

Exhibit No.:
Issues: Ameren Missouri
Transmission Alternatives
Witness: Adam McKinnie
Sponsoring Party: MO PSC Staff
Type of Exhibit: Supplemental Rebuttal
Testimony
File No.: EO-2011-0128
Date Testimony Prepared: October 31, 2011

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SUPPLEMENTAL REBUTTAL TESTIMONY

OF

ADAM MCKINNIE

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

FILE NO. EO-2011-0128

*Jefferson City, Missouri
October 2011*

Staff Exhibit No. 28
Date 2-9-12 Reporter JL
File No. EO-2011-0128

1 SUPPLEMENTAL REBUTTAL TESTIMONY

2
3 OF

4
5 ADAM McKINNIE

6
7 UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

8
9 FILE NO. EO-2011-0128

10
11
12 Q: Are you the same Adam McKinnie who filed Rebuttal Testimony in this
13 docket?

14 A: Yes, I am.

15 Q: What is the purpose of your Supplemental Rebuttal Testimony?

16 A: The purpose of my Supplemental Rebuttal Testimony is to supplement my
17 Rebuttal Testimony, filed on September 14, 2011, by providing additional and updated
18 information as I generally indicated I would in several places in my Rebuttal Testimony.

19 Q: Please explain the additional and updated information you have obtained to
20 supplement your Rebuttal Testimony.

21 A: First, I would like to supplement my response to Commission question 4, on
22 page 28, starting at line 23, where I stated:

23 The Commission itself has advocated regarding the costs of integrating
24 Entergy in MISO in FERC Docket No. ER11-3728, the cost allocation waiver
25 MISO has filed regarding the integration of MISO. This case is still pending at
26 FERC.

27 On September 27, 2011, the Federal Energy Regulatory Commission (FERC) denied
28 Midwest Independent Transmission System Operator (MISO's) request for waiver of its Open
29 Access Transmission, Energy, and Operating Reserve Markets Tariff provisions regarding the
30 planning and cost allocation of network upgrades in order to transition and integrate Entergy
31 Corp into MISO as a new transmission-owning member. FERC found that waiver of this tariff

Supplemental Rebuttal Testimony of
Adam McKinnie

1 was, "an inappropriate vehicle for implementing the transition period that MISO seeks for
2 Entergy" in part because it would, "alter the existing cost allocation methodology for the
3 existing MISO footprint and apply a new cost allocation methodology to Entergy during the
4 proposed transition period." *Re Midwest Independent System Operator, Inc.*, Docket No.
5 ER11-3728-000, Order Denying Request For Tariff Waiver, 136 FERC ¶61,212, para. 27-28
6 (2011). The FERC said that such a proposal would, "significantly affect the rates and charges
7 for jurisdictional service," which should be submitted through a tariff filing, not a tariff
8 waiver request. *Id.* at para. 28.

9 Per a press release issued by MISO on September 27, 2011, it appears MISO plans to
10 continue its pursuit of a waiver of the Entergy related cost allocation through a tariff filing.

11 Staff has received a copy of MISO's intended tariff filing described above, and is
12 working via the MISO stakeholder process to provide input regarding the tariff filing. The
13 tariff language provided by MISO as an attachment to the online meeting notice for the
14 October 24, 2011 "Entergy Transition Tariff Review" MISO meeting is attached as Schedule
15 ACM-15.

16 As of October 31, 2011, MISO has not yet submitted the tariff filing to FERC.

17 Q: What other Commission questions did you indicate you needed additional
18 information regarding?

19 A; In my Rebuttal Testimony, at pages 30, 32, 33, 36, and 37, I indicated I would
20 supplement my answers to questions 7, 9, 10, 11, 12, 14, 15, and 16 upon receipt of additional
21 information.

22 Q: Do you have anything further to report at this time?

1 A: Yes. Respecting Commission question 9, I indicated Staff sent MISO a data
2 request asking for four (4) elements to help Staff make its own calculation of the "Michigan
3 Thumb Loop Expansion." This information has been received, along with MISO's detailed
4 calculation of its estimation of the financial impact to the Ameren Missouri service territory
5 from the Michigan Thumb Loop transmission project. MISO's estimated calculation is
6 attached as Schedule ACM-16. MISO's written response to Commission question 9, along
7 with its written answers to Commission questions 10 and 11, is provided as Schedule ACM-
8 17. The discussion of the four elements Staff requested regarding Commission question 9 is
9 included in the MISO response to Staff Data Request No. 62, attached as Schedule ACM-18.
10 That response includes the following:

11 Assuming that Ameren Missouri's share of the Michigan Thumb Loop project
12 remains constant at approximately 7%, the present value of the estimate annual
13 charges over the next 40 years would be \$87 million using an 8.2% discount
14 rate.

15 Staff has reviewed MISO's calculation for the impact to Missouri ratepayers for the
16 Michigan Thumb Loop project, and is generally satisfied with the calculation.

17 Concerning Commission question 10, regarding MISO's determination of an estimate
18 of .25 cents per kWh for the cost impact estimate of the Michigan Thumb Loop project,
19 MISO has provided a response to Commission question 10 as follows:

20 RESPONSE: Please note that the rate given in MISO's answer was missing a
21 zero and that the correct rate is 0.025 cents/kWh.

22 The 0.025 cents/kWh rate was calculated by taking the estimated annual
23 revenue requirement in 2015 for the Michigan Thumb Loop Expansion of
24 \$138,619,918, dividing it by the estimated annual withdrawals of
25 547,311,646,000 kWh, and multiplying by 100.

26 Regarding Commission question 11, addressing the load ratio share reported by MISO
27 for Ameren Missouri in MISO's response to a previous Commission question respecting the

1 amount of the Multi Value Project (MVP) costs for which Ameren Missouri will be
2 responsible, the 7% estimate appears not to contemplate First Energy being a member of
3 MISO. See MISO response to Commission question 10, included in Schedule ACM-17.

4 Staff worked to reconcile the 7% number provided in the response to question 12(b)
5 for an estimate of the Ameren Missouri load ratio share with the 9.83160832303737% load
6 ratio share for the Missouri local resource zone (almost all of which is Ameren Missouri)
7 provided in the MISO MVP Business Case spreadsheet. As indicated in an e-mail from
8 MISO employee Laura Rauch, attached as Schedule ACM-19, part of the difference is
9 because the approximately 7% number includes First Energy in the system. For the Michigan
10 Thumb Loop project, MISO assumed that First Energy was still a member of MISO. For all
11 other MVP projects, MISO assumed that First Energy was no longer a member of MISO.
12 Additionally, for the MISO MVP Business Case, the energy levels, which are the determinant
13 of any portion of MVP percentage MISO is responsible for, were determined by an economic
14 modeling program named PROMOD, modeling energy flows, whereas the approximately 7%
15 number was derived from actual 2010 energy levels. This accounts for additional
16 discrepancies between the 7% number and the 9.83160832303737% load ratio share given in
17 the MVP Business Case. The "assumptions" sheet from the MISO MVP Business Case Excel
18 file is provided as Schedule ACM-20. Note that in the MVP Business Case, Local Resource
19 Zone 5 is the Missouri portion of the MISO footprint, including non-Ameren Missouri
20 utilities such as the Columbia (Missouri) Water and Light municipal utility.

21 Concerning Commission question 12, I would like to supplement my Rebuttal
22 Testimony regarding whether Ameren Missouri conducted a study similar to the Charles
23 River Associates (CRA) study performed in Case No. EO-2008-0134, by providing Ameren

1 Missouri's response to Staff Data Request No. 46. That response is attached as Schedule
2 ACM-21. Essentially, the response indicates a full study similar to the CRA study performed
3 in Case No.EO-2008-0134 was not performed in this instant case.

4 Respecting Commission question 14, about MISO employee compensation being
5 potentially related to Entergy becoming a member of MISO, Staff attaches the responses to
6 Staff Data Request Nos. 54, 55, 59, and 60 as a result of its investigation. These responses to
7 Staff Data Requests are included as Schedule ACM-22 and indicate that Staff can find no
8 evidence that there is any compensation related to Entergy becoming a member of MISO
9 other than the 2011 Annual Incentive Goals for all MISO employees.

10 On Commission question 15, regarding the amount of money spent on "consultants,
11 contractors, outside legal counsel, media consultants, public relations firms, agents and
12 anyone else hired for the purpose of gaining regulatory approval of Entergy joining MISO,"
13 Staff received objections to Staff Data Request Nos. 57 and 58 on the grounds that the data
14 requests "call[s] for information that is not relevant and not reasonably calculated to leads to
15 the discovery of admissible evidence in this proceeding." The responses are attached as
16 Schedule ACM-23. Staff is proceeding to seek to obtain the requested information by filing a
17 Motion To Compel with the Commission.

18 The Midwest ISO answered Staff Data Request No. 56, providing the names of ten
19 (10) firms that it identified as having been retained regarding Entergy's proposal to join the
20 Midwest ISO in response to the Staff's request that the Midwest ISO identify any and all
21 consultants, contractors, outside legal counsel, media consultants, public relations firms,
22 agents and anyone else hired for the purpose of gaining regulatory approval of Entergy
23 joining the MISO system. Staff submitted a follow-up data request requesting the business

1 address of each of the ten (10) firms, the nature of the work that the firm provided to the
2 Midwest ISO regarding gaining regulatory approval respecting Entergy joining the Midwest
3 ISO system, and an explanation of the purpose for which the firm was hired regarding gaining
4 regulatory approval respecting Entergy joining the Midwest ISO system. Staff's summary of
5 the Midwest ISO responses follows:

6 Public Strategies, Inc., Austin, TX
7 Public relations company providing communications services and advice to the
8 Midwest ISO.

9 The Registry, Inc., Indianapolis, IN
10 Human resources firm retained to assist with recruiting temporary employees
11 and other personnel to integrate new transmission owners into Midwest ISO
12 operations.

13 That's Good HR, Indianapolis, IN
14 Human resources firm retained to assist with recruiting temporary employees
15 and other personnel to integrate new transmission owners into Midwest ISO
16 operations.

17 Wilson Engstrom Corum & Coulter, Little Rock, AR
18 Private law firm retained from January through April 2011 to provide legal
19 advice and services. Represented Midwest ISO interests in regulatory
20 proceedings before the Arkansas Public Service Commission relating to
21 Entergy Arkansas and its membership in a RTO.

22 The Sullivan Group LLC, Birmingham, AL
23 Government relations firm providing public affairs advice and services to the
24 Midwest ISO. Retained by the Midwest ISO to assist it in explaining the
25 proposal that the Entergy Corp. operating utilities become Midwest ISO
26 transmission owners.

27 The First Group, Washington, D.C.
28 Public relations firm. A principal of that firm who is a member of the
29 Arkansas bar was retained in May 2011 to provide legal advice and services
30 and represent Midwest ISO interests in regulatory proceedings before the
31 Arkansas Public Service Commission relating to Entergy Arkansas and its
32 membership in a RTO.

1 Roberts Law Firm, Little Rock, AR
2 Private law firm retained in May 2011 to provide legal advice and services and
3 represent Midwest ISO interests in regulatory proceedings before the Arkansas
4 Public Service Commission relating to Entergy Arkansas and its membership
5 in a RTO.

6 The Long Law Firm LLP, Baton Rouge, LA
7 Private law firm retained to provide legal advice and services and represent
8 Midwest ISO interests in regulatory proceedings before the Louisiana Public
9 Service Commission and other Louisiana state and local governmental bodies
10 relating to the Entergy utilities that operate in Louisiana and their membership
11 in a RTO.

12 Brunini, Grantham, Grower & Hewes PLLC, Jackson, MS
13 Private law firm retained to provide legal advice and services and represent
14 Midwest ISO interests in regulatory proceedings before the Mississippi Public
15 Service Commission relating to the Entergy utilities that operate in Mississippi
16 and their membership in a RTO.

17 Jackson Walker LLP, Dallas, TX
18 Private law firm retained to provide legal advice and services and represent
19 Midwest ISO interests in regulatory proceedings before the Texas Public
20 Utility Commission relating to the Entergy utilities that operate in Texas and
21 their membership in a RTO.

22 The full MISO response to Staff Data Request No. 56.1 is attached as Schedule ACM-
23 24.

24 Staff requested in Staff Data Request No. 61 MISO's Internal Revenue Service Form
25 990 (Return Of Organization Exempt From Federal Income Tax), which requires the name,
26 business address, description of services and compensation of the five (5) highest
27 compensated independent contractors that received more than \$100,000 of compensation from
28 the reporting organization.

