized representative of the Reserve Services Customer.
- 3.0 The Reserve Services Customer: (i) agrees to supply information as set forth in Attachment RR of this Tariff, and such other information, data, and specifications reasonably necessary, in accordance with Good Utility Practice, to permit the Transmission Provider to provide the requested service; (ii) agrees to perform the obligations required of Reserve Services Customers set forth in the Tariff; and, (iii) agrees to take and pay for the requested service in accordance with the provisions of the Tariff and this Service Agreement.
- 4.0 Service under this Service Agreement shall commence on the later of: (1) the requested service commencement date, (2) the date on which all required technical data has been received and entered into the Transmission Provider models, or (3) a date that may be established by the Commission. Service under this Service Agreement shall terminate as required by Attachment RR of the Tariff, or as otherwise required by Commission orders or regulations.
- 5.0 Any notice required or authorized by Attachment RR or this Service Agreement (“Notice”) or a request made by a Party regarding this Service Agreement shall be in writing. Notice shall be personally delivered, transmitted by facsimile (with receipt verbally or electronically confirmed), emailed, delivered by overnight courier or mailed, postage prepaid, to the other Party at the address designated below. A Party may change its designated address upon Notice to the other Party.

Transmission Provider

Reserve Services Customer

Name Stephen G. Kozey
Title: General Counsel
Address: PO Box 4202
 Carmel, IN 46082-4202
 Fax: 317-249-5912
Email@ skozey@midwestiso.org

Mark A. Bailey
President & CEO
P.O. Box 24
Henderson, KY 42419
Fax: 270-827-2558
mbailey@bigrivers.com

5.0 The Tariff is incorporated herein and made a part hereof.

6.0 Description of Reserve Services Customer points of interconnection, via the Transmission Owner's facilities, with the Transmission System:

[Attach a separate sheet if necessary, listing points of interconnection]

7.0 Upon meeting all other conditions required by Attachment RR and the Tariff, the Reserve Services Customer and Transmission Provider agree to commence service at midnight, on the 1st day of January 2010. Service under this Service Agreement RR-1 shall terminate automatically upon the earlier of: (i) nine months from the date that service commences hereunder; or, (ii) the integration of the Reserve Services Customer's Balancing Authority into the Midwest ISO Balancing Authority Area.

8.0 The Parties mutually agree to use Zone 1 as a representative Reserve Zone for the purpose of determining the Regulation and Spinning Reserves Distribution rate to be used in the calculation of charges under Section C.3 of Attachment RR. This representative Reserve Zone may be changed only by mutual consent of the Parties, and will remain in effect until termination of this Service Agreement.

9.0 Representations and Warranties. Each Party represents and warrants to the other that, as of the date it executes this Service Agreement:

9.1 The Party is duly organized, validly existing and in good standing under the laws of the jurisdiction where organized;

9.2 The execution and delivery by the Party of this Service Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action on the part of the Party and do not conflict, based on present knowledge and information, with any applicable law or with any other agreement binding upon the Party; this Service Agreement has been duly executed and delivered by the Party, and, upon receipt of any necessary regulatory approvals, this Service Agreement constitutes the legal, valid and binding obligation of the Party enforceable against it in accordance with its terms except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditor's rights generally and by general principles of equity regardless of whether such principles are considered in a proceeding at law or in equity;

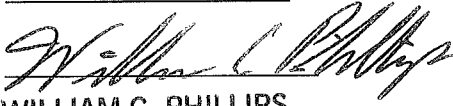
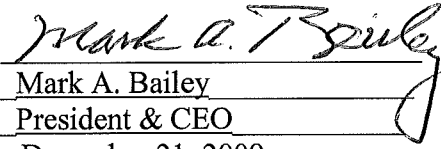
9.3 There are no actions at law, suits in equity, proceedings or claims pending or, to the knowledge of the Party, threatened against the Party before or by any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the performance by the Party of its obligations hereunder; and

9.4 It is in compliance with all NERC and Regional Entity standards applicable to its operations and facilities.

10. Assignment. Neither Party may assign this Service Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except in the case of a merger, consolidation, sale, or spin-off of substantially all of a Party's assets. Notwithstanding anything to the contrary herein, the following conditions shall apply to assignment of this Service Agreement by the Reserve Services Customer: (1) assignment may be made to only another eligible Reserve Services Customer; (2) if any change is requested by the assignee, it may be approved by the Transmission Provider only if such change does not impair reliability; and (3) the assignee must agree to be subject to and bound by all applicable terms and conditions of the Service Agreement and the Tariff. .
11. Third Party Beneficiaries. There are no intended third-party beneficiaries of this Service Agreement. Nothing in this Service Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to, any person not a Party to this Service Agreement.
12. Entire Agreement. This Service Agreement, which incorporates the Tariff, constitutes the entire understanding and agreement of the Parties, and supersedes any and all previous communications, representations, understandings, and agreements (oral or written) between the Parties with respect to the subject matter hereof. The headings used in this Service Agreement are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.
13. No Joint Venture. Nothing contained in this Service Agreement shall be construed to imply the existence of a joint venture, principal and agent relationship, or employment relationship between the Parties, and no Party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other Party without the express written consent of the other.

14. Governing Law. This Service Agreement, to the extent not subject to the jurisdiction of the FERC, shall be governed by and construed in accordance with applicable State laws.
15. Additional Terms. If the Reserve Services Customer is the United States of America or an agency thereof, the terms and conditions found in Section 12B of the Tariff applicable to participation by the United State of America shall be incorporated in this Service Agreement and shall become a part hereof by this reference. If the Reserve Services Customer is a public-power entity, the terms and conditions found in Section 12E of the Tariff applicable to participation by public power entities shall be incorporated in this Service Agreement and shall become a part hereof by this reference.
16. No Waiver of Jurisdictional Immunity. If the Reserve Services Customer is not subject to the jurisdiction of the FERC as a "public utility" under the Federal Power Act, the Reserve Services Customer shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over the Reserve Services Customer. Nothing in this Service Agreement waives any objection to, or otherwise constitutes consent to, the jurisdiction by FERC over the Reserve Services Customer or its transmission service, facilities and rates.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

<u>Transmission Provider</u>		<u>Reserve Services Customer</u>	
By: 	By: 	Name: <u>WILLIAM C. PHILLIPS</u>	Name: <u>Mark A. Bailey</u>
Title: <u>Vice President</u>	Title: <u>President & CEO</u>	Date: <u>Standards Compliance & Strategy</u>	Date: <u>December 21, 2009</u>

12-29-09

ATTACHMENT KK-1
Form of Service Agreement for Reliability Coordination Service

- 1.0 This Service Agreement, dated as of the ___ day of December, 2009 is entered into, by and between the Midwest ISO ("Transmission Provider") and Big Rivers Electric Corporation ("Reliability Coordination Customer"), (also hereafter referred to as Party or Parties as the context requires).
- 2.0 The Reliability Coordination Customer has been determined by the Transmission Provider to be eligible for Reliability Coordination Service as set forth in Part I of Module F of the Tariff, and the Transmission Provider agrees to provide service upon the request of an authorized representative of the Reliability Coordination Customer.
- 3.0 The Reliability Coordination Customer: (i) agrees to supply information as set forth in Section 73 of this Tariff, and such other information, data, and specifications reasonably necessary, in accordance with Good Utility Practice, to permit the Transmission Provider to provide the requested service; (ii) agrees to perform the obligations required of Reliability Coordination Customers set forth in the Tariff; and, (iii) agrees to take and pay for the requested service in accordance with the provisions of the Tariff and this Service Agreement.
- 4.0 Service under this Service Agreement shall commence on the later of: (1) the requested service commencement date, (2) the date on which all required technical data has been received and entered into the Transmission Provider models, or (3) any other date that may be established by the Commission. Service under this Service Agreement shall terminate upon receipt of written notification as required by the Tariff, or on a date mutually agreed upon by the Parties, or as otherwise provided under the Tariff or Commission regulations. The requested service commencement date is 00:01, September 1, 2010.
- 5.0 Any notice required or authorized by this Service Agreement ("Notice") or request made by a Party regarding this Service Agreement shall be in writing. Notice shall be personally delivered, transmitted by facsimile (with receipt verbally or electronically confirmed), emailed, delivered by overnight courier or mailed, postage prepaid, to the other Party at the address designated below. A Party may change its designated address upon Notice to the other Party. If the Reliability Coordination Customer has designated a Contract Manager to receive Notice, the contact information for that person or entity shall also be inserted here:

	<u>Transmission Provider</u>	<u>Reliability Coordination Customer</u>
Title:	General Counsel	<u>Mark A. Bailey</u>
Address:	Midwest ISO 720 City Center Drive P.O. Box 4202 Carmel, IN 46082-4202 Fax: 317-249-5912 <u>skozey@midwestiso.org</u>	<u>President & CEO</u> <u>Big Rivers Electric Corp.</u> <u>201 Third Street</u> <u>P.O. Box 24</u> <u>Henderson, KY 42419</u> Fax: 270-827-2558 <u>mbailey@bigrivers.com</u>
	Contract Manager:	<u>N/A</u>

5.1 The Reliability Coordination Customer's designated Contract Manager shall have the following responsibilities, as mutually agreed to by the Parties:

N/A

6.0 The Tariff is incorporated herein and made a part hereof.

7.0 Description of Reliability Coordination Customer Transmission Facilities that are within the NERC definition of Bulk Electric System and that will be monitored by the Transmission Provider:

[Attach a separate sheet listing all facilities to be covered by this Service Agreement]

To Be Provided

8.0 The Reliability Coordination Customer has determined that the following Reliability Coordination Customer Transmission Facilities are subject to the following contractual commitments that may limit the Reliability Coordination Customer's ability to reconfigure its Reliability Coordination Customer Transmission Facilities when directed to do so by the Transmission Provider: [Describe the transmission facility and the nature of contractual limitation]

To Be Provided

9.0 The following contractual commitments, laws or environmental restrictions may limit the Reliability Coordination Customer's ability to redispatch generation when directed to do so by the Transmission Provider: [Describe the facility and the nature of the limitation known to the Reliability Coordination Customer]

To Be Provided

10.0 Representations and Warranties. Each Party represents and warrants to the other that, as of the date it executes this Service Agreement:


- 10.1 The Party is duly organized, validly existing and in good standing under the laws of the jurisdiction where organized;
- 10.2 The execution and delivery by the Party of this Service Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action on the part of the Party and do not conflict, based on present knowledge and information, with any applicable law or with any other agreement binding upon the Party; this Service Agreement has been duly executed and delivered by the Party, and, upon receipt of any necessary regulatory approvals, this Service Agreement constitutes the legal, valid and binding obligation of the Party enforceable against it in accordance with its terms except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditor's rights generally and by general principles of equity regardless of whether such principles are considered in a proceeding at law or in equity;
- 10.3 There are no actions at law, suits in equity, proceedings or claims pending or, to the knowledge of the Party, threatened against the Party before or by any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the performance by the Party of its obligations hereunder; and
- 10.4 It is in compliance with all NERC and Regional Entity standards applicable to its operations and facilities.

11. Assignment. Neither Party may assign this Service Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except in the case of a merger, consolidation, sale, or spin-off of substantially all of a Party's assets. Notwithstanding anything to the contrary herein, the following conditions shall apply to assignment of this Service Agreement by the Reliability Coordination Customer: (1) assignment may be made to only another eligible Reliability Coordination Customer; (2) if any change is requested by the assignee, it may be approved by the Transmission Provider only if such change does not impair reliability; and (3) the assignee must agree to be subject to and bound by all applicable terms and conditions of the Service Agreement and the Tariff. .
12. Third Party Beneficiaries. There are no intended third-party beneficiaries of this Service Agreement. Nothing in this Service Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to, any person not a Party to this Service Agreement.
13. Entire Agreement. This Service Agreement, which incorporates the Tariff, constitutes the entire understanding and agreement of the Parties, and supersedes any and all previous communications, representations, understandings, and agreements (oral or written) between the Parties with respect to the subject matter hereof. The headings used in this Service Agreement are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.
14. No Joint Venture. Nothing contained in this Service Agreement shall be construed to imply the existence of a joint venture, principal and agent relationship, or employment relationship between the Parties, and no Party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other Party without the express written consent of the other.

15. Governing Law. This Service Agreement, to the extent not subject to the jurisdiction of the FERC, shall be governed by and construed in accordance with applicable State laws.
16. Additional Terms. If the Reliability Coordination Customer is the United States of America or an agency thereof, the terms and conditions found in Section 12B of the Tariff applicable to participation by the United State of America shall be incorporated in this Service Agreement and shall become a part hereof by this reference. If the Reliability Coordination Customer is a public-power entity, the terms and conditions found in Section 12E of the Tariff applicable to participation by public power entities shall be incorporated in this Service Agreement and shall become a part hereof by this reference.
17. No Waiver of Jurisdictional Immunity. If the Reliability Coordination Customer is not subject to the jurisdiction of the FERC as a "public utility" under the Federal Power Act, the Reliability Coordination Customer shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over the Reliability Coordination Customer. Nothing in this Service Agreement waives any objection to, or otherwise constitutes a consent to, the jurisdiction by FERC over the Reliability Coordination Customer or its transmission service, facilities and rates.

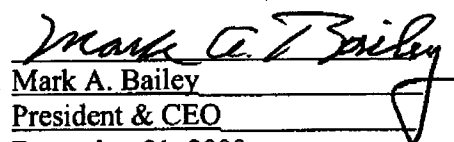
IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider

By: 
Name: WILLIAM C. PHILLIPS
Title: Vice President
Date: Standards Compliance & Strategy

12-30-09

Reliability Coordination Customer

By: 
Name: Mark A. Bailey
Title: President & CEO
Date: December 21, 2009

SUPPLEMENTAL AGREEMENT

This SUPPLEMENTAL AGREEMENT (the "Agreement") is entered into by and among the MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC., a Delaware non-stock corporation ("MISO"), INTERNATIONAL TRANSMISSION COMPANY, a Michigan corporation ("International"), and the undersigned Owners. MISO, International and the undersigned Owners are each referred to individually herein as a Party and are referred to collectively herein as the Parties.

BACKGROUND

WHEREAS, International is engaged in the business of providing open access, nondiscriminatory transmission service, and is currently a subsidiary of DTE Energy Company ("DTE");

WHEREAS, on September 16, 1998, FERC accepted for filing an Agreement Of Transmission Facilities Owners To Organize The Midwest Independent Transmission System Operator, Inc. in Midwest Independent Transmission System Operator, Inc., et al., 84 FERC ¶ 61,231 (1998) (as the same may be amended from time to time, the "MISO Agreement");

WHEREAS, on August 31, 2001, MISO and International entered into, and tendered for filing with FERC in Docket Numbers ER01-3000-000, EC01-146-000 and RT01-101-000, an Appendix I Agreement (as the same may be amended from time to time, the "Appendix I Agreement"), pursuant to which MISO and International propose to cooperate regarding certain RTO functions, with MISO providing the RTO Services pursuant to the terms of the Appendix I Agreement, and International assuming certain RTO functions as contemplated by Appendix I of the MISO Agreement; and

WHEREAS, the Parties desire to enter into certain supplemental agreements with respect to International's participation in MISO pursuant to the Appendix I Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter set forth, the Parties hereby agree as follows:

1. Definitions

All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Appendix I Agreement.

2. Filing, Effective Date, Term, and Termination

2.1. International shall file with FERC for approval of this Agreement as soon as practicable following the execution hereof, and neither MISO nor any of the undersigned Owners shall make or file any pleadings, interventions, statements or reports with FERC or any other federal or state agency or court which contests or seeks in any way to overturn or limit the

effectiveness or governmental approval or authorization of this Agreement, provided that, nothing in this Section shall affect the rights of the parties under the Federal Power Act as provided for in Section 9 of this Agreement. This Agreement shall become effective upon the later of the date that it is approved by FERC or the date upon which the Appendix I Agreement becomes effective. If the FERC accepts and generally approves this Agreement but requires a compliance filing by any of the Parties, the Parties shall evaluate whether such required compliance filing substantially changes or frustrates the intent of the Parties such that, in the view of the Parties, FERC's action on the filing constitutes approval of this Agreement for the purposes of determining whether the Agreement is effective. If the Parties do not mutually agree that such action by FERC constitutes approval of this Agreement for the purposes of determining whether the Agreement is effective, this Agreement shall not become effective, provided that nothing herein shall prevent the Parties (either together or separately) from working to resolve any issues raised by FERC's requirement for a compliance filing.

2.2. This Agreement shall remain in effect during the entire term of the Appendix I Agreement. Subject to Section 2.3, this Agreement shall terminate upon any expiration or termination of the Appendix I Agreement.

2.3. Sections 6, 7, 10 and 11 hereof shall survive any expiration or termination of this Agreement.

3. Relationship with Appendix I Agreement and MISO Agreement

3.1. Each of the undersigned Owners agrees that it shall not make or file any protest or challenge in any proceeding at FERC (or any other federal or state agency or court) which contests the August 31, 2001 filing of the Appendix I Agreement. To the extent any undersigned Owner has, prior to executing this Agreement, made or filed any such protest or challenge with respect to the Appendix I Agreement, such Owner shall withdraw such protest or challenge as soon as practicable, and in no event later than the fifth (5th) business day following such Owner's execution of this Agreement, provided that, nothing in this Section shall require any Owner to withdraw a pleading which is not a protest or challenge.

3.2. Although various provisions of this Agreement refer to, supplement and/or clarify certain provisions of the Appendix I Agreement, the execution and delivery of this Agreement by the Parties shall not cause any Owner to be entitled to any rights or subject to any obligations under, nor make any Owner in any way a party to, the Appendix I Agreement. In the event of a conflict between any provision of this Agreement and any provision of the Appendix I Agreement, the provisions of this Agreement shall govern.

3.3. Although the Appendix I Agreement and this Agreement and the relationship among International, MISO and the Owners as set forth herein and therein incorporates certain provisions of the MISO Agreement, any incorporation of the terms the MISO Agreement in the Appendix I Agreement or this Agreement shall not make International an Owner or otherwise an obligor under the MISO Agreement, nor shall incorporation of such terms make International in any way a party to the MISO Agreement. In the event of a conflict between any provision of this

Agreement and any provision of Appendix I or the MISO Agreement, the provisions of this Agreement shall govern.

3.4. Except to the extent specifically amended or superseded by any provision of this Agreement, the Appendix I Agreement shall not be deemed altered, amended or superseded by this Agreement and shall survive the execution of this Agreement in accordance with its terms. No provision of this Agreement is intended to nor does it modify, supersede or limit the provisions of Section 3.4 of the Appendix I Agreement, and the provisions of that Section shall be equally applicable to and incorporated into this Agreement, provided, however, that for purposes of this Agreement, a provision or term shall be deemed a Superior Term and shall, subject to any required FERC approval, be incorporated into and made part of this Agreement only if it relates to one or more of the subject matters which are set forth or otherwise dealt with in Sections 3.6, 7, 8 or 10 hereof.

3.5. The Parties agree that any person or entity seeking to join MISO as an Owner shall, as a condition to being granted such Owner status, be required to sign this Agreement and to be bound by all of its terms and conditions.

3.6. The parties agree that, at any time subsequent to the date of this Agreement, International shall, subject to approval by FERC, have the right (but not the obligation) to execute the MISO Agreement as an Owner and that, in such event, International shall thereafter be an Owner for purposes of the MISO Agreement, entitled to all rights and subject to all obligations of an Owner set forth therein, and the provisions of the Appendix I Agreement and this Agreement shall be of no further force or effect.

4. Status of International Prior to Independence

From and after the Control Date, MISO shall provide RTO Services to International in accordance with the terms and conditions of the Appendix I Agreement, and the Appendix I Agreement, as supplemented by this Agreement, shall govern the relationship of MISO and International and the terms of International's participation in MISO. Notwithstanding the foregoing or any provision of the Appendix I Agreement to the contrary, the Parties acknowledge that the provisions of Sections 4.2.2, 5, 7.1, 7.2, 8.2, 9, 11.3.1, 11.3.2, 11.3.3, 11.3.4, 11.3.5, 11.3.6, and 11.4 (the "Special Provisions") shall not take effect until the effective date approved by FERC for the Special Provisions. The Parties further acknowledge that the Special Provisions (as the same may be hereafter modified with FERC authorization) shall, in whole or in part, upon the effective date authorized by FERC for the Special Provisions, automatically take effect and thereafter be operative for the remaining term of the Appendix I Agreement.

5. Revenue Distribution

Notwithstanding any provision of Appendix C to the MISO Agreement to the contrary, the Parties hereby agree that, unless otherwise agreed to in writing by International, any amounts owing to International pursuant to Section 11.2 of Appendix I Agreement as a result of the

provision of transmission service under the MISO OATT shall be paid directly to International, and shall not be paid to or pass through the LLC referenced in Section 3 of Appendix C to the MISO Agreement or any other entity designated by the Owners to recover revenues from MISO.

6. Dispute Resolution

Any dispute as to any matter not governed by the terms of the MISO OATT and arising under or in connection with this Agreement or the Appendix I Agreement between or among International and MISO, any Owner and/or any other Member shall be subject to the same dispute resolution procedures as are set forth in Appendix D to the MISO Agreement.

7. Reimbursement of Incremental and Deferred Costs

7.1. In the event that International withdraws as a Member of MISO and terminates the Appendix I Agreement, MISO shall be entitled to assess against International a charge (the "Exit Fee") which appropriately reimburses MISO (net of any recovery through sale, salvage or otherwise) for those unamortized capital expenditures actually and reasonably incurred by MISO prior to the date of such withdrawal, to the extent, and only to the extent, that such expenditures have been incurred solely and exclusively in order to provide and as part of providing the RTO Services to International and, following the withdrawal of International, the property acquired through such expenditures serves no useful business purpose for MISO or any of its remaining Members. Any data or methodology underlying computation of the Exit Fee shall be provided in writing to ITC along with MISO's written notice of the assessment of the Exit Fee.

7.2. Unless the amount thereof is disputed by International, International shall pay or cause to be paid to MISO the Exit Fee within ten (10) business days of International's receipt of written notice by MISO of the assessment and amount of such Exit Fee. If there is any dispute as to the appropriate amount of the Exit Fee, and International and MISO cannot within five (5) business days resolve such dispute, such matter shall be resolved in the manner provided in Section 6 hereof. If the resolution of such dispute indicates that MISO's computation of the Exit Fee is improper, then the Exit Fee shall be adjusted accordingly, and International shall pay or cause to be paid the adjusted Exit Fee within ten (10) business days of the final resolution of the dispute.

7.3. Subsequent to the execution of this Agreement, the MISO OATT shall be amended, and the International OATT, when effective, shall be structured, as necessary to include terms proposed by MISO and agreeable to International which enable MISO to recover Deferred Costs (as defined in the current version of Schedule 10 of the MISO OATT) from Relevant Customers following any withdrawal by International as a Member of MISO, to the same extent as if such Relevant Customers were, in the aggregate at the time of International's withdrawal, an Owner withdrawing from MISO for purposes of Schedule 10 of the MISO OATT. Such recovery by MISO shall at all times be subject to MISO's ongoing compliance with the requirements and principles set forth in Section 13.2 of the Appendix I Agreement, which is incorporated herein by reference.

8. Certain Governance Rights Granted to International as an Appendix I Member

8.1 Each undersigned Owner hereby acknowledges the approval rights of International under Section 14 of the Appendix I Agreement, subject to the provisions of this Section 8.

8.2 The Parties hereby agree that International shall have no authority or ability to preclude Owners from taking any action permitted under Article Two, Section IX of the MISO Agreement with respect to revenue distribution or pricing; provided, however, that, it is the intention of the Parties that International be held harmless from any such action of the Owners as provided for in Section 8.3.

8.3 Unless otherwise consented to in writing by International, the Owners shall not take (nor shall MISO implement) any action otherwise permitted under Article Two, Section IX of the MISO Agreement which affects: (A) the rights and entitlements of International to collection of zonal revenue for the International Zone as provided for in Sections III.A.1-III.A.6 of Appendix C to the MISO Agreement; (B) the revenue distribution methodology and proportional distribution (i.e., 50% in proportion to transmission investment and 50% based upon power flows) among zones as established in Section III.A.7 of Appendix C to the MISO Agreement insofar as applicable to or impacting International or the International Zone; or (C) the rights of International to approve any change to the use of zonal pricing and entitlement to zonal revenue, in so far as applicable to or impacting International or the International Zone. By way of example, the Owners may, without International's consent, modify the current revenue distribution methodology set forth in Section III.A.7 of Appendix C to the MISO Agreement, which is based 50% on transmission investment and 50% on power flows, insofar as it affects only the Owners. In the case of this example, (i) International would be entitled to continue to receive revenue distributions as if the pre-existing methodology continued in place; and (ii) neither International nor any Relevant Customers would be required to bear any additional costs associated with any such modification instituted by the Owners. Nothing in this Section 8.3 shall require the Owners to hold International harmless from actions taken by FERC that affect the matters set out in items (A), (B) or (C) of this Section 8.3, nor shall anything in this section preclude the Owners from taking any action under Section 206 of the Federal Power Act to change this Agreement in accordance with Section 9 of this Agreement.

8.4 The Parties further agree that International shall have the right to attend and participate in (through a representative of its own choosing) all meetings of Members and/or Owners and shall be given notice of such meetings consistent with Article Two, Section V.B.4 of the MISO Agreement; provided that International shall execute any such confidentiality and/or joint defense agreements that participants in such meetings are reasonably required to execute.

9. Changes or Amendments to this Agreement

The Parties acknowledge that MISO shall have rights under Section 205 of the Federal Power Act to seek to amend this Agreement, and that International and the undersigned Owners shall have rights under Section 206 with respect to any proposed changes to this Agreement.

10. Assumption of Liability

10.1. Each Owner that is signatory to this Agreement (an “Indemnifying Owner”) hereby agrees to assume liability for any injury or damage to persons or property arising from its own acts or neglect, including the acts or neglect of its Representatives and contractors, and to release, indemnify and hold harmless International and its Representatives and contractors from and against all damages, losses, claims, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising from the Indemnifying Owner’s performance or neglect of its obligations under this Agreement or the MISO Agreement or from the Indemnifying Owner’s exercise of the rights and powers preserved to it by this Agreement or the MISO Agreement, except in cases where, and only to the extent that, the gross negligence or intentional wrongdoing of International or its Representatives or contractors contributes to the claimed injury or damage. Except as provided in the MISO OATT, no Owner shall be liable for any costs or expenses relating to the operation, repair, maintenance or improvement of any of the transmission facilities of International.

10.2. International hereby agrees to assume liability for any injury or damage to persons or property arising from its own acts or neglect, including the acts or neglect of its Representatives or contractors, and to indemnify and hold harmless each Owner that is signatory to this Agreement (an “Indemnified Owner”) and its Representatives and contractors from and against all any damages, losses, claims, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising from International’s performance or neglect of its obligations under this Agreement or the Appendix I Agreement or from International’s exercise of the rights and powers preserved to it by this Agreement or the Appendix I Agreement, except in cases where, and only to the extent that, the gross negligence or intentional wrongdoing of the Indemnified Owner or its Representatives or contractors contributes to the claimed injury or damage. Except as provided in the MISO OATT, International shall not be liable for any costs or expenses relating to the operation, repair, maintenance, or improvement of any of the transmission facilities of any Owner or other Member.

10.3. No Owner, Member or User (including International) that is signatory to this Agreement shall be liable to any other Owner, Member or User for any action taken at the direction of MISO, except in cases of the gross negligence or intentional wrongdoing of such Owner, Member or User.

10.4. If a Party (or its Representative(s) or contractor(s)) entitled to indemnification or assumption of liability by another Party under this Agreement (an “Indemnitee”) receives written notice of the assertion of any claim or of the commencement of any claim, action, or proceeding

made or brought by any person or entity who is not a Party to this Agreement or an affiliate of a Party to this Agreement (a "Third Party Claim") with respect to which indemnification or assumption of liability is to be sought from another Party (an "Indemnifying Party"), the Indemnitee will give such Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnitee's receipt of written notice of such Third Party Claim. Such notice shall describe the nature of the Third Party Claim in reasonable detail. The Indemnifying Party will have the right to participate in or, by giving written notice to the Indemnitee, to elect to assume the defense of, any Third Party Claim at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, and the Indemnitee will cooperate in good faith and may participate in such defense at such Indemnitee's own expense.

10.5. If within ten (10) calendar days after an Indemnitee provides written notice to the Indemnifying Party of any Third Party Claim, the Indemnitee receives written notice from the Indemnifying Party that such Indemnifying Party has elected to assume the defense of such Third Party Claim as provided in the last sentence of Section 10.4, the Indemnifying Party will not be liable for any legal expenses subsequently incurred by the Indemnitee in connection with the defense thereof; provided, however, that the Indemnitee may assume its own defense by giving written notice to the Indemnifying Party, and the Indemnifying Party will be liable for all reasonable expenses thereof, (i) if the Indemnitee at any time reasonably determines that there may be a conflict between the positions of the Indemnifying Party and of the Indemnitee in conducting the defense of any Third Party Claim, or that there may be legal defenses available to any Indemnitee different from or in addition to those available to the Indemnifying Party; or (ii) if the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third Party Claim within twenty (20) calendar days (unless waiting twenty (20) calendar days would prejudice the Indemnitee's rights) after receiving notice from the Indemnitee that the Indemnitee believes the Indemnifying Party has failed to take such steps. If, within ten (10) calendar days after an Indemnitee has provided written notice to the Indemnifying Party of any Third Party Claim, the Indemnifying Party has not given written notice to the Indemnitee that such Indemnifying Party has elected to assume the defense of such Third Party Claim, the Indemnifying Party shall be liable for any legal expenses subsequently incurred by the Indemnitee in connection with the defense thereof. Without the prior written consent of the Indemnitee, the Indemnifying Party will not enter into any settlement of any Third Party Claim. If the Indemnifying Party desires to enter into a settlement of any Third Party Claim, and such settlement would neither (i) lead to liability or create any financial or other obligation on the part of the Indemnitee for which the Indemnitee is not entitled to indemnification or assumption of liability by the other Party hereunder, or (ii) reasonably be construed as an admission of culpability or liability by the Indemnitee or expected to create an adverse precedent which could undermine the Indemnitee's defense of or position with respect to any future claims by third parties; then, in such event, the Indemnifying Party will give written notice to the Indemnitee to that effect. If the Indemnitee fails to consent to such settlement within ten (10) business days after its receipt of such notice, the Indemnitee may assume or continue the defense of such Third Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim will be the amount of such settlement offer, plus reasonable costs and expenses paid or incurred by the Indemnitee up to the date of such notice. Notwithstanding the foregoing, the Indemnitee shall have the right to pay, compromise, or settle any Third Party Claim at any time,

provided that in such event the Indemnitee shall waive any right to indemnify or assumption of liability hereunder unless the Indemnitee shall have first sought the consent of the Indemnifying Party in writing to such payment, settlement, or compromise and such consent was either obtained or was unreasonably withheld or delayed, in which event no claim for indemnification or assumption of liability with respect to such Third Party Claim shall be waived.

10.6. Any claim by an Indemnitee under this Section 10 which does not result from a Third Party Claim (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof, stating the nature of such claim in reasonable detail and indicating the estimated amount, if practicable (provided that such estimate shall in no event limit the amount which the Indemnitee is entitled to recover under this Section 10), but in any event not later than thirty (30) calendar days after the Indemnitee becomes aware of such Direct Claim, and the Indemnifying Party will have a period of thirty (30) calendar days within which to respond to such Direct Claim. If the Indemnifying Party does not respond within such thirty (30) calendar day period, the Indemnifying Party will be deemed to have accepted its liability for such Direct Claim. If the Indemnifying Party rejects such Direct Claim, the Indemnitee may seek enforcement of its rights under this Agreement.

