

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

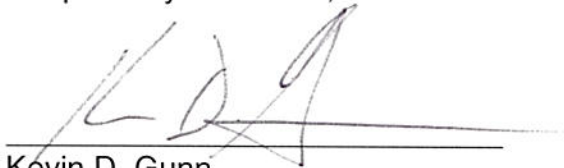
In the Matter of the Application of Union Electric )  
Company for Authority to Continue the Transfer ) **Case No. EO-2011-0128**  
Of Functional Control of its Transmission System )  
to the Midwest Independent Transmission System )  
Operator, Inc. )

**NOTICE REGARDING EXTRA-RECORD COMMUNICATION**

Issue Date: August 17, 2011

On August 11, 2011, I received the attached correspondence Aldie Warnock, Vice President, Government & Regulatory Affairs, MISO.

Respectfully submitted,



Kevin D. Gunn  
Chairman

Dated at Jefferson City, Missouri,  
on this 17th day of August, 2011.

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**From:** Melissa Wilson [mkwilson@misoenergy.org] on behalf of Aldie Warnock [awarnock@misoenergy.org]  
**Sent:** Thursday, August 11, 2011 2:44 PM  
**Subject:** MISO Multi-Value Projects Portfolio Update  
**Attachments:** MVP benefits\_AldieEmail\_f (1).docx

On Thursday, August 11, 2011, after 11 months of analysis based largely on your information, contributions and feedback, MISO will present to our Board of Directors the portfolio of Multi-Value Projects (MVPs) for inclusion in our transmission expansion plan. In this presentation, we outline the results of our in-depth analysis which clearly demonstrate that the benefits from this portfolio outweigh expected investment costs. The investment necessary for these projects will provide widespread benefits across a broad range of possible futures.

For more information, the following link is the presentation we sent to the Board's System Planning Committee <https://www.misoenergy.org/Events/Pages/SPBOD20110816.aspx>.

The analysis shows that when the lowest delivered cost of energy is the primary goal, even while helping states meet renewable energy goals, MISO creates value for electricity customers throughout the MISO footprint. While the first candidate of MVP Projects represents \$5.2 billion of capital investment, it will provide from **\$15.6 to \$49.3 billion** in added value from customer savings over the first 20 to 40 years of service. More importantly, when the benefits are considered for the seven sub-regions of MISO, each region is expected to receive benefits of at least 1.6 to 2.6 times their cost.

For retail customers, we believe the portfolio represents an annual investment of \$11 that will yield a return of \$23 per year. Together, these projects also offer flexibility given an uncertain future for the older portion of the region's generation fleet, regardless of the outcome of proposed environmental rules or potential carbon legislation. In fact, we believe that enactment of proposed environmental legislation would increase the value of this MVP portfolio.

### Next Steps

**August** - At the August 17-18 Advisory and Board meetings in St. Paul, we expect our members' discussion to largely focus on the MVP process, collaboration and analysis.

**August- mid-October** - You and all our stakeholders will have an additional six weeks to comment on the proposed portfolio.

**October** – On October 20 we will appear before our Board to explain in more detail the benefit range calculations.

**December** - This analysis, and the Transmission Expansion Plan embodying these projects, will come before the MISO Board for final approval at the Board's December 8 meeting.

**Post Board Approval** - Upon approval from the Board, the sponsoring transmission owner's good faith obligation to license and construct the individual projects would be set in motion. MISO expert witnesses will support those efforts. We believe that FERC's recently published Order No. 1000 will have no effect on this MISO planning cycle. Therefore, companies who have been project sponsors in our planning process will continue to sponsor this portfolio of projects.

This portfolio of projects stands to benefit you, your customers and most importantly, all electricity customers in the MISO footprint. I look forward to any questions you may have regarding our analysis of the proposed portfolio of Multi-Value Projects.

Sincerely,

Aldie Warnock

Vice President, Government & Regulatory Affairs

MISO

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Multi-Value Projects Update

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Aldie Wamock

Vice President, Government & Regulatory Affairs

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