29 None of the five (5) contractors on the Midwest ISO's 2010 Form 990 matched any of
30 the ten (10) firm names the Midwest ISO identified in its response to Staff Data Request No.
31 56. The Midwest ISO reported on its 2009 Form 990 that the total number of independent

1 contractors (including but not limited to those listed) who received more than \$100,000 in
2 compensation from the organization totaled 87. (The signature dates on the Midwest ISO's
3 2010 Form 990 are October 20, 2011.) The full MISO response to Staff Data Request No. 61
4 is included as Schedule ACM-25.

5 Respecting Commission question 16, regarding cost estimates for MVPs, Staff has
6 learned that the updated total cost estimate of all MVPs of approximately \$5 billion is
7 accelerated into 2022 dollars.

8 Additionally, Staff has learned from MISO technical staff that the \$9 per residential
9 customer per year estimate was based on a cost estimate of MVP projects that contained no
10 operating and maintenance expense (O&M) in the annual charge rate. Additionally, Staff has
11 learned MISO requested and received better cost estimates from transmission owners who are
12 expected to construct the MVPs.

13 Thus, Staff can say that the \$9 per customer per year estimate of impact of MVP costs
14 is not based on current updated information. MISO is currently using an estimate of \$11 per
15 residential customer per year.

16 Q: Does this complete your Supplemental Rebuttal Testimony?

17 A: Based on the additional information that Staff has received to date yes, it does.

**DRAFT ATTACHMENT FF-6 Transmission Expansion Planning and Cost Allocation for
Second Planning Region's Transition Version: 1.0.0 Effective: __/__/201__**

ATTACHMENT FF-6

**TRANSMISSION EXPANSION PLANNING AND COST ALLOCATION
FOR SECOND PLANNING REGION'S TRANSITION**

I. Transmission Expansion Plan

This Attachment FF-6 describes the planning process to be used by the Transmission Provider to develop the Midwest ISO Transmission Expansion Plan ("MTEP") and the applicable cost allocation of identified Network Upgrades during and after the Second Planning Region's Transition Period. Except as specifically identified in this Attachment FF-6, the allocation of the cost of MTEP projects shall in all other respects be governed by Attachment FF.

II. Planning of MTEP Projects

A. Applicability of MTEP Process

During and after the Second Planning Region's Transition Period, Attachment FF's MTEP process shall apply to MTEP projects terminating, whether exclusively or partly, in the Second Planning Region.

B. MTEP Studies and Plans to Evaluate Comparability

During the Second Planning Region's Transition Period, pursuant to the study processes identified in Attachment FF to the Tariff, the Transmission Provider shall review and compare the

current states of the transmission systems in the First Planning Region and the Second Planning Region with respect to their compliance with the Attachment FF Planning Criteria. To evaluate comparability of transmission system conditions during the Second Planning Region's Transition Period, the Transmission Provider will conduct planning studies for (1) Baseline Reliability Projects ("BRP"), (2) Market Efficiency Projects ("MEP"), and (3) Multi-Value Projects ("MVP").

1. Baseline Reliability Projects: The Transmission Provider shall apply the BRP criteria to the planning of BRPs for the Second Planning Region pursuant to the process identified in Attachment FF to determine to what extent the Second Planning Region is not comparable in terms of the Transmission Provider's BRP criteria. At the end of the Second Planning Region's Transition Period, the Transmission Provider shall have identified BRPs for the Second Planning Region based on the same BRP process and criteria applicable to the First Planning Region, in order to achieve comparability between the First Planning Region and the Second Planning Region. This identification of projects to achieve comparability shall include BRPs that have been approved and also BRPs that have been determined to be a solution to meet an identified need and that have a forecast in-service date that is no more than five (5) years after the end of the Second Planning Region's Transition Period.
2. Market Efficiency Projects: The Transmission Provider will determine to what extent the Second Planning Region is not comparable in terms of the Transmission Provider's MEP criteria. The Transmission Provider shall apply the MEP criteria to the planning of MEPs in the Second Planning Region pursuant to the process identified in Attachment FF. At the end of the Second Planning Region's Transition Period, the Transmission Provider shall have identified MEPs for the Second Planning Region

based on the same MEP process and criteria applicable to the First Planning Region, in order to achieve comparability between the First Planning Region and the Second Planning Region. This identification of projects to achieve comparability shall include MEPs that have been approved and also MEPs that have been determined to be a solution to meet an identified need and that have a forecast in-service date that is no more than five (5) years after the end of the Second Planning Region's Transition Period.

3. Multi-Value Projects: The Transmission Provider will determine to what extent the Second Planning Region is not comparable in terms of the Transmission Provider's MVP criteria. The Transmission Provider shall assess the comparability of the MVPs in the First Planning Region and MVPs that have been planned for the Second Planning Region during the Second Planning Region's Transition Period, by conducting an analysis that evaluates the aggregate present value of forecasted MVP benefits, spread across the combined Planning Regions, and an evaluation to determine whether such MVP benefits are roughly commensurate with the present value of the allocation of forecasted costs calculated pursuant to the formulas set forth below.

Where:

- a. MVP Portfolio₁ = the portfolio of 17 MVPs approved for the First Planning Region during MTEP10 and MTEP11 plus any other MVPs planned for or exclusively benefiting the First Planning Region that are approved during the Second Planning Region's Transition Period
- b. MVP Portfolio₂ = MVPs that include the Second Planning Region in the planning process and are approved during the Second Planning Region's Transition Period
- c. Combined MVP Portfolio = MVP Portfolio₁ + MVP Portfolio₂ = MVPP₁₊₂
- d. LRZ = Local Resource Zone

- e. Annual Benefits for a LRZ are calculated as the difference between the system including the existing topology plus MVP Portfolio1 and the system including the existing topology plus the Combined MVP Portfolio
- f. The Present Value calculations will reflect the projected cash flow streams of costs and projected twenty years of benefits

1. First Planning Region

- a. Where $N = \{LRZ_1, LRZ_2, \dots, LRZ_7\}$

$$\frac{\sum_{i=1}^{20} PV_{MVPP_{1+z}} \text{ Annual Benefits}_i \text{ for LRZ}_N}{\sum_{i=1}^{20} PV_{MVPP_{1+z}} \text{ Annual Costs}_i \text{ for LRZ}_N} \geq LRZ_N^B / C \text{ Ratio MVP Portfolio}_1$$

AND

2. Second Planning Region

- a. Where $N = \{LRZ_8 \text{ or additional LRZs in the Second Planning Region that may be identified at a later date during the Second Planning Region's Transition Period}\}$

$$\frac{\sum_{i=1}^{20} PV_{MVPP_{1+z}} \text{ Annual Benefits}_i \text{ for LRZ}_{N8}}{\sum_{i=1}^{20} PV_{MVPP_{1+z}} \text{ Annual Costs}_i \text{ for LRZ}_{N8}} \geq 1$$

III. Second Planning Region's Transition Period

A. Duration of Second Planning Region's Transition Period

Consistent with the length of the study and planning timelines required to comparably apply the Attachment FF requirements to the Second Planning Region, the Second Planning Region's Transition Period shall be five (5) years. The five year transition period shall commence on the date that the first transmission owning member of the Second Planning Region becomes a fully integrated transmission owning Member of the MISO.

B. Annual Progress Reports

The Transmission Provider shall file with the Commission an annual report on the progress

in applying the MTEP planning criteria and processes to achieve comparability between the First Planning Region and the Second Planning Region. Within six (6) months before the end of the Second Planning Region's Transition Period, the Transmission Provider shall report to the Commission whether at that time there is an MVP portfolio described in Section IV.B.3 hereof, or one is reasonably expected to be approved by the end of the Second Planning Region's Transition Period.

C. End of Second Planning Region's Transition Period

If Transmission Provider has identified and Transmission Provider Board has approved an MVP portfolio described in Section IV.B.3 hereof at the end of the Second Planning Region's Transition Period, the transition period shall be followed by a phase-in period of eight years for the allocation of MVP costs as described in Sections IV.B.4 and IV.B.5 of this Attachment FF-6. In the absence of such an MVP portfolio at that time, the allocation of the cost of MVP portfolios approved before the Second Planning Region's Transition Period that are not demonstrated to provide benefits roughly commensurate to costs that would be assigned to the Second Planning Region pursuant to the formula found at Section II.B.3 of this Attachment FF-6, then those MVP portfolios shall continue to be allocated in accordance with Section IV.A.1 of this Attachment FF-6. In the event that an MVP portfolio described in Section IV.B.3 has not been identified and approved at the end of the Second Planning Region's Transition Period such that benefits are commensurate with costs for the First and Second Planning Regions, the Transmission Provider will submit a filing with the Commission under Section 205 of the Federal Power Act.

IV. Cost Responsibility for MTEP Projects During and After the Second Planning Region's Transition Period

A. Cost Responsibility for MTEP Projects During the Second Planning Region's Transition Period

1. Projects Approved Before the Second Planning Region's Transition Period

During the Second Planning Region's Transition Period, Load and/or Pricing Zone(s) in the Second Planning Region shall not be allocated any costs of any MTEP projects (*i.e.*, BRPs, Generator Interconnection Projects ("GIP"), Transmission Delivery Service Projects ("TDSP"), MEPs, and MVPs) that were approved before the commencement of the Second Planning Region's Transition Period.

2. Projects Approved During the Second Planning Region's Transition Period

(a) Projects Terminating in Both Planning Regions

During the Second Planning Region's Transition Period, non-MVP projects (*i.e.*, BRPs, GIPs, TDSPs, and/or MEPs) approved in any MTEP Appendix A during the Second Planning Region's Transition Period that terminate in both Planning Regions shall be allocated in accordance with Attachment FF.

(b) Projects Terminating Exclusively in One Planning Region

Projects approved in any MTEP Appendix A during the Second Planning Region's Transition Period that terminate exclusively in one Planning Region shall be allocated only within such Planning Region during the Second Planning Region's Transition Period in accordance with Attachment FF, as modified by the provisions of this Attachment FF-6. For this purpose, any system-wide rate or cost allocation under the provisions of Attachment FF regarding the particular type of project shall be limited to the Planning Region where the project terminates exclusively.

- i. During the Second Planning Region's Transition Period, Load and/or Pricing Zone(s) in the Second Planning Region shall not be allocated any costs of any MTEP projects (*i.e.*, BRPs, GIPs, TDSPs, MEPs, and/or MVPs) approved during

the Second Planning Region's Transition Period and terminating exclusively in the First Planning Region. Load and/or Pricing Zone(s) in the Second Planning Region shall be responsible for the applicable cost allocation of BRPs, GIPs, TDSPs, MEPS, and MVPs as set forth in Section III.A.1.c—III.A.1.g of Attachment FF, respectively, that are approved during the Second Planning Region's Transition Period, to the extent such projects terminate exclusively in the Second Planning Region.

- ii. During the Second Planning Region's Transition Period, Load and/or Pricing Zone(s) in the First Planning Region shall not be allocated any costs of any MTEP projects (*i.e.*, BRPs, GIPs, TDSPs, MEPS, and/or MVPs) approved or identified as a solution to meet an identified need and with a forecast in-service date that is no more than five (5) years after the end of the Second Planning Region's Transition Period and terminating exclusively in the Second Planning Region. Load and/or Pricing Zone(s) in the First Planning Region shall be responsible for the applicable cost allocation of MTEP projects (*i.e.*, BRPs, GIPs, TDSPs, MEPS, and MVPs) as set forth in Section III.A.1.c—III.A.1.g of Attachment FF, respectively, that are approved during the Second Planning Region's Transition Period, to the extent such projects terminate exclusively in the First Planning Region.

B. MTEP Project Cost Allocation After Second Planning Region's Transition Period

Notwithstanding any other provisions of this Tariff, the costs of Network Upgrades identified, documented, and determined eligible for cost-sharing under Attachment FF, shall be allocated after the Second Planning Region's Transition Period as follows:

1. **Projects Approved Before the Second Planning Region's Transition Period**

Load and/or Pricing Zone(s) in the Second Planning Region shall not be allocated any costs associated with BRPs, GIPs, TDSPs, and MEPs that were approved before the commencement of the Second Planning Region's Transition Period; provided, that, after the Second Planning Region's Transition Period, the allocation of MVPs shall be allocated to Load in the Second Planning Region in accordance with Section IV.C.3 of this Attachment FF-6 upon satisfaction of the conditions specified in Section IV.B.3 of this Attachment FF-6. Correspondingly, Load and/or Pricing Zone(s) in the First Planning Region shall not be allocated any costs of any projects planned or approved in the Second Planning Region's transmission plan prior to the commencement of the Second Planning Region's Transition Period. Costs of any MTEP projects identified and documented during the Second Planning Region's Transition Period shall be allocated pursuant to this Attachment FF-6.