10.7. If the amount of any loss or damages recoverable under this Section 10, at any time subsequent to the making of a payment in respect thereof, is reduced by recovery, settlement, or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement, or payment by or against any other entity, the amount of such reduction, less any costs, expenses, or premiums incurred in connection therewith (together with interest thereon from the date of payment thereof at the prime rate as published in The Wall Street Journal) will promptly be repaid by the Indemnitee to the Indemnifying Party. Upon making any indemnity payment, the Indemnifying Party will, to the extent of such indemnity payment, be subrogated to all rights of the Indemnitee against any third party in respect of the claim to which the payment relates; provided, however, that until the Indemnitee recovers full payment of its loss or damages, any and all claims of the Indemnifying Party against any such third party on account of said payment are hereby made expressly subordinated and subjected in right of payment to the Indemnitee's rights against such third party. Without limiting the generality or effect of any other provision hereof, each such Indemnitee and Indemnifying Party will duly execute upon request all instruments reasonably necessary to evidence and perfect the above-described subrogation and subordination rights.

10.8. A failure to give timely notice as provided in this Section 10 will not affect the rights or obligations of any Party hereunder except if, and only to the extent that, as a result of such failure, the Party which was entitled to receive such notice was actually prejudiced as a result of such failure.

11. Miscellaneous

11.1. Binding Effect. The obligations of the Parties shall be binding on and inure to the benefit of their respective heirs, successors, assigns, and affiliates.

11.2. Integration. This Agreement constitutes the Parties' entire agreement concerning the subject matter hereof and may be amended or modified only by a subsequent agreement in writing. A waiver, discharge, amendment, modification, or termination of this Agreement or any provision hereof, shall be valid and effective only if in writing and executed by the affected Parties. A written waiver of a right, remedy or obligation under a provision of this Agreement will not constitute a waiver of the provision itself, a waiver of any succeeding right, remedy or obligation under the provision, or a waiver of any other right, remedy, or obligation under this Agreement. Any delay or failure by a party in enforcing any obligation or in exercising any right or remedy shall not operate as a waiver of it or affect that Party's right later to enforce the obligation or exercise the right or remedy, and a single or partial exercise of a right of remedy by a Party does not preclude any further exercise of it or the exercise of any other right or remedy of that Party.

11.3. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable in any respect, such provision in all other respects and the remaining provisions of this Agreement shall nevertheless continue in full force and effect without being impaired or invalidated and shall be enforced to the full extent permitted by law.

11.4. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

11.5. Notices. Every notice, consent or approval required or permitted under this Agreement shall be valid only if in writing, delivered personally or by mail, confirmed telefacsimile, or commercial courier, and sent by the sender to each other Party at its address or number below, or to such other address or number as each Party may designate by notice to the other parties. A validly given notice, consent or approval will be effective when received if delivered personally or by telefacsimile, or commercial courier, or certified mail with return receipt requested, postage prepaid.

If to International, to:

International Transmission Company
2000 Second Avenue
Room 730 WCB
Detroit, Michigan 48226
Attention: Joseph L. Welch
Fax No.: (313) 235-6495

If to MISO, to:

Midwest Independent Transmission System Operator, Inc.
701 City Center Drive
Carmel, IN 46032
Attention: James P. Torgerson, President & CEO
Fax No.: (317) 249-5945

If to any Owner, to the address set forth below accompanying such Owner's signature.

11.6. Governing Law. This Agreement shall be construed and enforced according to the laws of the State of Michigan (other than the choice of law provisions thereof), except to the extent preempted by the federal law of the United States of America.

11.7. Construction. As used in this Agreement, the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular article, section, paragraph, or other subdivision. Unless the context of this Agreement otherwise requires, (a) words of any gender will be deemed to include each other gender; (b) words using the singular or plural number will also include the plural or singular number, respectively; (c) the terms or "Section" or "subparagraph" will refer to the specified Section or subparagraph of this Agreement; (d) the term "or" will mean "and/or"; and, (e) the headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect its construction. In the event any provision of this Agreement requires the consent of any Party, as a prerequisite to the taking of any action or otherwise, such consent may in any case, unless otherwise expressly provided herein, be withheld by the Party from whom such consent is sought for any reason or no reason, provided that this provision shall not prevent any Party from challenging at FERC the withholding of consent by another Party pursuant to this provision.

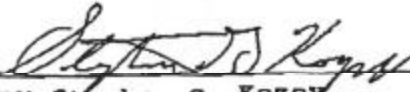
11.8. Assignment. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except that (i) International and any Owner may assign its rights and obligations hereunder without such consent to any successor entity by reason of a merger, consolidation, reorganization, sale of assets, spin-off, foreclosure or other transaction, as a result of which such successor acquires substantially all of such Party's transmission facilities which are subject to the functional control of MISO; and (ii) MISO may assign its rights and obligations hereunder without such consent to any successor entity by reason of a merger, consolidation, reorganization, sale of assets, spin-off, foreclosure or other transaction, as a result of which substantially all of the assets of MISO are acquired by such successor.

11.9. No Partnership. The Parties do not intend that MISO constitute a partnership or joint venture and neither International, on the one hand, nor any Owner, on the other hand, shall be entitled to act as an agent for the other with respect to MISO. The Parties acknowledge that by entering into and performing under the Appendix I Agreement, as supplemented by this

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of November, 2001.

"MISO"

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: 
Name: Stephen G. Kozey
Title: Vice President, General
Counsel and Secretary

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15 day of Nov., 2001.

"International"

INTERNATIONAL TRANSMISSION
COMPANY

By: Joseph J Welch by CSS
Name: Joseph L. Welch
Title: President

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2001.

"Owner"

AMERICAN TRANSMISSION COMPANY

By: Michael E. Small
Name: Michael E. Small
Title: Manufacturing, Wright & Tolson

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 26th day of April, 2022.

"Owner"

CENTRAL ILLINOIS LIGHT COMPANY

By: Michael E. Smart
Name: Michael E. Smart
Title: Man Partner, Wyches Talisman PC

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2001.

"Owner"

CINERGY CORP.

By: Michael E. Smit
Name: Michael E. Smit
Title: Area Director, Wyo. & Tulsima

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc. International Transmission Company and the undersigned Owners, as of the 20th day of November, 2001.

"Owner"

CITY WATER LIGHT & POWER
(SPRINGFIELD, IL)

By: Karen Hasara
Name: KAREN HASARA
Title: MAYOR *JMR*

Address: 500 EAST MANAGO
OFFICE OF PUBLIC UTILITIES
SPRINGFIELD, IL 62757

mwiso/cwlp signature page

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2009.

"Owner"

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: Michael E. Surratt
Name: Michael E. Surratt
Title: Man Partner, Wireless Telecomm

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 16th day of November, 2001.

"Owner"

INDIANA MUNICIPAL POWER AGENCY

By: Raj G. Rao
Name: Raj G. Rao
Title: President

Address: Indiana Municipal Power Agency
11610 North College Avenue
Carmel, IN 46032
Fax No. (317) 575-3372

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2001.

"Owner"

INDIANAPOLIS POWER & LIGHT COMPANY

By: Michael E. Small
Name: Michael E. Small
Title: Man Partner, Wright's Telecom

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 26th day of Nov., 2002.

"Owner"

MINNESOTA POWER, INC.

By: Michael E. Smith
Name: Michael E. Smith
Title: Man. Partner, Wind & Telecom PC

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov., 2001.

"Owner"

MONTANA-DAKOTA UTILITIES

By: Michael E. Sorell
Name: Michael E. Sorell
Title: Area Director, World & Tollman

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2001.

"Owner"

OTTER TAIL CORPORATION

By: Michael E. Small
Name: Michael E. Small
Title: World of Telecomm
Member Partner

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2001.

"Owner"

SOUTHERN ILLINOIS POWER COOPERATIVE

By: Michael E. Lee
Name: Michael E. Lee
Title: Man. Party, W. L. & T. Co.

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov, 2001.

"Owner"

VECTREN CORPORATION (SOUTHERN INDIANA GAS AND ELECTRIC COMPANY)

By: Michael E. Smith
Name: Michael E. Smith
Title: Man. Services, W. Ind. + Tele. Room

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 1st day of Nov, 2001.

"Owner"

WABASH VALLEY POWER ASSOCIATION,
INC.

By: Michael E. Small
Name: Michael E. Small
Title: Man Perks, Wabash & Tolson

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 15th day of Nov., 2001.

"Owner"

XCEL ENERGY SERVICES, INC. ON BEHALF
OF NORTHERN STATES POWER COMPANY
(MINNESOTA) AND NORTHERN STATES
POWER COMPANY (WISCONSIN)

By: Michael E. Swell
Name: Michael E Swell
Title: Man Perting, Writ & Technician

Address: _____

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 13 day of October, 2005.

"Owner"

CITY OF COLUMBIA, MISSOURI

By: 

Name: DANIEL M. DASTHO

Title: DIRECTOR Water & Light

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 31st day of October, 2005.

"Owner"

ILLINOIS POWER COMPANY
(d/b/a AMPRENIP)

By: _____

Name: _____

Title: _____

David A. Whiteley

David A. Whiteley

Senior Vice President

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 28th day of October, 2005.

"Owner"

FIRSTENERGY SERVICE COMPANY., AS
AGENT FOR ITS ELECTRIC UTILITY
AFFILIATE, AMERICAN TRANSMISSION
SYSTEMS, INCORPORATED (ATSI)

By: Stanley F. Szwed

Name: Stanley F. Szwed

Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 5th day of October, 2005.

"Owner"

GREAT RIVER ENERGY

By: TAG

Name: Terry A Grove

Title: Mgr., Trans. Engr. & Service

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 11 day of October, 2005.

"Owner"

MICHIGAN ELECTRIC TRANSMISSION
COMPANY, LLC

By: Edward F. Stoverburg

Name: EDWARD F STOVERBURG

Title: VICE PRESIDENT

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 31st day of October, 2005.

"Owner"

NORTHERN INDIANA PUBLIC SERVICE
COMPANY

By: Frank A. Vanhulzen

Name: Frank A. Vanhulzen

Title: Vice President, Electric Transmission

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 24th day of October, 2005.

"Owner"

NORTHWESTERN WISCONSIN
ELECTRIC COMPANY

By: *David M. Dahlberg*

Name: DAVID M. DAHLBERG

Title: VICE PRESIDENT

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 31st day of October, 2005.

"Owner"

AMEREN SERVICES COMPANY, AS AGENT
FOR ITS ELECTRIC UTILITY AFFILIATES,
UNION ELECTRIC COMPANY (d/b/a
AMERENUE) AND CENTRAL ILLINOIS
PUBLIC SERVICE COMPANY (d/b/a
AMERENCIPS)

By: Maureen A. Borkowski

Name: Maureen A. Borkowski

Title: Vice President - Transmission

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 1st day of January 2006.

WOLVERINE POWER SUPPLY
COOPERATIVE, INC.

By:  _____

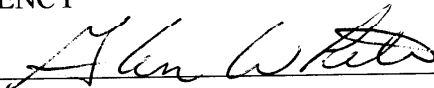
Name: Thomas W. Stevenson

Title: President & CEO

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 04 day of January, 2006.

“Owner”

MICHIGAN SOUTH CENTRAL POWER
AGENCY

By: 

Name: Glen White

Title: Assistant General Manager

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the day of ~~October, 2005.~~ 1ST DAY OF JANUARY 2006.

"Owner"

MICHIGAN PUBLIC POWER AGENCY

By: *Gary L. Zimmerman*

Name: GARY L. ZIMMERMAN

Title: GENERAL MANAGER

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 22 day of March, 2006.

“Owner”

SOUTHERN MINNESOTA MUNICIPAL
POWER AGENCY

By: Raymond A. Hayward

Name: Raymond A. Hayward

Title: Executive Director & CEO

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 10th day of JUNE, 2008.

“Owner”

ITC Midwest LLC

By: ITC Holdings Corp., its Sole Member

By: Linda H. Blair

Name: LINDA H. BLAIR

Title: EVP & CHIEF BUSINESS OFFICER

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 10th day of June, 2009.

“Owner”

MUNICIPAL ELECTRIC UTILITY OF
THE CITY OF CEDAR FALLS, IOWA

By: 

Name: Roger A. Kueter

Title: Chair, Board of Trustees

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 2nd day of October, 2009.

DAIRYLAND POWER COOPERATIVE

By: Chuck Callies

Name: Chuck Callies

Title: Vice President, Power Delivery

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 29th day of May, 2009.

MIDAMERICAN ENERGY COMPANY

By:  _____

Name: William J. Fehrman

Title: President

MidAmerican Energy Company

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Agreement between the Midwest Independent Transmission System Operator, Inc., International Transmission Company and the undersigned Owners, as of the 29 day of June, 2009.

“Owner”

[INSERT FULL NAME OF
TRANSMISSION OWNER]

By: Sal LoBianco

Name: Sal LoBianco

Title: General Manager

Board of Water, Electric, and
Communications Trustees of the
City of Muscatine, Iowa

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)

FUNDS TRUST AGREEMENT

AMONG

**JPMORGAN CHASE BANK, N.A.,
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.
AND THE BENEFICIARIES**

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Tax Returns and Reports	Exhibit D
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FUNDS TRUST AGREEMENT

This Funds Trust Agreement (this “Trust Agreement”), effective as of the first day of the month following the later of: (i) the execution of the Trust Agreement by all Parties, or (ii) the date upon which the Midwest ISO gives written notice to the Trustee that the information systems necessary to implement these arrangements are ready for service (the “Effective Date”) is among JPMORGAN CHASE BANK, N.A, a national banking association, as Trustee (“Trustee”); the MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC., a Delaware non-stock, not-for-profit corporation (“Midwest ISO”); and the Beneficiaries (each of the Trustee, the Midwest ISO and the Beneficiaries is a “Party” and collectively are the “Parties”).

RECITALS

WHEREAS, each of the Beneficiaries, with the exception of Manitoba Hydro (the “Coordinating Owner”), owns and/or operates certain transmission facilities that are within the Transmission System functionally controlled by the Midwest ISO under the terms and conditions of the Midwest ISO Agreement and the Tariff;

WHEREAS, under the Midwest ISO Agreement the Midwest ISO assumed responsibility for, among other things, receiving, holding, managing and distributing certain revenues associated with transmission services from transmission customers solely under a custodial trust relationship for the benefit of the Owners or their designees, and, with respect to receipt and distribution of such revenues, as agent for, the Owners or their designees;

WHEREAS, under an Appendix I Agreement dated August 31, 2001 (the “Appendix I Agreement”), the Midwest ISO assumed responsibility for, among other things, receiving, holding, managing and distributing certain revenues associated with transmission services from transmission customers solely under a custodial trust relationship for the benefit of the International Transmission Company or its designees, and, with respect to receipt and distribution of such revenues, as agent for, International Transmission Company or its designees;

WHEREAS, the Midwest ISO provides tariff administration services to the Coordinating Owner pursuant to the terms of the Coordination Agreement, including the collection and distribution of transmission service revenues resulting from Canadian transmission service owing pursuant to the Coordinating Owner Tariff, which transmission service pricing is coordinated with the Tariff;

WHEREAS, the Midwest ISO Agreement and the Coordination Agreement require the distribution of revenues associated with transmission services in accordance with the Midwest ISO Agreement specifically, Appendices C and J of the Midwest ISO Agreement, and with the Coordination Agreement;

WHEREAS, the Midwest ISO is willing to instruct Transmission Customers to deposit certain funds associated with transmission services with the Trustee to be held and disbursed as provided in this Trust Agreement and to provide instructions to the Trustee, for the benefit of the Beneficiaries, in the Midwest ISO's capacity as custodial trustee and agent for the Beneficiaries under the Midwest ISO Agreement and the Coordination Agreement;

WHEREAS, the Beneficiaries consent to the deposit with the Trustee of funds due the Beneficiaries for transmission services and to the holding and disbursement of those funds as provided in this Trust Agreement;

WHEREAS, the Parties intend to supplement the procedures, terms and conditions concerning the agency and trust relationships between the Midwest ISO and the Beneficiaries established under the Midwest ISO Agreement (or the Appendix I Agreement) and the Tariff or the Coordination Agreement and the Coordinating Owner Tariff, as the case may be, with respect to the collection and distribution of revenues under those agreements by the provisions in this Trust Agreement;

WHEREAS, under the Tariff, the Midwest ISO has certain rights with respect to certain revenue that is subject to this Trust Agreement, which rights the Parties intend to preserve under this Trust Agreement; and

WHEREAS, the Trustee provides trust services to its clients and is willing and able to provide such services under this Trust Agreement.

NOW, THEREFORE, in consideration of the promises, and the mutual representations, warranties, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows.

ARTICLE 1

RULES OF CONSTRUCTION; DEFINITIONS

1.01. Rules of Construction.

- (a) The Preamble and Recitals of this Trust Agreement are incorporated into the terms and conditions hereof.
- (b) The word "including" shall be understood to mean "including but not limited to."
- (c) All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Midwest ISO Agreement or the Tariff, as applicable.

- (d) All exhibits to this Trust Agreement are incorporated herein and made a part hereof.
- (e) The definitions contained in this Trust Agreement are applicable to the singular and the plural forms of such terms, and to the masculine, feminine and neuter genders of such terms.
- (f) In the event of a conflict between the provisions of this Trust Agreement and the provisions of the Tariff or the Midwest ISO Agreement or the Appendix I Agreement or the Coordination Agreement, as the case may be, the provisions of the Tariff or the Midwest ISO Agreement or the Coordination Agreement, as the case may be, shall control. The foregoing notwithstanding, (1) the duties and obligations of the Trustee shall be solely those set forth herein and the Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of the Tariff, the Midwest ISO Agreement, the Coordinating Owner Tariff or the Coordination Agreement, (2) absent Notice from the Midwest ISO or the Beneficiaries of a conflict between the provisions of this Trust Agreement and the provisions of the Tariff, the Midwest ISO Agreement or the Coordination Agreement, the Trustee shall be entitled to assume and act as if no conflict exists and (3) if notified of a conflict, the Trustee may withhold action hereunder and have no liability for such inaction.
- (g) References herein to Articles, Sections, and Exhibits are to Articles, Sections, and Exhibits of this Trust Agreement, unless otherwise specified.

1.02 Definitions.

“ACH” means Automated Clearing House.

“ACH Funds Trust Account” is described in Section 2.01.

“Aggregate Schedule 10 Charges” has the meaning given in Section 4.04.

“Appendix C” means Appendix C of the Midwest ISO Agreement, Pricing and Revenue Distribution, Return of Start-Up Costs, and Renegotiation Procedures for Grandfathered Agreements, as it may be amended or restated from time to time.

“Appendix I Agreement” has the meaning set forth in the recitals.

“Appendix J” means Appendix J of the Midwest ISO Agreement, Revenue Distribution for Schedule 18, as it may be amended or restated from time to time.

“Beneficiaries” means the Owners, the Coordinating Owner and Independent Transmission Companies identified on Exhibit A, each of which is a Party to this Trust Agreement.

“Business Day” means Monday through Friday, excluding United States Federal Holidays, and excluding days on which the office of the Trustee is authorized or required to close.

“Code” shall have the meaning given in Section 5.02(c).

“Contrary to Instructions Trust Account” is described in Section 2.01.

“Coordination Agreement” means the Coordination Agreement by and between the Midwest ISO and Manitoba Hydro dated September 27, 2001, as it may be amended or restated from time to time.

“Coordinating Owner” has the meaning set forth in the recitals.

“Coordinating Owner Tariff” means the Manitoba Hydro Open Access Transmission Tariff, as it may be amended or restated from time to time or any successor tariff.

“Disputed Payments Trust Account” is described in Section 2.01.

“Distribution Date” shall have the meaning given in Section 5.03.

“Eligible Investments” shall have the meaning given in Section 5.01(b).

“Effective Date” has the meaning given in the first paragraph of this Trust Agreement.

“First Settlement Date” has the meaning given in Exhibit G.

“Government Obligations” has the meaning given in Section 5.01(b)(i).

“Large Late Payment” has the meaning given in Section 4.05.

“Losses” has the meaning given in Section 11.19.

“Midwest ISO” has the meaning given in the first paragraph of this Trust Agreement.

“Midwest ISO Agreement” means the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-stock Corporation, as it may be amended or restated from time to time.

“Notice” shall have the meaning given in Section 11.03.

“Payment Date” has the meaning given in Exhibit G.

“Person” means any individual, sole proprietorship, partnership, limited partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government (whether federal, state,

county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

“Practices and Procedures” are those practices and procedures adopted pursuant to Section 3.17. The Practices and Procedures effective as of the Effective Date are attached as Exhibit G.

“Primary Distribution Date” has the meaning given in Exhibit G.

“Schedule 10 Trust Account” is described in Section 2.01.

“Second Settlement Date” has the meaning given in Exhibit G.

“Secondary Distribution Date” has the meaning given in Exhibit G.

“Settlement Trust Account” is described in Section 2.01.

“Tariff” means the Open Access Transmission and Energy Markets Tariff for the Midwest ISO, as it may be amended or restated from time to time, or any successor tariff.

“Tax Statement” is described in Section 2.05.

“Transmission Revenues” means all amounts received by, payable to, or to become payable to, the Midwest ISO from Transmission Customers for transmission services under Schedules 7, 8, 9, 14, 18, 19 and 21 of the Tariff or Schedule 7, 8, 9, 14, 18, 19 and 21 of the Coordinating Owner Tariff and the Coordination Agreement, as the case may be. Transmission Revenues also shall include all amounts received by, payable to, or to become payable to, the Midwest ISO from Transmission Customers for transmission services and which are payable solely to the Beneficiaries pursuant to schedules which may be added after the Effective Date to the Tariff or the Coordinating Owner Tariff and the Coordination Agreement, as the case may be. Transmission Revenues exclude all other revenues which the Midwest ISO has charged or collected, or is entitled to charge or collect. Transmission Revenues also exclude amounts payable under Schedule 9 of the Tariff which are collected by certain Beneficiaries pursuant to agreements with the Midwest ISO.

“Trust” means the trust established by this Trust Agreement.

“Trust Accounts” shall have the meaning given in Section 2.01.

“Trust Agreement” shall have the meaning given in the first paragraph of this agreement.

“Trust Property” means the Transmission Revenues and any other amounts collected for the benefit of the Beneficiaries and which are deposited in one or more Trust Accounts together with the investment income earned on those amounts.

“Trustee” means the initial Trustee identified in the caption and in Section 2.03 or any successor Trustee appointed pursuant to Article 9.

“Wired Funds Trust Account” is described in Section 2.01.

ARTICLE 2 ESTABLISHMENT OF TRUST ACCOUNTS

2.01 Trust Accounts. The Beneficiaries hereby direct the Trustee to create and maintain an ACH Funds Trust Account, a Contrary to Instructions Trust Account for amounts received by the Trustee that are not Transmission Revenues, a Schedule 10 Trust Account, a Wired Funds Trust Account, a Settlement Trust Account for undisputed amounts received from Transmission Customers payable to the Beneficiaries, an Interest Earnings Trust Account for income earned on the investment of the Trust Property and a Disputed Payments Trust Account for disputed amounts received from Transmission Customers (collectively, the “Trust Accounts”) in which to hold in trust the Trust Property pursuant to this Trust Agreement. The Trustee may open one or more demand deposit accounts for each Trust Account to facilitate reporting and data collection for the Midwest ISO and payment to the Beneficiaries and others. For each billing cycle, the Trustee shall deposit the Transmission Revenues received by it as provided in the Practices and Procedures as provided in Section 4.05. The Trustee agrees to accept the Trust Property to be received pursuant to this Trust Agreement and agrees to establish and maintain the Trust Accounts therefor in its capacity as Trustee pursuant to the terms of this Trust Agreement.

2.02 Purposes.

- (a) The purpose of this Trust Agreement is to provide for the collection and holding in trust for the benefit of the Beneficiaries of: (i) certain revenues realized under the Tariff and the Midwest ISO Agreement from the provision of transmission service under the Tariff; and (ii) certain revenues realized under the Coordinating Owner Tariff and the Coordination Agreement from the provision of transmission service under the Coordinating Owner Tariff. Accordingly, the Trust created by this Trust Agreement shall be utilized by the Trustee solely for the following activities: (i) to establish and maintain one or more bank accounts, securities accounts and/or custodial accounts for the deposit and holding of the Trust Property, to be held and disbursed pursuant to the Trust Agreement; (ii) to accept deposits therein; (iii) to make transfers or payments in accordance with the terms hereof; (iv) to engage in those activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith; and (v) to engage in such other activities as may be required in connection with conservation of the Trust Property and the making of distributions. All revenues provided to the Trustee for deposit hereunder shall be in U.S. dollars.

- (b) The Trustee shall observe all the legal formalities associated with maintaining the Trust Property in trust, including each of the following obligations:
 - (i) to maintain books and records of the Trust Property separate from any other Person;
 - (ii) to maintain the Trust Accounts separate from any other accounts or Persons;
 - (iii) not to commingle the Trust Property with the assets or property of any other Person and to hold all of the Trust Property in the name of the Trust;
 - (iv) not to use the Trust Property to guarantee or to satisfy the obligations or debts of any Person; and
 - (v) not to pledge the Trust Property for the benefit of any Person.
- (c) The Trustee is hereby authorized to engage in the activities permitted by this Trust Agreement.

2.03 Appointment of Trustee. The initial Trustee shall be JPMorgan Chase Bank, N.A. Successor trustees may be appointed by the Beneficiaries pursuant to Article 9. The Trustee, and any successor thereto, shall at all times be a national bank with corporate trust powers, capital of at least \$1 billion and an “A” (or higher) credit rating from Standard & Poor’s or “A2” (or higher) credit rating from Moody’s Investor Service, Inc. and shall execute this Trust Agreement or a written agreement to be bound to the terms and conditions of this Trust Agreement. The Trustee shall be an independent trustee and shall be independent of the Midwest ISO, the Beneficiaries, and their Affiliates.

2.04 Declaration of Trust.

- (a) The Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the use and benefit of the Beneficiaries as set forth herein. Effective as of the date hereof, the Trustee shall have all rights, powers and duties set forth herein with respect to accomplishing the purposes of the Trust. To the fullest extent permitted by law, no creditor of the Trustee, in its individual capacity, shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the Trust Property, except in accordance with the terms of this Trust Agreement.
- (b) The Trust shall have no objective to engage in the conduct of a trade or business. Nothing contained herein shall be construed so as to constitute any Party to this Trust Agreement as a partner of a partnership or a member of an association or joint venture.

2.05 Tax Matters.

- (a) The Parties shall treat the trust as a grantor Trust within the meaning of Subpart E, Part 1, Subchapter J, Chapter 1, Subtitle A of the U.S. Internal Revenue Code of 1986, as amended, and any comparable provision of state and local law. For tax purposes, each Beneficiary shall be treated as the owner of its allocable share of the Trust Property.
- (b) To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. When an account is opened, the Trustee will ask for information that will allow it to identify relevant parties. The Beneficiaries each agree to deliver to the Trustee prior to or upon execution of the Trust Agreement a Form W-8 or W-9, as applicable.

- (c) The Trustee shall timely prepare and file with the Internal Revenue Service a Form 1041 or any successor form, together with the separate statement described in Treasury Regulation § 1.671-4(a) or any successor regulation thereto (the "Tax Statement"). The Trustee shall provide each Beneficiary with a copy of the Tax Statement within 90 days of the close of each calendar year. The Tax Statement shall allocate the income and expenses of the Trust among the Beneficiaries based on the percentages set forth in the column headed "Total Share" on Exhibit C. If a Beneficiary's "Total Share" changes during the year, the Midwest ISO shall calculate the weighted daily average of the Beneficiary's percentages for the year, pursuant to Exhibit C, and provide the results of the calculation to the Trustee and the Beneficiary and the Trustee shall allocate income and expenses to the Beneficiary based on the calculation. The Tax Statement shall not treat the Transmission Revenues as income or the Trustee compensation described in Section 7.01 as an expense.
- (d) Each Beneficiary shall include or take into account, as required by applicable law, all income and expenses allocated to it pursuant to Appendices C or J or Exhibit C, respectively, on the Tax Statement in determining its taxable income.
- (e) The Trustee shall timely prepare and file any return or report of items of income and expense required to be filed by the Trustee with a taxing authority by any state or local law. The Trustee shall pay, from Trust Property, any taxes required to be paid with such return or report, unless the liability for such taxes is imposed by law on the Beneficiaries in a manner similar to the treatment described in subsections (c) and (d) above. Within sixty (60) days after the Effective Date and annually thereafter the Beneficiaries shall identify each return or report to be prepared and filed by the Trustee as required by state and local law, cause that information to be compiled on an updated Exhibit D to this Agreement and provide that information to the Trustee. The Beneficiary providing that information will be solely responsible for its accuracy and completeness.

2.06 Title to Trust Property.

- (a) Legal title to all the Trust Property shall be vested at all times in the Trust.
- (b) Except as provided with respect to the Midwest ISO's right to receive certain amounts in Section 3.15, the Beneficiaries shall hold the beneficial interest in the Trust Property, with such beneficial interest allocated among the Beneficiaries in accordance with each Beneficiary's interest therein. No transfer by operation of law, equity, contract or otherwise of any interest of the Beneficiaries shall operate to terminate this Trust Agreement or the Trust hereunder or entitle any transferee to an accounting or to the transfer to it of any part of the Trust Property.

2.07 Pledge of Rights to Distributions. A Beneficiary may pledge, encumber or hypothecate all, but only all, of its rights to receive distributions hereunder; provided that the right to receive distributions may not be so pledged, encumbered or hypothecated to more than one Person or entity. Any such pledge, encumbrance or hypothecation shall not constitute a transfer of an ownership interest in the Trust. No such pledge, encumbrance or hypothecation shall be binding on the Trustee unless and until Notice of such pledge shall be delivered to and acknowledged by the Trustee.

2.08 Books and Records; Financial Reports.

- (a) At all times during the existence of the Trust, the Trustee shall maintain or cause to be maintained systems for each Trust Account sufficient to provide the information pursuant to Section 5.04. The Trustee shall provide that information to the Midwest ISO pursuant to Section 5.04.
- (b) At all times during the existence of the Trust, the Trustee, in accordance with Article 3, shall maintain, or cause to be maintained, full and true books of account, which shall reflect all Trust transactions and be appropriate and adequate for the purposes of the Trust.

ARTICLE 3

AUTHORITIES, DUTIES, AND ACTIONS OF THE TRUSTEE

3.01 General Authority.

- (a) The Trustee shall take all actions required to be taken by it pursuant to the terms of this Trust Agreement.
- (b) The Trustee is authorized and directed to execute and deliver, and is authorized to perform, on behalf of the Trust such agreements as required to perform the purposes of the Trust.

3.02 General Duties. It shall be the duty of the Trustee to discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of this Trust Agreement and to administer the Trust in the interest of the Beneficiaries in accordance with the provisions of this Trust Agreement. In the event that the Trustee is unable or unwilling to discharge (or cause to be discharged) its responsibilities pursuant to the terms of this Trust Agreement, it shall resign as provided in Section 9.01(a).

