



**Economic Planning Customer and Stakeholder Meeting
Conference Call and Webcast**

April 5, 2012

Participants via webcast and conference call:

Attendee	Organization
Dale Burmester	American Transmission Company
David Smith	American Transmission Company
Erik Winsand	American Transmission Company
Marty Smith	American Transmission Company
Todd Tadych	American Transmission Company
Arash Ghodsian	American Transmission Company
Chris Hagman	American Transmission Company
Steve Parker	American Transmission Company
John Raisler	American Transmission Company
Mike Burow	American Transmission Company
Joann Henry	We Energies
Chad Koch	We Energies
Joe Springhetti	We Energies
Hamish Wong	WPS
Jerry Iverson	DPC
Steve Porter	DPC
Erik Messerich	Great River Energy
Mike Steckelberg	Great River Energy
John Thomasen	MGE
Jeff Kitsembel	Public Service Commission of Wisconsin
Don Neumeyer	Public Service Commission of Wisconsin

MEETING SCHEDULE	
1:00-2:00	2012 Ten Year Assessment Reliability Need Review <i>David Smith</i>
2:00-2:45	Discuss assumptions and study areas for 2012 Order 890 <i>Erik Winsand</i>
2:45-4:00	Introduction of Customer Benefit Metric for ATC Customers <i>Marty Smith</i>

Questions and Answers**Presentation: 2012 Ten Year Assessment Reliability Need Review (David Smith – ATC)**

- 1) **Question:** Does the current list of projects include all projects identified from the study based ratings methodology?

Answer: The current list includes any projects as currently known.

- 2) **Question:** How do the Northern Plan projects impact the study based ratings projects?

Answer: The Northern Plan projects do address some of the study based ratings methodology projects and all impacts are being reviewed across the initiatives.

- 3) **Question:** How do the MVP projects impact west to east power flows and is this being reviewed in the TYA analysis?

Answer: The Wisconsin and ATC MVP projects are being included in the TYA analysis and their impacts are being reviewed in this analysis as well as in other ATC studies.

- 4) **Question:** Do the TYA assumptions include any of the DATC projects?

Answer: The DATC projects were not included in this year's TYA analysis.

Presentation: Discuss assumptions and stud areas for 2012 Order 890 (Erik Winsand – ATC)

- 1) **Question:** Why is ATC proposing to use only a 10-year analysis (2022) when MISO uses a 5-year, 10-year, and 15-year study model?

Answer: We are looking at this as a screening analysis and might look to use other analysis year cases for a more in-depth look at a particular project.

- 2) **Question:** Are the presentations from this meeting available online?

Answer: All of the materials have been posted on the Economic Planning page of the TYA website (<http://atc10yearplan.com/A8.shtml>).

- 3) **Question:** Is ATC going to use the MISO weighting of the futures?

Answer: We don't weight our futures and analyze our projects using strategic flexibility in which each future stands on its own.

- 4) **Question:** MISO is only using a maximum of \$50/ton for CO₂ taxes yet you indicate a value as high as \$100/ton.

Answer: While the MISO range for CO₂ taxes goes up to \$100/ton, they never actually use anything higher than \$50/ton in their futures. We are not intending to use anything higher than MISO's future definition for CO₂ taxes.

Presentation: Introduction of Customer Benefit Metric for ATC Customers (Marty Smith – ATC)

- 1) **Question:** Why is ATC breaking up the component of Load * Load LMP and why are emissions costs not included in with the generators?

Answer: The Load * Load LMP is broken apart to be able to isolate the various components of the Load and LMP. The specific methodology for breaking this apart has been developed through discussions and has been vetted with stakeholders in the past. In addition, we are comfortable that we get to the same endpoint as we would without breaking the components apart. The emissions costs are really tied to the CO₂ costs and it is modeled in this fashion so we can isolate just the impacts of CO₂ costs and taxes.

- 2) **Question:** What is the difference between Customer Benefit component 8) Marginal Loss Cost and component 11) Cost of Load Change due to Losses?

Answer: The Marginal Loss Cost component is associated with differences within the MLC of the LMP while the Cost of Load Change due to Losses component is associated with physical losses and changes to actual loads that are not otherwise captured in the PROMOD simulation.

- 3) **Question:** Do the assumed IPPs include Fox Energy Center and the Point Beach uprate?

Answer: These are the assumed IPPs that we have used to date. Going forward we would like to meet with Subject Matter Experts (SMEs) from the various customers and review and refresh assumptions such as this one.

- 4) **Question:** Does the 2/3 Illinois / 1/3 Minnesota import ratio represent existing energy purchases?

Answer: These ratios are based on historic system flow values which showed ~2/3 of import energy coming from Illinois and ~1/3 of import energy coming from Minnesota.

- 5) **Question:** Why is ATC using the composite hub calculation or import calculations rather than simply using the internal load zone values?

Answer: Some of the import transactions will have associated FTRs and much of this mathematical method is focused on those impacts. The composite hub allows us to break out components which are then used for hedging assumptions. We are trying to account for financial impacts of congestion as well as FTRs.

- 6) **Question:** Are congestion costs calculated hourly and can they be either positive (+) or negative (-)?

Answer: They are hourly values and can be either positive (+) or negative (-).

- 7) **Question:** Are the existing FTR MW values based on hourly dispatch or are these simply static values used for the full year simulation?

Answer: The value is a static number used for the entire simulation.

- 8) **Question:** Was there consideration of using specific internal FTR values and assumptions rather than just using the 85% general value for the footprint?

Answer: We have collected stakeholder feedback in the past and the general aggregate answer for the ATC footprint as a whole was around 85% coverage. We could consider using specific FTRs for the internal footprint, but it is generally assumed that the analytical value gained versus the amount of modeling rigor involved would not merit this level of detail.

- 9) **Question:** How long has it been since the 85% value was developed as it is likely that it has changed over time?

Answer: It has been a couple of years since this value was developed with stakeholder feedback and we would like to obtain updated information if possible. The 85% value is an aggregate value for the ATC footprint and is made up of individual customer feedback pertaining to FTR coverage.

- 10) **Question:** Some of the loss refund calculations may be appropriate based on the first five years of the MISO Day 2 Market, but repayment is now based on load ratio share across MISO and may warrant adjustment.

Answer: The loss refund calculations are based on the MLC values and not on actual system losses (physical losses). We believe we are appropriately accounting for the various loss components utilized in our analysis.

- 11) **Question:** Which PROMOD loss model is utilized in ATC's analysis?

Answer: We use the Single Pass Loss modeling which incorporates the losses directly in the load value.