2. Projects Approved During the Second Planning Region's Transition Period

(a) After the Second Planning Region's Transition Period, Load and/or

Pricing Zone(s) in the Second Planning Region shall not be allocated any costs of any BRPs, GIPs, TDSPs or MEPs approved during the Second Planning Region's Transition Period and terminating exclusively in the First Planning Region. Load and/or Pricing Zone(s) in the Second Planning Region shall be responsible for the applicable cost allocation of BRPs, GIPs, TDSPs, and MEPS as set forth in Section III.A.1.c—III.A.1.g of Attachment FF, respectively, that are approved during the Second Planning Region's Transition Period, to the extent such projects terminate

exclusively in the Second Planning Region.

(b) During the Second Planning Region's Transition Period, Load and/or Pricing Zone(s) in the First Planning Region shall not be allocated any costs of any BRPs, GIPs, TDSPs, or MEPs approved during the Second Planning Region's Transition Period or identified during the Second Planning Region's Transition Period as a solution to meet an identified need and with a forecast in-service date that is no more than five (5) years after the end of the Second Planning Region's Transition Period and terminating exclusively in the Second Planning Region. Load and/or Pricing Zone(s) in the First Planning Region shall be responsible for the applicable cost allocation of MTEP projects BRPs, GIPs, TDSPs and MEPs as set forth in Section III.A.1.c—III.A.1.g of Attachment FF, respectively, that are approved during the Second Planning Region's Transition Period, to the extent such projects terminate exclusively in the First Planning Region.

3. First Planning Region MVPs Approved Before or During Second Planning Region's Transition Period

The cost of MVPs terminating exclusively in the First Planning Region and approved before and during the Transition Period shall only be shared across the Planning Regions if, by the end of the Second Planning Region's Transition Period, the Transmission Provider has identified and the Transmission Provider Board has approved an MVP portfolio that for each Planning Region meets the criteria set forth in Section II.B.3 of this Attachment FF-6, including the calculation of costs and benefits set forth

therein, for the set of all MVPs approved before and during the Transition Period.

4. After the end of the Second Planning Region's Transition Period, provided that an MVP portfolio has been identified and approved pursuant to Section IV.B.3 of this Attachment FF-6, Load in the First Planning Region shall be responsible, pursuant to Attachment FF, for its allocation of costs associated with MVPs terminating exclusively in the Second Planning Region and approved during the Second Planning Region's Transition Period in the following gradually increasing percentages:

(a) First Year Following Termination of Second Planning Region's

Transition Period: Twelve and one-half percent (12.5%) of the MVP Usage Rate ("MUR")¹¹, for the first year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(b) Second Year Following Termination of Second Planning Region's

Transition Period: Twenty-Five percent (25%) of the MUR for the second year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(c) Third Year Following Termination of Second Planning Region's

Transition Period: Thirty-seven and one-half percent (37.5%) of the

¹¹ See Schedule 26-A.

- MUR for the third year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.
- (d) **Fourth Year Following Termination of Second Planning Region's Transition Period:** Fifty percent (50%) of the MUR for the fourth year following the end of the Second Planning Region's Transition Period, applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.
- (e) **Fifth Year Following Termination of Second Planning Region's Transition Period:** Sixty-two and one-half percent (62.5%) of the MUR for the fifth year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.
- (f) **Sixth Year Following Termination of Second Planning Region's Transition Period:** Seventy-five percent (75%) of the MUR for the sixth year following the end of the Second Planning Region's Transition Period, applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.
- (g) **Seventh Year Following Termination of Second Planning Region's Transition Period:** Eighty-seven and one-half percent (87.5%) of the MUR for the seventh year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(h) **Eighth Year Following Termination of Second Planning Region's Transition Period:** One-hundred percent (100%) of the MUR for the eighth year and all subsequent years following the end of the Second Planning Region's Transition Period, pursuant to Section III.A.1.g of Attachment FF, applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

5. After the end of the Second Planning Region's Transition Period, provided that an MVP portfolio has been identified and approved pursuant to Section III.A.1 of this Attachment FF-6, Load in the Second Planning Region shall be responsible for a share of the costs of MVPs terminating exclusively in the First Planning Region and approved before or during the Second Planning Region's Transition Period in the following gradually increasing percentages:

(a) **First Year Following Termination of Second Planning Region's Transition Period:** Twelve and one-half percent (12.5%) of the MUR for the first year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(b) **Second Year Following Termination of Second Planning Region's Transition Period:** Twenty-Five percent (25%) of the MUR for the second year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(c) **Third Year Following Termination of Second Planning Region's**

Transition Period: Thirty-seven and one-half percent (37.5%) of the MUR for the third year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(d) Fourth Year Following Termination of Second Planning Region's

Transition Period: Fifty percent (50%) of the MUR for the fourth year following the end of the Second Planning Region's Transition Period, applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(e) Fifth Year Following Termination of Second Planning Region's

Transition Period: Sixty-two and one-half percent (62.5%) of the MUR for the fifth year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(f) Sixth Year Following Termination of Second Planning Region's

Transition Period: Seventy-five percent (75%) of the MUR for the sixth year following the end of the Second Planning Region's Transition Period, applied to the Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.

(g) Seventh Year Following Termination of Second Planning Region's

Transition Period: Eighty-seven and one-half percent (87.5%) of the MUR for the seventh year following the end of the Second Planning Region's Transition Period applied to the Monthly Net Actual Energy

Withdrawals, Export Schedules, and Through Schedules.

(h) Eighth Year Following Termination of Second Planning Region's

Transition Period: One-hundred percent (100%) of the MUR for the eighth year and all subsequent years following the end of the Second Planning Region's Transition Period, pursuant to Section III.A.1.g of Attachment FF, applied to the Monthly Net Actual Energy Withdrawals Export Schedules, and Through Schedules.

6. Projects Approved After the Second Planning Region's Transition Period

The cost of all projects approved after the Second Planning Region's Transition Period shall be allocated across the combined First and Second Planning Regions pursuant to Attachment FF, except the cost of those identified during the Second Planning Region's Transition Period as a solution to meet an identified need and with a forecast in-service date no more than five (5) years after the end of the Second Planning Region's Transition Period and terminating exclusively in the Second Planning Region, which will not be shared with the First Planning Region, pursuant to Section IV.B.2(b) of this Attachment FF-6.

C. Withdrawal Obligations

A Member that withdraws from the Transmission Provider shall remain responsible for all financial obligations incurred pursuant to this Attachment FF-6 while a Member of the Transmission Provider, and payments applicable to time periods prior to the effective date of such withdrawal shall be honored by the Transmission Provider and the withdrawing Member, including those pertaining to Network Upgrade projects approved after the Second Planning Region's Transition Period while the withdrawing Transmission Owner was still a Member;

provided, that, with regard to Network Upgrade projects approved before or during the Second Planning Region's Transition Period, a withdrawing Member in the First Planning Region shall not be responsible for the cost of such projects terminating exclusively in the Second Planning Region, and a withdrawing Member in the Second Planning Region shall not be responsible for the cost of such projects terminating exclusively in the First Planning Region.

Project ID	Project Name	Geographic Location by TO Member System	Estimated In-Service Date	Estimated Project Cost (2011\$)	Approval Status
[1]	[2]	[3]	[4]	[5]	[6]
3168	Michigan Thumb Wind Zone	ITC	2013-2015	\$510,000,000	Approved MTEP 10

40-Year Present Value Cost for Ameren Missouri	\$ 86,776,142
--	---------------

Period	Year	ITC Annual Charge Rate	Annual Revenue Requirement	Ameren MO Share of ARR	PV Ameren MO Share of ARR
1	2012	23.82%	41,197,929	3,069,246	2,836,641
2	2013	23.56%	82,664,998	6,158,542	5,260,456
3	2014	23.29%	124,385,328	9,266,707	7,315,494
4	2015	23.01%	122,958,770	9,160,428	6,683,543
5	2016	22.72%	121,475,476	9,049,923	6,102,511
6	2017	22.42%	119,940,968	8,935,602	5,568,783
7	2018	22.11%	118,359,958	8,817,817	5,078,907
8	2019	21.79%	116,736,486	8,696,868	4,629,614
9	2020	21.47%	115,074,034	8,573,016	4,217,822
10	2021	21.14%	113,375,616	8,446,483	3,840,638
11	2022	20.81%	111,643,851	8,317,467	3,495,354
12	2023	20.47%	109,881,027	8,186,136	3,179,449
13	2024	20.13%	108,089,144	8,052,641	2,890,573
14	2025	19.78%	106,269,965	7,917,112	2,626,547
15	2026	19.42%	104,425,043	7,779,666	2,385,350
16	2027	19.06%	102,555,755	7,640,404	2,165,111
17	2028	18.70%	100,663,323	7,499,418	1,964,102
18	2029	18.33%	98,748,839	7,356,788	1,780,728
19	2030	17.96%	96,813,279	7,212,589	1,613,516
20	2031	17.59%	94,857,523	7,066,885	1,461,110
21	2032	17.21%	92,882,363	6,919,736	1,322,261
22	2033	16.83%	90,888,516	6,771,194	1,195,819
23	2034	16.45%	88,876,636	6,621,309	1,080,729
24	2035	16.06%	86,847,320	6,470,125	976,019

25	2036	15.67%	84,801,117	6,317,683	880,798
26	2037	15.27%	82,738,532	6,164,021	794,246
27	2038	14.88%	80,660,033	6,009,172	715,614
28	2039	14.48%	78,566,057	5,853,171	644,211
29	2040	14.08%	76,457,012	5,696,047	579,406
30	2041	13.67%	74,333,283	5,537,830	520,621
31	2042	13.26%	72,195,232	5,378,545	467,326
32	2043	12.85%	70,043,206	5,218,219	419,035
33	2044	12.44%	67,877,532	5,056,876	375,304
34	2045	12.02%	65,698,526	4,894,540	335,726
35	2046	11.61%	63,506,492	4,731,234	299,930
36	2047	11.19%	61,301,724	4,566,978	267,576
37	2048	10.76%	59,084,506	4,401,796	238,353
38	2049	10.34%	56,855,116	4,235,706	211,978
39	2050	9.91%	54,613,824	4,068,730	188,190
40	2051	9.48%	52,360,896	3,900,887	166,753

Inflation Rate	1.74%
Discount Rate	8.2%
Ameren Missouri LRS	7.45%

Note: Ameren Missouri LRS value based on 2010 Withdrawals including FirstEnergy and Duke-OH/KY load.

MISO Responses to Questions 9 through 11 of August 23, 2011 Order

Case No. EO-2011-0128

9. Assuming the estimated cost of the "Michigan Thumb Loop Expansion" is \$510 million and the annual revenue requirement is \$138,619,918 pursuant to MISO's answer to question 12(b) on page 8 of their response dated June 16, 2011, what will be the present value of total cost of the project to Missouri ratepayers?

RESPONSE: Assuming that Ameren Missouri's share for the Michigan Thumb Loop Expansion remains constant at approximately 7%, the present value of the estimated annual charges over the next 40 years would be \$87 million using an 8.2% discount rate.

10. In MISO's answer to question 12(b) filed on page 8 of their response dated June 16, 2011, how is the "rate of approximately 0.25 cents/kWh" calculated?

RESPONSE: Please note that the rate given in MISO's answer was missing a zero and that the correct rate is 0.025 cents/kWh.

The 0.025 cents/kWh rate was calculated by taking the estimated annual revenue requirement in 2015 for the Michigan Thumb Loop Expansion of \$138,619,918, dividing it by the estimated annual withdrawals of 547,311,646,000 kWh, and multiplying by 100.

11. In MISO's answer to question 12(b) in their response dated June 16, 2011, is 7 percent of the actual revenue requirement the correct annual estimated charge for Ameren Missouri? Does this estimate assume First Energy as a member of PJM?

RESPONSE: Ameren's share of the annual charges for the Michigan Thumb Loop Project is estimated to be approximately 7%. This 7% share reflects the obligations of American Transmission Systems, Inc., a subsidiary of FirstEnergy Corporation (which has withdrawn as a Transmission Owner) and of Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc. (which have given notice that they intend to withdraw from MISO) because these companies were Transmission Owner members of MISO when this project was approved by the MISO Board of Directors.

October 13, 2011

Midwest Independent Transmission System Operator, Inc.

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

Missouri Public Service Commission

Response to Data Request

Data Request: 0062

Requesting Party: Staff

Date of Request: 10/14/11

Date of Response: 10/28/11

Request:

Please provide the following information necessary for Staff to calculate the present value of total cost of the Michigan Thumb Loop Expansion, as requested in Question 9 of the Commission's "Order Directing the Commission Staff to Respond to Questions from the Commission in its Prefiled Testimony": (1) annual revenue requirement to Missouri ratepayers associated with the project, which will at the very least include cash flow collected for allowed Rate of Return and depreciation, but may include other operational expenditures associated with maintaining the system; (2) cost of capital if allowed Rate of Return is set higher than the cost of capital; (3) the number of years Missouri ratepayers will be charged the revenue requirement associated with the project; and (4) final period cash flow if different from annual cash flows.