3.03 No Duties Except as Specified in this Trust Agreement or in Instructions. The Trustee shall not be liable for any action taken or omitted under this Trust Agreement so long as it shall have acted in good faith and without negligence. The Trustee shall perform only those obligations and duties which it expressly agrees hereunder to perform and no implied powers, duties or obligations shall be read into this Trust Agreement

against the Trustee. The Trustee shall not have any liability, duty or obligation to manage, inspect, insure, make any payment with respect to, register, record, sell, dispose of, create, maintain or perfect title or a security interest in, or otherwise deal with the Trust Property. The Trustee nevertheless agrees that it will, at its own cost and expense, promptly take all such action as may be necessary to discharge any liens on any part of the Trust Property which result from actions by, or claims against, the Trustee in its individual capacity that are not related to the ownership of the Trust Property or the transactions contemplated hereby.

3.04 No Action Except Under Specified Documents or Instructions. The Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Property except in accordance with the express terms hereof and the powers granted to, and the authority conferred upon, the Trustee pursuant to this Trust Agreement.

3.05 Action Upon Instructions.

- (a) It is the intention of the Beneficiaries that the powers and duties of the Trustee are expressly limited to carrying out the purposes of the Trust, to making distributions in accordance with Article 5, and to carrying out its duties in accordance with Articles 2 and 3.
- (b) The Trustee shall not be required to take any action requested by the Beneficiaries if the Trustee shall have reasonably determined, or shall have been advised by counsel, that such action (i) is contrary to the terms hereof or of any document contemplated hereby to which the Trustee is a party or is otherwise contrary to law or (ii) may result in liability on the part of the Trustee, unless the Beneficiaries shall have provided to the Trustee indemnification or security reasonably satisfactory to the Trustee against all costs, expenses and liabilities arising from the Trustee's taking such action.
- (c) The Trustee shall not take, or refrain from taking, any action contrary to this Trust Agreement, nor shall the Trustee be obligated to follow any direction to take or refrain from taking action contrary to this Trust Agreement, if given. The foregoing sentence shall not be interpreted as providing the Beneficiaries or the Midwest ISO with authority to give directions to the Trustee, except as expressly provided herein.
- (d) In the event that the Trustee is unsure as to the application of any provision of this Trust Agreement, or such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or this Trust Agreement permits any determination by the Trustee or is silent or is incomplete as to the course of action which the Trustee is required to take with respect to a particular set of facts, the Trustee shall promptly give Notice (in such form as shall be appropriate under the circumstances) to the Midwest ISO and each

Beneficiary, requesting instructions as to the course of action to be adopted. To the extent the Trustee acts in good faith in accordance with written instructions received from the Midwest ISO in response to such Notice, the Trustee shall not be liable on account of such action to any Person and to the extent the Midwest ISO acts in good faith in giving written instructions in response to such Notice, the Midwest ISO shall not be liable on account of such direction to any Person. If the Trustee shall not have received appropriate instructions within two Business Days of such Notice (or within such shorter period of time as reasonably may be specified in such Notice) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Trust Agreement, as it may be advised by counsel and shall have no liability to any Person for such action or inaction consistent with such advice of counsel, and shall promptly thereafter provide Notice to the Midwest ISO and each Beneficiary that such action was taken.

3.06 Acceptance of Trusts and Duties.

- (a) The Trustee accepts and agrees to perform its duties hereunder with respect to this Trust Agreement.
- (b) The Trustee also agrees to disburse all moneys actually received by it constituting part of the Trust Property upon the terms of this Trust Agreement. The Trustee shall not be answerable or accountable under any circumstances, except (i) for its own willful misconduct or negligence, (ii) in the case of the inaccuracy of any representation or warranty contained in Article 6 expressly made by the Trustee, (iii) for liabilities arising from the failure by the Trustee to perform obligations expressly undertaken by it pursuant to the last sentence of Section 3.03 hereof, or (iv) for taxes, fees or other charges based on or measured by any fees, commissions or compensation received by the Trustee in connection with any of the transactions contemplated by this Trust Agreement.
- (c) The Trustee shall not be liable for any judgment made in good faith by a responsible officer of the Trustee.
- (d) No provision of this Trust Agreement shall require the Trustee to expend or risk funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder, if the Trustee shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it.
- (e) The Trustee shall not be responsible for the sufficiency of this Trust Agreement or for the due execution hereof by the Midwest ISO or the Beneficiaries or for the form, character, genuineness, sufficiency, value or validity of any Trust Property, and the Trustee shall in no event assume or incur any liability, duty or obligation

to the Midwest ISO or any Beneficiary, other than as expressly provided for herein.

- 3.07 Reliance; Advice of Counsel.** The Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper in good faith believed by it to be genuine and signed by the proper party or parties. The Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically prescribed herein, the Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.
- 3.08 Agents.** In the exercise or administration of its duties and obligations hereunder, the Trustee (i) may act directly or, at the reasonable expense of the Trust, through agents or attorneys pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the default or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Trustee with reasonable care, provided the Trustee makes an effective assignment to the Beneficiaries of its rights against such agents or attorneys; and (ii) may, at the reasonable expense of the Trust, consult with counsel, accountants and other skilled persons to be selected with reasonable care and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.
- 3.09 Doing Business.** Notwithstanding anything contained herein to the contrary, the Trustee shall not be required to take any action in any jurisdiction other than in the States of Illinois and Indiana if the taking of such action will (i) require the consent, approval, authorization, or order of, or the giving of notice to, or the registration with or taking of any action in respect of, any state or other governmental authority or agency of any jurisdiction other than the States of Illinois and Indiana; (ii) result in any fee, tax or other governmental charge under the laws of any jurisdiction or any political subdivisions thereof in existence as of the date hereof other than the States of Illinois and Indiana becoming payable by the Trustee; or (iii) subject the Trustee to personal jurisdiction in any jurisdiction other than the States of Illinois and Indiana for causes of action arising from acts unrelated to the consummation of the transactions by the Trustee contemplated hereby.
- 3.10 Not Acting in Individual Capacity.** Except as provided in this Article, in accepting the trusts hereby created hereunder the Trustee acts solely as a trustee and not in its

individual capacity and all Persons having any claim against the Trustee by reason of the transactions contemplated by this Trust Agreement shall look only to the Trust Property for payment or satisfaction thereof.

- 3.11 Reports to the Midwest ISO.** Unless the information is otherwise provided by the Practices and Procedures, the Trustee shall provide a report to the Midwest ISO in the format and in the form designated, from time to time, by the Midwest ISO and Trustee of all funds remitted to it from any Person for the account of the Beneficiaries. The report shall be provided to the Midwest ISO no later than 9:00 AM Eastern Prevailing Time on each of the First Settlement Date, and the Second Settlement Date and promptly upon receipt of a Large Late Payment.
- 3.12 Disbursement of Funds.** The Trustee shall disburse funds held by it under this Trust Agreement as directed by the Midwest ISO (as agent for the Beneficiaries under this Agreement) under Sections 5.02 and 5.03. No Beneficiary shall have the right to direct the Trustee to disburse funds.
- 3.13 Books and Records; Financial Reports.** At all times during the existence of the Trust, the Trustee shall maintain, or cause to be maintained, full and true books of account, which shall reflect all Trust transactions. Such books of account shall be maintained at the designated office of the Trustee, and shall be available for inspection by each of the Beneficiaries, the Midwest ISO, their employees or agents, and federal and state or provincial regulatory authorities having jurisdiction over the Midwest ISO or a Beneficiary as is necessary to verify compliance by the Trustee with this Trust Agreement and to audit and verify transactions under this Trust Agreement. Such access shall be at reasonable times and under reasonable conditions including prior Notice to the Trustee. Such contacts between officers, employees, and agents of any Beneficiary, the Midwest ISO and those of the Trustee pursuant to this Section 3.13 shall be strictly limited to the purposes of this section.
- 3.14 Payment of Fee to Midwest ISO.** The Trust shall pay the Midwest ISO any income earned on the investment of the Trust Property on a quarterly basis as a fee for the services provided hereunder.
- 3.15 Other Amounts Due to Midwest ISO.** The Beneficiaries acknowledge that under the Tariff, the Midwest ISO Agreement, orders issued by the Federal Regulatory Energy Commission and under those circumstances specifically set forth in this Trust Agreement, the Beneficiaries are obligated to pay from Trust Property certain sums to the Midwest ISO, which sums the Beneficiaries direct the Trustee to pay or cause to be paid on a monthly basis prior to all other distributions. The maximum disbursement of funds held in the Trust each month for the Midwest ISO to satisfy such priority claims is limited to the sum of the aggregate amount of invoices for charges due the Midwest ISO under Schedule 10 of the Tariff for that month.

- 3.16 Funds Received Contrary to Instructions.** Upon written instructions from the Midwest ISO in accordance with Section 4.05, the Trustee shall transfer to the Contrary to Instructions Trust Account for payment to the Midwest ISO funds from the Transmission Customers which were transmitted to the Trust but which should have been transmitted to the Midwest ISO in accordance with the instructions given by the Midwest ISO to the Transmission Customers. The transfers shall be made as provided in the Practices and Procedures. The Midwest ISO may only instruct the Trustee to transfer funds that are not Transmission Revenues to the Contrary to Instructions Trust Account.
- 3.17 Practices and Procedures.** The Parties recognize that the Midwest ISO must have certain data concerning the funds received from Transmission Customers and, in the past, has obtained that data from cash management accounts maintained by it into which funds from Transmission Customers were deposited. The Parties have agreed upon the Practices and Procedures which are attached as Exhibit G regarding the deposit into, and the movement of funds among, the Trust Accounts to assure that the Midwest ISO can determine, on a timely basis, the Persons to whom the Trustee should disburse funds. The Practices and Procedures are intended to implement the Trust Agreement. In the event of any conflict between a provision in this Trust Agreement and a provision in the Practices and Procedures, the Trust Agreement shall control. The Parties agree to employ commercially reasonable efforts to modify the Practices and Procedures to the extent necessary to reflect changes in the accounting and reporting systems of the Midwest ISO or in the accounting or reporting systems of the Trustee or cash management systems available to the Trustee and to negotiate in good faith to revise the Practices and Procedures as necessary to detail the manner by which the necessary data can be provided to the Midwest ISO in an appropriate format. These Practices and Procedures may include the creation of cash management accounts as to which the Midwest ISO may have authority to transfer funds from the account to other cash management accounts which are also part of the Trust Accounts. If the Trustee is unable to provide or allow the provision of the necessary data to the Midwest ISO, it shall resign as provided in Section 9.01(a) below.

ARTICLE 4

AUTHORITIES, DUTIES, AND ACTIONS OF THE MIDWEST ISO

- 4.01 General Authority.** The Midwest ISO is authorized to take all actions required to be taken by it pursuant to the terms of this Trust Agreement and shall have the power to direct the Trustee to transfer or disburse funds as provided in this Trust Agreement.
- 4.02 Billing and Collection.** Under the Tariff or the Coordination Agreement, as the case may be, the Midwest ISO: (a) issues invoices for the amounts the Beneficiaries are due to receive under the Tariff or the Coordinating Owner Tariff, as the case may be; (b) initiates collection activities with respect to unpaid Transmission Revenues as required or appropriate under the Midwest ISO Agreement (or the Appendix I Agreement) and Tariff

or the Coordination Agreement, as the case may be, and in accordance with Midwest ISO Agreement and Tariff; and (c) requests payment of any shortfall in the payment of amounts invoiced and due to the Midwest ISO for the benefit of the Beneficiaries in accordance with the Tariff or the Coordination Agreement, as the case may be.

- 4.03 Instructions to Transmission Customers.** In accordance with the Practices and Procedures, the Midwest ISO will instruct Transmission Customers to remit the Transmission Revenues when, and as, those amounts come due to the appropriate Trust Account.
- 4.04 Aggregate Schedule 10 Charges.** When the Midwest ISO issues invoices for Transmission Services to the Transmission Customers, it shall also advise the Trustee of the aggregate invoiced amount for charges due the Midwest ISO under Schedule 10 of the Tariff (“Aggregate Schedule 10 Charges”). When the Midwest ISO issues instructions to the Trustee under Section 4.05, the Midwest ISO shall instruct the Trustee to transfer an amount equal to the Aggregate Schedule 10 Charges to the Schedule 10 Trust Account on the First Settlement Date. As provided in Section 3.15 of this Agreement, the Midwest ISO shall be paid the full amount of Schedule 10 charges invoiced each month prior to the distribution of funds to the Beneficiaries. Any Schedule 10 payments owed by Transmission Customers but not paid directly to the Midwest ISO shall be paid from the funds in the Schedule 10 Trust Account and any remaining funds in the Schedule 10 Trust Account shall be transferred to the Settlement Trust Account for distribution to the Beneficiaries. The instructions provided to the Trustee pursuant to Section 4.05 shall include the amount of funds to be distributed to the Midwest ISO and to the Settlement Trust Account from the Schedule 10 Trust Account.
- 4.05 Instructions to Trustee.** In accordance with the Midwest ISO Agreement, the Tariff, the Coordination Agreement, or orders issued by the Federal Energy Regulatory Commission, the Midwest ISO, as the agent of the Beneficiaries, shall instruct the Trustee in writing to disburse funds held by the Trustee pursuant to this Trust Agreement so that the funds are received by the Persons entitled to them under the Midwest ISO Agreement and the Tariff or the Coordination Agreement, as the case may be. The instructions shall be given as provided in the Practices and Procedures. The Midwest ISO shall use commercially reasonable efforts to issue those instructions on the First Settlement Date and on the Second Settlement Date of each month so long as either: (i) it has received the report called for in Section 3.11, or (ii) the information is made available to the Midwest ISO under the Practices and Procedures, in either case, by 9:00 AM Eastern Prevailing Time on the First Settlement Date and on the Second Settlement Date, as the case may be. In the event a payment in excess of Five Million Dollars (\$5,000,000) is received after the later of the First Settlement Date or the Second Settlement Date in the Wired Funds Trust Account and is attributable to the prior billing period (a “Large Late Payment”), the Midwest ISO shall issue instructions to the Trustee to pay: (y) any Person who is due more than Five Million Dollars (\$5,000,000) from that payment, or (z) the Midwest ISO any portion of the Large Late Payment incorrectly sent via ACH or wire

to the Wired Funds Trust Account. The Midwest ISO shall issue instructions for disbursements to any Person who is due less than Five Million Dollars (\$5,000,000) from that payment for disbursement during the Primary Distribution Date for the following month. Further, in the event of the final resolution of a dispute associated with all or a portion of the funds held in the Disputed Payments Trust Fund, the Midwest ISO shall notify the Trustee of the amount of funds to be transmitted to the Midwest ISO for payment to the appropriate parties in accordance with the terms of the dispute resolution outcome and the amount to be transferred to the Settlement Trust Account. Instructions to the Trustee for the release of all or a portion of the funds held in the Disputed Payments Trust Fund shall be acted upon by the Trustee within five (5) Business Days of receipt of such instructions regardless of which day of the month the instruction is received. The format and form of the instructions from the Midwest ISO shall be agreed upon by the Midwest ISO and the Trustee from time to time.

- 4.06 Payment.** The Trustee shall transfer amounts from the Trust Accounts in the manner provided in the Practices and Procedures. The Trustee is authorized to seek confirmation of such instructions by telephone call-back to the representatives of the Midwest ISO identified in and at the telephone numbers designated in Exhibit E, and the Trustee may rely upon the confirmations of anyone purporting to be the individual or individuals so designated. Each funds transfer instruction shall be executed by an authorized signatory. A list of such authorized signatories is set forth on Exhibit E. The officer executing this Agreement on behalf of the Midwest ISO is authorized to certify that the signatories on Exhibit E are authorized signatories. The individuals and telephone numbers for call-backs may be changed only by Notice actually received and acknowledged by the Trustee. The Parties to the Trust Agreement acknowledge that such security procedure is commercially reasonable. It is understood that the Trustee and the Beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by a Beneficiary hereto to identify (i) the Beneficiary, (ii) the Beneficiary's bank or (iii) an intermediary bank. Each Beneficiary shall provide the Trustee a Notice of its bank, account and related funds transfer information upon execution of this Agreement and upon any change to that information. The Trustee may apply funds for any payment order it executes using any such identifying number, even where its use may result in a Person other than the Beneficiary being paid, or the transfer of funds to a bank other than the Beneficiary's bank, or an intermediary bank, designated.
- 4.07 Exhibit C.** The Midwest ISO shall recalculate the percentages for allocation of costs and voting rights provided in Exhibit C as provided in Section 7.01.
- 4.08 Overdrafts.** The Midwest ISO agrees to reimburse the Trustee within one (1) Business Day for any overdrafts on the Trust Accounts resulting from instructions given by the Midwest ISO. This obligation of the Midwest ISO shall be secured by a letter of credit in the amount of One Million Dollars issued by a bank reasonably acceptable to the Trustee. The letter of credit will be renewed annually and the amount of the letter of credit will be evaluated annually by the Parties. The Beneficiaries, severally and not jointly, agree to

reimburse the Midwest ISO for each of their respective portions (as determined by the Midwest ISO) of the overdraft amount (*i.e.* the amount disbursed to a Beneficiary that is attributable to the event giving rise to the overdraft) by wire transfer within one (1) Business Day of the Midwest ISO's demand for reimbursement. Any costs incurred by the Midwest ISO in connection with the letter of credit shall be reimbursed to it by the Beneficiaries (in accordance with each of their proportionate payment responsibility as set forth on Exhibit C) within ten (10) days of Notice to them from the Midwest ISO of the amount due.

- 4.09 Funds Received in Error by Midwest ISO.** Any funds from Transmission Customers which should have been transmitted to the Trust, but which are received by the Midwest ISO shall be held by the Midwest ISO in a custodial trust relationship for benefit of the Beneficiaries and, as soon as reasonably possible after receipt and in any event within four (4) Business Days, the Midwest ISO shall deliver such funds to the Trustee under this Trust Agreement for disposition in accordance with this Trust Agreement.

ARTICLE 5

INVESTMENT AND APPLICATION OF TRUST PROPERTY

- 5.01 Investment of Trust Property.** The Trustee agrees to invest funds in the Trust Accounts pursuant to this Section 5.01.

- (a) Cash and cash proceeds of the Trust Property received by the Trustee more than one day prior to a Distribution Date will be invested, using its reasonable best efforts and at the risk and expense of the Beneficiaries, by the Trustee in Eligible Investments.
- (b) No Trust Property shall be invested except in cash or in one or more of the following investments "Eligible Investments:"
 - (i) Money market mutual funds registered under the Investment Company Act of 1940, as amended, and the shares of which are registered under the Securities Act of 1933, as amended; *provided*, that the governing instrument or order directs, requires, authorizes or permits investment in Government Obligations; *provided further*, that the portfolio of such investment company or investment trust is limited to Government Obligations and to repurchase agreements fully collateralized by such obligations; and *provided further*, that any such fund is rated in the highest applicable category by Standard & Poor's Ratings Group and Moody's Investors Service, including funds managed by the Trustee or one of its subsidiaries or affiliates;
 - (ii) Demand deposits, trust deposits, trust funds account, time deposits or certificates of deposit of any depository institution or trust company

incorporated under the laws of the United States of America or any State, or any domestic branch of a foreign bank and subject to supervision and examination by federal or state banking or depository institution authorities; or

- (iii) Any investment permitted by law jointly directed in writing by the Beneficiaries and acceptable to the Trustee (which acceptability shall not be a determination of whether the investment is suitable but rather will be based on whether mechanics of the investment are acceptable to the Trustee).
- (c) Each investment shall be capable of being liquidated on or before the next Distribution Date.
- (d) The Beneficiaries recognize and agree that the Trustee is not requested to provide, and is not providing, supervision, recommendations or advice relating to either the investment of moneys held in the Trust Accounts or the purchase, sale, retention or other disposition of any Eligible Investment.
- (e) In the event that the Trustee does not receive written directions from or on behalf of all of the Beneficiaries to invest funds held in the Trust Accounts, the Trustee shall invest funds held in the Wired Funds Trust Account and ACH Funds Trust Account in a time deposit offered by Trustee and shall invest funds held in the Disputed Payments Trust Account and Interest Earnings Trust Account in a trust funds account held by the Trustee or a successor or any other similar deposit product offered by the Trustee.
- (f) The Trustee is hereby authorized to execute purchases and sales of Eligible Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Trustee shall send statements to the Midwest ISO on a monthly basis reflecting activity in any of the Trust Accounts for the preceding month and balances held in the Trust Accounts on a monthly basis. The Midwest ISO will provide copies of such statements to the Beneficiaries. Although the Beneficiaries and the Midwest ISO each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Beneficiaries and the Midwest ISO hereby agree that confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered to the Midwest ISO. However, no statement need be rendered for the Trust Accounts if no activity occurred for such month.

5.02 Application of Funds.

- (a) All Trust Property received by the Trustee shall be distributed in accordance with the terms and provisions of Sections 5.02 and 5.03 hereof. Any income earned on the Trust Property shall be paid to the Midwest ISO pursuant to Section 3.14.
- (b) In the event that any withholding tax is imposed on a distribution of Trust Property, such tax shall reduce the amount otherwise distributable to such Beneficiary in accordance with Sections 5.02 and 5.03. The Trustee is hereby authorized and directed to retain from amounts otherwise distributable to such Beneficiary sufficient funds for the payment of any tax that is legally owed by the Trust. The amount of any withholding tax imposed shall be treated as cash distributed at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If there is a possibility that withholding tax is payable with respect to a distribution to any Beneficiary, the Trustee may in its sole discretion withhold such amounts in accordance with this paragraph (b) and shall give prompt Notice to the affected Beneficiary. In the event that the Trustee or the Trust is liable for any failure to withhold in respect of a distribution, then the affected Beneficiary shall indemnify the Trustee for any amount (including penalties and interest) paid by the Trustee in respect of such liability. Such withholding shall be taken into account in determining distribution amounts under Section 5.03 so as to charge the distribution otherwise to be made to the Beneficiary responsible for the withholding requirement.
- (c) The Trustee agrees, to the extent required by the Internal Revenue Code of 1986, as amended (the "Code"), and applicable federal regulations thereunder or other applicable law, to withhold from each payment due hereunder, United States withholding taxes at the appropriate rate. In the event that any withholding tax is imposed on a Beneficiary, such tax shall reduce the amount otherwise distributable to such Beneficiary.

5.03 Distribution of Trust Property.

- (a) Payment. Subject to Section 5.02, the Trustee shall make payments from the Trust Property pursuant to Section 4.05. The date of each payment is a Distribution Date ("Distribution Date").
- (b) Method of Payment. All amounts payable to Beneficiaries pursuant to this Trust Agreement shall be paid by the Trustee, in accordance with the instructions given by Notice of each Beneficiary, including by wire transfer in immediately available funds to a banking institution with bank wire transfer facilities or by bank or trust department check.

- (c) Distributions Upon Termination of Trust. Upon the dissolution, winding up and termination of the Trust in accordance with Article 8, the Trust Property or the cash proceeds therefrom shall be distributed in accordance with the instructions of the Midwest ISO under Section 4.05.

5.04 Statements.

- (a) Access to Information. Concurrently with each distribution pursuant to Section 5.03, the Trustee shall allow the Midwest ISO access to account information in the format and in the form designated, from time to time, by the Midwest ISO and the Trustee showing, for the period since the preceding Distribution Date (or since the execution and delivery of this Trust Agreement in the case of the first Distribution Date) at least the following:
- (i) the amounts received by the Trustee with respect to the Trust Property;
 - (ii) the amount paid to the Midwest ISO;
 - (iii) the amounts paid to each Beneficiary; and
 - (iv) the amounts paid to any other Person.
- (b) Balance Information. The Trustee will inform the Midwest ISO upon request, which request may be telephonic, of the amount of the Trust Property, to the extent such information is available to the Trustee.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE TRUSTEE

- 6.01 Good Standing.** The Trustee represents and warrants to Beneficiaries, that the Trustee is a national banking association, validly existing and in good standing under the laws of the United States of America and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required under the laws of the State of Illinois to perform its obligations hereunder and to carry on its trust business as now conducted.
- 6.02 Binding Effect.** The Trustee represents and warrants to the Beneficiaries that the execution, delivery and performance by the Trustee of this Trust Agreement are within the corporate power of the Trustee and have been duly authorized by all necessary corporate action on the part of the Trustee (no action by its shareholders being required), and, assuming this Trust Agreement has been duly authorized, executed and delivered by and is valid and legally binding on the other parties hereto, this Trust Agreement constitutes the valid and legally binding agreement of the Trustee, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency,

reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and such actions do not and will not (i) violate or contravene any judgment, injunction, order or decree binding on the Trustee, (ii) violate, contravene or constitute a default under any provision of the certificate of incorporation or by-laws of the Trustee or of any material agreement or instrument binding on the Trustee, or (iii) result in the creation or imposition of any lien attributable to the Trustee in its individual capacity on the Trust Property except as may arise in connection with this Trust Agreement or the transactions contemplated herein.

- 6.03 Consents and Approvals.** The Trustee represents and warrants to the Beneficiaries that no consent, approval, authorization, or order of, or filing with, any court or regulatory, supervisory or governmental agency or body is required under applicable state law or federal law governing the banking and trust powers of the Trustee in connection with the execution, delivery and performance by the Trustee, in its individual capacity, of this Trust Agreement.

ARTICLE 7

COMPENSATION OF TRUSTEE

- 7.01 Compensation of Trustee.** The Beneficiaries shall pay the reasonable trust establishment and operating expenses incurred by, or due to, the Trustee as they may arise, or shall, upon the request of the Trustee, promptly reimburse the Trustee for any such expenses paid by the Trustee. The Trustee shall be compensated and its expenses paid as set forth in the attached Exhibit B. The proportionate payment responsibility of each Beneficiary shall be based on the calculation reflected on Exhibit C. Promptly following the close of each calendar year or any changes in Beneficiaries pursuant to Section 10.03, the Midwest ISO shall recalculate Exhibit C and provide a copy of the updated Exhibit C to the Trustee and each Beneficiary and Exhibit C shall be deemed amended, without the need for any vote of the Beneficiaries, to reflect the new calculation. For the purposes of billing, the Trustee shall deliver a copy of the annual invoice to each of the Beneficiaries along with a schedule detailing the specific amount owed by each Beneficiary at least thirty (30) days prior to the date payment is due. The proportionate share of the Trustee fees due annually will be automatically deducted in the proportions specified on Exhibit C from the scheduled payment to be made to each Beneficiary from the Settlement Trust Account on the second First Settlement Date and annually thereafter and the proportionate share of any other fees due the Trustee will be automatically deducted in the proportions specified on Exhibit C from the scheduled payment to be made to each Beneficiary from the Settlement Trust Account on the First Settlement Date following the date on which the fee arose or, at the Trustee's discretion, on the same First Settlement Date as the fees due annually are deducted; *provided, however,* that such deduction shall not be considered as a waiver of any Beneficiary's right to question or dispute such annual invoice or the Beneficiary's obligation to pay all or part of the same.

ARTICLE 8

TERMINATION OF TRUST AGREEMENT

8.01 Trust Termination. This Trust Agreement shall terminate (except for the purpose of making remaining disbursements under the Trust Agreement and completion of remaining duties and obligations pursuant to the Trust Agreement) and the Trust created hereby shall terminate and the Trust Property shall be distributed in accordance with Section 5.04(d), and this Trust Agreement shall be of no further force or effect after final disposition by the Trustee of the Trust Property, upon the occurrence of any one or more of the following events (with Notice of such event to be provided to the Trustee by Midwest ISO or the majority of the Beneficiaries, as applicable):

- (a) Transfer of functional control of the respective transmission facilities of each Beneficiary from Midwest ISO to the Beneficiaries, such that Midwest ISO has functional control over no transmission facilities of any Beneficiary.
- (b) A determination of a majority of the Beneficiaries to terminate the Trust in accordance with Article 10.
- (c) Any Person who becomes a Transmission Owner, a Coordinating Owner or an Independent Transmission Company and receives Transmission Revenues pursuant to the Tariff and the Midwest ISO Agreement or the Coordination Agreement, as the case may be, is not a Party to this Trust Agreement.
- (d) Any Transmission Owner, Coordinating Owner or Independent Transmission Company that receives Transmission Revenues pursuant to the Tariff and the Midwest ISO Agreement or the Coordination Agreement, as the case may be, ceases to be, or does not become, a Party to this Trust Agreement. For the avoidance of doubt, such a Transmission Owner, Coordinating Owner or Independent Transmission Company must be a Party to this Trust Agreement during the time period(s) it receives Transmission Revenues.

ARTICLE 9

SUCCESSOR TRUSTEES AND ADDITIONAL TRUSTEES

9.01 Resignation of Trustee; Appointment of Successor.

- (a) The Trustee may resign at any time by giving at least 60 days' prior Notice to the Midwest ISO and the other Parties, such resignation to be effective on the acceptance of appointment by a successor Trustee under Section 9.01(b) approved by the Midwest ISO and the Beneficiaries. In addition, the Midwest ISO and the Beneficiaries may at any time remove the Trustee without cause by an instrument in writing delivered to the Trustee, such removal to be effective upon the acceptance of appointment by a successor Trustee under Section 9.01(b) approved

by the Midwest ISO and the Beneficiaries. In case of the resignation or removal of the Trustee, the Beneficiaries shall promptly vote to appoint a successor Trustee in accordance with Section 10.01. If the Midwest ISO and the Beneficiaries have failed to appoint a successor trustee within 60 days of the giving of Notice of resignation or removal of the Trustee, the Trustee shall be entitled to petition a court of competent jurisdiction to appoint a successor trustee.

- (b) Any successor Trustee shall execute and deliver to the predecessor Trustee, Midwest ISO and Beneficiaries an instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Trustee in the trusts hereunder with like effect as if originally named the Trustee herein; but nevertheless, upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor Trustee, and such predecessor Trustee shall duly assign, transfer, deliver and pay over to such successor Trustee all moneys or other property then held or subsequently received by such predecessor Trustee upon the trusts herein expressed. The predecessor Trustee or the successor Trustee shall provide copies of such written instruments or assignments to the Beneficiaries and Midwest ISO.
- (c) The Trust shall at all times have at least one Trustee.
- (d) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee may be sold or otherwise transferred shall, subject to the terms of this Section 9.01 hereof, be the Trustee under this Trust Agreement without further action. Notwithstanding the foregoing, the Trustee shall provide Notice to the Midwest ISO and Beneficiaries of any such mergers, conversions, consolidations, or transfers.

ARTICLE 10

TRANSMISSION OWNER ACTIONS

10.01 Action by Beneficiaries. Any actions of or consents given by the Beneficiaries pursuant to or required by this Trust Agreement must be in accordance with this Article.

- (a) The following matters shall be determined by the majority vote of the Beneficiaries, where the vote is weighted 50% equally, and 50% to reflect the relative Transmission Revenue of the Beneficiaries as invoiced and collected by

the Midwest ISO during the immediately previous calendar year, as shown on Exhibit C as updated:

- (i) termination of the Trustee;
 - (ii) selection of successor Trustee; and
 - (iii) termination of Trust.
- (b) The following matters shall be determined by super-majority vote of 66%, where each vote is weighted in accordance with Section 10.01(a):
- (i) modification or amendment of Trust Agreement;
 - (ii) approval and allocation of costs other than as expressly provided in this Trust Agreement;
 - (iii) direction of investments under Section 5.01(b)(iv);
 - (iv) any other matter as to which the Beneficiaries are entitled to act under this Trust Agreement.
- (c) The action or consent of the Beneficiaries shall be evidenced by a writing executed by Beneficiaries with the requisite vote and delivered to the Trustee and the Midwest ISO pursuant to Section 11.03.

10.02 Disputes. Any disputes arising hereunder among the Beneficiaries shall be resolved in accordance with Appendix D of the Midwest ISO Agreement.

10.03 Changes in Beneficiaries. If any Beneficiary ceases to be a Transmission Owner or Coordinating Owner, it shall cease to be a Beneficiary upon distribution of all Transmission Revenues due to such Beneficiary. The Midwest ISO shall promptly notify the Trustee if a Beneficiary ceases to be a Transmission Owner or Coordinating Owner and, upon the receipt of that Notice by the Trustee, that Person shall cease to be a Beneficiary upon distribution of all Transmission Revenues due to such Beneficiary. A Person who becomes a Transmission Owner or Coordinating Owner may, by execution of a Joinder in the form attached as Exhibit F, and the execution of that Joinder by the Midwest ISO and the Trustee, become a Party to this Trust Agreement and a Beneficiary hereunder effective as of the date of execution of the Joinder by the Parties thereto. Any changes in the Beneficiaries shall be reflected in an updated Exhibit A, Exhibit C and Exhibit D provided to all Parties by the Midwest ISO. The updating of Exhibit A, Exhibit C and Exhibit D pursuant to this Section 10.03 shall not be subject to the requirements of Section 11.01. Any changes in Beneficiaries also shall be reflected in an updated Exhibit C which shall be updated pursuant to Section 7.01.

ARTICLE 11

MISCELLANEOUS

11.01 Supplements and Amendments. This Trust Agreement may be amended, and compliance with any provisions of this Trust Agreement may be waived, only by a written instrument signed by the Trustee, Midwest ISO, and Beneficiaries with the vote required by Section 10.01(b) at the time of such amendment. Revisions to Exhibit A pursuant to Sections 10.03 and 11.03, revisions to Exhibit C pursuant to either Section 7.01 or Section 10.03 and revisions to Exhibit D pursuant to either Section 2.05(e) or Section 10.03 shall not be deemed amendments subject to the requirements of this Section 11.01.

11.02 Limitations on Rights of Others. Nothing in this Trust Agreement, whether express or implied, shall be construed to give to any Person other than the Trustee, and the Beneficiaries, any legal or equitable right, remedy or claim in the Trust Property or under or in respect of this Trust Agreement or any covenants, conditions or provisions contained herein. Notwithstanding the foregoing, the Midwest ISO shall be entitled to collect amounts due the Midwest ISO from the Trust Property pursuant to the Tariff and Section 5.03.

11.03 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices (“Notice”) shall be in writing and delivered by hand, mailed by certified mail, postage prepaid, delivered by overnight courier, charges prepaid, or by facsimile transmission (to be followed in writing by one of the foregoing methods) addressed as follows, which addresses may be changed from time to time by Notice to the Parties:

If to the Trustee:

JPMorgan Chase Bank, N.A.
227 West Monroe Street, 26th Floor
Chicago, IL 60606
Attention: Institutional Trust Services, Kevin M. Ryan
Fax: 312-267-5202

If to a Beneficiary, addressed to such Beneficiary at the address for the Beneficiary on Exhibit A.

If to the Midwest ISO:

Attention: General Counsel
Midwest Independent Transmission System Operator, Inc.
201 City Center Drive
Carmel, IN 46032
Fax: 317-249-5912

Whenever any Notice is required to be given hereunder, such Notice shall be deemed given and such requirement satisfied when such Notice is hand delivered, mailed by certified mail, postage prepaid, delivered to an overnight courier service, charges prepaid or sent by facsimile and electronically confirmed, in each case addressed as provided above.

- 11.04 Severability.** Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 11.05 Separate Counterparts.** This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.
- 11.06 Successors and Assigns.** All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Beneficiaries, and their respective successors and permitted assigns, and no other Person shall acquire or have any right under or by virtue of this Trust Agreement, as herein provided. Beneficiaries may assign this Trust Agreement to any successor in interest of the Beneficiary or to any entity that has acquired substantially all of the transmission facilities of the Beneficiary. Notice of such assignments shall be provided to the Trustee and Midwest ISO. No assignment of the interest of any of the parties hereto shall be binding upon the Trustee unless and until Notice of such assignment shall be filed with and acknowledged by the Trustee.
- 11.07 Headings.** The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.
- 11.08 Governing Law.** Except as otherwise provided in Section 11.13, this Trust Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Illinois (excluding conflict of law rules), including all matters of construction, validity and performance.
- 11.09 Complete Agreement.** Subject to the provisions of the Midwest ISO Agreement and the Tariff or the Coordination Agreement, as the case may be, this Trust Agreement,

including all exhibits hereto, constitutes the complete agreement between the parties with respect to the subject matter hereof and may not be modified except as provided herein.

11.10 Third-Party Beneficiary. The provisions of this Trust Agreement are for the sole benefit of the Parties hereto and shall not inure to the benefit of any other Person (other than permitted assigns of the parties) either as third party beneficiary or otherwise.

11.11 Perpetuities Savings Clause. If the Trust created hereunder is subject to the law of a jurisdiction (including, but only to the extent applicable to real property, Delaware law) that has a rule against perpetuities or similar rule which limits the period during which property can be held in trust, then the Trust will terminate in all events upon the expiration of the longest period that property may be held in trust under this Trust Agreement under the law of such jurisdiction, including any applicable period in gross, such as twenty-one (21) years, ninety (90) years, one-hundred ten (110) years or one-hundred fifty (150) years; provided, however, that if the jurisdiction has a rule against perpetuities or similar rule which applies only to certain types of property, such as real property, the provisions of this paragraph shall apply only to such property. If under the law of such jurisdiction the longest period that property may be held in trust may be determined (or alternately determined) with reference to the death of the last survivor of a group of individuals in being upon the date of this Trust Agreement, those individuals will consist of all descendants of the Beneficiaries' Presidents, Owners, Chief Executive Officers or individuals similarly situated who were in being on the date of this Trust Agreement. Upon termination of this Trust, as to all or any property then held as a part of this Trust, pursuant to the provisions of this paragraph, the Trustee shall distribute the trust estate in the manner described in Section 5.04(d). Notwithstanding the foregoing, this Trust shall be deemed a "Qualified perpetual trust" under Section 3(a-5) of the Illinois Statute Concerning Perpetuities, so that the Illinois rule against perpetuities shall not apply, and the power of the Trustee (or other person to whom the power is properly granted or delegated hereunder) to sell property shall not be limited by this Trust Agreement or any provision of law for any period of time beyond the period of the rule against perpetuities under Illinois law.

11.12 Appointment of Trustee to Act in Foreign Jurisdiction. If at any time any Trust Property is situated in a jurisdiction in which the Trustee is unable or unwilling to act, the Trustee may appoint an individual (who may be an employee of the Trustee) or corporation in a signed, written instrument to act as Trustee with respect to that property, and that Trustee and every successor Trustee so appointed shall have all the title, powers and discretion with respect to that property that are given to the principal Trustee and shall be subject to the same standards and responsibilities in the performance of its duties as are applicable to the principal Trustee. The net income from that property and any net proceeds of its sale shall constitute Trust Property and shall be paid over to the principal Trustee for disposition in accordance with this Trust Agreement.

- 11.13 Situs.** The Trustee may keep any or all of the Trust Property in any jurisdiction within the United States of America. The Trustee may remove any or all of the assets or the trust situs from one jurisdiction to another. This power is a continuing power that may be exercised any number of times.
- 11.14 Freedom From Court Supervision.** The Parties intend that any trust under this Trust Agreement shall be administered free from court supervision. The Trustee shall not be required to (1) post a bond, (2) docket any trust, (3) resort to any court for instruction or authority, or (4) obtain confirmation from any court of the Trustee's appointment as Trustee. These provisions shall not, however, oust the jurisdiction of any court to (i) enforce any trust under this Trust Agreement, upon the proper petition of any Beneficiary or the Trustee, or (ii) require the Midwest ISO, upon the proper petition of any Beneficiary or the Trustee, to comply with its duties and obligations under this Trust Agreement, including without limitation its duty to provide instructions to the Trustee as required in Section 4.05.
- 11.15 Additional Administrative Provisions.** If any successor corporate Trustee designated hereunder requires additional administrative language and if such administrative language does not change the beneficial interests of any beneficiary under this Trust Agreement, then such additional administrative language shall be deemed to be incorporated herein and shall henceforth apply to the successor corporate Trustee's administration of any trust held hereunder until such time as such successor Trustee terminates its services to such trust.
- 11.16 Amendment to Conform to Change to Tariff, etc.** The parties agree to negotiate in good faith with regard to any amendment to this Trust Agreement to conform to a change in the Tariff, the Midwest ISO Agreement, or the Coordination Agreement.
- 11.17 Force Majeure.** Notwithstanding any other provision of this Trust Agreement, the Trustee shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligation hereunder to the extent that the Trustee is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control.
- 11.18 Indemnification.** The Trustee and its directors, employees, agents and affiliates are hereby jointly and severally indemnified and saved harmless by the Beneficiaries severally in accordance with each of their proportionate payment responsibility as set forth in Exhibit C from any and all losses, liabilities, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation the reasonable fees and expenses of outside and inhouse counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend any of the foregoing ("Losses"), which may be incurred by it as a result of its execution, delivery or performance of this Trust Agreement, unless such Losses shall have been finally

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)

adjudicated to have been primarily caused by the willful misconduct or negligence of the Trustee. The provisions of this section shall survive the resignation or removal of the Trustee and the termination of this Trust Agreement.

11.19 Limitation on Trustee Liability. IN NO EVENT SHALL THE TRUSTEE BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF THE TRUSTEE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

[SIGNATURES COMMENCE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: Thomas R Voss
Printed: Thomas R. Voss
Title: Senior Vice President
Date: 2-13-06

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER CO.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: Thomas R Voss
Printed: Thomas R. Voss
Title: Senior Vice President
Date: 2-13-06


By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC
By its Corporate Manager,
ATC Management Inc.

By: 
Printed: Daniel A. Doyle
Title: VP & CEO
Date: 2-20-06

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY) AMERICAN TRANSMISSION COMPANY LLC

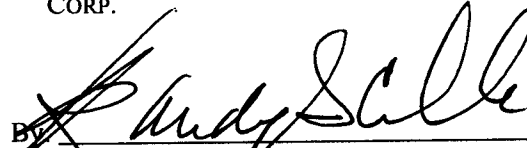
By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

By: 
Printed: Randy Scilla
Title: Assistant Treasurer
Date: February 14, 2006

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

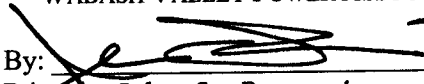
By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____


CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: 
Printed: John C. Procario
Title: Sr. VP and COO
Date: February 13, 2006

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)


Printed: DANIEL M. DASHE
Title: DIRECTOR WATER & LIGHT
Date: 2/18/06

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: William R Kaul
Printed: WILLIAM R KAUL
Title: VICE PRESIDENT
Date: FEB 3, 2006

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: Thomas R Voss
Printed: Thomas R. Voss
Title: Senior Vice President
Date: 2-13-06

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: Frank P. Marino
Title: Vice President + CFO
Date: 2/16/06

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

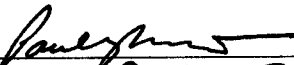
ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: 
Printed: Paul W. Thompson
Title: Senior Vice President Energy Services
Date: 2/14/06

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: Royal P. Lefere Jr.
Printed: ROYAL P. LEFERE JR
Title: SR. VICE PRESIDENT - CFO
Date: 2/10/2006

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)
City of Springfield Office of Public Utilities

By: Timothy J. Davlin
Printed: Timothy J. Davlin
Title: Mayor
Date: February 27, 2006

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

The City of Springfield, Illinois' (commonly known as City, Water, Light and Power) acceptance of this Funds Trust Agreement is conditioned upon the following:

99 02 06

This agreement does not authorize an expenditure of City of Springfield, Illinois, funds to JPMorgan Chase Bank, N.A. in excess of \$15,000.00 unless the City Council specifically approves an additional expenditure. JPMorgan Chase Bank, N.A. acknowledges that absent such prior approval, they proceed at their own risk with no guarantee of payment if the amount billed to the City of Springfield exceeds \$15,000.00.

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

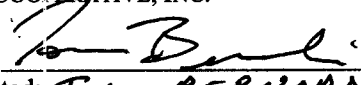
CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: 
Printed: Tom BERNARDI
Title: Sr. Vice President
Date: 2-9-06

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: *J. CHRISTIAN REAGY*
Title: *CFO*
Date: *2/14/06*

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: *Edward M. Rahill*
Printed: *EDWARD M. RAHILL*
Title: *SR VP OF FINANCE, CFO*
Date: *02-19-06*

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: *F.E. Tymofichuk*
Printed: F. E. TYMOFICHUK
Title: DIVISION MANAGER - TRANSMISSION SYSTEM OPERATIONS
Date: FEBRUARY 10, 2006

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

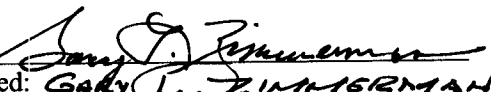
INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____


MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: 
Printed: GARY L. ZIMMERMAN
Title: GENERAL MANAGER
Date: FEB. 15, 2006

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: 
Printed: James K. Vitanko
Title: Senior VP and CFO
Date: 02-15-06

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: David J. Vajda
Title: VP AND Treasurer
Date: February 14, 2006

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

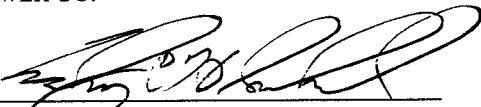
NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: 
Printed: Rodney Scheel
Title: V.P. Asset Management
Date: 2/10/06

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: Jim Reeves
Printed: Jim Reeves
Title: President
Date: 2/16/06

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: Thomas W. Stevenson
Printed: Thomas W. Stevenson
Title: President and CEO
Date: February 14, 2006

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: Michael P. Holstein
Printed: _____
Title: _____
Date: 3/22/2006


By: _____
Printed: _____
Title: _____
Date: _____

Michael P. Holstein
Vice President & Chief Financial Officer

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.
a division of MDU Resources Group, Inc.

By: 
Printed: John F. Renner
Title: SVP - Finance & CAO
Date: 2-15-06

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

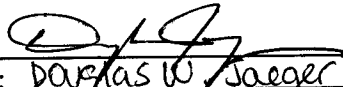
MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By:  _____ 2/14/06
Printed: Darvas W. Jaeger
Title: Vice President, Transmission, Xcel Energy Services Inc.
Date: Authorized Agent for Northern States Power Company
Minnesota and Northern States Power Company Wisconsin

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____


NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: 
Printed: William S. Doty
Title: EXEC. V.P.
Date: Feb. 8, 2006

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: Frederick J. Kunkel
Printed: FREDERICK J. KUNKEL
Title: MGR. TRANSMISSION SERVICES
Date: 2/13/06

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

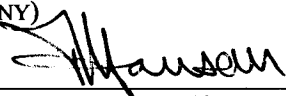
JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

AMERICAN TRANSMISSION COMPANY LLC

By: 
Printed: Thomas L. Hanson
Title: Vice President And Treasurer
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: Thomas R Voss
Printed: Thomas R. Voss
Title: Senior Vice President
Date: 2-13-06

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER CO.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: Thomas R Voss
Printed: Thomas R. Voss
Title: Senior Vice President
Date: 2-13-06


By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC
By its Corporate Manager,
ATC Management Inc.

By: 
Printed: Daniel A. Doyle
Title: VP & CEO
Date: 2-20-06

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY) AMERICAN TRANSMISSION COMPANY LLC

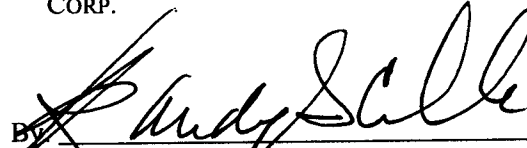
By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

By: 
Printed: Randy Scilla
Title: Assistant Treasurer
Date: February 14, 2006

CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

ALLIANT ENERGY CORPORATE SERVICES, INC. ON BEHALF OF ITS OPERATING COMPANY AFFILIATE INTERSTATE POWER AND LIGHT COMPANY (F/K/A IES UTILITIES, INC. AND INTERSTATE POWER COMPANY)

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMEREN SERVICES COMPANY, AS AGENT FOR ITS ELECTRIC UTILITY AFFILIATES, UNION ELECTRIC COMPANY (D/B/A AMERENUE) AND CENTRAL ILLINOIS PUBLIC SERVICE COMPANY (D/B/A AMERENCIPS)

AMERICAN TRANSMISSION SYSTEMS, INCORPORATE, A SUBSIDIARY OF FIRSTENERGY CORP.

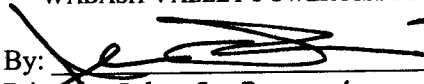
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CENTRAL ILLINOIS LIGHT CO. D/B/A AMERENCILCO

CINERGY SERVICES, INC. (FOR CINCINNATI GAS & ELECTRIC CO., PSI ENERGY, INC. AND UNION LIGHT HEAT & POWER Co.), AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO CINERGY SERVICES, INC. AND HELD BY CINERGY SERVICES, INC., IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: 
Printed: John C. Procario
Title: Sr. VP and COO
Date: February 13, 2006

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)


Printed: DANIEL M. DASHE
Title: DIRECTOR WATER & LIGHT
Date: 2/18/06

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: William R Kaul
Printed: WILLIAM R KAUL
Title: VICE PRESIDENT
Date: FEB 3, 2006

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: Thomas R Voss
Printed: Thomas R. Voss
Title: Senior Vice President
Date: 2-13-06

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: Frank P. Marino
Printed: Frank P. Marino
Title: Vice President + CFO
Date: 2/16/06

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
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Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

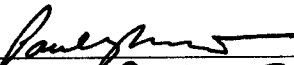
ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: 
Printed: Paul W. Thompson
Title: Senior Vice President Energy Services
Date: 2/14/06

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: Royal P. Lefere Jr.
Printed: ROYAL P. LEFERE JR
Title: SR. VICE PRESIDENT - CFO
Date: 2/10/2006

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)
City of Springfield Office of Public Utilities

By: Timothy J. Davlin
Printed: Timothy J. Davlin
Title: Mayor
Date: February 27, 2006

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

The City of Springfield, Illinois' (commonly known as City, Water, Light and Power) acceptance of this Funds Trust Agreement is conditioned upon the following:

99 02 06

This agreement does not authorize an expenditure of City of Springfield, Illinois, funds to JPMorgan Chase Bank, N.A. in excess of \$15,000.00 unless the City Council specifically approves an additional expenditure. JPMorgan Chase Bank, N.A. acknowledges that absent such prior approval, they proceed at their own risk with no guarantee of payment if the amount billed to the City of Springfield exceeds \$15,000.00.

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

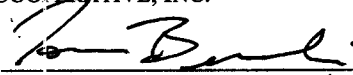
CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: 
Printed: Tom BERNARDI
Title: Sr. Vice President
Date: 2-9-06

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: *J. CHRISTIAN REAGY*
Title: *CFO*
Date: *2/14/06*

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: *Edward M. Rahill*
Printed: EDWARD M. RAHILL
Title: SR VP IF FINANCE, CFO
Date: 02-19-06

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: *F.E. Tymofichuk*
Printed: F. E. TYMOFICHUK
Title: DIVISION MANAGER - TRANSMISSION SYSTEM OPERATIONS
Date: FEBRUARY 10, 2006

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

E.ON U.S. LLC (FOR LOUISVILLE GAS AND
ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY)

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

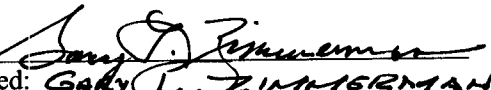
INTERNATIONAL TRANSMISSION COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: 
Printed: GARY L. ZIMMERMAN
Title: GENERAL MANAGER
Date: FEB. 15, 2006

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: [Signature]
Printed: James K. Vitanko
Title: Senior VP and CFO
Date: 02-15-06

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: David J. Vajda
Title: VP AND Treasurer
Date: February 14, 2006

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

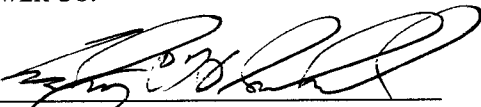
NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: 
Printed: Rodney Scheel
Title: V.P. Asset Management
Date: 2/10/06

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: Jim Reeves
Printed: Jim Reeves
Title: President
Date: 2/16/06

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: Thomas W. Stevenson
Printed: Thomas W. Stevenson
Title: President and CEO
Date: February 14, 2006

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: Michael P. Holstein
Printed: _____
Title: _____
Date: 3/22/2006

JPMORGAN CHASE BANK, N.A., AS TRUSTEE


By: _____
Printed: _____
Title: _____
Date: _____

Michael P. Holstein
Vice President & Chief Financial Officer

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.
a division of MDU Resources Group, Inc.

By: 
Printed: John F. Renner
Title: SVP - Finance & CAO
Date: 2-15-06

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

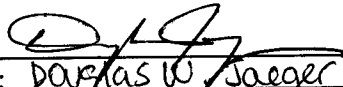
MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By:  _____ 2/14/06
Printed: Darvas W. Jaeger
Title: Vice President, Transmission, Xcel Energy Services Inc.
Date: Authorized Agent for Northern States Power Company
Minnesota and Northern States Power Company Wisconsin

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____


NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: 
Printed: William S. Doty
Title: EXEC. V.P.
Date: Feb. 8, 2006

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: Frederick J. Kunkel
Printed: FREDERICK J. KUNKEL
Title: MGR. TRANSMISSION SERVICES
Date: 2/13/06

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY DELIVERY
OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

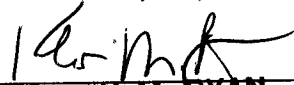
WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: 
Printed: **KEVIN M. RYAN**
Title: **Vice President**
Date: **March 23, 2006**

JOINDER

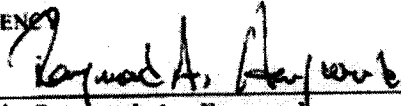
The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the 1st day of April, 2006, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this 22nd day of March, 2006.


ACCEPTED

Accepted and agreed to by the undersigned effective as of the date set forth above.

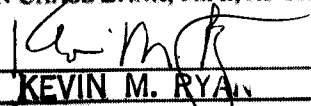
SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: 
Printed: Raymond A. Hayward
Title: Executive Director & CEO

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: 
Printed: _____
Title: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: 
Printed: KEVIN M. RYAN
Title: Vice President

JOINDER

The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the 1st day of January, 2008, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this 17 day of DECEMBER, 2007.

ACCEPTED

Accepted and agreed to by the undersigned effective as of the date set forth above.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY

MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.

By: Bob Elston
Printed: BOB ELSTON
Title: PRESIDENT

By: Michael P. Holstein
Printed: Michael P. Holstein
Title: Vice President & CFO

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: Soumya Juri
Printed: Soumya Juri
Title: ASSISTANT VP

JOINDER

The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the 1st day of January, 2008, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this 10th day of February, 2009.


ACCEPTED


Accepted and agreed to by the undersigned effective as of the date set forth above.

ITC MIDWEST, LLC


MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

BY: ITC HOLDINGS CORP., ITS SOLE MEMBER

By: 
Printed: Linda H. Blair
Title: Executive Vice President and
Chief Business Officer

By: 
Printed: Michael P. Holstein
Title: Vice President & Chief Financial Officer

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: 
Printed: _____
Title: Sonny T. Lui
Asst. Vice President

JOINDER

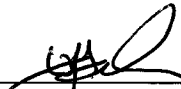
The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the 1st day of September, 2009, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this 7th day of July, 2009.

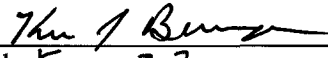
ACCEPTED

Accepted and agreed to by the undersigned effective as of the date set forth above.

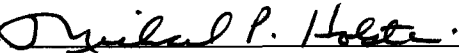
MIDAMERICAN ENERGY COMPANY

By: 
Printed: William J. Fehrman
Title: President

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: 
Printed: Kevin J. Binninger
Title: OFFICER

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: 
Printed: _____
Title: **Michael P. Holstein**
Vice President & Chief Financial Officer

JOINDER

The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the 1 day of September 2009, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this 19th day of August, 2009.

ACCEPTED

Accepted and agreed to by the undersigned effective as of the date set forth above.

MUSCATINE POWER AND WATER

By: Sal LoBianco
Printed: Sal LoBianco
Title: General Manager

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: Kevin J Binninger
Printed: Kevin J Binninger
Title: Officer

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: Michael P. Holstein
Printed: _____
Title: _____

Michael P. Holstein
Vice President & Chief Financial Officer

JOINDER

The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the 1st day of Sept., 2009, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this 19th day of August, 2009

ACCEPTED

Accepted and agreed to by the undersigned effective as of the date set forth above.

Municipal Electric Utility of the
City of Cedar Falls, Iowa

By: *JKK*
Printed: James R. Krieg
Title: General Manager/CEO

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: *Michael P. Holstein*
Printed: Michael P. Holstein
Title: Vice President & Chief Financial
officer

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: *Kevin J Binnings*
Printed: Kevin J Binnings
Title: Officer

Exhibits:

Beneficiaries	Exhibit A
Schedule of Fees	Exhibit B
Allocation of Costs and Voting Rights	Exhibit C
Tax Returns and Reports	Exhibit D
Telephone Numbers and Designated Person	Exhibit E
Joinder	Exhibit F
Practices and Procedures	Exhibit G

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
(Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

EXHIBIT A
BENEFICIARIES

NAME	NOTICE TO BE GIVEN TO
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	Maureen Borkowski Vice President – Transmission Ameren Services Company 1901 Chouteau Avenue (MC 630) St. Louis, MO 63103 Fax: 314-554-6454
American Transmission Company LLC	ATC Management Inc. Corporate Manager for American Transmission Company LLC Vice President - Legal, and Secretary N19 W23993 Ridgeview Parkway West Waukesha, Wisconsin 53188 Fax: 262-506-6711
American Transmission Systems, Incorporated, a subsidiary of FirstEnergy Corp.	Mr. Randy Scilla Assistant Treasurer FirstEnergy Service Company 76 South Main Street Fifth Floor Akron, OH 44308 Fax: 330-384-3772
Central Illinois Light Co. d/b/a AmerenCILCO	Maureen Borkowski Vice President – Transmission Ameren Services Company 1901 Chouteau Avenue (MC 630) St. Louis, MO 63103 Fax: 314-554-6454
Central Minnesota Municipal Power Agency	Larry Blaine Chief Financial Officer Central Minnesota Power Agency 459 South Grove Street Blue Earth, MN 56013 Fax: 507-526-2527

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
(Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

NAME	NOTICE TO BE GIVEN TO
City of Columbia Water and Light Department (Columbia, MO)	J. Kraig Kahler Director Water & Light City of Columbia P.O. Box 6015 105 East Ash Columbia, MO 65205 Fax: 573-443-6875
City Water, Light & Power (Springfield, IL)	Craig E. Burns Director of Finance Municipal Center East 4th Floor 800 East Monroe Street Springfield, IL 62757 Fax: 217-789-2230
Duke Energy Business Services, LLC, for Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., and Duke Energy Kentucky, Inc. and as custodian for any Transmission Revenues distributed by the Trustee to Duke Energy Business Services, LLC and held by Duke Energy Business Services, LLC, in a custodial trust relationship and owing under Appendices C and J of the Midwest ISO Agreement to Indiana Municipal Power Agency or Wabash Valley Power Association, Inc.	Paul Jett Duke Energy Business Services, LLC 139 East 4th Street P.O. Box 960 Cincinnati, OH 45201-0960 Fax: 513-287-3812
Great River Energy	Douglas J. Paumen Controller Great River Energy 12300 Elm Creek Boulevard Maple Grove, MN 55369-4718 Fax: 763-445-6230
Hoosier Energy Rural Electric Cooperative, Inc.	Donna Snyder Vice President Finance Hoosier Energy REC, Inc. 7398 N State Route 37 P.O. Box 908 Bloomington, IN 47402-0908 (shipping zip code: 47404) Fax: 812-876-3476

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
(Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

NAME	NOTICE TO BE GIVEN TO
Illinois Power Company d/b/a AmerenIP	Maureen Borkowski Vice President – Transmission Ameren Services Company 1901 Chouteau Avenue (MC 630) St. Louis, MO 63103 Fax: 314-554-6454
Indiana Municipal Power Agency	Indiana Municipal Power Agency Attn: Maria Grossman, Controller 11610 North College Avenue Carmel, IN 46032 Fax: 317-575-3372
Indianapolis Power & Light	Kurt B. Michael Vice President and Chief Financial Officer Indianapolis Power & Light Company One Monument Circle Indianapolis, IN 46203 Fax: 317-261-8066
International Transmission Company d/b/a ITC Transmission	Wayne Ginste Manager of Accounting ITC Transmission 27175 Energy Way Novi, MI 48377 Phone: 248.946.3467 Fax: 248.946.3490 wginste@itctransco.com
ITC Midwest, LLC	Wayne Ginste Manager of Accounting ITC Midwest 27175 Energy Way Novi, MI 48377 Phone: 248.946.3467 Fax: 248.946.3490 wginste@itctransco.com

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
(Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

NAME	NOTICE TO BE GIVEN TO
Manitoba Hydro	K, Jennifer Moroz Barrister & Solicitor Manitoba Law Department 820 Taylor Ave Winnipeg MB, CANADA R3C 2P4 Fax: 204-474-4947
Michigan Electric Transmission Company, LLC	Wayne Ginste Manager of Accounting Michigan Electric Transmission Company 27175 Energy Way Novi, MI 48377 Phone: 248.946.3467 Fax: 248.946.3490 wginste@itctransco.com
Michigan Public Power Agency	Peter Schimpke Michigan Public Power Agency 809 Centennial Way Lansing, MI 48917-9277 Fax: 517-323-8373
MidAmerican Energy Company	James Averweg Vice President Standards & Compliance MidAmerican Energy Company 106 E. Second Street P.O. Box 4350 Davenport, IA 52808-8020
Minnesota Power a/k/a Allete Inc. (and its subsidiary Superior Water, L&P)	Bethany Owen Director Transmission Regulatory Compliance and Business Support Minnesota Power 30 West Superior Street Duluth, MN 55802 Fax: 218-720-2649
Montana-Dakota Utilities Co.	Douglass A. Mahowald Assistant Treasurer and Assistant Secretary MDU Resources Group, Inc. P.O. Box 5650 Bismarck, ND 58506-5650 Fax: 701-530-1734

Execution Copy
(Exhibit A, Exhibit C and Exhibit D Updated 5-23-06)
(Exhibit D Updated 4-18-07)
(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
(Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

NAME	NOTICE TO BE GIVEN TO
The Municipal Electric Utility of the City of Cedar Falls, Iowa	David Rusley Manager of Engineering Projects Cedar Falls Utilities 1 Utility Parkway P.O. Box 769 Cedar Falls, IA 50613 Fax: 319-266-8158 Email: drusley@cfunet.net
Muscatine Power and Water	Brandy Dulceak Director – Legal & Regulatory Services Muscatine Power & Water 3205 Cedar Street Muscatine, IA 52761
Northern Indiana Public Service Company	David J. Vajda Vice President, Treasury and Chief Risk Officer NiSource, Inc. 801 E. 86th Ave Merrillville, IN 46410 Fax: 219-647-6060
Northern States Power Company and Northern States Power Company (Wisconsin), subsidiaries of Xcel Energy, Inc.	Carolyn Wetterlin Xcel Energy Services Inc. 414 Nicollet Mall, MP Suite 800 Minneapolis, MN 55401 Fax: 612-573-9172
Otter Tail Power Company	Stuart Klovstad Manager Financial Reporting Otter Tail Power Company 215 S Cascade St Fergus Falls, MN 56538-0496 Fax: 218-739-8895
Southern Illinois Power Cooperative	Stephanie Oxford Southern Illinois Power Cooperative 11543 Lake of Egypt Road Marion, IL 62959 Fax: 618-964-1867

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(Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
(Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

NAME	NOTICE TO BE GIVEN TO
Southern Indiana Gas and Electric Company (d/b/a Vectren Energy Delivery of Indiana)	William S. Doty Executive Vice President Vectren Energy Delivery of Indiana One Vectren Square Evansville, IN 47708-1251 Fax: 812-491-4684
Southern Minnesota Municipal Power Agency	John D. Winter Southern Minnesota Municipal Power Agency 500 First Avenue SW Rochester, MN 55902-3303 Fax: 507-292-6414
Wabash Valley Power Association, Inc.	Frederick J. Kunkel Wabash Valley Power Association, Inc. 722 N. High School Road Indianapolis, IN 46214-3756 Fax: 317-243-6416
Wolverine Power Supply Cooperative, Inc.	Kim Molitor Vice President, Rates & Administrative Services Wolverine Power Supply Cooperative, Inc. 10125 West Watergate Road P.O. Box 229 Cadillac, MI 49601 Fax: 231-775-2077



SCHEDULE OF FEES

Schedule of Fees
for
Trustee Services

MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.
FUNDS TRUST AGREEMENT

Based upon JPMorgan Chase Bank, N.A.'s ("JPMorgan") current understanding of the proposed transaction, JPMorgan's fee proposal is as follows:

Acceptance Fee - \$5,000

Encompassing review, negotiation and execution of governing documentation, opening of the trust accounts, and completion of all due diligence documentation. Payable on the initial First Settlement Date.