Response:

Any costs associated with the Michigan Thumb Loop project will be charged by MISO under its tariff to its transmission owner members, not to any state's ratepayers.

Assuming that Ameren Missouri's share of the Michigan Thumb Loop project remains constant at approximately 7%, the present value of the estimated annual charges over the next 40 years would be \$87 million using an 8.2% discount rate.

The spreadsheet provided to Staff on October 13, 2011 sets forth the calculations related to the cost of the project. The estimated annual revenue requirement for the Michigan Thumb Loop includes the costs related to the following items: (1) Operation and Maintenance Expense; (2) General and Common Depreciation Expense; (3) Other Taxes; (4) Income Taxes; (5) Rate of Return; and (6) Project specific depreciation expense assuming a 40-year book life. MISO will produce an expanded spreadsheet to Staff that sets forth these costs.

The present value calculation included in this response was performed over the 40-year book life of the project. However, as long as the project is in-service there will be some amount of revenue requirement recoverable associated with on-going O&M expense, General and Common Depreciation Expense, and Other Taxes.

See attached Verification of Jennifer Curran.

From: Laura Rauch [LRauch@misoenergy.org]
Sent: Friday, October 14, 2011 8:47 AM
To: Mckinnie, Adam
Cc: Jeremiah Doner
Subject: RE: eo-2011-0128 follow up - load ratio share

Adam

A chart showing the differences between the load ratio share values is below. Would you have time today or Monday to discuss this?

If not, we can chat when you're in town next week.

Zone	Load Ratio Share - 2010 Withdrawals including FE load and Exports/Wheel-Through Transactions	Load Ratio Share - 2010 Withdrawals excluding FE load, Exports/Wheel-Through Transactions	Load Ratio Share - MVP Business Case excluding FE load and Export/Wheel- Through Transactions {PROMOD Energy Values}
AMMO	7.45%	8.68%	9.47%
CWLD	0.25%	0.29%	0.36%
Local Resource Zone 5	7.70%	8.91%	9.83%

~ Laura

Laura Rauch, P.E.
MISO

My email address has changed to lrauch@misoenergy.org. Please be sure to update your contact list permissions accordingly.

From: Adam McKinnie
Sent: Thursday, October 13, 2011 11:08 AM
To: Laura Rauch
Subject: FW: eo-2011-0128 follow up - load ratio share

just trying to reconcile as below. wanted you to know that I also asked the miso lawyer handling the case so as I'm not trying to go around the system.

From: Mckinnie, Adam
Sent: Thursday, October 13, 2011 10:00 AM
To: karl.zobrist@snrdenton.com
Cc: McClowry, Meghan; Dottheim, Steve; Dietrich, Natelle*
Subject: eo-2011-0128 follow up - load ratio share

Karl, I think I have enough information to answer Commission question 11 regarding whether the 7% ameren load ratio share estimate has first energy in or out - my assumption continues to be that first energy is out, but duke energy is in.

however, I'm trying to reconcile that 7% estimate with the load ratio share listed for the MO zone in the MVP business case of 9.83160832303737%.

It's from the business case released 9-19-2011. I've got a call in to the MISO business case developer, but thought I should also let you know that I'm trying to figure that out.

Total Portfolio Cost
 Portfolio In-Service Year
 Export Revenue

\$5,197,067,000

2021

3.38% * Includes a 2.21% estimated export rate and 1.17% charge for FE's portions

Low

High

Inflation

1.74%

2.91%

Discount Rate

3.00%

8.2%

Future Weights

S1: Business As Usual with Low D&E 51%
 S2: Business As Usual with Historical D&E 15%
 S3: Combined Policy 16%
 S4: Carbon Constraint 19%

Load Ratio Share

Local Resource Zone	Load Ratio Share
1	16.5233378338915%
2	12.1404822995214%
3	8.6701417148912%
4	8.9631690234466%
5	9.8316083230374%
6	23.5590379608896%
7	20.3122228443223%

Capacity Cost for EGEAS Runs (From Futures Matrix)

	Unit	Low (L)	Mid (M)	High (H)
Alternative Capital Costs*				
Coal	(\$/KW)	2,275	2,844	3,413
CC	(\$/KW)	802	1,003	1,204
CT	(\$/KW)	532	665	798
Nuclear	(\$/KW)	4,268	5,335	6,402
Wind-Onshore	(\$/KW)	1,950	2,438	2,926
IGCC	(\$/KW)	2,577	3,221	3,865
IGCC w/ CCS	(\$/KW)	4,278	5,348	6,418
CC w/ CCS	(\$/KW)	1,648	2,060	2,472
Pumped Storage Hydro	(\$/KW)	4,476	5,595	6,714
Compressed Air Energy Storage	(\$/KW)	1,000	1,250	1,500
Photovoltaic	(\$/KW)	4,322	5,403	6,484
Biomass	(\$/KW)	3,088	3,860	4,632
Conventional Hydro	(\$/KW)	2,461	3,076	3,691
Wind-Offshore	(\$/KW)	4,780	5,975	7,170
Distributive Generation-Peak	(\$/KW)	1,402	1,753	2,104

*Costs are in Quarter 4, 2010 dollars

For more information, please see the Futures Matrix

**Ameren Missouri
Response to MPSC Data Request
MPSC Case No. EO-2011-0128
In the Matter of the Application of Union Electric Company for Authority To
Continue the Transfer of Functional Control of Its Transmission System to the
Midwest Independent Transmission System Operator, Inc.**

Data Request No.: MPSC 0046 – Adam McKinnie

Was there a study performed for this case, EO-2011-0128, similar to the CRA International Study performed for AmerenUE for Case No. EO-2008-0134? If so, please provide a copy and related workpapers.

RESPONSE

**Prepared By: Ajay Arora
Title: Director – Corporate Planning
Date: 09/14/11**

No.

As indicated in my direct testimony, rather than completely rebuilding the modeling used by Charles River and Associates (“CRA”) when the initial cost benefit analysis was done for that case, the Company has essentially updated the assumptions used in the original CRA analysis. Staff has been already been provided a copy of the work papers for this update through this proceeding. Additionally, pursuant to the Commission’s previous order on this topic, the Company discussed the scope of the update with the stakeholders prior to filing.

Midwest Independent Transmission System Operator, Inc.

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

Missouri Public Service Commission

Response to Data Request

Data Request: 0054

Requesting Party: Staff

Date of Request: 9/7/11

Date of Response: 9/21/11

Request:

Is the MISO "Officer" Total Rewards compensation package, as described in the Memo provided as a response to OMS, entitled "Re: Midwest ISO Historic Compensation and Benefit Rates Process For Determining Employee Compensation and Benefits," still in place? If so, please provide any and all information regarding the compensation package, including a list of MISO employees who would qualify for it. Additionally, please provide information about when the compensation package was authorized.

Response:

Without waiving its objections, MISO states that no "compensation package" is described in the MISO memorandum to OMS dated December 9, 2009. The elements of the "Officer Total Rewards" program described in the memorandum are in place today. In addition to information previously provided to Staff, MISO will produce a copy of the current Long-Term Incentive Plan Policy and a statement of other officer benefits. Persons who carry the title of chief executive officer, president, senior vice president or vice president are eligible for the officer benefits. They are John R. Bear, Jo Biggers, Richard Doying, Michael P. Holstein, Bryan Kearney, Stephen G. Kozey, Clair J. Moeller, William Phillips, Gregory Powell, Aldie Warnock and Robert Berntsen. The "Total Rewards" program was developed in 2008-09, however, some elements of the Total Rewards Program for officers have been in existence since 2000.

See attached Verification of Greg Powell.

Midwest Independent Transmission System Operator, Inc.

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

Missouri Public Service Commission

Response to Data Request

Data Request: 0055

Requesting Party: Staff

Date of Request: 9/7/11

Date of Response: 9/21/11

Request:

Is there still a MISO "executive total rewards program", as noted in the memo with the header "HRC Approved, 08-20-2009"? If so, please provide any and all information regarding the program, including a list of MISO employees who would count as an "executive" under the program. Additionally, please provide information about when this particular compensation package was authorized.

Response:

Without waiving its objections, MISO can state that there is still such a program. It consists of the elements set forth in the Executive Rewards Philosophy statement approved by the Board of Directors' Human Resources Committee in August 2009. Materials describing those elements are being provided to Staff. Included in the program are the officers noted in response to DR 0054, as well as seven executive directors and the deputy general counsel. This program is not a "compensation package." Elements of this program have been in existence since 2000.

See attached Verification of Greg Powell.

Midwest Independent Transmission System Operator, Inc.

Case No. EO-2011-0128

In re Application of Union Electric Co. for
Authority to Continue the Transfer of Functional Control of its
Transmission System to Midwest Independent Transmission System Operator, Inc.

Missouri Public Service Commission

Response to Data Request

Data Request: 0059

Requesting Party: Staff

Date of Request: 9/7/11

Date of Response: 9/21/11

Request:

Please provide any and all compensation agreements regarding to [sic] whether any MISO employees, consultants, contractors, outside legal counsel, agents or anyone else affiliated with MISO, including but not limited to Aldie Warnock, would receive a bonus or have a portion of their compensation tied to successful regulatory approval of Entergy joining the MISO system.

Response:

Without waiving its objections, MISO states that there are no such agreements. MISO has previously produced to Staff and responded to Commission questions regarding MISO's 2010 and 2011 annual or short-term incentive compensation plans which have contained a metric or goal related to growing MISO's transmission owner membership and increasing MISO's net load balance. If such a metric is in place when an Entergy operating company joins MISO, employees who are covered by such a plan would be eligible to receive incentive compensation.

See attached Verification of Greg Powell.

Midwest Independent Transmission System Operator, Inc.

Case No. EO-2011-0128

In re Application of Union Electric Co. for
Authority to Continue the Transfer of Functional Control of its
Transmission System to Midwest Independent Transmission System Operator, Inc.

Missouri Public Service Commission

Response to Data Request

Data Request: 0060

Requesting Party: Staff

Date of Request: 9/7/11

Date of Response: 9/21/11

Request:

Please provide "any and all records pertaining to the employment, hiring, and compensation of key MISO employees" based on the successful implementation of MISO's "capcaity [sic] market" Resource Adequacy proposal. For this question, "key MISO employees" includes, but is not limited to: John R. Bear, Jo Biggers, Richard Doying, Michael P. Holstein, Bryan Kearney, Stephen G. Kozey, Clair J. Moeller, William C. Phillips, Greg Powell, and Loyd "Aldie" Warnock.

Response:

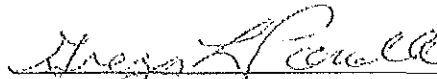
Without waiving its objections, MISO states that its 2011 Annual Incentive Goals document contains four metrics under the heading "Goal # 4 - Strategic Elements." Metric 4.1 consists of five milestones related to three strategic elements. One of the milestones concerns "Resource Adequacy Enhancements" and states: "Within 90 days of FERC Order accepting comprehensive Resource Adequacy filing, MISO will develop and deliver an implementation plan including revised business practice manuals and comprehensive rules."

This document has been produced to Staff. It is the only document that sets forth what Staff refers to as "MISO's 'capcaity [sic] market' Resource Adequacy proposal." There is no other record or document regarding MISO's resource adequacy proposal or its "successful implementation," or the employment, hiring or compensation of the MISO employees named in the data request with regard to the proposal or its "successful implementation."

See attached Verification of Greg Powell.

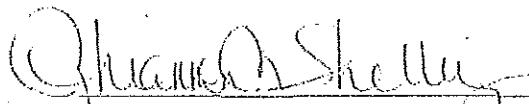
VERIFICATION

I, Greg Powell, Vice President Human Resources, verify, state, and affirm that each of the Midwest Independent Transmission System Operator, Inc.'s, Data Responses to the Missouri Public Service Commission's September 7, 2011 Request for Information 0054, 0055, 0059 and 0060 are, to the best of my knowledge, information, and belief, true, accurate, and complete in all material respects.


Greg Powell

STATE OF INDIANA)
COUNTY OF HAMILTON)

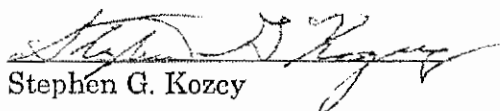
SUBSCRIBED AND SWORN TO before me by Greg Powell on this
21st day of September 2011.