Administration Fee – \$40,000

The Administration Fee covers JPMorgan's usual and customary ministerial duties, including trust account record keeping, document compliance and such other duties and responsibilities expressly set forth in the governing documents for each transaction.

Activity Fees

Tax Filing	\$4,000
Trust Agreement Revisions	\$500

All such fees are payable on the initial First Settlement Date and annually in advance thereafter, if applicable.

Legal Expenses:

At Cost, if needed

JPMorgan will be utilizing internal trustee's counsel to review the governing documents, there will be no legal expense for use of JPMorgan's internal counsel for the initial document review and account establishment. In the event JPMorgan is required to secure the services of outside trustee's counsel, all such charges and expenses will be billed at cost.

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(Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

Extraordinary Services and Out-of Pocket Expenses:

Any additional services beyond JPMorgan's standard services as specified above and all reasonable out-of-pocket expenses including attorney's fees will be considered extraordinary services for which related costs, transaction charges, and additional fees will be billed at then current rates.

Assumptions:

- Current administrator, Midwest ISO, will provide all necessary servicing functions to the Transmission Customers and Beneficiaries. Any data or files with respect to administration and servicing functions provided by Midwest ISO to the Trustee will be in a form acceptable to JPMorgan as Trustee under the Trust Agreement.
- Individual payments to the Beneficiaries under the Funds Trust Agreement will be made on a strict schedule of two specified days each month. Such schedule of payment dates will be provided to Trustee in advance of each year. Section 4.05 of the Funds Trust Agreement also allows for certain additional payments in limited circumstances.
- JPMorgan will secure the services of Deloitte & Touche to provide all necessary tax reporting and filings. The Trustee may modify this fee schedule at any time due to changes in Deloitte & Touche's standard rates.
- The above fees assume the trust funds will be held and invested in an interest bearing trust or demand deposit account at JPMorgan Chase Bank, N.A.

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 (Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

EXHIBIT C
ALLOCATION OF COSTS AND VOTING RIGHTS FOR 2008

Owner	COST RESPONSIBILITY/VOTING RIGHTS % 2008 Revenue Share	Participant Share	Total Share
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS) ⁽¹⁾	0.70%	1.79%	2.49%
American Transmission Company LLC ⁽¹⁾	1.96%	1.79%	3.75%
American Transmission Systems, Incorporated, a subsidiary of FirstEnergy Corp. ("FE") ⁽³⁾	11.94%	1.79%	13.73%
Central Illinois Light Co. d/b/a AmerenCILCO	0.00%	1.79%	1.79%
Central Minnesota Municipal Power Agency (Blue Earth, MN) ⁽⁴⁾	0.00%	1.79%	1.79%
City of Columbia Water and Light Department (Columbia, MO)	0.20%	1.79%	1.99%
City Water, Light & Power (Springfield, IL)	0.04%	1.79%	1.83%
Duke Energy Business Services, LLC for Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., and Duke Energy Kentucky, Inc. and as custodian for any Transmission Revenues distributed by the Trustee to Duke Energy Business Services, LLC and held by Duke Energy Business Services, Inc., in a custodial trust relationship and owing under Appendices C and J of the Midwest ISO Agreement to Indiana Municipal Power Agency or Wabash Valley Power Association, Inc. ⁽²⁾	1.57%	5.36%	6.93%
Great River Energy	0.08%	1.79%	1.87%
Hoosier Energy Rural Electric Cooperative, Inc.	0.25%	1.79%	2.04%
Illinois Power Company d/b/a AmerenIP	0.60%	1.79%	2.39%
Indianapolis Power & Light	0.10%	1.79%	1.89%
International Transmission Company d/b/a ITC Transmission	14.08%	1.79%	15.87%
ITC Midwest, LLC	5.15%	1.79%	6.94%

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 (Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

**COST RESPONSIBILITY/VOTING RIGHTS %
 2008**

Owner	Revenue Share	Participant Share	Total Share
Manitoba Hydro (“MHEB”)	0.64%	1.79%	2.43%
Montana-Dakota Utilities Co.	0.04%	1.79%	1.83%
Michigan Electric Transmission Company, LLC ⁽¹⁾	9.97%	1.79%	11.76%
Michigan Public Power Agency	0.00%	1.79%	1.79%
MidAmerican Energy Company	0.00%	0.00%	0.00%
Minnesota Power a/k/a Allete Inc. (and its subsidiary Superior Water, L&P)	0.40%	1.79%	2.19%
Muscatine Power and Water	0.00%	0.00%	0.00%
The Municipal Electric Utility of the City of Cedar Falls, Iowa	0.00%	0.00%	0.00%
Northern Indiana Public Service Company	0.30%	1.79%	2.09%
Northern States Power Company and Northern States Power Company (Wisconsin), subsidiaries of Xcel Energy, Inc.	1.36%	1.79%	3.15%
Otter Tail Power Company	0.09%	1.79%	1.88%
Southern Illinois Power Cooperative	0.03%	1.79%	1.82%
Southern Indiana Gas and Electric Company (d/b/a Vectren Energy Delivery of Indiana)	0.48%	1.79%	2.27%
Southern Minnesota Municipal Power Agency	0.02%	1.79%	1.81%
Wolverine Power Supply Cooperative, Inc. ⁽¹⁾	0.00%	1.79%	1.79%
Total	50.00%	50.00%	100.00%

NOTES:

2008 Revenue derived from Schedules 7, 8, 9, 14, 18, 19, 21 & 26 billed by Midwest ISO.

1) Excludes Schedule 9 revenue billed and collected by American Transmission Company LLC, and Ameren Services Company.

2) Duke Energy Shared Services, Inc. revenue includes Wabash Valley Power Association, Inc. and Indiana Municipal Power Agency revenue. Participant share is for all three Transmission Owners.

3) FE revenue includes American Transmission Systems, Incorporated Schedule 9 revenue billed and collected from FE affiliates.

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 (Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

EXHIBIT D

TAX RETURNS AND REPORTS

Beneficiary	State and Local Returns
Ameren Services Company, as agent for its electric utility affiliates, Union Electric Company (d/b/a AmerenUE) and Central Illinois Public Service Company (d/b/a AmerenCIPS)	None
American Transmission Company LLC	WI 2K-1, IL 1041 K-1, MN KF, MI-1041
American Transmission Systems, Incorporated, a subsidiary of FirstEnergy Corp. ("FE")	Form PA-41 in PA; Form IT-41 in WV; None in OH
Central Illinois Light Co. d/b/a AmerenCILCO	None
Central Minnesota Municipal Power Agency	None Tax Exempt Entity (MN, IA, IL)
City of Columbia Water and Light Department (Columbia, MO)	None Tax-Exempt Entity
City Water, Light & Power (Springfield, IL)	None Tax-Exempt Entity
Duke Energy Business Services, LLC for Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., and Duke Energy Kentucky, Inc., and as custodian for any Transmission Revenues distributed by the Trustee to Duke Energy Shared Services, Inc. and held by Duke Energy Business Services, LLC, in a custodial trust relationship and owing under Appendices C and J of the Midwest ISO Agreement to Indiana Municipal Power Agency or Wabash Valley Power Association, Inc.	IN – Form IT-41; KY – Form 741; OH – None
Great River Energy	None
Hoosier Energy Rural Electric Cooperative, Inc.	IT-41; IL-1041

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 (Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
 (Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
 (Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

Beneficiary	State and Local Returns
Illinois Power Company d/b/a AmerenIP	None
Indianapolis Power & Light	IN – Form IT-41
International Transmission Company d/b/a ITC Transmission	MI-1041
ITC Midwest, LLC	IL-1041 in IL; IA-1041 in IA; Form M2 in MN
Manitoba Hydro (“MHEB”)	None
Michigan Electric Transmission Company, LLC	MI-1041
Michigan Public Power Agency	Tax Exempt Non-Profit Agency
MidAmerican Energy Company	None
Minnesota Power a/k/a Allete Inc. (and its subsidiary Superior Water, L&P)	None for MN, WI and FL
Montana-Dakota Utilities Co.	ND – Form 40, MT – CLT-4, SD None
The Municipal Electric Utility of the City of Cedar Falls, Iowa	Tax-exempt governmental entity
Muscatine Power and Water	None
Northern Indiana Public Service Company	IN – Form IT-41
Northern States Power Company and Northern States Power Company (Wisconsin), subsidiaries of Xcel Energy, Inc.	None (NSP: MN, SD, ND; NSPW: WI, MI)
Otter Tail Power Company	None (MN, ND, SD)
Southern Illinois Power Cooperative	None –Not for Profit

Execution Copy
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 (Exhibit D Updated 4-18-07)
 (Exhibit A, Exhibit C and Exhibit D Updated 5-20-08)
 (Exhibit A, Exhibit C and Exhibit D Updated 9-4-09)
 (Exhibit A, Exhibit C and Exhibit D Updated 11-13-09)

Beneficiary	State and Local Returns
Southern Indiana Gas and Electric Company (d/b/a Vectren Energy Delivery of Indiana)	Indiana IT-41 – Indiana Fiduciary Income Tax Return; Kentucky Form 741 – Kentucky Fiduciary Income Tax Return
Southern Minnesota Municipal Power Agency	None Tax exempt entity
Wolverine Power Supply Cooperative, Inc.	None (MI)

EXHIBIT E

**TELEPHONE NUMBERS AND SIGNATURES FOR PERSONS DESIGNATED TO
GIVE FUNDS TRANSFER INSTRUCTIONS**

If to Midwest ISO or Beneficiaries:

<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1. Michael P. Holstein	317-249-5525	_____
2. Josephine Biggers	317-249-5438	_____
3. Megan E. Cover	317-249-5697	_____

**TELEPHONE NUMBERS FOR CALL-BACKS AND PERSONS DESIGNATED TO
CONFIRM FUNDS TRANSFER INSTRUCTIONS**

If to Midwest ISO or Beneficiaries:

<u>Name</u>	<u>Telephone Number</u>
1. Ryan Baynes	(317) 249-5558
2. Kelli Williams	(317) 249-5139
3. Carolyn Jack	(317) 249-5696

Telephone call backs shall be made to each party if joint instructions are required pursuant to the Agreement. All funds transfer instructions must include the signature of the person(s) authorizing said funds transfer and must not be the same person confirming said transfer.

EXHIBIT F

JOINDER

The undersigned hereby agrees to become a Party to the Funds Trust Agreement (the "Trust Agreement") effective as of the ____ day of _____, 20__, among JPMorgan Chase Bank, N.A., the Midwest Independent Transmission System Operator, Inc. and the Beneficiaries thereunder. The undersigned agrees to be bound by, and entitled to the rights and benefits of the Trust Agreement and to perform the obligations as a Beneficiary under the Trust Agreement.

Executed this ____ day of _____, 20__.

ACCEPTED

Accepted and agreed to by the undersigned effective as of the date set forth above.

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____

By: _____
Printed: _____
Title: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

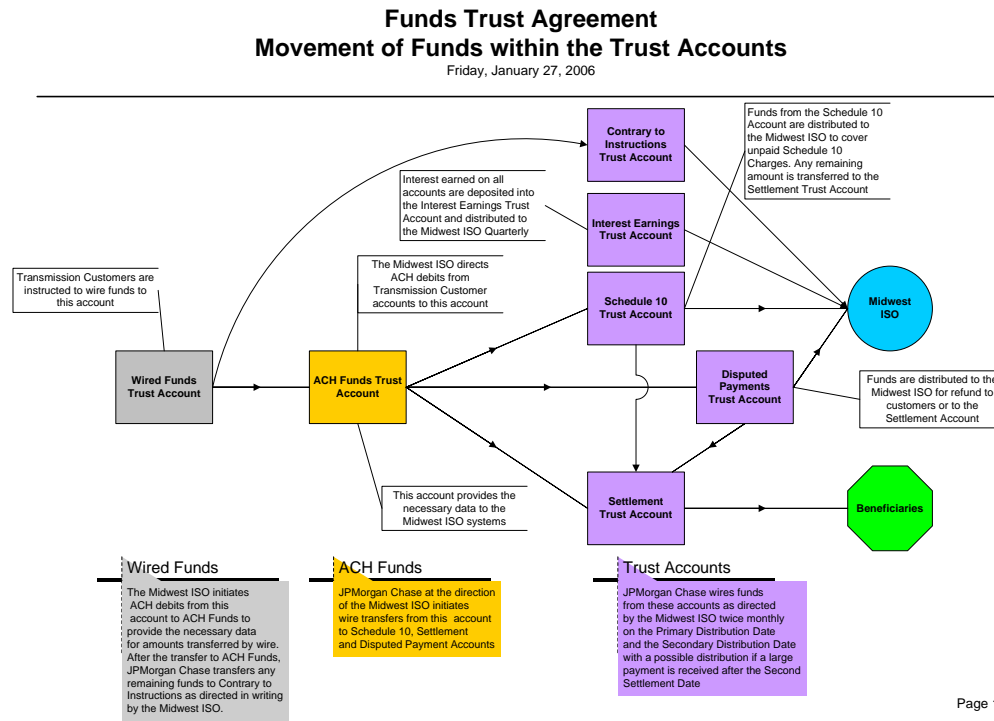
By: _____
Printed: _____
Title: _____

EXHIBIT G

PRACTICES AND PROCEDURES

The Parties acknowledge that only the Tariff creates any contractually binding obligations with regard to payment. All times in this Exhibit G are aspirational. This Exhibit G does not create a contractual obligation on the part of any Person to take action within a stated time.

The following chart reflects an overview of the practices and procedures that will be employed under this Agreement with respect to the movement of funds into, and within, the Trust Accounts.



SET UP

1. The Midwest ISO will provide the Trustee a schedule annually by December 1 of the dates in the following calendar year on which payment of Midwest ISO issued invoices for transmission service are due (each a "Payment Date") and of the First Settlement Date and the Second Settlement Date (as hereinafter defined) for each month of that year.
2. The Trustee shall cause the ACH Funds Trust Account to be appropriately configured to provide the necessary data to the Midwest ISO systems as automated feeds with the appropriate data elements.

3. The Trustee shall cause the ACH Funds Trust Account and the Wired Funds Trust Account to be configured to provide the Midwest ISO information via online viewing access on all funds remitted to the Trustee from any Person for the account of the Beneficiaries.

FUNDS FROM TRANSMISSION CUSTOMERS

4. On the Business Day preceding each Payment Date the Midwest ISO will initiate ACH debit transactions for Transmission Revenue owed from those Transmission Customers that authorize such action. The Midwest ISO will direct such Transmission Revenue to the ACH Funds Trust Account. The Midwest ISO will direct Transmission Customers to deposit Transmission Revenue in the Wired Funds Trust Account for those Transmission Customers that initiate the ACH transaction on their own.

5. The Midwest ISO will direct Transmission Customers that do not use ACH debit to instead ACH or wire all funds for Transmission Revenue to the Wired Funds Trust Account on or before the Payment Date.

FIRST SETTLEMENT

6. By the Business Day following the Payment Date (the "First Settlement Date"), the Midwest ISO will initiate ACH debits from the Wired Funds Trust Account into the ACH Funds Trust Account for those funds that were correctly wired to the Wired Funds Trust Account by Transmission Customers.

7. After receiving the data from the ACH Funds Trust Account, the Midwest ISO will utilize its information systems to determine the appropriate amounts to be disbursed by the Trustee and advise the Trustee by Notice given by facsimile. The Midwest ISO will attempt to give Notice by 3 p.m. (Indianapolis time) on the First Settlement Date. The Notice will state the amount to be transferred:

- (a) From the Wired Funds Trust Account to the Contrary to Instructions Trust Account and then to the Midwest ISO;
- (b) From the ACH Funds Trust Account to the Schedule 10 Trust Account;
- (c) From the ACH Funds Trust Account to the Disputed Payments Trust Account;
- (d) From the ACH Funds Trust Account to the Settlement Trust Account;
- (e) To the Midwest ISO from the Schedule 10 Trust Account;
- (f) To the Settlement Trust Account from the Schedule 10 Trust Account; and
- (g) From the Settlement Trust Account to each Beneficiary.

8. The Trustee will transfer the funds as directed in item 7, above, by either ACH transfer or wire transfer on the Business Day following the First Settlement Date. This is the Primary Distribution Date for the applicable month.

SECOND SETTLEMENT

9. By the sixth Business Day after the Payment Date (the “Second Settlement Date”), the Midwest ISO will initiate ACH debits from the Wired Funds Trust Account into the ACH Funds Trust Account for those funds that were correctly sent via ACH or wire to the Wired Funds Trust Account by Transmission Customers.

10. After receiving the data from the ACH Funds Trust Account, the Midwest ISO will utilize its information systems to determine the appropriate amounts to be disbursed by the Trustee and advise the Trustee by Notice given by facsimile. The Notice will state the amount to be transferred:

- (a) From the Wired Funds Trust Account to the Contrary to Instructions Trust Account and then to the Midwest ISO;
- (b) From the ACH Funds Trust Account to the Schedule 10 Trust Account;
- (c) From the ACH Funds Trust Account to the Disputed Payments Trust Account;
- (d) From the ACH Funds Trust Account to the Settlement Trust Account;
- (e) To the Midwest ISO from the Schedule 10 Trust Account;
- (f) To the Settlement Trust Account from the Schedule 10 Trust Account; and
- (g) From the Settlement Trust Account to each Beneficiary.

11. The Trustee will transfer the funds as directed in item 10, above, by either ACH transfer or wire transfer on the Business Day following the Second Settlement Date. This is the Secondary Distribution Date for the applicable month.

SPECIAL SETTLEMENT – LARGE LATE PAYMENT

12. On the Business Day after a Large Late Payment is received, the Midwest ISO will initiate ACH debits from the Wired Funds Trust Account to the ACH Funds Trust Account.

13. After receiving the data from the ACH Funds Trust Account, the Midwest ISO will utilize its systems to determine the appropriate amounts to be disbursed by the Trustee and advise the Trustee by Notice given by facsimile. The Notice will state the amount to be transferred:

- (a) From the Wired Funds Trust Account to the Contrary to Instructions Trust Account and then to the Midwest ISO;
- (b) From the ACH Funds Trust Account to the Schedule 10 Trust Account;
- (c) From the ACH Funds Trust Account to the Disputed Payments Trust Account;
- (d) From the ACH Funds Trust Account to the Settlement Trust Account;
- (e) To the Midwest ISO from the Schedule 10 Trust Account;
- (f) To the Settlement Trust Account from the Schedule 10 Trust Account; and

- (g) From the Settlement Trust Account to any Beneficiary who is due more than \$5 million in funds from the Large Late Payment.

SPECIAL SETTLEMENT - DISPUTE RESOLUTION

14. Upon resolution of a dispute associated with all or a portion of the funds held in the Disputed Payments Trust Account the Midwest ISO shall instruct the Trustee to disburse the portion of the held funds associated with the resolution of the dispute as follows:

- (a) To the Midwest ISO from the Disputed Payments Trust Account (which may include amounts to be refunded to customers); and
- (b) To the Settlement Trust Account from the Disputed Payments Trust Account;
and
- (c) From the Settlement Trust Account to each applicable Beneficiary.

15. The Trustee shall disburse funds to the Midwest ISO under 14(a) per these instructions within five (5) Business Days of receipt of such instructions regardless of what day of the month the Trustee is in receipt of such instructions. The Trustee shall make the disbursement under 14(c) to the Beneficiaries on the next First Settlement Date as the Midwest ISO shall instruct in accordance with Section 4.05.

INTEREST EARNINGS

16. The Trustee shall deposit any income earned on the investment of the Trust Property into the Interest Earnings Trust Account. The Trustee shall pay any amounts in that Account to the Midwest ISO quarterly.

Amendment No. 1 to
Funds Trust Agreement

This Amendment No. 1 to Funds Trust Agreement (“Amendment No. 1”), dated June 4, 2009, is among JPMorgan Chase Bank, N.A., a national banking association, as Trustee (“Trustee”); the Midwest Independent Transmission System Operator, Inc., a Delaware non-stock, not-for-profit corporation (“Midwest ISO”); and the Beneficiaries (each of the Trustee, the Midwest ISO and the Beneficiaries is a “Party” and collectively are the “Parties”). All capitalized terms shall have the definitions set forth in the Funds Trust Agreement.

WHEREAS, the Parties are signatories to the Funds Trust Agreement (the “Trust Agreement”) or Joinder;

WHEREAS, the Parties desire to amend the Trust Agreement; and

WHEREAS, section 11 of the Trust Agreement provides for amendment of the Trust Agreement, by written instrument signed by the Trustee, Midwest ISO, and Beneficiaries with the vote required by section 10.01(b) of the Trust Agreement at the time of such amendment.

NOW, THEREFORE, the undersigned Parties, intending to be legally bound, hereby agree as follows:

1. Amendment to the Recitals of the Trust Agreement. The fourth and fifth recitals of the Trust Agreement shall be amended as follows:

(a) Fourth Recital. The fourth recital on the first page of the Trust Agreement is amended to delete the language “, which transmission service pricing is coordinated with the Tariff.” The fourth recital of the Trust Agreement, showing the amendments in blacklined format, is as follows:

“WHEREAS, the Midwest ISO provides tariff administration services to the Coordinating Owner pursuant to the terms of the Coordination Agreement, including the collection and distribution of transmission service revenues resulting from Canadian transmission service owing pursuant to the Coordinating Owner Tariff, ~~which transmission service pricing is coordinated with the Tariff;~~”

The fourth recital of the Trust Agreement, as amended, shall read as follows:

“WHEREAS, the Midwest ISO provides tariff administration services to the Coordinating Owner pursuant to the terms of the Coordination Agreement, including the collection and distribution of transmission service revenues resulting from Canadian transmission service owing pursuant to the Coordinating Owner Tariff;”

(b) Fifth Recital. The fifth recital on the first page of the Trust Agreement is amended to delete a reference to the Coordination Agreement. The fifth recital of

the Trust Agreement, showing the amendments in blacklined format, is as follows:

~~“WHEREAS, the Midwest ISO Agreement and the Coordination Agreement requires the distribution of revenues associated with transmission services in accordance with the Midwest ISO Agreement specifically, Appendices C and J of the Midwest ISO Agreement, and with the Coordination Agreement;”~~

The fifth recital of the Trust Agreement, as amended, shall read as follows:

“WHEREAS, the Midwest ISO Agreement requires the distribution of revenues associated with transmission services in accordance with the Midwest ISO Agreement specifically, Appendices C and J of the Midwest ISO Agreement;”

2. Amendment to the Exhibit G of the Trust Agreement. Paragraph 8 under the heading “First Settlement” in Exhibit G of the Trust Agreement is amended to add the language “by 4 p.m. (Indianapolis time)” after “wire transfer” in the first sentence of the paragraph. Paragraph 8 of Exhibit G of the Trust Agreement, showing the amendments in blacklined format, is as follows:

8. The Trustee will transfer the funds as directed in item 7, above, by either ACH transfer or wire transfer by 4 p.m. (Indianapolis time) on the Business Day following the First Settlement Date. This is the Primary Distribution Date for the applicable month.

Paragraph 8 of Exhibit G of the Trust Agreement, as amended, shall read as follows:

8. The Trustee will transfer the funds as directed in item 7, above, by either ACH transfer or wire transfer by 4 p.m. (Indianapolis time) on the Business Day following the First Settlement Date. This is the Primary Distribution Date for the applicable month.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

By: Maureen A. Berkowski
Printed: Maureen A. Berkowski
Title: Vice President, Transmission
Date: _____

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC
*By its Corporate Manager
ATC Management Inc.*

By: Walter T. Wobelf
Printed: Walter T. Wobelf
Title: Vice President, legal and Secretary
Date: February 24, 2009

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATED, A SUBSIDIARY OF
FIRSTENERGY CORP.

By: *Randy Scilla*
Printed: Randy Scilla
Title: Assistant Treasurer
Date: February 26, 2009

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

By: Maureen A. Borowski
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

By: Bob Felston
Printed: BOB FELSTON
Title: PRESIDENT
Date: 3-30-09

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: *J. Craig Kahler*
Printed: *J. CRAIG KAHLER*
Title: *Water & Light Director*
Date: *5-21-09*

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

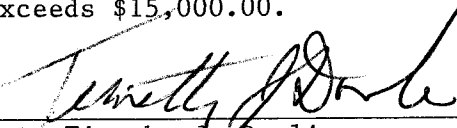
By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

DUKE ENERGY BUSINESS SERVICES, LLC FOR

The City of Springfield, Illinois' (commonly known as City, Water, Light and Power) acceptance of this Funds Trust Agreement is conditioned upon the following: This Agreement and Agreement Amendment thereto do not authorize an expenditure of City of Springfield, Illinois, funds to JPMorgan Chase Bank, N.A. in excess of \$15,000.00 unless the City Council specifically approves an additional expenditure. JPMorgan Chase Bank, N.A. acknowledges that absent such prior approval, they proceed at their own risk with no guarantee of payment if the amount billed to the City of Springfield exceeds \$15,000.00.

INDIANA, INC., AND DUKE ENERGY KENTUCKY, Inc. AND AS CUSTODIAN FOR ANY TRANSMISSION REVENUES DISTRIBUTED BY THE TRUSTEE TO DUKE ENERGY BUSINESS SERVICES, LLC AND HELD BY DUKE ENERGY BUSINESS SERVICES, LLC, IN A CUSTODIAL TRUST RELATIONSHIP AND OWING UNDER APPENDICES C AND J OF THE MIDWEST ISO AGREEMENT TO INDIANA MUNICIPAL POWER AGENCY OR WABASH VALLEY POWER ASSOCIATION, INC.

By: 
Printed: Timothy J. Davlin
Title: Mayor
Date: 4/8/09

By: _____
Printed: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to the Funds Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

AMEREN SERVICES COMPANY, AS AGENT FOR ITS
ELECTRIC UTILITY AFFILIATES, UNION
ELECTRIC COMPANY (D/B/A AMERENUE) AND
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(D/B/A AMERENCIPS)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION SYSTEMS,
INCORPORATE, A SUBSIDIARY OF
FIRSTENERGY CORP.

By: _____
Printed: _____
Title: _____
Date: _____

CENTRAL MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

CITY WATER, LIGHT & POWER (SPRINGFIELD, IL)

By: _____
Printed: _____
Title: _____
Date: _____

AMERICAN TRANSMISSION COMPANY LLC

By: _____
Printed: _____
Title: _____
Date: _____

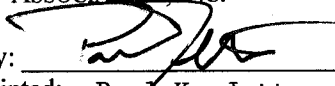
CENTRAL ILLINOIS LIGHT CO. D/B/A
AMERENCILCO

By: _____
Printed: _____
Title: _____
Date: _____

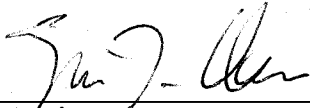
CITY OF COLUMBIA WATER & LIGHT
DEPARTMENT (COLUMBIA, MO)

By: _____
Printed: _____
Title: _____
Date: _____

DUKE ENERGY BUSINESS SERVICES, LLC FOR
DUKE ENERGY OHIO, INC., DUKE ENERGY
INDIANA, INC., AND DUKE ENERGY KENTUCKY,
Inc. AND AS CUSTODIAN FOR ANY
TRANSMISSION REVENUES DISTRIBUTED BY THE
TRUSTEE TO DUKE ENERGY BUSINESS
SERVICES, LLC AND HELD BY DUKE ENERGY
BUSINESS SERVICES, LLC, IN A CUSTODIAL
TRUST RELATIONSHIP AND OWING UNDER
APPENDICES C AND J OF THE MIDWEST ISO
AGREEMENT TO INDIANA MUNICIPAL POWER
AGENCY OR WABASH VALLEY POWER
ASSOCIATION, INC.

By: 
Printed: Paul K. Jett
Title: Director, RTO Activities
Date: March 27, 2009

GREAT RIVER ENERGY

By: 
Printed: Eric S. Olsen
Title: Vice President & General Counsel
Date: 2-25-09

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

By: Donna L. Snyder
Printed: Donna L. Snyder
Title: Vice President Finance
Date: 2/24/09

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: Maurice A. Berkowski
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: JCR
Printed: J. CHRISTIAN RETLEY
Title: CEO
Date: 2/26/09

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: [Signature]
Printed: Kurt A. Torngren
Title: VP Controller
Date: 2/24/09

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

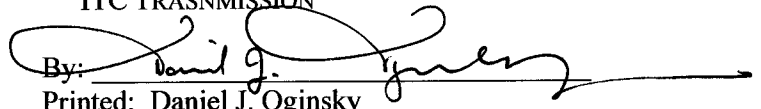
INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

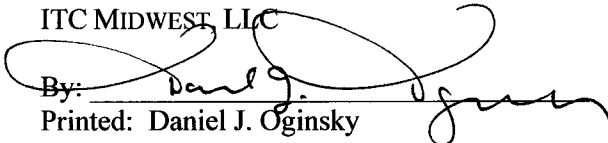
INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: 
Printed: Daniel J. Oginsky
Title: Vice President and General Counsel
Date: April 14, 2009

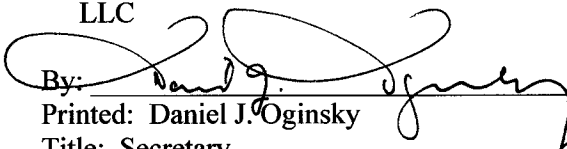
ITC MIDWEST, LLC

By: 
Printed: Daniel J. Oginsky
Title: Member Representative
Date: April 14, 2009

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: 
Printed: Daniel J. Oginsky
Title: Secretary
Date: April 14, 2009

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES Co.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: *T.E. Tymofichuk*
Printed: T.E. TYMOFICHUK
Title: DIVISION MANAGER
Date: 09/03/03

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: Brent R. Henry
Printed: Brent R. Henry
Title: Interim General Manager
Date: 5-11-2009

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: Bradley W. Oachs
Printed: Bradley W. Oachs
Title: VP-Power Delivery and Transmission
Date: 2/26/09

MONTANA-DAKOTA UTILITIES CO.

By: _____
Printed: _____
Title: _____
Date: _____

GREAT RIVER ENERGY

By: _____
Printed: _____
Title: _____
Date: _____

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

ILLINOIS POWER COMPANY D/B/A AMERENIP

By: _____
Printed: _____
Title: _____
Date: _____

INDIANA MUNICIPAL POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

INDIANAPOLIS POWER & LIGHT

By: _____
Printed: _____
Title: _____
Date: _____

INTERNATIONAL TRANSMISSION COMPANY D/B/A
ITC TRANSMISSION

By: _____
Printed: _____
Title: _____
Date: _____

ITC MIDWEST, LLC

By: _____
Printed: _____
Title: _____
Date: _____

MANITOBA HYDRO

By: _____
Printed: _____
Title: _____
Date: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY,
LLC

By: _____
Printed: _____
Title: _____
Date: _____

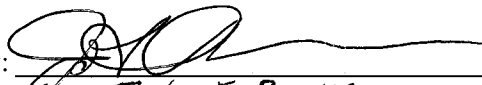
MICHIGAN PUBLIC POWER AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

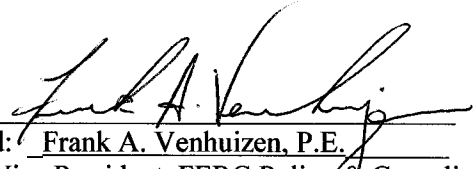
MINNESOTA POWER A/K/A ALLETE INC. (AND ITS
SUBSIDIARY SUPERIOR WATER, L&P)

By: _____
Printed: _____
Title: _____
Date: _____

MONTANA-DAKOTA UTILITIES CO.

By: 
Printed: John F. Renner
Title: EVP - Finance, Integration & Acquisitions
Date: 2-25-09

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: 
Printed: Frank A. Venhuizen, P.E.
Title: Vice President, FERC Policy & Compliance
Date: March 25, 2009

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

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Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: DAVID M. STARBY
Printed: DAVID M. STARBY
Title: PRESIDENT & CEO ; NSP-MN
Date: APRIL 7, 2009

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: Stuart Klovested
Printed: Stuart Klovested
Title: Manager, Financial Reporting
Date: 3-31-09

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: Bill Hutchison
Printed: Bill Hutchison
Title: Electrical Systems Department Mgr.
Date: March 25, 2009

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____


NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: 
Printed: William S. Doty
Title: EXEC. V.P.
Date: April 2, 2009

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: Raymond A. Hayward
Printed: Raymond A. Hayward
Title: Executive Director & CEO
Date: March 9, 2009

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: Frederick J. Kunkel
Printed: FREDERICK J. KUNKEL
Title: MGR. TRANSMISSION SERVICES
Date: 3/2/09

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: Eric D. Baker
Printed: Eric D. Baker
Title: President & CEO
Date: April 9, 2009

4/9/09

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

Brian E. Valice
BRIAN E. VALICE, STAFF ATTORNEY

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: Michael P. Holstein
Printed: Michael P. Holstein
Title: Vice President & CFO
Date: 6-4-09

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: _____
Printed: _____
Title: _____
Date: _____

OTTER TAIL CORPORATION D/B/A OTTER TAIL
POWER CO.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY (D/B/A VECTREN ENERGY
DELIVERY OF INDIANA)

By: _____
Printed: _____
Title: _____
Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

By: _____
Printed: _____
Title: _____
Date: _____

MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

By: _____
Printed: _____
Title: _____
Date: _____

NORTHERN STATES POWER COMPANY AND
NORTHERN STATES POWER COMPANY
(WISCONSIN), SUBSIDIARIES OF XCEL ENERGY,
INC.

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN ILLINOIS POWER COOPERATIVE

By: _____
Printed: _____
Title: _____
Date: _____

SOUTHERN MINNESOTA MUNICIPAL POWER
AGENCY

By: _____
Printed: _____
Title: _____
Date: _____

WOLVERINE POWER SUPPLY COOPERATIVE, INC.

By: _____
Printed: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

By: _____
Printed: _____
Title: _____
Date: _____

APPENDIX G

APPENDIX G

**AGENCY AGREEMENT FOR OPEN ACCESS
TRANSMISSION SERVICE
OFFERED BY THE MIDWEST ISO FOR
NONTRANSFERRED TRANSMISSION FACILITIES**

Through this Agreement ("Agency Agreement"), the entity executing this Agency Agreement ("Transmission Owner"), allows the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") to offer and provide transmission service over certain facilities as detailed below.

RECITALS

- A. A group of Owners will be filing or will have filed an Open Access Transmission Tariff ("Transmission Tariff") with the Federal Energy Regulatory Commission ("FERC") as part of a proposal for the Midwest ISO to become an Independent System Operator ("ISO"). Upon FERC approval and the transfer of those facilities in accordance with the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation ("Agreement"), the Midwest ISO will control certain transmission facilities, control of which will be transferred to it under Section 203 of the Federal Power Act, 16 U.S.C. § 824b. The Midwest ISO will offer to provide open access transmission service across those facilities. Through the Transmission Tariff, it is intended that the Midwest ISO also will offer to provide transmission service over other booked transmission facilities, control of which will not be transferred to the Midwest ISO under Section 203 of the Federal Power

APPENDIX G

Act as part of the initial filings. These other booked transmission facilities are the “Non-transferred Transmission Facilities.”

- B. The Owners are or will be members of the Midwest ISO. The Owners will or may maintain control of Non-transferred Transmission Facilities that are offered for service under the Midwest ISO Transmission Tariff.
- C. In order for the Midwest ISO to offer service over Non-transferred Transmission Facilities, it is necessary that Owners provide the authority to the Midwest ISO to provide the transmission and other services necessary to effectuate the Transmission Tariff.
- D. The Owners also will be entering into or will have entered into the Agreement which will detail the rights and responsibilities of the Owners, members and of the Midwest ISO.
- E. Each Owner will enter into an Agency Agreement to authorize the Midwest ISO to act as its agent in the performance of its tariff administration duties with regard to Non-transferred Transmission Facilities; to commit Non-transferred Transmission Facilities and services as required for the performance of service agreements and of the Transmission Tariff; to arrange for dispute resolution; and for other purposes as specified herein and in the Agreement. This Agency Agreement pertains only to the Non-transferred Transmission Facilities and has no affect or bearing on service over any other transmission or other facilities.

APPENDIX G

TERMS OF AGREEMENT

1. Incorporation Of Transmission Tariff.

1.1 Incorporation Of Transmission Tariff Into Agreement.

The Transmission Tariff, including each and every constituent part, is incorporated into this Agency Agreement as though set forth herein in its entirety. In the event of any conflict between any provision of this Agency Agreement and the Transmission Tariff, the Transmission Tariff shall control.

2. Appointment Of Midwest ISO As Agent.

The Transmission Owner appoints the Midwest ISO as its agent to enter into service agreements in conformity with the Transmission Tariff on its behalf with regard to service involving Non-transferred Transmission Facilities. It is agreed that all such service agreements will bind the Transmission Owner to perform to the requirements and specifications of the Transmission Tariff and service agreements where appropriate.

3. Performance By Transmission Owner.

The Transmission Owner agrees to provide all services necessary or appropriate for performance under the Transmission Tariff and service agreements thereunder with regard to service involving Non-transferred Transmission Facilities. Upon the Midwest ISO's request, the Transmission Owner further agrees to provide the Midwest ISO with all information necessary or appropriate relating to the Non-transferred Transmission Facilities to permit or facilitate the Midwest ISO to perform its tariff administration functions under the Transmission Tariff and service agreements relating to such facilities.

APPENDIX G

4. Payment Of Transmission Owners.

The Midwest ISO shall distribute revenues associated with service under the Transmission Tariff among Transmission Providers in accordance with Appendix C to the Agreement.

5. Effectiveness, Duration Of Agency Agreement, and Withdrawal Rights.

The Agency Agreement is effective on the Transfer Date as defined in the Agreement unless the Owner withdraws from the Agreement before the Transfer Date. In that event, this Agency Agreement shall not become effective. The term of this Agency Agreement shall thereafter be coextensive with the duration of the Transmission Owner's participation as an Owner under the Agreement. The Transmission Owner's withdrawal rights and obligations associated with such withdrawal under this Agency Agreement shall be as set forth in the Agreement.

6. Liability And Indemnification.

The liability and indemnification provisions governing the Midwest ISO's liability to the Transmission Owner and any indemnification shall be the same as set forth in either the Transmission Tariff or the Agreement, whichever provision is applicable.

7. Dispute Resolution Procedures.

Any dispute between or among the Midwest ISO and the Transmission Owner shall be resolved in accordance with the Dispute Resolution Procedures of either the Transmission Tariff or the Agreement, whichever procedures are applicable.

APPENDIX G

8. Integration And Amendment.

This is an integrated agreement which contains all terms and conditions of agreement between the parties concerning the subject matter. Any prior or oral agreements concerning the subject matter not stated herein are superseded by this Agency Agreement. This Agency Agreement may be amended only by an executed writing.

9. Authority.

The Transmission Owner hereto represents that the person executing this agreement on its behalf is authorized to execute this agreement and bind such Transmission Owner to its terms, and that such authorization has been made in compliance with all applicable laws, articles of incorporation, bylaws, and resolutions and in a manner that the authorization is binding upon the Transmission Owner.

TRANSMISSION OWNER

Company: _____

Signature: _____

Title: _____

Date: _____

ATTORNEYS AT LAW

WRIGHT & TALISMAN, P.C.

1200 G Street, N.W.
Suite 600
Washington, D.C. 20005-3802
202-393-1200
FAX 202-393-1240
www.wrightlaw.com

November 30, 2004

VIA HAND DELIVERY

The Honorable Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

FILED
OFFICE OF THE
SECRETARY
2004 NOV 30 P 4:35
FEDERAL ENERGY
REGULATORY COMMISSION

Re: Midwest Independent Transmission System Operator, Inc.,
Docket Nos. RT01-87-___, ER02-106-___, ER02-108-___
Settlement Agreement

Dear Secretary Salas:

Pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602, the enclosed materials are submitted for filing by the signatories to the attached Settlement Agreement ("Signatories").

I. DESCRIPTION OF FILING

As set forth in the attached Explanatory Statement, the instant filing is intended to resolve issues pending in the above-referenced proceedings that relate to the allocation of Federal Power Act ("FPA") section 205 filing rights within the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO").

II. LIST OF MATERIALS

The filing consists of the following:

- a. an executed Settlement Agreement, which includes as attachments conforming revisions to the Midwest ISO Agreement¹ and Midwest ISO Open Access Transmission Tariff ("OATT");

¹ The full name of the agreement is "Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation" ("Midwest ISO Agreement") (FERC Electric Tariff, First Revised Rate Schedule No. 1).

- b. an Explanatory Statement; and
- c. form of notice sufficient for publication in the Federal Register (including a diskette containing an electronic copy of this notice).

The Signatories respectfully request that these materials be transmitted to the Commission pursuant to 18 C.F.R. § 385.602(b)(2)(ii). Copies of the filing have been served on participants in these proceedings in accordance with Rule 602(d), as modified by the Request for Waiver below.

III. REQUEST FOR WAIVER

The Midwest ISO hereby respectfully requests waiver of the requirements set forth in 18 C.F.R. § 385.2010. The Midwest ISO has electronically served a copy of this filing, including attachments, upon all Midwest ISO Members, Member representatives of Transmission Owners and Non-Transmission Owners, the Midwest ISO Advisory Committee participants, as well as all state commissions within the Region. In addition, the filing has been posted electronically on the Midwest ISO's website at www.midwestiso.org under the heading "Filings to FERC" for other interested parties in this matter.

Good cause exists for granting this waiver due to the volume of interested parties in this matter, the limited resources available to make service and the financial burden to the Midwest ISO in copying and mailing copies of this filing. Many parties, in fact, prefer receiving their copy in electronic format or by the Midwest ISO's website. In addition, paper copies will be made available to any person upon request by contacting counsel of record Lori A. Spence at the Midwest ISO.

IV. PROPOSED EFFECTIVE DATE

The Signatories request that the Settlement Agreement and accompanying revisions to the Midwest ISO Agreement and OATT be made effective as of December 1, 2004, and request a waiver of any Commission regulations that may be necessary to permit such an effective date.

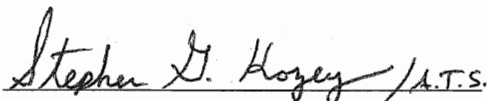
V. COMMENT SCHEDULE

Pursuant to 18 C.F.R. § 385.602(d)(2), initial comments on the Settlement Agreement are due by December 20, 2004, and reply comments are due by December 30, 2004.

VI. CONCLUSION

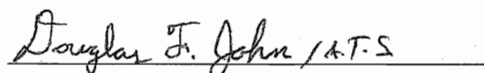
For the reasons set forth above and in the enclosed materials, the Signatories respectfully request that the Commission approve expeditiously the Settlement Agreement and conforming revisions to the Midwest ISO Agreement and OATT, effective December 1, 2004.

Respectfully submitted,

 Stephen G. Kozey / A.T.S.

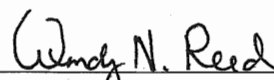
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The Honorable Magalie R. Salas, Secretary
November 30, 2004
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Attachments

cc: Michael C. McLaughlin, FERC
Patrick Clarey, FERC
Christopher Miller, FERC
Penny Murrell, FERC

K:\MWISO\1031-001-556 (Transmittal ltr)

Explanatory Statement

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Midwest Independent Transmission)	Docket Nos. RT01-87-
System Operator, Inc.)	ER02-108-
)	ER02-106-

EXPLANATORY STATEMENT

Pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602, the instant Explanatory Statement is filed in support of the accompanying "Settlement Agreement" between the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") and certain "Transmission Owners" as defined therein.

I. SUMMARY

The Settlement Agreement is intended to resolve and clarify, within the Midwest ISO, issues relating to the allocation of filing rights under section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d. These issues have been the subject of litigation dating back to the Commission's recognition of the Midwest ISO as the nation's first Regional Transmission Organization ("RTO"). The Settlement Agreement would bring such litigation to a conclusion and result in an allocation of filing rights that is consistent with applicable judicial precedent and recent Commission orders involving other existing and proposed RTOs. Accordingly, the Commission should accept the settlement, as filed, without modification or condition.

II. BACKGROUND

In an order issued on December 20, 2001 ("December 20th Order") in the above-captioned proceedings, the Commission conditionally granted the Midwest ISO status as

an RTO, but instructed it to file various modifications and revisions to its governing documents.¹ One such revision involved the allocation of filing rights in the Midwest ISO Agreement.² The Commission directed the Midwest ISO to delete language in Article 2, Section IX, Paragraph C.7 giving transmission owners veto rights with regard to certain filings relating to pricing.³ Although such language had been in effect since the Midwest ISO initiated operations in 1998, the Commission concluded that it was inconsistent with the requirements of Order No. 2000.⁴

The Midwest ISO Transmission Owners requested rehearing of this aspect of the December 20th Order, arguing that the Commission erred by rejecting veto rights that had previously been accepted and that were basic to the owners' decision to voluntarily form the Midwest ISO. On May 14, 2003, the Commission issued an order denying this rehearing request ("May 14th Order"), but suggested that the Midwest ISO Agreement may have become outdated. The Commission invited the Midwest ISO Transmission Owners to either (i) file an "explanation as to how and why their originally proposed allocation of filing rights ensures the independence of the [RTO] and does not result in

¹ *Midwest Indep. Transmission Sys. Operator, Inc.*, 97 FERC ¶ 61,326 (2001), *reh'g denied*, 103 FERC ¶ 61,169 (2003).

² The full name of the agreement is "Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation" ("Midwest ISO Agreement") (FERC Electric Tariff, First Revised Rate Schedule No. 1).

³ *See* 97 FERC at 62,505.

⁴ *Regional Transmission Organizations*, Order No. 2000, 1996-2000 FERC Stats. & Regs., Regs. Preambles ¶ 31,089 (1999), *order on reh'g*, Order No. 2000-A, 1996-2000 FERC Stats. & Regs., Regs. Preambles ¶ 31,092 (2000), *petitions for review dismissed sub nom. Pub. Util. Dist. No. 1 v. FERC*, 272 F3d 607 (D.C. Cir. 2001).

unduly discriminatory rates and practices[,]”or (ii) propose an alternative allocation of filing rights.⁵ Notwithstanding this invitation, the Commission nevertheless accepted the compliance filing submitted by the Midwest ISO which eliminated the pre-existing veto privileges.⁶

On June 30, 2003, the Midwest ISO Transmission Owners responded to the May 14th Order by submitting an explanation as to why the originally-filed allocation of filing rights does not infringe upon the independence of the Midwest ISO. The response highlighted an opinion issued by the D.C. Circuit on May 30, 2003, shortly after the Commission's May 14th Order on rehearing. *See Atlantic City Electric Co. v. FERC*, 329 F.3d 856 (D.C. Cir. 2003) (“*Atlantic City I*”). The *Atlantic City II* ruling reaffirmed a previous D.C. Circuit decision, *Atlantic City Electric Co. v. FERC*, 295 F.3d 1 (D.C. Cir. 2002) (“*Atlantic City I*”), and left little doubt that public utilities cannot be forced to cede their FPA section 205 filing rights upon joining an RTO. The Midwest ISO Transmission Owners asserted that, under the FPA as interpreted by the *Atlantic City* decisions, the Commission lacked the authority to deprive them of the veto privileges set forth in the previous version of the Midwest ISO Agreement. The owners reiterated this position in an Answer filed on July 30, 2003.

To date, the Commission has not taken further action to resolve the allocation of filing rights within the Midwest ISO. Although the Midwest ISO Transmission Owners petitioned the D.C. Circuit for review of the Commission orders revoking their veto

⁵ 103 FERC ¶ 61,169 at P 32.

⁶ *See id.*, P 41.

privileges, the Court dismissed the petition for lack of ripeness.⁷ It determined that the Commission's orders were not yet final because the Commission had afforded a further opportunity to address the allocation of filing rights, and because the Commission had not yet acted on the response filed by the Midwest ISO Transmission Owners. Consequently, the allocation of filing rights within the Midwest ISO remains squarely before the Commission in these proceedings.

III. SETTLEMENT AGREEMENT

Following the *Atlantic City II* decision and the D.C. Circuit's dismissal of the petition for review of the Commission orders in this proceeding, Transmission Owners within the Midwest ISO began negotiating an agreement regarding the allocation of FPA section 205 filing rights amongst themselves and with the Midwest ISO. Initially, such efforts focused on restoring the pricing-related veto privileges revoked by the Commission. It soon became clear, however, that a more comprehensive approach was both possible and desirable in order to capture the full scope of potential filings, and to ensure that the filing process runs smoothly and in a coordinated manner.

The result of these negotiations is the Settlement Agreement accompanying this Explanatory Statement. The agreement reflects an allocation of rights and a process for exercising such rights, all of which was influenced by similar allocations and procedures implemented in other regions. In particular, the Settlement Agreement incorporates the "best practices" accepted by the Commission with regard to PJM Interconnection, L.L.C.

⁷ See *Midwest ISO Transmission Owners v. FERC*, order granting motion to dismiss, issued by the D.C. Circuit on November 25, 2003, in Case No. 03-1194.

("PJM"), ISO New England, and the Southwest Power Pool.⁸ At the same time, certain variations were developed to accommodate the specific characteristics of the Midwest ISO and its transmission-owning members. The specific terms of the settlement are as follows:

Section 1 (Recitals) - Section 1 sets forth the basic purpose and basis for the Settlement Agreement, namely, the resolution of issues relating to the allocation of FPA section 205 filing rights within the Midwest ISO.

Section 2 (Definitions) - Section 2 defines terms used in the Settlement Agreement.

Section 3 (Division of Filing Rights) - Section 3 reflects the allocation of FPA section 205 rights agreed upon by Transmission Owners and the Midwest ISO. The allocation is premised on the basic understanding that (i) individual Transmission Owners should possess the full and exclusive right to submit filings to establish their own revenue requirements, as well as the rate structures within their own zone(s), provided other Transmission Owners are not impacted, (ii) the right to submit rate filings that impact multiple Transmission Owners should generally belong to owners collectively, (iii) certain types of filing rights, such as those relating to system-wide ancillary services, should belong to both Transmission Owners and the Midwest ISO, and (iv) the Midwest ISO should possess the full and exclusive right to submit filings related to the

⁸ See *Pennsylvania-New Jersey-Maryland Interconnection*, 105 FERC ¶ 61,294 (2003), *reh'g denied*, 108 FERC ¶ 61,032 (2004); *ISO New England Inc., et al.*, 106 FERC ¶ 61,280 at PP 71-79 (2004); *Southwest Power Pool, Inc.*, 106 FERC ¶ 61,110 at P 98 (2004).

administration of its tariff. Section 3 further identifies those filings that are subject to the governance provisions of Section 4 and/or the coordination provisions of Section 5.

Section 4 (Transmission Owner Governance Issues) - Section 4 establishes a voting structure applicable to filings requiring collective action on the part of Transmission Owners, as prescribed by Section 3. The section accommodates filings by both majority and minority groups of Transmission Owners.

Section 5 (Coordination) - Section 5 establishes a process for coordinating filings that are to be made by individual Transmission Owners, groups of Transmission Owners, the Midwest ISO, or the Midwest ISO and Transmission Owners jointly. The section generally contemplates a 30-day notice period and an opportunity for consultation. The filings subject to these coordination requirements are identified in Section 3.

Section 6 (Miscellaneous) - Section 6 includes various miscellaneous clauses that, among other things, (i) specify that the settlement is not intended to confer Commission jurisdiction over non-jurisdictional transmission owners, (ii) preserve FPA section 206 rights, as well as the FPA section 205 rights of entities that are not parties to the Settlement Agreement, (iii) clarify that the settlement is not intended to eliminate the Midwest ISO's authority with regard to administering its tariff, and (iv) provide that the pending issues in these proceedings regarding the allocation of FPA section 205 rights will be deemed resolved upon acceptance of the Settlement Agreement.

Section 7 (Term) - Section 7 establishes an initial 5-year term for the Settlement Agreement (year-to-year thereafter), while also specifying procedures for modifying the settlement both during and after the initial term.

IV. INFORMATION TO BE PROVIDED WITH SETTLEMENT AGREEMENT

The following statements are provided in response to recent guidance regarding the information that is to be submitted with the settlement agreement.⁹

Issues - As detailed in this Explanatory Statement, the issues underlying the Settlement Agreement relate to the allocation of FPA section 205 filing rights within the Midwest ISO.

Policy Implications - Approving the Settlement Agreement as filed, without modification or condition, will further Commission policies applicable to RTO formation and operation, principally, by facilitating the timely and orderly submission of filings to the Commission. The Settlement Agreement does not, however, establish principles or precedents.¹⁰

Other Pending Cases - The Midwest ISO and Transmission Owners are unaware of any other pending cases that will be directly affected by the Settlement Agreement.

Issues of First Impression / Previous Reversals - Judicial and Commission precedent applicable to the issues underlying the Settlement Agreement are discussed in this Explanatory Statement.

Standard of Review - The Settlement Agreement should be evaluated under a reasonableness standard.¹¹

⁹ See Notice to the Public, Information to be Provided with Settlement Agreements, issued by the Commission's Chief Administrative Law Judge on October 15, 2003 (unpublished).

¹⁰ See Section 6.14 of the Settlement Agreement.

¹¹ See *Pennsylvania-New Jersey-Maryland Interconnection*, 105 FERC at P 30 (approving a similar settlement under a reasonableness standard).

V. COMMISSION ACTION REQUESTED

The Commission should find the Settlement Agreement to be a reasonable allocation of filing rights within the Midwest ISO and approve it expeditiously. The settlement is the type of voluntary compromise agreement permitted under *Atlantic City I*,¹² and is similar to the compromises reached in PJM and ISO New England.¹³ Additionally, while the settlement reflects a voluntary agreement among Transmission Owners and the Midwest ISO, it expressly disclaims any intent to affect the filing rights of other entities that are not parties to the settlement.

Finally, it should also be stressed that the Settlement Agreement is an integrated package, reflecting a delicate balance of various compromises, as well as months of negotiation. It is the intent of Transmission Owners and the Midwest ISO that the Settlement Agreement will be accepted by the Commission as filed, without modification or condition, and then remain in place through a period of stability. For this reason, the Settlement Agreement includes provisions (i) rendering it null and void if not accepted in its entirety, without modification or condition, and (ii) establishing high standards for modifying the Settlement Agreement after it has been accepted. The Transmission Owners and the Midwest ISO respectfully request that the Commission keep this delicate balance in mind when reviewing the Settlement Agreement.

K:\MWISO\1031-003-556 (Explanatory Statement)

¹² *Atlantic City I* at 10 (stating that "utilities may choose to voluntarily give up, by contract, some of their rate-filing freedom under section 205.").

¹³ *See infra*, note 8.

**Settlement Agreement Between
Transmission Owners and
Midwest ISO
On Filing Rights**

SETTLEMENT AGREEMENT BETWEEN TRANSMISSION OWNERS AND MIDWEST ISO ON FILING RIGHTS

This Settlement Agreement is entered into by and between the Midwest ISO and Transmission Owners, as those terms are defined herein. The Transmission Owners and the Midwest ISO agree to the following terms that detail the filing rights under section 205 of the Federal Power Act of all Parties.

1. RECITALS

- 1.1 The Transmission Owners dispute certain restrictions on their section 205 filing rights that are currently contained in the Midwest ISO Agreement and have filings pending at the FERC challenging those restrictions.
- 1.2 There have been two recent United States Court of Appeals for the District of Columbia Circuit opinions¹ and a recent FERC order² that indicate that some aspects of the division of filing rights currently contained in the Midwest ISO Agreement and past FERC orders should be considered for revision.
- 1.3 In order to provide clarity as to filing responsibilities and to eliminate the current disputes on the issue, the Parties have developed this Settlement Agreement, the terms of which are set forth below.

2. DEFINITIONS

- 2.1 **Appendix I Agreement** - One of the following agreements: (a) "Appendix I Agreement by and Between International Transmission Company and the Midwest Independent Transmission System Operator, Inc." dated August 31, 2001, as amended by the "Supplemental Agreement" by and among the Midwest Independent Transmission System Operator, Inc., International Transmission Company, and undersigned Owners dated November 15, 2001, as such agreement may be amended from time to time; (b) "Second Amended and Restated Appendix I ITC Agreement" by and between the Midwest ISO and GridAmerica LLC, dated as of May 30, 2003, as such agreement may be amended from time to time, and (c) any additional agreement that may be entered into by

¹ Atlantic City Elec. Co. v. FERC, 329 F.3d 856 (D.C. Cir. 2003); Atlantic City Elec. Co. v. FERC, 295 F.3d 1 (D.C. Cir. 2002).

² Pennsylvania-New Jersey-Maryland Interconnection, 105 FERC ¶ 61,294 (2003).

and between the Midwest ISO and a third party pursuant to Appendix I of the Midwest ISO Agreement.

- 2.2 **Attachment O** - The rate formula set out in the OATT, marked as Attachment O, as may be amended from time to time.
- 2.3 **Effective Date** - December 1, 2004, subject to the issuance of a FERC order approving the Settlement Agreement in its entirety without modification or condition.
- 2.4 **FERC** - The Federal Energy Regulatory Commission or successor thereto.
- 2.5 **FPA** - The Federal Power Act, 16 U.S.C. § 824 et al.
- 2.6 **Grandfathered Agreements** - The agreements listed on Attachment P of the OATT as that attachment may be changed from time to time.
- 2.7 **Midwest ISO** - The Midwest Independent Transmission System Operator, Inc.
- 2.8 **Midwest ISO Agreement** - The Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation (Midwest ISO FERC Electric Tariff, First Revised Rate Schedule No. 1), or successor document.
- 2.9 **Non-Jurisdictional Transmission Owners** - Owners of transmission facilities that are not FERC public utilities, but over which service is provided by the Midwest ISO under the OATT and who have transferred functional control of those facilities to the Midwest ISO.
- 2.10 **OATT** - Open Access Transmission Tariff for the Midwest Independent Transmission System Operator, Inc. (Midwest ISO FERC Electric Tariff, Second Revised Volume No. 1), or successor document.
- 2.11 **Parties** - The signatories to this Settlement Agreement.
- 2.12 **Settlement Agreement** - This Settlement Agreement Between Transmission Owners and Midwest ISO On Filing Rights.
- 2.13 **Transmission Owner** - The owner of, and/or holder of FPA section 205 filing rights with respect to, transmission facilities, service over which is provided by the Midwest ISO under the OATT and functional control over which has been transferred to the Midwest ISO, and who is a signatory to this Settlement Agreement. Only Transmission Owners that are public utilities under the FPA are included within this definition of Transmission

Owner when the term is used to specify filing rights under FPA section 205.

3. DIVISION OF FILING RIGHTS

- 3.1 **Transmission Revenue Requirements** - Each Transmission Owner shall possess the full and exclusive right to submit filings under FPA section 205 with regard to its transmission revenue requirements. This full and exclusive right shall include the right to propose a new rate formula or any change to any component of any rate formula used to calculate its revenue requirements, if applicable, provided that such a change is related to that Transmission Owner's revenue requirements. A Transmission Owner shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.1.
- 3.2 **Attachment O** - In order to change the Attachment O rate formula, the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement shall apply, provided that those Transmission Owners that do not have their revenue requirements calculated through such formula shall not have voting rights pursuant to Sections 4 and 5 with respect to such a change.
- 3.3 **Zonal Rates**
- a. **Generally** - The Transmission Owner(s) whose transmission facilities comprise the facilities within a zone shall possess the full and exclusive right to submit filings under FPA section 205 with regard to the transmission rate design for that zone for network load and transactions sinking within that zone; provided, however, that any filing made pursuant to this Section 3.3(a) shall not in any way affect the rates charged or revenues collected in any other zone. Filings that may be made under this Section 3.3(a) include, but are not limited to the following types of rate design changes: (1) changing from a formula rate to stated rates or vice-versa; (2) changing the form or type of formula rate; (3) proposing incentive rates; and (4) proposing performance-based rates. A Transmission Owner shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.3(a).
- b. **Multiple Transmission Owners Within a Zone** - If there are multiple Transmission Owners within a zone, those Transmission Owners should seek to reach agreement on a rate design. If no agreement is reached, then each Transmission Owner within the

zone shall have the right to submit a FPA section 205 filing proposing an initial rate design or rate design change for the zone. A Transmission Owner shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.3(b).

- c. **Zone Boundaries** - For filings that propose to realign, eliminate, or otherwise reconfigure rate zones, only those Transmission Owners whose zones would be realigned, eliminated, or otherwise reconfigured by a filing shall possess the corresponding FPA section 205 rights. If there are multiple Transmission Owners whose rate zones would be realigned, eliminated, or otherwise reconfigured pursuant to a filing, then all such Transmission Owners shall reach agreement before making a filing under this section. Transmission Owner(s) shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.3(c). Nothing in this Section 3.3(c) is intended to modify, in any way, existing provisions and limitations applicable to zone boundary changes, including those included in Appendix C of the Midwest ISO Agreement.

- 3.4 **Rates Affecting More Than One Zone and Through and Out Rates** - Except as may be provided in Section 3.5(b), the Transmission Owners shall possess the full and exclusive right to submit filings under FPA section 205 with regard to transmission rate design associated with rates affecting more than one zone as well as for transactions going through or out of the Midwest ISO. The filing right specified in this Section 3.4 shall be subject to the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement. Limitations: Notwithstanding the foregoing, each Transmission Owner shall fully control its revenue requirement component used in calculating the total through and out rates set forth in Schedules 7 and 8 of the OATT and in any other OATT Schedule setting forth rates affecting more than one zone in which individual Transmission Owner revenue requirements are used to derive the rate.