Notary Public

My Commission Expires: 11/27/2017
My County of Residence: Clinton

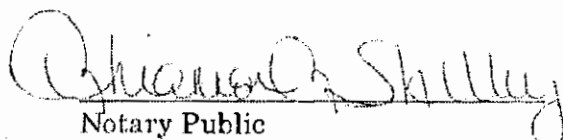
VERIFICATION

I, Stephen G. Kozey, Vice President and General Counsel & Secretary, verify, state, and affirm that each of the Midwest Independent Transmission System Operator, Inc.'s, Data Responses to the Missouri Public Service Commission's September 7, 2011 Request for Information 0056 is to the best of my knowledge, information, and belief, true, accurate, and complete in all material respects.


Stephen G. Kozey

STATE OF INDIANA)
COUNTY OF HAMILTON)

SUBSCRIBED AND SWORN TO before me by Stephen G. Kozey on this 21st day of September 2011.


Notary Public

My Commission Expires: 11/27/2017
My County of Residence: Clinton

1 Purpose

The Midwest Independent System Operator (Midwest ISO) Executive Benefits Policy has been established for the following purpose of providing competitive levels of benefit compensation for company executives.

2 Scope

This policy applies to all the executives of the Midwest ISO.

3 Definitions

Reference	Definition
Board	The Board of Directors of Midwest ISO
Committee	The Human Resources Committee of the Board
Company	The Midwest System Independent Operator, Inc., or any successor in interest
Executive	An employee of Midwest ISO with a title of Vice President, Senior Vice President, President, or Chief Executive Officer.
Participant	Any employee approved for policy participation by the Board (or the Committee)
SERP	Supplemental Executive Retirement Plan

4 Roles and Responsibilities

The Human Resource department shall be responsible for administering Executive Benefits. Participants shall be responsible for submitting all required supporting documentation eligible for reimbursement covered under this policy. The Human Resources Committee shall be responsible for monitoring the ongoing use of Executive Benefits and has the right to amend or discontinue these benefits at any time if such action is deemed to be in the best interest of the company.

5 Policy Description

This policy establishes a set of benefits available to Midwest ISO executives and sets the amount of each benefit. It provides guidance when administering the benefits and establishes eligible participants.

Participation is limited to those employees approved for participation as set forth by the Committee. In general, participation is limited to executives of the company.

5.1 Annual Automobile Allowance

There will be an annual automobile use allowance to be paid semi-monthly. The payment will be net of applicable taxes. The Chief Executive Officer will receive \$10,000 per year (\$416.67/pay). The President and COO will receive \$9000 per year (\$375.00/pay). Vice Presidents will receive \$8,000 per year (\$333.34/pay). Officers will also be reimbursed for mileage at the IRS allowable rate. This includes mileage for trips to and from the office.

5.2 Flex Plan

The Chief Executive Officer will receive reimbursement for eligible expenses up to a total of \$8,500 a year.

The President and Chief Operating officer and all Vice Presidents will receive reimbursement for eligible expenses up to a total of \$5,000 a year.

Reimbursement requests must be submitted by April 1 of the year following the year in which the expense was incurred. Unused flex plan benefits will be forfeited. The following categories of expenditures are examples of those eligible for reimbursement:

1. Supplemental life insurance
2. Supplemental long-term disability insurance
3. Long-term care insurance
4. Financial/legal counseling
5. Un-reimbursed medical expenses
6. Executive physical exam
7. Home office equipment
8. Childcare
9. Elder care

5.3 Life Insurance

MISO will pay for up to three (3) times salary for the Chief Executive Officer and two (2) times salary for the President and Chief Operating Officers and Vice Presidents. Actual benefit amounts up to the stated maximums are subject to the approval of the life insurance application by the insurance company.

5.4 Long Term Disability

Midwest ISO will pay premiums for Executive Long Term Disability. The coverage provides 60% of base monthly earnings, capped at a \$15,000 per month maximum benefit.

5.5 Annual Incentive

All officers are eligible to participate in the Midwest ISO Annual Incentive plan, subject to approval by the Board of Directors. This incentive is based on meeting stipulated Board-approved corporate goals. Full details of the plan, including target incentive amounts and the rules used for calculating incentives, can be found in the Annual Incentive plan policy.

5.6 Long Term Incentive

All officers are eligible to participate in the Midwest ISO Long-Term Incentive plan, subject to approval by the Board of Directors. This incentive is based on meeting stipulated Board-approved corporate goals. Full details of the plan, including target incentive amounts and the rules used for calculating incentives, can be found in the Long Term Incentive plan policy.

5.7 Relocation Expenses

The Midwest ISO reimburses certain relocation expenses for selected new employees to mitigate the cost of relocation to a new geographic area.

To be eligible for relocation benefits as a new employee, the officer must:

1. Be hired as a regular, full-time employee
2. Reside at least 50 miles one way from the Midwest ISO headquarters in Carmel if relocating to Carmel, or from the St. Paul Facility if relocating to St. Paul
3. Be selected for participation under this Policy by the Chief Executive Officer or the Chairman of the Human Resources Committee

An actual physical relocation is the triggering event that results in reimbursement of these expenses. If a physical relocation does not occur, none of the expenses will be reimbursed and no substitution of expenses is permitted.

5.7.1 Reimbursable expenses

1. Moving expenses – 100 percent
2. Moving household goods (does not include movement of boats, horses, trailers, aircraft, or other non-standard items)
3. Temporary storage of household goods – 3 months

5.7.2 Real estate fees

1. Realtor's commission if not covered under Home Purchase Arrangement – 100 percent
2. Legal/closing fees if not covered under Home Purchase Arrangement – new and old home
3. Mortgage origination fee

5.7.3 Living allowances

1. House search trip for spouse – up to 3 trips; 6 days total
2. Temporary living allowance (reasonable housing, meals, and laundry) – up to 3 months
3. Reasonable number of trips home during temporary living arrangement – up to 3 months

5.7.4 Miscellaneous allowance - \$9,500 maximum

This miscellaneous allowance is provided for expenses incidental to the move such as, but not limited to, the following:

1. The cost of disconnecting appliances and utilities at the old residence and connecting them at the new residence
2. The cost of one-time cleaning of the residence for sale or lease
3. The cost of draperies or alternative window treatments at the new residence
4. The cost of appliance repair/replacement at the new residence
5. The cost of floor covering and lighting replacement at the new residence
6. The cost of reupholstering or altering furnishings to fit the new residence

5.7.5 Home Purchase

An arrangement may be offered through a relocation company under which essentially the relocation firm will offer to buy the existing home at an average price of three independent appraisers. The employee then has the option to turn down the offer and proceed to sell it. If the employee accepts the offer, the ISO will then reimburse the relocation company for interest until the home is ultimately resold plus any shortfall in the ultimate sales price.

5.7.6 Tax Allowance

An additional payment will be made to new and relocating employees to cover taxes due on the non-deductible relocation allowances. The payment will be based on the assumption of a marginal tax rate of 40 percent on non-deductible items.

5.7.7 Repayment upon Termination

Midwest ISO requires a repayment of the total paid relocation expenses in the event a relocating employee voluntarily terminates employment or is terminated for cause within a three-year period. Each completed year of retention after the move date decreases the payback by one-third of the total; the employee would have no repayment obligation at the end of the third year. Midwest ISO reserves the right to recover partial or total monies allocated to a transferred employee if the transferred employee decides to return to the old location.

The application of this policy may differ in individual cases. The President and Chief Executive Officer must approve each relocation allowance.

Requests for reimbursement for relocation expenses are submitted in writing with appropriate documentation including receipts to the Director, Shared Services, who reviews the request for reimbursement against the agreements, and forwards reimbursement requests recommended for approval to the Chief Financial Officer for review, approval and payment.

5.8 SERP

Officers nominated by the Chief Executive Officer and approved by the Board are eligible for the non-qualified Supplemental Executive Retirement Plan defined contribution plan. The annual MISO contribution to the plan on behalf of each executive is based on the following calculations:

1. Under age 45 is 14% of salary and Short Term Incentive bonus per year;
2. Age 45 through 54 is 16% of salary and Short Term Incentive bonus per year;
3. Age 55+ is 19% of salary and Short Term Incentive bonus per year.
4. Chief Executive Officer will receive 19% of salary and Short Term Incentive bonus per year.

**The SERP gross target rates are offset by the automatic 6% employer contribution to the qualified Retirement Savings Plan, as well as the employer Social Security

contribution. Please see the Supplemental Executive Plan Policy for additional details on this program.

5.9 457 (b)

Officers of have the opportunity to participate in the Midwest ISO 457(b) plan. This plan is a voluntary deferred compensation program that provides an additional opportunity for tax deferred savings. For additional details regarding the 457(b) plan, please see the Supplemental Executive Plan Policy.

5.10 Vacation

All officers will receive an allotment of 5 weeks vacation per calendar year. One-half (1/2) of an executive's vacation time allotment may be rolled over to the next year and must be used in the following year or those rollover days will be forfeited. Upon termination, prorated but unused vacation time will be paid to the executive.

6 References

SERP Plan Document, Midwest ISO Employee Handbook, Annual Incentive Plan, Long Term Incentive Plan

7 Disclaimer

This document is prepared for informational purposes only to support the application of the provisions of the Midwest ISO Tariff and the services provided thereunder. The Midwest ISO may revise or terminate this document at any time at its discretion without notice. However, every effort will be made by the Midwest ISO to update this document and inform its users of changes as soon as practicable. Nevertheless, it is the user's responsibility to ensure you are using the most recent version. In the event of a conflict between this document and the Midwest ISO Tariff, the Midwest ISO Tariff will control, and nothing in this document shall be interpreted to contradict, amend or supersede the Midwest ISO Tariff.

8 Revision History

Doc Number	Description	Revised by:	Issued Date	Effective Date
HR-PL-023	Original document	M. Wyatt	Jan-5-2010	Jan-5-2010

1 Purpose

The Midwest Independent System Operator (Midwest ISO) has established incentive plans, goals, and metrics for Officers and other employees of the company consistent with our Rewards Philosophy. Specific to Incentives, the Philosophy states:

- Variable pay will be a meaningful portion of total compensation and will be calibrated to be both market-competitive and reflect internal equity.
- In terms of incentive opportunities, Midwest ISO will calibrate target awards to deliver third quartile total direct compensation.
- Incentive awards will be based primarily on enterprise-wide and team performance. In particular, annual incentive opportunities will be based on the major areas of organization focus (e.g., operations, customer service, etc.).
- Given Midwest ISO's paramount goal of reliability and top-quality operations, operational excellence will be particularly emphasized in the annual incentive plan.
- Behaviors and core values are expected as a base line level of performance; consequently, annual incentive awards will be based on progress toward and achievement of results.

2 Scope

This policy applies to all employees of the Midwest ISO.

3 Definitions

Reference	Definition
Incentive	An annual incentive as determined by the rules contained within this document
Board	The Board of Directors of Midwest ISO
Committee	The Human Resources Committee of the Board
Company	The Midwest System Independent Operator, Inc., or any successor in interest
Designated	The person or persons designated by the Plan participant

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

Beneficiary	(or, in the absence of such designation, his or her estate) to receive any payments due under the Plan in the event of the participants death
Officer	An employee of Midwest ISO with a title of Vice President, Senior Vice President, President, or Chief Executive Officer.
Participant	Any employee approved for Plan participation by the Board (or the Committee)
Performance Goals	Goals as set forth in this Plan document.
Plan	The Midwest ISO Incentive Plan as described within this document or amended hereafter
Plan Year	January 1- December 31 concurrent with the fiscal year
Pro-Rata	The incentive for the entire Plan year multiplied by a fraction, the numerator of which is the participant's days of full-time active employment (counting any days on short-term disability or salary continuation) during the year and denominator of which is the number of days in the year.
Retirement	The cessation of active employment and the effective date of normal, later, or early retirement under the company's retirement or retirement plan applicable to the Participant but not a termination of employment with vested rights under any such Plan.
Total Disability	The date of commencement of payments under the Company's short-term disability plan applicable to the participant

Roles and Responsibilities

The Human Resources Department shall be responsible for the administration of the Plan and the calculation of all award amounts.

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

The Board shall be responsible for monitoring the ongoing use of the Plan and shall approve all annual incentives under the Plan. The Board may delegate to the Chief Executive Officer of the Company any actions with respect to non-officer employees.

Incentives will be calculated and paid following the completion of the calendar year and the determination of all performance metrics. Incentives are scheduled for payment with the final February payroll of each year for the proceeding year's fiscal performance. Final incentive payment date is at the discretion of the Chief Executive Officer following authorization to pay awards by the Board.