- 3.5 **Transmission Upgrades and New Transmission Facilities** – (a) Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit filings with regard to transmission upgrades and new transmission facilities that affect only the rates within the applicable Transmission Owner’s OATT zone(s). This provision applies to (i) a Transmission Owner constructing transmission upgrades or new transmission facilities in its own zone and seeking recovery of costs through rates that apply only to its zone; (ii) a Transmission Owner

constructing, or otherwise assuming financial responsibility for, transmission upgrades or new transmission facilities in a zone other than that Transmission Owner's zone and seeking recovery of costs through rates that apply only to its own zone; and (iii) a Transmission Owner assigned costs associated with transmission upgrades or new transmission facilities and seeking recovery of costs through rates that apply only to its zone. (b) Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to the allocation of costs associated with transmission upgrades and new transmission facilities affecting multiple OATT zones; provided, however, that this filing right shall be subject to the governance provisions of Section 4 of this Settlement Agreement with regard to filings made by Transmission Owners, and Section 5 of this Settlement Agreement with regard to filings made by either the Transmission Owners or the Midwest ISO.

- 3.6 **Retail Transmission** - Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to revising the OATT to include or change the terms or conditions applicable to transmission services for unbundled retail transmission customers. A Transmission Owner shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.6; provided, however, that any such filing shall not materially affect any other Transmission Owner.
- 3.7 **Schedule 1 Costs** - Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit its revenue requirements to be recovered under Schedule 1 of the OATT. The Transmission Owners shall possess the full and exclusive right under FPA section 205 to submit changes in rates and rate design under Schedule 1 of the OATT subject to the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement; provided, however, if a rate or rate design proposal affects only one zone, the Transmission Owner(s) in that zone may file under FPA section 205 without following the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement.
- 3.8 **Other Costs** - Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to file a proposal or rate to recover other costs imposed on it and nothing in this Settlement Agreement shall be interpreted as precluding any Transmission Owner from making a FPA section 205 filing to propose a method or rate for recovering any other cost the Transmission Owner may incur as a result of Midwest ISO actions (unless expressly dealt with herein in which case the specific provision would apply), provided that such costs are not otherwise recovered in rates. These other costs may include non-transmission costs such as the

costs associated with implementing the Midwest ISO's directives with regard to preserving reliability or energy markets, including (but not limited to) directives pursuant to a Midwest ISO Transmission and Energy Markets Tariff (or successor document). A Transmission Owner shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.8 and shall, instead, have a full, exclusive, and unilateral right to submit any filing that only affects the rates within its zone(s); provided, however, that any proposal that requires loads in other zones to bear some or all of the costs shall be subject to Sections 4 and 5 of this Settlement Agreement.

- 3.9 **Ancillary Services Other Than Schedule 1** - Both Transmission Owners that own or control generation or other resources capable of providing ancillary services (offered to customers pursuant to the OATT) and the Midwest ISO shall have the right to submit filings under FPA section 205 to govern the rates, terms, and conditions applicable to the provision of ancillary services. A Transmission Owner shall not be required to follow the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement to exercise the filing right provided for in this Section 3.9; provided, however, that any ancillary service proposal with regional impacts shall be subject to the governance and coordination provisions of Sections 4 and 5 of this Settlement Agreement.
- 3.10 **Seams Agreements** - The Midwest ISO shall invite the participation of the Transmission Owners in any discussions with adjoining transmission providers or transmission owners, having as their purpose the consummation of a seams agreement containing provisions that could affect transmission revenues or impose costs or responsibilities on any or all of the Transmission Owners. The execution of agreements with adjoining transmission providers or owners shall be subject to the stakeholder review process provided for in the Midwest ISO Agreement. The Midwest ISO shall take appropriate measures, consistent with its responsibilities under Article Three, Section III. D. of the Midwest ISO Agreement, to minimize the risk that any seams agreement will result in a net reduction in revenues recoverable by a Transmission Owner.
- 3.11 **Other Provisions Affecting Transmission Revenues** - With regard to any other tariff provision affecting transmission revenues, the Midwest ISO and the Transmission Owners shall each have filing rights under FPA section 205. The filing right specified in this Section 3.11 shall be subject to the limitations set forth in Section 3.4, above, and the governance and coordination provisions of Section 4 and 5 of this Settlement Agreement.
- 3.12 **Provisions Not Addressed in Sections 3.1 - 3.11** - Except as provided herein, the Midwest ISO shall have the full and exclusive right to submit

filings under FPA section 205 with regard to its OATT and related documents; provided, however, that nothing herein shall prevent the Midwest ISO from inviting the participation of one or more Transmission Owners in any such submission; and provided further that nothing in this provision or Settlement Agreement provides the Midwest ISO with any authority (other than that which it already may possess) to submit revisions to the Midwest ISO Agreement or to any documents to which it is not a party.

4. TRANSMISSION OWNER GOVERNANCE ISSUES

- 4.1 FPA section 205 filings subject to this Section 4, as provided for in Section 3 of this Settlement Agreement, shall not be made by individual Transmission Owners. Instead, it is the intention of all Parties that Transmission Owners will coordinate the filing rights subject to this Section 4 through the development of joint filings of the type set forth herein. Decisions on whether or not to make a joint section 205 filing shall be made by majority vote, on a “one Transmission Owner – one vote” basis; provided that any entity that has one or more written delegations of authority to exercise section 205 rights on the matter that is the subject of a vote shall be authorized to cast a vote under each such delegation of authority. A minority of Transmission Owners may submit a filing under FPA section 205, provided the minority consists of at least three (3) Transmission Owners that either own or have been delegated authority to exercise section 205 rights concerning combined gross transmission plant of at least \$2,500,000,000 as calculated based on the gross transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports).

5. COORDINATION

- 5.1 **Transmission Owners Coordination** - Transmission Owner(s), whether acting individually or jointly pursuant to Section 4, shall provide the Midwest ISO and all other Transmission Owners with at least thirty (30) days notice before submitting any FPA section 205 filing that is subject to this Section 5 as provided for in Section 3 of this Settlement Agreement, unless circumstances require a shorter notice in which case the Transmission Owner(s) shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Transmission Owner(s) will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Midwest ISO believes it necessary, the Transmission Owner(s) will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

5.2 **Transmission Owners and Midwest ISO Coordination for Midwest ISO Filings** - On any filing in which both the Midwest ISO and the Transmission Owners possess filing rights under FPA section 205 and which the Midwest ISO proposes to file, the Midwest ISO will provide advance notice to the Transmission Owners of at least thirty (30) days before making a filing under FPA section 205, unless circumstances require a shorter notice in which case the Midwest ISO shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Midwest ISO will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Transmission Owners believe it necessary, the Midwest ISO will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

5.3 **Transmission Owners and Midwest ISO Coordination** - In instances in which both the Midwest ISO and the Transmission Owners in whole or in part intend to submit FPA section 205 filings on the same or similar subjects or tariff provisions, the Midwest ISO and the Transmission Owners shall meet to determine if a joint filing could be submitted. If the Midwest ISO and the Transmission Owners cannot agree to a joint filing, then separate filings may be submitted.

6. MISCELLANEOUS

6.1 **Jurisdiction** - Nothing in this Settlement Agreement is intended to provide FERC with jurisdiction over Non-Jurisdictional Transmission Owners who may rely on the Midwest ISO to submit filings for them with regard to their individual revenue requirements or rate designs.

6.2 **FPA Section 206 Rights** - Nothing in this Settlement Agreement is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to seek revisions to any document pursuant to FPA section 206. Moreover, nothing in this Settlement Agreement is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to intervene in any proceeding before FERC or to protest or comment upon any filing made with FERC.

6.3 **Appendix I of the Midwest ISO Agreement** - Nothing in this Settlement Agreement is intended to affect or in any way abridge the rights of Independent Transmission Companies under their respective Appendix I Agreement(s) and related agreements, as may be supplemented or amended from time to time.

- 6.4 **Midwest ISO Agreement and Transmission Revenue Distribution** - Nothing in this Settlement Agreement is intended to modify or affect the filing rights of Transmission Owners and restrictions on such filing rights relating to the Midwest ISO Agreement set forth in the Midwest ISO Agreement or to provide the Midwest ISO with any filing rights with regard to transmission revenue distribution.
- 6.5 **Others' Filing Rights** - Nothing in this Settlement Agreement is intended to affect the FPA section 205 filing rights of any entity which is not a Party. Nor is anything in this Settlement Agreement intended to affect the procedural rights of any other interested party, including state regulatory commissions, regarding a filing submitted by the Midwest ISO or a Transmission Owner (or both) pursuant to Section 3.
- 6.6 **Midwest ISO Administration of OATT** – Nothing in this Settlement Agreement is intended to eliminate the Midwest ISO's responsibility for administering the OATT in a prudent manner, consistent with the Midwest ISO Agreement and FERC requirements. To that end, the Midwest ISO shall continue its administrative functions with regard to the OATT in which, for example, it is responsible for ensuring that the formatting of the OATT pages (including those pages submitted by Transmission Owners for advance Midwest ISO review pursuant to Section 5.1 of this Settlement Agreement) is in compliance with FERC requirements, and in which it remains the administrator of the OATT even for OATT provisions over which the Transmission Owners possess FPA section 205 filing rights under this Settlement Agreement. In addition, nothing in this Settlement Agreement is intended to affect the rights the Midwest ISO possesses to discount transmission service under the OATT consistent with the provisions of this Settlement Agreement. Additionally, nothing in this Settlement Agreement forbids the Midwest ISO, if specifically authorized by a Transmission Owner or by multiple Transmission Owners, as appropriate, from making a filing on behalf of the Transmission Owner(s).
- 6.7 **Grandfathered Agreements** – Nothing in the Settlement Agreement is intended to affect or modify whatever rights any entity may possess to seek modification of any Grandfathered Agreements.
- 6.8 **Settlement Modifications** - It is the intent of the Parties that the provisions of this Settlement Agreement, and the conforming changes to the OATT and the Midwest ISO Agreement required by this Settlement Agreement, shall be subject to change solely by written amendment executed by the Midwest ISO and the Transmission Owners, with execution by the Transmission Owners requiring approval by a majority of the Transmission Owners provided, however, that any such amendment is not affirmatively opposed by three (3) or more Transmission Owners

collectively owning gross transmission plant of at least \$2,500,000,000 as calculated based on the gross transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports). Otherwise, no Party may make a FPA section 205 filing that, if accepted or approved by FERC, would in any way have the effect of (1) canceling, modifying or limiting the FPA section 205 filing rights of any other Party provided for in this Settlement Agreement, or (2) converting exclusive FPA section 205 filing rights of a Party provided for in this Settlement Agreement into non-exclusive rights.

- 6.9 **Mobile-Sierra Standard** - It is the intent of the Parties that any change to any provision of this Settlement Agreement, or to any conforming change to the OATT or the Midwest ISO Agreement, that is not proposed pursuant to Section 6.8 – whether proposed by a Party, non-Party, or the FERC– shall be limited to the maximum extent permissible by law and shall be subject to the Mobile-Sierra public interest standard of review applicable to fixed rate agreements; provided, however, that beginning five years from the date of execution of this Settlement Agreement actions initiated by the FERC, acting *sua sponte* pursuant to FPA section 206, shall be governed by the just and reasonable standard.
- 6.10 **Modified OATT and Midwest ISO Agreement Sheets** - In accordance with FERC's requirements under Order No. 614, attached hereto are the revised tariff sheets to implement this Settlement Agreement. The Settlement Agreement shall apply to all section 205 filings made by Transmission Owners and/or the Midwest ISO after the effective date of the tariff sheets.
- 6.11 **Resolution of Dockets** - If accepted without modification or condition, this Settlement Agreement would resolve any issues regarding FPA section 205 filing rights that may remain in light of FERC's order issued on May 14, 2003 in these dockets, Midwest Independent Trans. Sys. Operator, Inc., 103 FERC ¶ 61,169 (2003), and the Transmission Owners June 30, 2003 compliance filing in Docket Nos. RT01-87-005, RT01-87-006, ER02-106-001, ER02-108-002, and ER02-108-004.
- 6.12 **Settlement** - This Settlement Agreement shall be submitted to FERC pursuant to Rule 602 of FERC's rules of practice and procedure. If this Settlement Agreement is not approved in its entirety without modification or condition it shall be deemed withdrawn and shall be null and void and of no force and effect. This Settlement Agreement is privileged and is submitted on the condition that in the event it does not become effective in accordance with this paragraph, it shall not constitute any part of the record in this proceeding or be used for any other purpose.

- 6.13 **Admissions** - The making of this Settlement Agreement shall not be deemed in any respect to constitute an admission by any Party that any allegation or contention made or raised in the proceedings covered by this Settlement Agreement, or concerning any of the foregoing matters, is true or valid.
- 6.14 **No Principle Established** - This Settlement Agreement constitutes a negotiated settlement between the Parties and, other than as explicitly provided herein, shall not be regarded as establishing any principles or precedents and shall not be deemed to foreclose the Parties from making any contention in any future proceeding as to matters not explicitly addressed in this Settlement Agreement.

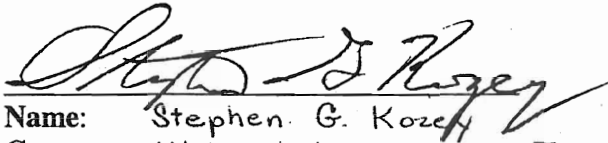
7. **TERM**

- 7.1 The Settlement Agreement shall remain in effect for 5 years from the Effective Date and shall remain in effect from year to year thereafter unless (a) it is deemed withdrawn pursuant to Section 6.12, (b) it is withdrawn pursuant to a modification or amendment executed pursuant to Sections 6.8 and/or 6.9, or (c) three-fourths of the Transmission Owners then subject to this Settlement Agreement give one year advance notice in writing that they wish to terminate this Settlement Agreement; provided, however, that unless expressly stated otherwise, the Settlement Agreement shall not be deemed withdrawn if modified or amended under Sections 6.8 and/or 6.9; and provided further that a Transmission Owner shall not be subject to, or otherwise bound by, the Settlement Agreement at any time following its effective withdrawal from either the Midwest ISO Agreement or an Appendix I Agreement.

CONCLUSION

The Transmission Owners and the Midwest ISO have caused this Settlement Agreement to be executed by their respective duly authorized representatives. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall together constitute one and the same Settlement Agreement. This Settlement Agreement shall not be deemed to have been executed by any Party until it has been executed by all Parties.

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

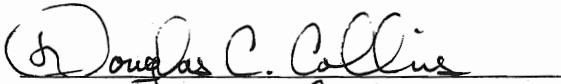


Name: Stephen G. Kozek

Company: Midwest Independent Transmission System Operator, Inc.

Date: 11-24-04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.




Name: Douglas C. Collins

Company: Alliant Energy Corporate Services

Date: 11-16-2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.


Name: *David J. Schepers*
Company: *Ameren Services, acting as agent for Illinois Power*
Date: *11/16/04*

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: *David J. Schejers*

Company: *Ameren Services, acting as agent for CICC*

Date: *1/16/04*

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

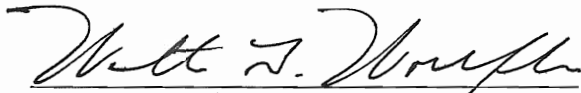


Name: *David J. Schegers*

Company: *America Services, Acting as agent for Union Electric and CIPS*

Date: *11/16/04*

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Walter T. Woelfle, Vice President and Secretary ATC Management In
Company: Corporate manager of American Transmission
Date: November 14, 2004 Company LLC.

→ American Transmission Company LLC

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Carl A. Huslig

Name: Carl A. Huslig
Company: Aquila, Inc d/b/a Aquila Resources
Date: 11/23/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

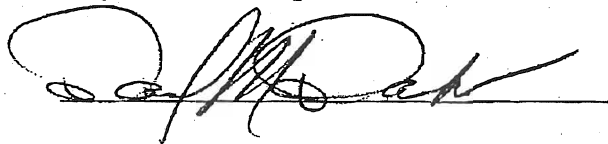
Ronald R. Jackups

Name: RONALD R. JACKUPS

Company: CINCORAY CORP.

Date: 11/16/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement
Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their
duly authorized representatives as of the dates set forth under their respective signatures.

A handwritten signature in black ink, appearing to read 'D. M. Dasho', is written over a horizontal line.

Name: Daniel M. Dasho
Company: City of Columbia Water and Light
Date: November 23, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

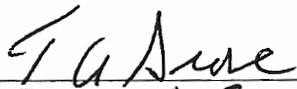
Stanley F. Szwed

Name: STANLEY F. SZWED

Company: AMERICAN TRANSMISSION SYSTEMS, INC.

Date: NOV. 16, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Terry A Grove
Company: Great River Energy
Date: November 22, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: PAUL J. HALAS

Company: GRIOAMERICA LLC

Date: NOVEMBER 16, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

L. G. Mayo

Name: L. G. Mayo

Company: Indiana Municipal Power Agency

Date: Nov. 24, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

 11/19/04

Name:

Company:

Date:

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

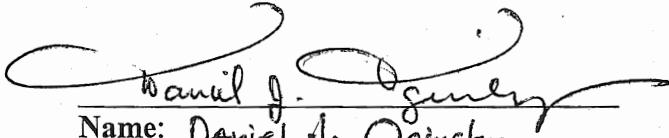
Michael L. Holtsclaw

Name: Michael L. Holtsclaw, Director Power Delivery Operations

Company: Indianapolis Power & Light Company

Date: November 30, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

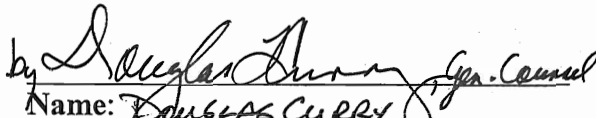


Name: Daniel J. Ogusky

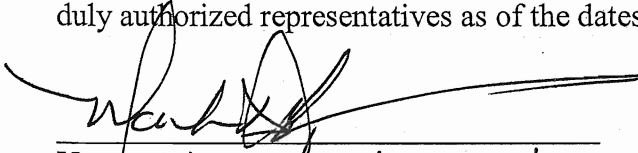
Company: International Transmission Company

Date: 11/16/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

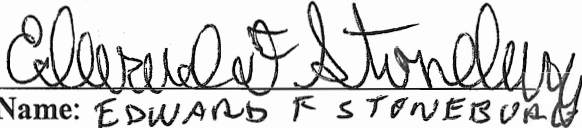
by  Gen. Counsel
Name: DOUGLAS CURRY
Company: LINCOLN ELECTRIC SYSTEM
Date: NOVEMBER 16, 2007

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: MARK S. JOHNSON
Company: LG&E AND KU
Date: 11/16/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

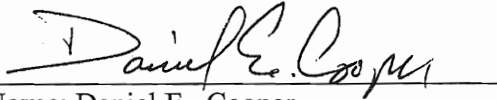


Name: EDWARD F STONEBURG

Company: MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC

Date: 11/16/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement
Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their
duly authorized representatives as of the dates set forth under their respective signatures.

A handwritten signature in black ink, appearing to read "Daniel E. Cooper", written over a horizontal line.

Name: Daniel E. Cooper

Company: Michigan Public Power Agency

Date: November 23, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

David Carlson

Name: DANIEL CARLSON
Company: MINNESOTA POWER
Date: 11/23/04

MANAGER, SYSTEM PERFORMANCE

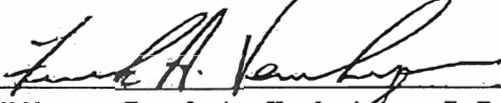
IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Gary L Paulsen

Name: Gary L. Paulsen
Company: Montana-Dakota Utilities Co.

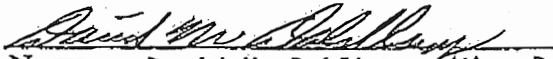
Date: November 16, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Frank A. Venhuizen, P.E.
Company: Northern Indiana Public Service Company
Date: November 23, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: David M. Dahlberg, Vice President

Company: Northwestern Wisconsin Electric Company

Date: November 29, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

Darryl A. Hanson

Name:

Darryl A. Hanson

Company:

Otter Tail Power Company

Date:

11/16/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

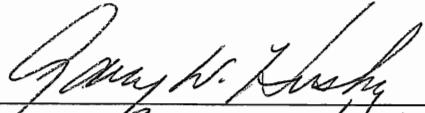
Bill Hutchison

Name: Bill Hutchison

Company: Southern Illinois Power Cooperative

Date: November 18, 2004

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: GARY W. HUBER

Company: SOUTHERN INDIANA GAS & ELECTRIC CO. (a/b/a VEKTREN ENERGY

Date: 11/16/04 DELIVERY OF INDIANA }

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.

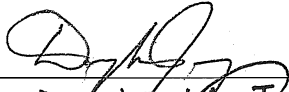
Frederick J. Kunkel

Name: Wabash Valley Power Association, Inc.

Company: FREDERICK J. KUNKEL

Date: 11/16/04

IN WITNESS WHEREOF, the signatories have caused this Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights to be executed by their duly authorized representatives as of the dates set forth under their respective signatures.



Name: Douglas W. Jaeger

Company: Xcel Energy Services Inc. on behalf of Northern States Power and Northern States Pow

Date: November 22, 2004

(Wisconsin)

Tariff Revisions
Non-Redline Version

9 Regulatory Filings

Other than Appendix K of the ISO Agreement and the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights filed with FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108, nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider, ITC, ITC Participant(s) or Transmission Owner(s) to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, the Transmission Provider and the Transmission Owners are restricted in their ability to make certain changes as detailed in the ISO Agreement. The ITC, and not the Transmission Provider, shall be authorized to make unilateral applications for changes in ITC Rate Schedules, and any rate, term, condition, charge, classification of service, rule or regulation of such ITC Rate Schedules.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure, Indemnification, and Limitations of Liability and Damages

10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider, ITC, ITC Participant(s), the Transmission Owner(s) nor the

Tariff Revisions

Redline Version

9 Regulatory Filings

Other than Appendix K of the ISO Agreement and the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights filed with FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108, Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider, ITC, ITC Participant(s) or Transmission Owner(s) to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, the Transmission Provider and the Transmission Owners are restricted in their ability to make certain changes as detailed in the ISO Agreement. The ITC, and not the Transmission Provider, shall be authorized to make unilateral applications for changes in ITC Rate Schedules, and any rate, term, condition, charge, classification of service, rule or regulation of such ITC Rate Schedules.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure, Indemnification, and Limitations of Liability and Damages

10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider, ITC, ITC Participant(s), the Transmission Owner(s) nor the

**Transmission Owners Agreement Revisions,
Including All-New Appendix K**

Non-Redline Version

Article Two

Owners, as set forth in such Subparagraphs, with approval by the Board, subject to the receipt of all necessary federal and state regulatory approvals. Subparagraph 7 of this Paragraph C may be changed only pursuant to Article V, Section H of Appendix K.

1. Ownership rights. The ownership rights set forth in Article Two, Section I, Paragraph E of this Agreement shall not be changed except by unanimous vote by the Owners.

2. Board. The qualifications for, and total number of Directors on, the Board, as set forth in Article Two, Section III of this Agreement, shall not be changed for a period of five (5) years following the Transfer Date except by unanimous vote of the Owners. Thereafter, the qualifications and total number of Directors may be changed by action of the Board, subject to approval by the FERC, without approval by the Owners.

3. Duties. The relationship established pursuant to Article Three, Section III, Paragraph A of this Agreement, and the duties specified in Article Three, Section III, Paragraphs B, C, and D of this Agreement, shall not be changed except by unanimous vote of the Owners.

4. Access to books and records. The right of the Owners, individually and collectively, to have access to the books and records of the Midwest ISO, as established pursuant to Article Three, Section IV, Paragraph C of this Agreement, shall not be changed except by unanimous vote of the Owners.

5. Compliance with requirements. The responsibility of the Midwest ISO to comply with the guidelines, standards, policies, rules, regulations, orders, license

Article Two

conditions, and all other requirements of the North American Electric Reliability Council applicable regional reliability councils, or any successor organizations, applicable federal regulatory authorities, including the Nuclear Regulatory Commission and the FERC or any successor authorities, and state regulatory authorities, as set forth in Article Three, Section I, Paragraph A of this Agreement, shall not be changed except by unanimous vote of the Owners.

6. Revenue distribution and methodology and return of start-up costs.

The distribution of transmission service revenues collected by the Midwest ISO and the methodology for determining such distribution, as set forth in Appendix C to this Agreement, and the return of start-up costs, provided for in Appendix C to this Agreement, also shall not be changed except by unanimous vote of the Owners.

7. Filing Rights of Owners and the Midwest ISO Pursuant to Section 205 of the Federal Power Act. The rights of the Owners and the Midwest ISO to make filings pursuant to section 205 of the Federal Power Act shall be governed by the provisions of Appendix K to this Agreement.

8. Withdrawal rights. The withdrawal rights set forth in Articles Five and Seven of this Agreement shall not be changed except by unanimous vote by the Owners.

APPENDIX K

**FILING RIGHTS PURSUANT TO SECTION 205 OF THE FEDERAL POWER
ACT OF THE OWNERS AND THE MIDWEST ISO**

The following represents the agreement of the Transmission Owners and the Midwest ISO on filing rights pursuant to section 205 of the Federal Power Act.

I. Additional Definitions. Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix K, and when used in this Appendix K, the following terms shall have the respective meanings set forth below.

A. Appendix I Agreement. One of the following agreements:

(a) "Appendix I Agreement by and Between International Transmission Company and the Midwest Independent Transmission System Operator, Inc." dated August 31, 2001, as amended by the "Supplemental Agreement" by and among the Midwest Independent Transmission System Operator, Inc., International Transmission Company, and undersigned Owners dated November 15, 2001, as such agreement may be amended from time to time; (b) "Second Amended and Restated Appendix I ITC Agreement" by and between the Midwest ISO and GridAmerica LLC, dated as of May 30, 2003, as such agreement may be amended from time to time, and (c) any additional agreement that may be entered into by and between the Midwest ISO and a third party pursuant to Appendix I of the Agreement.

B. Attachment O. The rate formula set out in the Tariff, from Sheet No. 364 through 393, as may be amended from time to time.

APPENDIX K

C. **FPA**. The Federal Power Act, 16 U.S.C. § 824 et al.

D. **Grandfathered Agreements**. The agreements listed on Attachment P of the Transmission Tariff as that attachment may be changed from time to time.

E. **Non-Jurisdictional Transmission Owners**. Owners of transmission facilities that are not FERC public utilities, but over which service is provided by the Midwest ISO under the Transmission Tariff and who have transferred functional control of those facilities to the Midwest ISO.

F. **Parties**. The Transmission Owners and the Midwest ISO.

G. **Transmission Owner**. The owner of, and/or holder of FPA section 205 filing rights with respect to, transmission facilities, service over which is provided by the Midwest ISO under the Transmission Tariff and functional control over which has been transferred to the Midwest ISO, and who is a signatory to the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights, filed with FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108. Only Transmission Owners that are public utilities under the FPA are included within this definition of Transmission Owner when the term is used to specify filing rights under FPA section 205.

II. Division Of Filing Rights

A. Transmission Revenue Requirements. Each Transmission Owner shall possess the full and exclusive right to submit filings under FPA section 205 with regard to its transmission revenue requirements. This full and exclusive right shall include the right to propose a new rate formula or any change to any component of any rate formula used to calculate its revenue requirements, if applicable, provided that such a change is related to that Transmission Owner's revenue requirements. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section A.

B. Attachment O. In order to change the Attachment O rate formula, the governance and coordination provisions of Articles III and IV of this Appendix K shall apply, provided that those Transmission Owners that do not have their revenue requirements calculated through such formula shall not have voting rights pursuant to Articles III and IV of this Appendix K with respect to such a change.

C. Zonal Rates.

1. Generally. The Transmission Owner(s) whose transmission facilities comprise the facilities within a zone shall possess the full and exclusive right to submit filings under FPA section 205 with regard to the transmission rate design for that zone for network load and transactions sinking within that zone; provided, however, that any filing made pursuant to this Article II, Section C, Paragraph 1 shall not in any

APPENDIX K

way affect the rates charged or revenues collected in any other zone. Filings that may be made under this Article II, Section C, Paragraph 1 include, but are not limited to the following types of rate design changes: (1) changing from a formula rate to stated rates or vice-versa; (2) changing the form or type of formula rate; (3) proposing incentive rates; and (4) proposing performance-based rates. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 1.

2. Multiple Transmission Owners Within a Zone. If there are multiple Transmission Owners within a zone, those Transmission Owners should seek to reach agreement on a rate design. If no agreement is reached, then each Transmission Owner within the zone shall have the right to submit a FPA section 205 filing proposing an initial rate design or rate design change for the zone. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 2.

3. Zone Boundaries. For filings that propose to realign, eliminate, or otherwise reconfigure rate zones, only those Transmission Owners whose zones would be realigned, eliminated, or otherwise reconfigured by a filing shall possess the corresponding FPA section 205 rights. If there are multiple Transmission Owners whose rate zones would be realigned, eliminated, or otherwise reconfigured pursuant to a filing,

APPENDIX K

then all such Transmission Owners shall reach agreement before making a filing under this article. Transmission Owners shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 3. Nothing in this Article II, Section C, Paragraph 3 is intended to modify, in any way, existing provisions and limitations applicable to zone boundary changes, including those included in Appendix C of the Agreement.

D. Rates Affecting More Than One Zone and Through and Out Rates.

Except as may be provided in Article II, Section E, Paragraph 2 of this Appendix K, the Transmission Owners shall possess the full and exclusive right to submit filings under FPA section 205 with regard to transmission rate design associated with rates affecting more than one zone as well as for transactions going through or out of the Midwest ISO. The filing right specified in this Article II, Section D shall be subject to the governance and coordination provisions of Articles III and IV of this Appendix K.

Limitations: Notwithstanding the foregoing, each Transmission Owner shall fully control its revenue requirement component used in calculating the total through and out rates set forth in Schedules 7 and 8 of the Transmission Tariff and in any other Transmission Tariff Schedule setting forth rates affecting more than one zone in which individual Transmission Owner revenue requirements are used to derive the rate.

E. Transmission Upgrades and New Transmission Facilities.

1. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit filings with regard to transmission upgrades and new transmission facilities that affect only the rates within the applicable Transmission Owner's Transmission Tariff zone(s). This provision applies to (a) a Transmission Owner constructing transmission upgrades or new transmission facilities in its own zone and seeking recovery of costs through rates that apply only to its zone; (b) a Transmission Owner constructing, or otherwise assuming financial responsibility for, transmission upgrades or new transmission facilities in a zone other than that Transmission Owner's zone and seeking recovery of costs through rates that apply only to its own zone; and (c) a Transmission Owner assigned costs associated with transmission upgrades or new transmission facilities and seeking recovery of costs through rates that apply only to its zone.

2. Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to the allocation of costs associated with transmission upgrades and new transmission facilities affecting multiple Transmission Tariff zones; provided, however, that this filing right shall be subject to the governance provisions of Article III of this Appendix K with regard to filings made by Transmission Owners, and Article IV of this Appendix K with regard to filings made by either the Transmission Owners or the Midwest ISO.

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F. Retail Transmission. Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to revising the Transmission Tariff to include or change the terms or conditions applicable to transmission services for unbundled retail transmission customers. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section F; provided, however, that any such filing shall not materially affect any other Transmission Owner.