The Board, acting on advice and counsel of the Human Resources Committee (the Committee), or the Committee itself if so empowered by the Board, or the Chief Executive Officer of the company if so empowered by the Board with respect to non-officer employees, shall have the following powers with respect to the Plan:

1. Approval of participants, opportunity levels, and the basis of incentives.
2. The rights to review, amend, and authorize any Performance Goals or other factors used to determine Annual Incentives for any division or unit of the Company.
3. The right to retroactively adjust any aspect of the Plan for the already completed year if, in the Board's judgment, significant events outside the control of Plan participants have occurred which require adjustment if the Plan is to effectively serve its purpose.
4. The right to receive an annual summary of all incentives paid for the Plan year together with such other information as it may reasonably request.
5. The right to grant, increase, reduce, or cancel any incentive amount or incentive opportunity to any participant.
6. The right to amend or discontinue the Plan at any time if such action is deemed to be in the best interest of the company. In such an event, an appropriate equitable resolution of incentives in the process of being earned in the Plan year shall be made.

4 Policy Description

4.1 Eligibility

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

Participation shall be limited to those employees approved for participation as set forth by the Board (see Board responsibilities above). In general, participation is limited to Officers of the company and those other selected employees deemed able to have a direct line of site to overall company performance and strategy. The following rules on eligible participation apply:

1. Temporary employees including interns, contract employees, and part-time employees working fewer than 30 scheduled hours per week are not eligible to participate in the Plan.
2. Participation in the current Plan does not qualify an employee to participate in any other Plan, including subsequent Incentive Plans.
3. In the event a Participant terminates employment for any reason other than death, retirement, or total disability prior to the date an incentive is paid, the Participant shall have no right to receive payment of any current or deferred incentive.
4. In the event the Company ends the employment of a Participant prior to the date an incentive is paid, the Participant shall have no right to receive payment of any current or deferred incentive amount.
5. In the event a Participant terminates employment due to death, retirement, or total disability during the Plan year, the participant (or his or her designated beneficiary) shall be entitled to a pro-rata incentive. Such incentives will be determined when all other incentives are determined for the applicable Plan year and distributed per the same schedule.
 - Pro-rata shall mean the incentive for the entire Plan year multiplied by a fraction, the numerator of which is the participant's days of full-time active employment (counting any days on short-term disability or salary continuation) during the year and denominator of which is the number of days in the year.
 - A participant who terminates employment following the end of the Plan year but prior to the date the incentive is paid due to death, total disability, or retirement shall be entitled to receive the incentive as otherwise determined under the Plan for the entire preceding Plan year.
6. If an employee is hired or reclassified from part-time to full-time status during the Plan year and the employee is in an otherwise eligible position, the employee is eligible to participate in the Plan and will receive a pro-rata incentive.

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

- Pro-rata shall mean the incentive for the entire Plan year multiplied by a fraction, the numerator of which is the participant's days of full-time active employment (counting any days on short-term disability or salary continuation) during the year and denominator of which is the number of days in the year.
- 7. Employees in a qualified leave status, including Short-Term Disability, Military, or Bereavement leave, will continue to participate in the program as a regular employee. In the event that performance cannot be determined using the normal evaluation process because of the leave status, the employee will be considered to have "meets expectations" performance.
- 8. Employees whose individual performance is determined to be unsatisfactory at the date an incentive is otherwise payable shall have no right to receive payment of incentive for that year, regardless of the year in which the incentive amount was determined. The determination of satisfactory performance is at the discretion of Board of Directors for officer level employees and the Chief Executive Officer for non-officer employees.
- 9. Current company ratings of "Unacceptable" or "Does not Meet Expectations" constitute unsatisfactory performance.

4.2 Performance Measures & Goals

Annual goals are constructed by a team of Officers and Executive Directors with the aid of subject matter experts. Goals and performance targets are established using actual historic data and typically represent incremental improvements over current levels of performance and the establishment of milestone objectives for key strategic initiatives.

The goals are formally vetted through a stakeholder comment process. All incentive plan goals are reviewed and approved by the Board, with authority delegated to the Human Resources Committee of the Board. The Board reviews the goals for a balance between stretch achievement, excellent performance, and attainable results.

To satisfy the intent of the Long-Term nature of this plan, annual goals must include specific strategic steps towards long-term corporate objectives.

The criteria selected by the Board shall include a minimum performance standard below which no payments will be made and a maximum performance level, above which no increased payment will be made.

Goals for the Long-Term Incentive Plan are shared with the Annual Incentive Plan for the years of coverage. This 2010-2011 LTI plan shares the goals of the 2010 Annual Incentive Plan and the 2011 Annual Incentive Plan.

4.3 Determination of Incentive Amounts

The Human Resources Department will track performance of the incentive plan during the year and issue periodic updates. At the completion of the year, the Human Resources Department will coordinate the collection of information and report on the attainment of Incentive Plan performance goals.

Several factors are used to determine Incentive Plan performance and the resulting payout under the program. These factors, listed below, are summarized in this document:

1. Corporate performance
2. Incentive Plan Eligible Earnings
3. Incentive Plan Targets
4. Department and Individual performance

4.3.1 Corporate Performance

Corporate goal categories are developed by Midwest Officers and approved by the Board of Directors. Corporate performance is the primary factor in determining eligible employee incentives. Performance and goals in the Long-Term Incentive Plan are shared with the Annual Incentive Plan.

Please see the appropriate annual incentive plan for a description of the goals for that year and information on how corporate performance is determined under that plan.

4.3.2 Incentive Plan Eligible Earnings

Incentive Plan eligible earnings is defined as the employee's stated base pay amount, expressed in an annual value, on 4/1/2010. Excluded from Incentive Plan eligible earnings are all other pay categories amounts.

If an employee is with the company for only a portion of the year, the eligible base salary for determination of the employee's incentive is pro-rated based on the portion of time the employee is with the company. Eligible earnings are defined as the employee's base pay amount, stated as an annual value, pro-rated by the number of days employed during the year.

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

Regular, full-time employees are eligible for the Incentive Plan program. Excluded from participation are part-time employees, interns, contract employees, and casual labor.

4.3.3 LTI Targets

When eligibility is established, a target payout for LTI performance is established for the employee. This target may depend on a number of factors including the employee's role in the organization, the employee's impact on achieving the long-term goals, or market factors. This LTI target is stated as a percentage of the employee's eligible earnings as defined above. The following are LTI targets for 2010-2011, by position level:

- President and Chief Executive Officer target is 55%
- Vice President and General Counsel is 35%
- Vice President and Chief Financial Officer is 35%
- Vice President of Operations is 35%
- Vice President of Transmission Asset Management is 35%
- Vice President of Information Technology is 35%
- Vice President of Standards Compliance and Strategy is 30%
- Vice President Treasurer and Controller is 30%
- Vice President Government & Regulatory Affairs is 35%
- Vice President of Human Resources is 30%
- Executive Directors are 20%; this includes the Deputy General Counsel
- Non-officer employees included in the plan have a target of 15%

These targets may be adjusted for individual employees at the discretion of the Board or the Chief Executive Officer for Non-Officer Plan participants.

4.3.4 LTI Performance

LTI performance is determined by averaging the Annual Incentive Plan results for the 2010 and 2011 plan years. Performance against these goals and measures can be at the threshold, target, or excellent performance levels or some pro-rated portion of these targets.

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

At the completion of an Annual Incentive Plan year, performance is determined by the results of individual plan metrics and approved by the board. The performance is stated as a percentage of target, with target representing 100%. Performance has a proportionate impact on incentive payouts. For example, 100% performance would earn the target award for that performance year. 90% performance would earn 90% of the target award for that performance year. 110% performance would earn 110% of the target award for that performance year. Total LTI performance for the 2010-2011 plan is the average of performance from the 2010 and 2011 Annual Incentive Plans.

4.3.5 Individual Performance

Eligible employees are required to maintain satisfactory performance during the period of the plan. Satisfactory performance will be determined, in their discretion, by the Human Resources Committee of the Board for Officer level employees, and by the President and CEO for non-officer employees.

4.3.6 LTI Total

The eligible compensation is multiplied by the incentive target and the LTI performance to determine the LTI payment for 2011.

4.3.7 LTI Payment

The total LTI payment will be made as soon as administratively possible following approval by the Board of Directors, based on normal payroll schedules. Payment is in the form of a lump sum cash amount.

4.3.8 Retention and Employment Requirement

Receipt of any LTI amount requires the employee to remain at Midwest ISO, in good standing, until the date of payment. A primary goal of this plan is to encourage retention. As such, remaining with Midwest ISO until payment is scheduled is considered a performance criteria of the plan. No incentive is considered "earned" until the completion of the retention period.

4.3.9 Example

Below is an example demonstrating 2011 program rules for sample performance.

LTI Eligible Earnings (established 4/1/2010):	\$100,000
LTI Target (established 4/1/2010):	15%
2010 Annual Plan Performance:	103%
2011 Annual Plan Performance:	100%
LTI Plan Performance = average of 2010 and 2011 Annual incentive plan performance:	101.5%
2010-2011 LTI Award = \$100,000 x 15% x 101.5%	\$15,225

5 Restrictions and Limitations

1. All participants shall be entitled to receive a copy of this Plan document and any amendments made subsequent to its effective date.
2. The Plan shall be binding upon and inure to the benefit of the participants (and their personal representatives). The Company and any successor organization or organizations which shall succeed to substantially all of the business and property of the Company, whether by means of merger, consolidation, acquisition of substantially all of the assets of the company or otherwise, including by operations of law.
3. All amounts used for Plan purposes shall be rounded to the nearest whole dollar.
4. Incentives shall not be subject to assignment, pledge, lien, or encumbrances of any kind.
5. Participation in the Plan does not guarantee employment by the company.
6. This document is governed by and is to be construed, administered, and enforced in accordance with the laws of the State of Indiana.

6 References

- HR-PL-013-r4 Midwest ISO Employee Handbook
- HR-PL-005-r3 Annual Incentive Plan Policy (2010 version)
- HR-PL-005-r4 Annual Incentive Plan Policy (2011 version)

7 Disclaimer

This document is prepared for informational purposes only to support the application of the provisions of the Midwest ISO Tariff and the services provided thereunder. The Midwest ISO may revise or terminate this document at any time at its discretion without notice. However, every effort will be made by the Midwest ISO to update this document and inform its users of changes as soon as practicable. Nevertheless, it is the user's responsibility to ensure you are using the most recent version of this document in conjunction with the Midwest ISO Tariff and other applicable procedures, including, but not limited to, the applicable NERC Reliability Standards as they may be revised from time to time.

In the event of a conflict between this document and the Midwest ISO Tariff, the Midwest ISO Tariff will control, and nothing in this document shall be interpreted to contradict, amend or supersede the Midwest ISO Tariff. The Midwest ISO is not responsible for any reliance on this document by others, or for any errors or omissions or misleading information contained herein.

8 Revision History

Number	Reason for Issue	Revised by:	Effective Date
HR-PL-006-r4	Revised to incorporate structural changes to plan	Mark J. Wyatt	06-01-2011
HR-PL-006-r3	Update with 2011 plan goals	Mark J. Wyatt	01-01-2011
HR-PL-006-r2	Update with 2011 plan goals and generally edit language	Mark J. Wyatt	12-28-2011

2010-2011 Long-Term Incentive Plan Policy

HR-PL-006-r4
effective date: 06-01-2011

Schedule ACM 22 - 23

Midwest Independent Transmission System Operator, Inc.

Case No. EO-2011-0128

In re Application of Union Electric Co. for
Authority to Continue the Transfer of Functional Control of its
Transmission System to Midwest Independent Transmission System Operator, Inc.

Missouri Public Service Commission

Response to Data Request

Data Request: 0057

Requesting Party: Staff

Date of Request: 9/7/11

Date of Response: 9/21/11

Request:

Please report the total amount spent by MISO on consultants, contractors, outside legal counsel, media consultants, public relations firms, agents and anyone else hired for the purpose of gaining regulatory approval of Entergy joining the MISO system.

Response: MISO incorporates its objection asserted on September 14, 2011 that this data request calls for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding. The relevant question in this case is whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

Midwest Independent Transmission System Operator, Inc.

Case No. EO-2011-0128

In re Application of Union Electric Co. for
Authority to Continue the Transfer of Functional Control of its
Transmission System to Midwest Independent Transmission System Operator, Inc.

Missouri Public Service Commission

Response to Data Request

Data Request: 0058

Requesting Party: Staff

Date of Request: 9/7/11

Date of Response: 9/21/11

Request:

For each of the consultants, contractors, outside legal counsel, media consultants, public relations firms, agents and anyone else hired for the purpose of gaining regulatory approval of Entergy joining the MISO system, please state the amount paid by MISO.

Response:

MISO incorporates its objection asserted on September 14, 2011 that this data request calls for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding. The relevant question in this case is whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

September 14, 2011

Mr. Steve Dotthelm
Ms. Meghan McCloyry
Office of the General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: Application of Union Electric Co. to Continue MISO Membership
Case No. EO-2011-0128

Dear Steve and Meghan:

In response to Staff's Data Requests 54 through 60, I provide the following objections on behalf of Midwest Independent Transmission System Operator, Inc. ("MISO").