G. Schedule 1 Costs. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit its revenue requirements to be recovered under Schedule 1 of the Transmission Tariff. The Transmission Owners shall possess the full and exclusive right under FPA section 205 to submit changes in rates and rate design under Schedule 1 of the Transmission Tariff subject to the governance and coordination provisions of Articles III and IV of this Appendix K; provided, however, if a rate or rate design proposal affects only one zone, the Transmission Owner(s) in that zone may file under FPA section 205 without following the governance and coordination provisions of Articles III and IV of this Appendix K.

HI. Other Costs. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to file a proposal or rate to recover other costs imposed on it and nothing in this Appendix K shall be interpreted as precluding any Transmission Owner from making a FPA section 205 filing to propose a method or rate

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for recovering any other cost the Transmission Owner may incur as a result of Midwest ISO actions (unless expressly dealt with herein in which case the specific provision would apply), provided that such costs are not otherwise recovered in rates. These other costs may include non-transmission costs such as the costs associated with implementing the Midwest ISO's directives with regard to preserving reliability or energy markets, including (but not limited to) directives pursuant to a Midwest ISO Transmission and Energy Markets Tariff (or successor document). A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section H and shall, instead, have a full, exclusive, and unilateral right to submit any filing that only affects the rates within its zone(s); provided, however, that any proposal that requires loads in other zones to bear some or all of the costs shall be subject to Articles III and IV of this Appendix K.

I. Ancillary Services Other Than Schedule 1. Both Transmission Owners that own or control generation or other resources capable of providing ancillary services (offered to customers pursuant to the Transmission Tariff) and the Midwest ISO shall have the right to submit filings under FPA section 205 to govern the rates, terms, and conditions applicable to the provision of ancillary services. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II,

Section I; provided, however, that any ancillary service proposal with regional impacts shall be subject to the governance and coordination provisions of Articles III and IV of this Appendix K.

J. Seams Agreements. The Midwest ISO shall invite the participation of the Transmission Owners in any discussions with adjoining transmission providers or transmission owners, having as their purpose the consummation of a seams agreement containing provisions that could affect transmission revenues or impose costs or responsibilities on any or all of the Transmission Owners. The execution of agreements with adjoining transmission providers or owners shall be subject to the stakeholder review process provided for in the Agreement. The Midwest ISO shall take appropriate measures, consistent with its responsibilities under Article Three, Section D of the Agreement, to minimize the risk that any seams agreement will result in a net reduction in revenues recoverable by a Transmission Owner.

K. Other Provisions Affecting Transmission Revenues. With regard to any other tariff provision affecting transmission revenues, the Midwest ISO and the Transmission Owners shall each have filing rights under FPA section 205. The filing right specified in this Article II, Section K shall be subject to the limitations set forth in Article II, Section D above, and the governance and coordination provisions of Articles III and IV of this Appendix K.

L. Provisions Not Addressed in Article II, Sections A-K of this Appendix

K. Except as provided herein, the Midwest ISO shall have the full and exclusive right to submit filings under FPA section 205 with regard to its Transmission Tariff and related documents; provided, however, that nothing herein shall prevent the Midwest ISO from inviting the participation of one or more Transmission Owners in any such submission; and provided further that nothing in this provision or Appendix K provides the Midwest ISO with any authority (other than that which it already may possess) to submit revisions to the Agreement or to any documents to which it is not a party.

III. TRANSMISSION OWNER GOVERNANCE ISSUES

A. FPA section 205 filings subject to this Article III, as provided for in Article II of this Appendix K, shall not be made by individual Transmission Owners. Instead, it is the intention of all Parties that Transmission Owners will coordinate the filing rights subject to this Article III through the development of joint filings of the type set forth herein. Decisions on whether or not to make a joint section 205 filing shall be made by majority vote, on a "one Transmission Owner – one vote" basis; provided that any entity that has one or more written delegations of authority to exercise section 205 rights on the matter that is the subject of a vote shall be authorized to cast a vote under each such delegation of authority. A minority of Transmission Owners may submit a filing under FPA section 205, provided the minority consists of at least three (3) Transmission Owners that either own or have been delegated authority to

exercise section 205 rights concerning combined gross transmission plant of at least \$2,500,000,000 as calculated based on the gross transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports).

IV. COORDINATION

A. Transmission Owners Coordination. Transmission Owner(s), whether acting individually or jointly pursuant to Article III of this Appendix K, shall provide the Midwest ISO and all other Transmission Owners with at least thirty (30) days' notice before submitting any FPA section 205 filing that is subject to this Article IV as provided for in Article II of this Appendix K, unless circumstances require a shorter notice, in which case the Transmission Owner(s) shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Transmission Owner(s) will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Midwest ISO believes it necessary, the Transmission Owner(s) will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

B. Transmission Owners and Midwest ISO Coordination for Midwest ISO Filings. On any filing in which both the Midwest ISO and the Transmission Owners possess filing rights under FPA section 205 and which the Midwest ISO proposes to file, the Midwest ISO will provide advance notice to the Transmission Owners of at least

thirty (30) days before making a filing under FPA section 205, unless circumstances require a shorter notice, in which case the Midwest ISO shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Midwest ISO will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Transmission Owners believe it necessary, the Midwest ISO will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

C. **Transmission Owners and Midwest ISO Coordination.** In instances in which both the Midwest ISO and the Transmission Owners in whole or in part intend to submit FPA section 205 filings on the same or similar subjects or tariff provisions, the Midwest ISO and the Transmission Owners shall meet to determine if a joint filing could be submitted. If the Midwest ISO and the Transmission Owners cannot agree to a joint filing, then separate filings may be submitted.

V. **MISCELLANEOUS**

A. **Jurisdiction.** Nothing in this Appendix K is intended to provide FERC with jurisdiction over Non-Jurisdictional Transmission Owners who may rely on the Midwest ISO to submit filings for them with regard to their individual revenue requirements or rate designs.

B. **FPA Section 206 Rights.** Nothing in this Appendix K is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to seek revisions to any document pursuant to FPA section 206. Moreover, nothing in this

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Appendix K is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to intervene in any proceeding before FERC or to protest or comment upon any filing made with FERC.

C. Appendix I of the Agreement. Nothing in this Appendix K is intended to affect or in any way abridge the rights of Independent Transmission Companies under their respective Appendix I Agreement(s) and related agreements, as may be supplemented from time to time.

D. Agreement and Transmission Revenue Distribution. Nothing in this Appendix K is intended to modify or affect the filing rights of Transmission Owners and restrictions on such filing rights relating to the Agreement set forth in the Agreement or to provide the Midwest ISO with any filing rights with regard to transmission revenue distribution.

E. Others' Filing Rights. Nothing in this Appendix K is intended to affect the FPA section 205 filing rights of any entity which is not a Party. Nor is anything in this Appendix K intended to affect the procedural rights of any other interested party, including state regulatory commissions, regarding a filing submitted by the Midwest ISO or a Transmission Owner (or both) pursuant to Article II of this Appendix K.

F. Midwest ISO Administration of Transmission Tariff. Nothing in this Appendix K is intended to eliminate the Midwest ISO's responsibility for administering the Transmission Tariff in a prudent manner, consistent with the Agreement and FERC requirements. To that end, the Midwest ISO shall continue its administrative functions with regard to the Transmission Tariff in which, for example, it is responsible for

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ensuring that the formatting of the Transmission Tariff pages (including those pages submitted by Transmission Owners for advance Midwest ISO review pursuant to Article IV, Section A of this Appendix K) is in compliance with FERC requirements, and in which it remains the administrator of the Transmission Tariff even for Transmission Tariff provisions over which the Transmission Owners possess FPA section 205 filing rights under this Appendix K. In addition, nothing in this Appendix K is intended to affect the rights the Midwest ISO possesses to discount transmission service under the Transmission Tariff consistent with the provisions of this Appendix K. Additionally, nothing in this Appendix K forbids the Midwest ISO, if specifically authorized by a Transmission Owner or by multiple Transmission Owners, as appropriate, from making a filing on behalf of the Transmission Owner(s).

G. Grandfathered Agreements. Nothing in the Appendix K is intended to affect or modify whatever rights any entity may possess to seek modification of any Grandfathered Agreements.

H. Appendix K Modifications. It is the intent of the Parties that the provisions of this Appendix K, and the conforming changes to the Transmission Tariff and the Agreement required by this Appendix K, shall be subject to change solely by written amendment executed by the Midwest ISO and the Transmission Owners, with execution by the Transmission Owners requiring approval by a majority of the Transmission Owners provided, however, that any such amendment is not affirmatively opposed by three (3) or more Transmission Owners collectively owning gross transmission plant of at least \$2,500,000,000 as calculated based on the gross

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transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports). Otherwise, no Party may make a FPA section 205 filing that, if accepted or approved by FERC, would in any way have the effect of (1) canceling, modifying or limiting the FPA section 205 filing rights of any other Party provided for in this Appendix K, or (2) converting exclusive FPA section 205 filing rights of a Party provided for in this Appendix K into non-exclusive rights.

I. Mobile-Sierra Standard. It is the intent of the Parties that any change to any provision of this Appendix K, or to any conforming change to the Transmission Tariff or the Agreement, that is not proposed pursuant to Article V, Section H of this Appendix K whether proposed by a Party, non-Party, or the FERC shall be limited to the maximum extent permissible by law and shall be subject to the Mobile-Sierra public interest standard of review applicable to fixed rate agreements; provided, however, that beginning five years from the date of execution of the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights (filed at FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108), actions initiated by the FERC, acting *sua sponte* pursuant to FPA section 206, shall be governed by the just and reasonable standard.

VI. TERM

This Appendix K shall remain in effect for 5 years from the date it becomes effective and shall remain in effect from year to year thereafter unless (a) it is deemed withdrawn pursuant Section 6.12 of the Settlement Agreement Between

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Transmission Owners and Midwest ISO on Filing Rights (filed at FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108) (referred to as "Filing Rights Settlement" for purposes of this Article VI, Section A), (b) it is withdrawn pursuant to a modification or amendment executed pursuant to Sections 6.8 and/or 6.9 of the Filing Rights Settlement, or (c) three-fourths of the Transmission Owners then subject to this Appendix K give one year advance notice in writing that they wish to terminate this Appendix K; provided, however, that unless expressly stated otherwise, this Appendix K shall not be deemed withdrawn if modified or amended under Sections 6.8 and/or 6.9 of the Filing Rights Settlement; and provided further that a Transmission Owner shall not be subject to, or otherwise bound by, this Appendix K at any time following its effective withdrawal from either the Agreement or an Appendix I Agreement.

**Transmission Owners Agreement Revisions,
Including All-New Appendix K**

Redline Version

Article Two

Owners, as set forth in such Subparagraphs, with approval by the Board, subject to the receipt of all necessary federal and state regulatory approvals. Subparagraph 7 of this Paragraph C may be changed only pursuant to Article V, Section H of Appendix K.

1. Ownership rights. The ownership rights set forth in Article Two, Section I, Paragraph E of this Agreement shall not be changed except by unanimous vote by the Owners.

2. Board. The qualifications for, and total number of Directors on, the Board, as set forth in Article Two, Section III of this Agreement, shall not be changed for a period of five (5) years following the Transfer Date except by unanimous vote of the Owners. Thereafter, the qualifications and total number of Directors may be changed by action of the Board, subject to approval by the FERC, without approval by the Owners.

3. Duties. The relationship established pursuant to Article Three, Section III, Paragraph A of this Agreement, and the duties specified in Article Three, Section III, Paragraphs B, C, and D of this Agreement, shall not be changed except by unanimous vote of the Owners.

4. Access to books and records. The right of the Owners, individually and collectively, to have access to the books and records of the Midwest ISO, as established pursuant to Article Three, Section IV, Paragraph C of this Agreement, shall not be changed except by unanimous vote of the Owners.

5. Compliance with requirements. The responsibility of the Midwest ISO to comply with the guidelines, standards, policies, rules, regulations, orders, license

Article Two

conditions, and all other requirements of the North American Electric Reliability Council applicable regional reliability councils, or any successor organizations, applicable federal regulatory authorities, including the Nuclear Regulatory Commission and the FERC or any successor authorities, and state regulatory authorities, as set forth in Article Three, Section I, Paragraph A of this Agreement, shall not be changed except by unanimous vote of the Owners.

6. Revenue distribution and methodology and return of start-up costs.

The distribution of transmission service revenues collected by the Midwest ISO and the methodology for determining such distribution, as set forth in Appendix C to this Agreement, and the return of start-up costs, provided for in Appendix C to this Agreement, also shall not be changed except by unanimous vote of the Owners.

7. Reserved Filing Rights of Owners and the Midwest ISO Pursuant to Section 205 of the Federal Power Act. The rights of the Owners and the Midwest ISO to make filings pursuant to section 205 of the Federal Power Act shall be governed by the provisions of Appendix K to this Agreement.

8. Withdrawal rights. The withdrawal rights set forth in Articles Five and Seven of this Agreement shall not be changed except by unanimous vote by the Owners.

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FILING RIGHTS PURSUANT TO SECTION 205 OF THE FEDERAL POWER ACT OF THE OWNERS AND THE MIDWEST ISO

The following represents the agreement of the Transmission Owners and the Midwest ISO on filing rights pursuant to section 205 of the Federal Power Act.

I. Additional Definitions. Unless the context otherwise specifies or requires, the following additional definitions apply to this Appendix K, and when used in this Appendix K, the following terms shall have the respective meanings set forth below.

A. Appendix I Agreement. One of the following agreements:

(a) "Appendix I Agreement by and Between International Transmission Company and the Midwest Independent Transmission System Operator, Inc." dated August 31, 2001, as amended by the "Supplemental Agreement" by and among the Midwest Independent Transmission System Operator, Inc., International Transmission Company, and undersigned Owners dated November 15, 2001, as such agreement may be amended from time to time; (b) "Second Amended and Restated Appendix I ITC Agreement" by and between the Midwest ISO and GridAmerica LLC, dated as of May 30, 2003, as such agreement may be amended from time to time, and (c) any additional agreement that may be entered into by and between the Midwest ISO and a third party pursuant to Appendix I of the Agreement.

B. Attachment O. The rate formula set out in the Tariff, from Sheet No. 364 through 393, as may be amended from time to time.

C. **FPA.** The Federal Power Act, 16 U.S.C. § 824 et al.

D. **Grandfathered Agreements.** The agreements listed on Attachment P of the Transmission Tariff as that attachment may be changed from time to time.

E. **Non-Jurisdictional Transmission Owners.** Owners of transmission facilities that are not FERC public utilities, but over which service is provided by the Midwest ISO under the Transmission Tariff and who have transferred functional control of those facilities to the Midwest ISO.

F. **Parties.** The Transmission Owners and the Midwest ISO.

G. **Transmission Owner.** The owner of, and/or holder of FPA section 205 filing rights with respect to, transmission facilities, service over which is provided by the Midwest ISO under the Transmission Tariff and functional control over which has been transferred to the Midwest ISO, and who is a signatory to the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights, filed with FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108. Only Transmission Owners that are public utilities under the FPA are included within this definition of Transmission Owner when the term is used to specify filing rights under FPA section 205.

II. Division Of Filing Rights

A. Transmission Revenue Requirements. Each Transmission Owner shall possess the full and exclusive right to submit filings under FPA section 205 with regard to its transmission revenue requirements. This full and exclusive right shall include the right to propose a new rate formula or any change to any component of any rate formula used to calculate its revenue requirements, if applicable, provided that such a change is related to that Transmission Owner's revenue requirements. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section A.

B. Attachment O. In order to change the Attachment O rate formula, the governance and coordination provisions of Articles III and IV of this Appendix K shall apply, provided that those Transmission Owners that do not have their revenue requirements calculated through such formula shall not have voting rights pursuant to Articles III and IV of this Appendix K with respect to such a change.

C. Zonal Rates.

1. Generally. The Transmission Owner(s) whose transmission facilities comprise the facilities within a zone shall possess the full and exclusive right to submit filings under FPA section 205 with regard to the transmission rate design for that zone for network load and transactions sinking within that zone; provided, however, that any filing made pursuant to this Article II, Section C, Paragraph 1 shall not in any

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way affect the rates charged or revenues collected in any other zone. Filings that may be made under this Article II, Section C, Paragraph 1 include, but are not limited to the following types of rate design changes: (1) changing from a formula rate to stated rates or vice-versa; (2) changing the form or type of formula rate; (3) proposing incentive rates; and (4) proposing performance-based rates. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 1.

2. Multiple Transmission Owners Within a Zone. If there are multiple Transmission Owners within a zone, those Transmission Owners should seek to reach agreement on a rate design. If no agreement is reached, then each Transmission Owner within the zone shall have the right to submit a FPA section 205 filing proposing an initial rate design or rate design change for the zone. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 2.

3. Zone Boundaries. For filings that propose to realign, eliminate, or otherwise reconfigure rate zones, only those Transmission Owners whose zones would be realigned, eliminated, or otherwise reconfigured by a filing shall possess the corresponding FPA section 205 rights. If there are multiple Transmission Owners whose rate zones would be realigned, eliminated, or otherwise reconfigured pursuant to a filing,

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then all such Transmission Owners shall reach agreement before making a filing under this article. Transmission Owners shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section C, Paragraph 3. Nothing in this Article II, Section C, Paragraph 3 is intended to modify, in any way, existing provisions and limitations applicable to zone boundary changes, including those included in Appendix C of the Agreement.

D. Rates Affecting More Than One Zone and Through and Out Rates.

Except as may be provided in Article II, Section E, Paragraph 2 of this Appendix K, the Transmission Owners shall possess the full and exclusive right to submit filings under FPA section 205 with regard to transmission rate design associated with rates affecting more than one zone as well as for transactions going through or out of the Midwest ISO. The filing right specified in this Article II, Section D shall be subject to the governance and coordination provisions of Articles III and IV of this Appendix K.

Limitations: Notwithstanding the foregoing, each Transmission Owner shall fully control its revenue requirement component used in calculating the total through and out rates set forth in Schedules 7 and 8 of the Transmission Tariff and in any other Transmission Tariff Schedule setting forth rates affecting more than one zone in which individual Transmission Owner revenue requirements are used to derive the rate.

E. Transmission Upgrades and New Transmission Facilities.

1. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit filings with regard to transmission upgrades and new transmission facilities that affect only the rates within the applicable Transmission Owner's Transmission Tariff zone(s). This provision applies to (a) a Transmission Owner constructing transmission upgrades or new transmission facilities in its own zone and seeking recovery of costs through rates that apply only to its zone; (b) a Transmission Owner constructing, or otherwise assuming financial responsibility for, transmission upgrades or new transmission facilities in a zone other than that Transmission Owner's zone and seeking recovery of costs through rates that apply only to its own zone; and (c) a Transmission Owner assigned costs associated with transmission upgrades or new transmission facilities and seeking recovery of costs through rates that apply only to its zone.

2. Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to the allocation of costs associated with transmission upgrades and new transmission facilities affecting multiple Transmission Tariff zones; provided, however, that this filing right shall be subject to the governance provisions of Article III of this Appendix K with regard to filings made by Transmission Owners, and Article IV of this Appendix K with regard to filings made by either the Transmission Owners or the Midwest ISO.

F. Retail Transmission. Both the Transmission Owners and the Midwest ISO shall possess the right to submit filings under FPA section 205 with regard to revising the Transmission Tariff to include or change the terms or conditions applicable to transmission services for unbundled retail transmission customers. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section F; provided, however, that any such filing shall not materially affect any other Transmission Owner.

G. Schedule 1 Costs. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to submit its revenue requirements to be recovered under Schedule 1 of the Transmission Tariff. The Transmission Owners shall possess the full and exclusive right under FPA section 205 to submit changes in rates and rate design under Schedule 1 of the Transmission Tariff subject to the governance and coordination provisions of Articles III and IV of this Appendix K; provided, however, if a rate or rate design proposal affects only one zone, the Transmission Owner(s) in that zone may file under FPA section 205 without following the governance and coordination provisions of Articles III and IV of this Appendix K.

H. Other Costs. Each Transmission Owner shall possess the full and exclusive right under FPA section 205 to file a proposal or rate to recover other costs imposed on it and nothing in this Appendix K shall be interpreted as precluding any Transmission Owner from making a FPA section 205 filing to propose a method or rate

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for recovering any other cost the Transmission Owner may incur as a result of Midwest ISO actions (unless expressly dealt with herein in which case the specific provision would apply), provided that such costs are not otherwise recovered in rates. These other costs may include non-transmission costs such as the costs associated with implementing the Midwest ISO's directives with regard to preserving reliability or energy markets, including (but not limited to) directives pursuant to a Midwest ISO Transmission and Energy Markets Tariff (or successor document). A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II, Section H and shall, instead, have a full, exclusive, and unilateral right to submit any filing that only affects the rates within its zone(s); provided, however, that any proposal that requires loads in other zones to bear some or all of the costs shall be subject to Articles III and IV of this Appendix K.

I. Ancillary Services Other Than Schedule 1. Both Transmission Owners that own or control generation or other resources capable of providing ancillary services (offered to customers pursuant to the Transmission Tariff) and the Midwest ISO shall have the right to submit filings under FPA section 205 to govern the rates, terms, and conditions applicable to the provision of ancillary services. A Transmission Owner shall not be required to follow the governance and coordination provisions of Articles III and IV of this Appendix K to exercise the filing right provided for in this Article II,

Section I; provided, however, that any ancillary service proposal with regional impacts shall be subject to the governance and coordination provisions of Articles III and IV of this Appendix K.

J. Seams Agreements. The Midwest ISO shall invite the participation of the Transmission Owners in any discussions with adjoining transmission providers or transmission owners, having as their purpose the consummation of a seams agreement containing provisions that could affect transmission revenues or impose costs or responsibilities on any or all of the Transmission Owners. The execution of agreements with adjoining transmission providers or owners shall be subject to the stakeholder review process provided for in the Agreement. The Midwest ISO shall take appropriate measures, consistent with its responsibilities under Article Three, Section D of the Agreement, to minimize the risk that any seams agreement will result in a net reduction in revenues recoverable by a Transmission Owner.

K. Other Provisions Affecting Transmission Revenues. With regard to any other tariff provision affecting transmission revenues, the Midwest ISO and the Transmission Owners shall each have filing rights under FPA section 205. The filing right specified in this Article II, Section K shall be subject to the limitations set forth in Article II, Section D above, and the governance and coordination provisions of Articles III and IV of this Appendix K.

L. Provisions Not Addressed in Article II, Sections A-K of this Appendix

K. Except as provided herein, the Midwest ISO shall have the full and exclusive right to submit filings under FPA section 205 with regard to its Transmission Tariff and related documents; provided, however, that nothing herein shall prevent the Midwest ISO from inviting the participation of one or more Transmission Owners in any such submission; and provided further that nothing in this provision or Appendix K provides the Midwest ISO with any authority (other than that which it already may possess) to submit revisions to the Agreement or to any documents to which it is not a party.

III. TRANSMISSION OWNER GOVERNANCE ISSUES

A. FPA section 205 filings subject to this Article III, as provided for in Article II of this Appendix K, shall not be made by individual Transmission Owners. Instead, it is the intention of all Parties that Transmission Owners will coordinate the filing rights subject to this Article III through the development of joint filings of the type set forth herein. Decisions on whether or not to make a joint section 205 filing shall be made by majority vote, on a "one Transmission Owner – one vote" basis; provided that any entity that has one or more written delegations of authority to exercise section 205 rights on the matter that is the subject of a vote shall be authorized to cast a vote under each such delegation of authority. A minority of Transmission Owners may submit a filing under FPA section 205, provided the minority consists of at least three (3) Transmission Owners that either own or have been delegated authority to

exercise section 205 rights concerning combined gross transmission plant of at least \$2,500,000,000 as calculated based on the gross transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports).

IV. COORDINATION

A. **Transmission Owners Coordination.** Transmission Owner(s), whether acting individually or jointly pursuant to Article III of this Appendix K, shall provide the Midwest ISO and all other Transmission Owners with at least thirty (30) days' notice before submitting any FPA section 205 filing that is subject to this Article IV as provided for in Article II of this Appendix K, unless circumstances require a shorter notice, in which case the Transmission Owner(s) shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Transmission Owner(s) will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Midwest ISO believes it necessary, the Transmission Owner(s) will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

B. **Transmission Owners and Midwest ISO Coordination for Midwest ISO Filings.** On any filing in which both the Midwest ISO and the Transmission Owners possess filing rights under FPA section 205 and which the Midwest ISO proposes to file, the Midwest ISO will provide advance notice to the Transmission Owners of at least

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thirty (30) days before making a filing under FPA section 205, unless circumstances require a shorter notice, in which case the Midwest ISO shall use reasonable efforts to provide as much notice before the filing as possible. In the notice, the Midwest ISO will use best efforts to provide as detailed a description of the filing and its rate impacts as possible. The Midwest ISO will circulate this information to its members, advisory committee, and state commission representatives. If the Transmission Owners believe it necessary, the Midwest ISO will participate in a pre-filing meeting to discuss the filing and issues unless precluded by time exigencies.

C. Transmission Owners and Midwest ISO Coordination. In instances in which both the Midwest ISO and the Transmission Owners in whole or in part intend to submit FPA section 205 filings on the same or similar subjects or tariff provisions, the Midwest ISO and the Transmission Owners shall meet to determine if a joint filing could be submitted. If the Midwest ISO and the Transmission Owners cannot agree to a joint filing, then separate filings may be submitted.

V. MISCELLANEOUS

A. Jurisdiction. Nothing in this Appendix K is intended to provide FERC with jurisdiction over Non-Jurisdictional Transmission Owners who may rely on the Midwest ISO to submit filings for them with regard to their individual revenue requirements or rate designs.

B. FPA Section 206 Rights. Nothing in this Appendix K is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to seek revisions to any document pursuant to FPA section 206. Moreover, nothing in this

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Appendix K is intended to limit or in any way abridge the rights of any Transmission Owner or the Midwest ISO to intervene in any proceeding before FERC or to protest or comment upon any filing made with FERC.

C. Appendix I of the Agreement. Nothing in this Appendix K is intended to affect or in any way abridge the rights of Independent Transmission Companies under their respective Appendix I Agreement(s) and related agreements, as may be supplemented from time to time.

D. Agreement and Transmission Revenue Distribution. Nothing in this Appendix K is intended to modify or affect the filing rights of Transmission Owners and restrictions on such filing rights relating to the Agreement set forth in the Agreement or to provide the Midwest ISO with any filing rights with regard to transmission revenue distribution.

E. Others' Filing Rights. Nothing in this Appendix K is intended to affect the FPA section 205 filing rights of any entity which is not a Party. Nor is anything in this Appendix K intended to affect the procedural rights of any other interested party, including state regulatory commissions, regarding a filing submitted by the Midwest ISO or a Transmission Owner (or both) pursuant to Article II of this Appendix K.

F. Midwest ISO Administration of Transmission Tariff. Nothing in this Appendix K is intended to eliminate the Midwest ISO's responsibility for administering the Transmission Tariff in a prudent manner, consistent with the Agreement and FERC requirements. To that end, the Midwest ISO shall continue its administrative functions with regard to the Transmission Tariff in which, for example, it is responsible for

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ensuring that the formatting of the Transmission Tariff pages (including those pages submitted by Transmission Owners for advance Midwest ISO review pursuant to Article IV, Section A of this Appendix K) is in compliance with FERC requirements, and in which it remains the administrator of the Transmission Tariff even for Transmission Tariff provisions over which the Transmission Owners possess FPA section 205 filing rights under this Appendix K. In addition, nothing in this Appendix K is intended to affect the rights the Midwest ISO possesses to discount transmission service under the Transmission Tariff consistent with the provisions of this Appendix K. Additionally, nothing in this Appendix K forbids the Midwest ISO, if specifically authorized by a Transmission Owner or by multiple Transmission Owners, as appropriate, from making a filing on behalf of the Transmission Owner(s).

G. Grandfathered Agreements. Nothing in the Appendix K is intended to affect or modify whatever rights any entity may possess to seek modification of any Grandfathered Agreements.

H. Appendix K Modifications. It is the intent of the Parties that the provisions of this Appendix K, and the conforming changes to the Transmission Tariff and the Agreement required by this Appendix K, shall be subject to change solely by written amendment executed by the Midwest ISO and the Transmission Owners, with execution by the Transmission Owners requiring approval by a majority of the Transmission Owners provided, however, that any such amendment is not affirmatively opposed by three (3) or more Transmission Owners collectively owning gross transmission plant of at least \$2,500,000,000 as calculated based on the gross

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transmission plant reported by each Transmission Owner in its most recent FERC Form No. 1 filing (or equivalent data for Transmission Owners that do not file FERC Form No. 1 reports). Otherwise, no Party may make a FPA section 205 filing that, if accepted or approved by FERC, would in any way have the effect of (1) canceling, modifying or limiting the FPA section 205 filing rights of any other Party provided for in this Appendix K, or (2) converting exclusive FPA section 205 filing rights of a Party provided for in this Appendix K into non-exclusive rights.

I. Mobile-Sierra Standard. It is the intent of the Parties that any change to any provision of this Appendix K, or to any conforming change to the Transmission Tariff or the Agreement, that is not proposed pursuant to Article V, Section H of this Appendix K whether proposed by a Party, non-Party, or the FERC shall be limited to the maximum extent permissible by law and shall be subject to the Mobile-Sierra public interest standard of review applicable to fixed rate agreements; provided, however, that beginning five years from the date of execution of the Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights (filed at FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108), actions initiated by the FERC, acting *sua sponte* pursuant to FPA section 206, shall be governed by the just and reasonable standard.

VI. TERM

This Appendix K shall remain in effect for 5 years from the date it becomes effective and shall remain in effect from year to year thereafter unless (a) it is deemed withdrawn pursuant Section 6.12 of the Settlement Agreement Between

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Transmission Owners and Midwest ISO on Filing Rights (filed at FERC on November 30, 2004 in Docket Nos. RT01-87, ER02-106, and ER02-108) (referred to as "Filing Rights Settlement" for purposes of this Article VI, Section A), (b) it is withdrawn pursuant to a modification or amendment executed pursuant to Sections 6.8 and/or 6.9 of the Filing Rights Settlement, or (c) three-fourths of the Transmission Owners then subject to this Appendix K give one year advance notice in writing that they wish to terminate this Appendix K; provided, however, that unless expressly stated otherwise, this Appendix K shall not be deemed withdrawn if modified or amended under Sections 6.8 and/or 6.9 of the Filing Rights Settlement; and provided further that a Transmission Owner shall not be subject to, or otherwise bound by, this Appendix K at any time following its effective withdrawal from either the Agreement or an Appendix I Agreement.

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Midwest Independent Transmission)	Docket No. RT-01-87-___
System Operator, Inc.)	ER02-106-___
)	ER02-108-___

NOTICE OF FILING

(December __, 2004)

Take notice that on November 30, 2004, the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), the Midwest ISO Transmission Owners, and the Midwest Stand Alone Transmission Companies submitted a Settlement Agreement Between Transmission Owners and Midwest ISO on Filing Rights ("Settlement Agreement"), along with an explanatory statement and changes to the Midwest ISO Open Access Transmission Tariff and the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc. implementing the Settlement Agreement.

The Midwest ISO requested waiver of the requirements of 18 C.F.R. § 385.2010. The Midwest ISO has electronically served a copy of the above-referenced documents upon all Midwest ISO Members, Member representatives of Transmission Owners and Non-Transmission Owners, the Midwest ISO Advisory Committee participants, as well as all state commissions within the Region. In addition, this filing has been posted electronically on the Midwest ISO's website at www.midwestiso.org under the heading "Filings to FERC" for other interested parties in this matter. Paper copies are available upon request by contacting Lori A. Spence, counsel of record, at the Midwest ISO.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on

Magalie R. Salas
Secretary