DR No. 0054: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. MISO also objects to this data request as its reference to "compensation package" is vague and ambiguous.

DR No. 0055: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. MISO also objects to this data request as its reference to "compensation package" is vague and ambiguous.

DR No. 0056: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. The relevant question in this case whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

DR No. 0057: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. The relevant question in this case whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

DR No. 0058: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. The relevant question in this case whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

DR No. 0059: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. The relevant question in this case whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

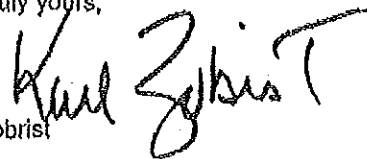
September 14, 2011

Page 2

DR No. 0060: MISO objects to this data request as calling for information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. The relevant question in this case whether Ameren Missouri's continued participation in MISO is not detrimental to the public interest.

Please let me know if you have any questions regarding this matter.

Very truly yours,


Karl Zobrist

KZ/cjn

Midwest Independent Transmission System Operator, Inc.

Case No. EO-2011-0128

In re Application of Union Electric Co. for
Authority to Continue the Transfer of Functional Control of its
Transmission System to Midwest Independent Transmission System Operator, Inc.

Missouri Public Service Commission

Response to Data Request

Data Request: 0056.1

Requesting Party: Staff

Date of Request: 10/14/11

Date of Response: 10/28/11

Request:

Staff DR 0056 requested, "Please identify any and all consultants, contractors, outside legal counsel, media consultants, public relations firms, agents, and anyone else hired for the purpose of gaining regulatory approval of Entergy joining the MISO system." In response to Staff DR 0056, MISO provided the names of the firms below that were hired for the purpose of gaining regulatory approval of Entergy joining the MISO system. The Staff is not certain that it has correctly identified the firms listed by MISO. As a follow up to MISO's initial response, please provide (a) the business address of each firm listed below; (b) the nature of the work that the firm has provided to MISO regarding gaining regulatory approval respecting Entergy joining the MISO system; and (c) a detailed explanation of the purpose for which that firm was hired regarding gaining regulatory approval respecting Entergy joining the MISO system: Public Strategies, Inc.; The Registry, Inc.; That's Good HR; Wilson Engstrom Corum & Coulter; The Sullivan Group LLC; The First Group; Roberts Law Firm; The Long Law Firm LLP; Brunini, Grantham, Grower & Hewes PLLC; Jackson Walker LLP.

Response:

Without waiving its objection, MISO provides the following information:

1. Public Strategies, Inc.
98 San Jacinto Blvd
Suite 1200
Austin, TX 78701

Public Strategies is a public relations company that is providing communications services and advice to MISO. It was retained by MISO to assist it in managing its public relations relating to the proposal that Entergy Corporation's operating utilities become MISO transmission owners.

2. The Registry, Inc.
One Indiana Square, Suite 620
Indianapolis, IN 46204

The Registry is a human resources firm whose work is not directly related to obtaining regulatory approval of the Entergy proposal. It was retained by MISO to assist it with recruiting temporary employees and other personnel in order to fulfill MISO's obligations regarding the integration of new transmission owners into MISO operations, including the integration of Entergy's operating utilities.

3. That's Good HR
8440 Woodfield Crossing, Suite 370
Indianapolis, IN 46240

That's Good HR is a human resources firm whose work is not directly related to obtaining regulatory approval of the Entergy proposal. It was retained by MISO to assist it with recruiting temporary employees and other personnel in order to fulfill MISO's obligations regarding the integration of new transmission owners into MISO operations, including the integration of Entergy's operating utilities.

4. Wilson Engstrom Corum & Coulter
200 River Market Avenue, Suite 600
P.O. Box 71
Little Rock, AR 72203

This private law firm was retained by MISO from January through April 2011 to provide legal advice and services. It represented MISO's interests in regulatory proceedings before the Arkansas Public Service Commission relating to Entergy Arkansas and its membership in a regional transmission organization.

5. The Sullivan Group LLC
P.O. Box 530501
Birmingham, AL 35253

The Sullivan Group is a government relations firm that is providing public affairs advice and services to MISO. It was retained by MISO to assist it in explaining the proposal that Entergy Corporation's operating utilities become MISO transmission owners, and to respond to inquiries from various decision makers and stakeholders.

6. The First Group
Suite 210, South Building
601 Pennsylvania Avenue, N.W.
Washington, DC 2004

The First Group is a government relations firm. A principal of that firm who is a member of the Arkansas bar was retained in May 2011 by MISO to provide legal advice and services. This individual represents MISO's interests in regulatory proceedings before the Arkansas Public Service Commission relating to Entergy Arkansas and its membership in a regional transmission organization.

7. Roberts Law Firm
20 Rahling Circle
P.O. Box 241790
Little Rock, AR 72223-1790

This private law firm was retained by MISO in May 2011 to provide legal advice and services. The firm represents MISO's interests in regulatory proceedings before the Arkansas Public Service Commission relating to Entergy Arkansas and its membership in a regional transmission organization.

8. The Long Law Firm LLP
4041 Essen Lane, Suite 500
Baton Rouge, Louisiana 70809

This private law firm was retained by MISO to provide legal advice and services. It represents MISO's interests in regulatory proceedings before the Louisiana Public Service Commission and other Louisiana state and local governmental bodies relating to the Entergy utilities that operate in Louisiana and their membership in a regional transmission organization.

9. Brunini, Grantham, Grower & Hewes PLLC
The Pinnacle Building
190 E. Capitol Street, Suite 100
Jackson, Mississippi 39201

This private law firm was retained by MISO to provide legal advice and services. It represents MISO's interests in regulatory proceedings before the Mississippi Public Service Commission relating to the Entergy utilities that operate in Mississippi and their membership in a regional transmission organization.

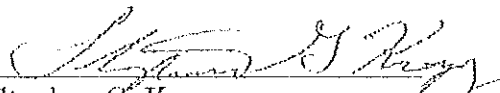
10. Jackson Walker LLP
P.O. Box 130989
Dallas, TX 75313-0989

This private law firm was retained by MISO to provide legal advice and services. It represents MISO's interests in regulatory proceedings before the Texas Public Utility Commission relating to the Entergy utilities that operate in Texas and their membership in a regional transmission organization.

See attached Verification of Stephen G. Kozey.

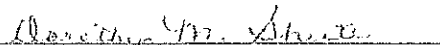
VERIFICATION

I, Stephen G. Kozey, Vice President and General Counsel & Secretary, verify, state, and affirm that each of the Midwest Independent Transmission System Operator, Inc.'s, Data Responses to the Missouri Public Service Commission's October 14, 2011 Request for Information 0056.1 is to the best of my knowledge, information, and belief, true, accurate, and complete in all material respects.

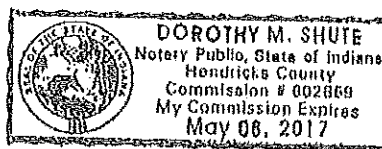

Stephen G. Kozey

STATE OF INDIANA)
COUNTY OF HAMILTON)

SUBSCRIBED AND SWORN TO before me by Stephen G. Kozey on this
26th day of October 2011.


Notary Public

My Commission Expires: 5-8-17
My County of Residence: Hendricks



Midwest Independent Transmission System Operator, Inc.

Case No. EO-2011-0128

In re Application of Union Electric Co. for
Authority to Continue the Transfer of Functional Control of its
Transmission System to Midwest Independent Transmission System Operator, Inc.

Missouri Public Service Commission

Response to Data Request

Data Request: 0061

Requesting Party: Staff

Date of Request: 10/14/11

Date of Response: 10/28/11

Request:

Please provide a copy of MISO's completed Form 990 for the year 2010 to the U.S. Internal Revenue Service.

Response:

Without waiving its objection, MISO will provide a copy of its 2010 Form 990 filed with the Internal Revenue Service.

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning **2010**, and ending **20**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Extension <input type="checkbox"/> Amendment to application <input type="checkbox"/> Rollover	C Name of organization: MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.		D Employer identification number 43-1827033
	Doing Business As		E Telephone number (317) 249-5400
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 328,302,225.
	P.O. BOX 4202		
City or town, state or country, and ZIP + 4 CARMEL, IN 46082		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list. (see instructions)	
F Name and address of principal officer: JOHN BEAR P.O. BOX 4202 CARMEL, IN 46082		H(c) Group-emption number ▶	
I Tax-exempt status	<input checked="" type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(4) <input type="checkbox"/> (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.MISOENERGY.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other <input type="checkbox"/> L Year of formation: 1993 M State of legal domicile: IN			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MONITOR AND CONTROL ELECTRIC TRANSMISSION SYSTEM TO PROVIDE NON-DISCRIMINATORY OPEN-ACCESS TO ALL CUSTOMERS AND ENSURE SAFE, RELIABLE, AND EFFICIENT OPERATION FOR THE BENEFIT OF ALL.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	382
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,467,555.	Current Year 2,355,959.
	9 Program service revenue (Part VIII, line 2g)	308,685,966.	317,363,482.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,054,882.	834,643.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	312,408,361.	320,554,084.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	105,193,549.	108,008,445.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	207,388,442.	212,545,639.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	312,581,991.	320,554,864.
19 Revenue less expenses. Subtract line 18 from line 12	173,630.		
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 643,829,892.	End of Year 807,880,110.
	21 Total liabilities (Part X, line 26)	643,829,892.	807,880,110.
	22 Net assets or fund balances. Subtract line 21 from line 20		

Part III Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer <i>Josephine Biggers</i>	Date 10/20/11
	Type or print name and title Josephine Biggers, VP, Treasurer and Controller	

Paid Preparer Use Only	Print/Type preparer's name Christopher B. Boggs	Preparer's signature <i>Christopher B. Boggs</i>	Date 10/20/2011	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ ERNST & YOUNG U.S. LLP	Firm's EIN ▶ 34-6585596		Phone no. 317-681-7000	
Firm's address ▶ 111 KENNETH CIRCLE, SUITE 2000 INDIANAPOLIS, IN 46204					

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2010)

PUBLIC DISCLOSURE COPY

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

MONITOR AND CONTROL AN ELECTRIC TRANSMISSION SYSTEM THAT PROVIDES ALL CUSTOMERS WITH OPEN ACCESS TO THE SYSTEM WITHOUT DISCRIMINATION AND ENSURE SAFE, RELIABLE, AND EFFICIENT OPERATION FOR THE BENEFIT OF ALL CUSTOMERS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: 525990) (Expenses \$ 260,562,585. including grants of \$) (Revenue \$ 317,363,482.)

ATTACHMENT 1

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 260,562,585.

PUBLIC DISCLOSURE COPY

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		X
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	X	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14 a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 a Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		X

PUBLIC DISCLOSURE COPY

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II.	21	X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III.	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J.	23	X
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I.	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I.	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II.	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III.	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	28a	X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV.	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M.	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M.	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I.	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II.	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I.	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2.	36	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI.	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	38	X

PUBLIC DISCLOSURE COPY

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	148		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	882		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	2b	X		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X	
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	5a		X	
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X	
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations. Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b			

PUBLIC DISCLOSURE COPY

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ▶ DC, IN,
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ JOSEPHINE BIGGERS P.O. BOX 4202 CARMEL, IN 46082

317-249-5400

PUBLIC DISCLOSURE COPY

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII.

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PAUL J FELDMAN DIRECTOR	6.00	X					147,750.	0	15,000.	
(2) J MICHAEL EVANS DIRECTOR	6.00	X					144,000.	0	15,000.	
(3) MICHAEL J CURRAN DIRECTOR	6.00	X					135,000.	0	15,000.	
(4) JUDY WALSH DIRECTOR	6.00	X					131,000.	0	15,000.	
(5) BALJIT DAIL DIRECTOR	6.00	X					117,750.	0	15,000.	
(6) SHELLEY A LONGMUIR DIRECTOR	6.00	X					130,500.	0	15,000.	
(7) EUGENE ZELTMAN DIRECTOR	6.00	X					136,500.	0	15,000.	
(8) JOHN R BEAR PRESIDENT & CEO	40.00	X		X			1,081,896.	0	222,072.	
(9) JOSEPHINE A BIGGERS VP, TREASURE & CONTROLLER	40.00			X			354,068.	0	62,261.	
(10) RICHARD L DOYING VP - MARKET OPERATIONS	40.00			X			506,333.	0	98,754.	
(11) MICHAEL P HOLSTEIN VP & CFO	40.00			X			523,512.	0	93,314.	
(12) BRYAN KEARNEY VP - INFORMATION SERVICES	40.00			X			405,339.	0	79,145.	
(13) STEPHEN G KOZEY VP - GENERAL COUNSEL/SECRETARY	40.00			X			608,242.	0	128,594.	
(14) CLAIR J MOELLER VP - TRANSMISSIONS ASSET MGMT	40.00			X			556,919.	0	100,565.	
(15) WILLIAM C PHILLIPS VP - STANDARDS COMP/STRATEGY	40.00			X			566,692.	0	89,162.	
(16) GREG POWELL VP - HUMAN RESOURCES	40.00			X			270,169.	0	64,827.	

PUBLIC DISCLOSURE COPY

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees(continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) JOSEPH GARDNER EXEC. DIRECTOR SYSTEM WIDE OPS	40.00					X	266,162.	0.	29,321.	
(18) TODD HILLMAN EXEC. DIR STRATEGIC BUSINESS	40.00					X	281,278.	0.	35,266.	
(19) TODD RAMEY EXEC. DIRECTOR MARKET ADMIN	40.00					X	274,243.	0.	34,429.	
(20) RICHARD SCHUG EXEC. DIR PLANNING & PERFORMAN	40.00					X	261,473.	0.	39,662.	
(21) LORI SPENCE DEPUTY GENERAL COUNSEL	40.00					X	263,629.	0.	36,919.	
(22) DAVID W HADLEY VP- STATE REGULATORY RELATIONS	0.00						301,546.	0.	54,248.	
(23) ROGER C HARSZY VP - REAL TIME OPERATIONS	0.00						590,585.	0.	106,805.	
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total							8,054,586.	0.	1,380,344.	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							8,054,586.	0	1,380,344.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **▶ 284**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶ 87**

PUBLIC DISCLOSURE COPY

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns						
	1b	Membership dues						
	1c	Fundraising events						
	1d	Related organizations						
	1e	Government grants (contributions)	2,355,959.					
	1f	All other contributions, gifts, grants, and similar amounts not included above						
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f		2,355,959.				
Program Service Revenue	2a	COST RECOVERY ADDER	525990	261,876,532.	261,876,532.			
	b	FERC ASSESSMENT	525990	40,517,787.	40,517,787.			
	c	OTHER TARIFF SERVICES	525990	1,620,376.	1,620,376.			
	d	CONTRACT REVENUE	525990	2,457,858.	2,457,858.			
	e	ENGINEERING STUDIES	525990	10,008,979.	10,008,979.			
	f	All other program service revenue	525990	881,950.	881,950.			
	g	Total. Add lines 2a-2f		317,363,482.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		935,695.		935,695.		
	4	Income from investment of tax-exempt bond proceeds		0.				
	5	Royalties		0.				
	6a	Gross Rents	(i) Real					
			(ii) Personal					
			b	Less: rental expenses				
			c	Rental income or (loss)				
	d	Net rental income or (loss)		0.				
	7a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other	7,647,090.				
			b	Less: cost or other basis and sales expenses	7,748,141.			
			c	Gain or (loss)	-101,051.			
	d	Net gain or (loss)		-101,052.		-101,052.		
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
			b	Less: direct expenses				
c			Net income or (loss) from fundraising events		0.			
9a	Gross income from gaming activities. See Part IV, line 19	a						
		b	Less: direct expenses					
		c	Net income or (loss) from gaming activities		0.			
10a	Gross sales of inventory, less returns and allowances	a						
		b	Less: cost of goods sold					
		c	Net income or (loss) from sales of inventory		0.			
Miscellaneous Revenue		Business Code						
11a								
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d		0.					
12	Total revenue. See instructions		320,554,064.	317,363,482.		834,643.		

PUBLIC DISCLOSURE COPY

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	6,859,362.	2,402,907.	4,456,455.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,053,184.	697,390.	355,794.	
7 Other salaries and wages	78,766,973.	64,396,659.	14,370,314.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,695,310.	4,890,958.	804,352.	
9 Other employee benefits	9,853,175.	8,032,155.	1,821,020.	
10 Payroll taxes	5,780,441.	4,874,662.	905,779.	
11 Fees for services (non-employees):				
a Management	98,854.		98,854.	
b Legal	8,148,981.		8,148,981.	
c Accounting	198,480.		198,480.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	28,465,230.	20,732,213.	7,733,017.	
12 Advertising and promotion	74,380.		74,380.	
13 Office expenses	1,209,376.	952,727.	256,649.	
14 Information technology	18,646,605.	18,463,247.	183,358.	
15 Royalties	0.			
16 Occupancy	8,742,099.	6,886,886.	1,855,213.	
17 Travel	3,387,639.	1,763,935.	1,623,704.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	1,446.		1,446.	
19 Conferences, conventions, and meetings	309,661.	157,425.	152,236.	
20 Interest	17,005,596.	13,396,737.	3,608,859.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	74,435,817.	64,422,238.	10,013,579.	
23 Insurance	1,768,295.	284,709.	1,483,586.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a <u>FERC ASSESSMENT</u>	40,517,787.	40,517,787.		
b <u>PROPERTY TAXES</u>	1,428,219.	1,428,219.		
c <u>TELECOMMUNICATIONS</u>	5,640,941.	4,443,843.	1,197,098.	
d <u>ALL OTHER EXPENSES</u>	2,466,233.	1,817,888.	648,345.	
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	320,554,084.	260,562,585.	59,991,499.	0.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

PUBLIC DISCLOSURE COPY

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	190,993.	1	1,936,186.	
	2 Savings and temporary cash investments	363,074,489.	2	573,043,526.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	30,244,438.	4	25,002,872.	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7 Notes and loans receivable, net			7	
	8 Inventories for sale or use			8	
	9 Prepaid expenses and deferred charges	9,647,245.	9	9,305,920.	
	10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 463,356,680.			
	b Less: accumulated depreciation	10b 329,824,270.	161,019,449.	10c	133,532,410.
	11 Investments - publicly traded securities			11	
	12 Investments - other securities. See Part IV, line 11			12	
	13 Investments - program-related. See Part IV, line 11			13	
	14 Intangible assets			14	
	15 Other assets. See Part IV, line 11	79,653,278.	15	65,059,196.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	643,829,892.	16	807,880,110.		
Liabilities	17 Accounts payable and accrued expenses	99,141,331.	17	122,516,759.	
	18 Grants payable		18		
	19 Deferred revenue	40,010,078.	19	32,035,845.	
	20 Tax-exempt bond liabilities			20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23 Secured mortgages and notes payable to unrelated third parties	1,269,138.	23	1,115,891.	
	24 Unsecured notes and loans payable to unrelated third parties	227,351,108.	24	295,240,302.	
	25 Other liabilities. Complete Part X of Schedule D	276,058,237.	25	356,971,313.	
	26 Total liabilities. Add lines 17 through 25	643,829,892.	26	807,880,110.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	0.	27	0.	
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
33 Total net assets or fund balances	0.	33	0.		
34 Total liabilities and net assets/fund balances	643,829,892.	34	807,880,110.		

PUBLIC DISCLOSURE COPY

Part XI

Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	320,554,084.
2	Total expenses (must equal Part IX, column (A), line 25)	2	320,554,084.
3	Revenue less expenses. Subtract line 2 from line 1	3	0.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	0.

Part XII

Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	X	

PUBLIC DISCLOSURE COPY

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2010

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.

Employer identification number 43-1827033

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. Sub-rows: a Total number of conservation easements, b Total acreage restricted by conservation easements, c Number of conservation easements on a certified historic structure included in (a), d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?, 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Amounts. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2010

JSA OE1268 1.000

18121M 3987

Schedule ACM 25 - 14

PUBLIC DISCLOSURE COPY

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,157,662.		2,157,662.
b Buildings		17,739,255.	8,050,957.	9,688,298.
c Leasehold improvements		23,314,574.	16,274,737.	7,039,837.
d Equipment		414,233,585.	301,405,491.	112,828,094.
e Other		5,911,604.	4,093,085.	1,818,519.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				133,532,410.

PUBLIC DISCLOSURE COPY

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) PROJECT DEVELOPMENT COSTS	27,619,917.
(2) DEFERRED REGULATORY ASSET	37,437,057.
(3) EMPLOYEE RECEIVABLES	2,222.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	65,059,196.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) RESTRICTED DEPOSITS	331,998,020.
(3) CAPITALIZED LEASE OBLIGATION	11,288,600.
(4) MARKET PARTICIPANT LIABILITY	13,684,693.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	356,971,313.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

PUBLIC DISCLOSURE COPY

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	320,554,084.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	320,554,084.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	-158,636.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	158,636.
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	320,655,136.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	320,655,136.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	-101,052.
c	Add lines 4a and 4b	4c	-101,052.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	320,554,084.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	320,655,136.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	101,052.
e	Add lines 2a through 2d	2e	101,052.
3	Subtract line 2e from line 1	3	320,554,084.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	320,554,084.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

PUBLIC DISCLOSURE COPY

Part XIV Supplemental Information (continued)

SUPPLEMENTAL INFORMATION

SCHEDULE D

RECONCILIATION OF CHANGE IN NET ASSETS FROM 990 TO AFS

FORM 990, SCHEDULE D, PART XI

LOSS ON PENSION \$(158,636)

RECONCILIATION OF REVENUE

FORM 990, SCHEDULE D, PART XII

LOSS ON DISPOSITION OF ASSETS -\$101,052

RECONCILIATION OF EXPENSES

FORM 990, SCHEDULE D, PART XIII

LOSS ON DISPOSITION OF ASSETS \$101,052

PUBLIC DISCLOSURE COPY

**SCHEDULE J
(Form 990)**

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization **MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.**

Employer identification number
43-1827033

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input checked="" type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment from the organization or a related organization?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	X	
2	X	
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2010

PUBLIC DISCLOSURE COPY

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 PAUL J FELDMAN	(i)	147,750.	0.	0.	15,000.	0.	162,750.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 J MICHAEL EVANS	(i)	144,000.	0.	0.	15,000.	0.	159,000.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 EUGENE ZELTMAN	(i)	136,500.	0.	0.	15,000.	0.	151,500.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 JOHN R BEAR	(i)	530,854.	486,045.	64,997.	209,067.	13,005.	1,303,968.	34,432.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 JOSEPHINE A BIGGERS	(i)	217,650.	125,342.	11,076.	49,953.	12,308.	416,329.	3,308.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 RICHARD L DOYING	(i)	284,086.	197,758.	24,489.	79,029.	19,725.	605,087.	4,138.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 MICHAEL P HOLSTEIN	(i)	283,967.	207,728.	31,817.	78,723.	14,591.	616,826.	11,465.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 BRYAN KEARNEY	(i)	267,650.	122,511.	15,178.	59,186.	19,959.	484,484.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 STEPHEN G KOZEY	(i)	346,201.	239,558.	22,483.	108,694.	19,900.	736,836.	15,709.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 CLAIR J MOELLER	(i)	309,416.	212,571.	34,932.	80,774.	19,790.	657,483.	22,811.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 WILLIAM C PHILLIPS	(i)	271,589.	166,687.	128,416.	74,308.	14,854.	655,854.	112,901.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 GREG POWELL	(i)	225,250.	15,840.	29,079.	45,553.	19,274.	334,996.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 JOSEPH GARDNER	(i)	195,992.	69,217.	953.	14,931.	14,390.	295,483.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 TODD HILLMAN	(i)	198,638.	82,219.	421.	15,801.	19,465.	316,544.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 TODD RAMEY	(i)	195,116.	78,710.	417.	14,975.	19,454.	308,672.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 RICHARD SCHUG	(i)	189,366.	71,499.	608.	20,612.	19,050.	301,135.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

PUBLIC DISCLOSURE COPY

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 LORI SPENCE	(i)	187,747.	75,274.	608.	18,146.	18,773.	300,548.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 DAVID W HADLEY	(i)	157,035.	121,290.	23,221.	43,965.	10,283.	355,794.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 ROGER C HARSZY	(i)	328,956.	205,632.	55,997.	92,011.	14,794.	697,390.	45,842.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Schedule ACM 25 - 21

PUBLIC DISCLOSURE COPY

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL COMPENSATION INFORMATION

FORM 990, SCHEDULE J, PART I, LINE 1A

THE MIDWEST ISO PROVIDED CHARTER TRAVEL DURING 2010. A COST-BENEFIT ANALYSIS AS WELL AS NON-QUANTITATIVE FACTORS WERE CONSIDERED EACH INSTANCE CHARTER TRAVEL WAS USED. TRAVEL FOR COMPANIONS WAS PROVIDED FOR BUSINESS PURPOSES. TAXABLE DISCRETIONARY SPENDING ACCOUNTS WERE ALSO PROVIDED TO OFFICERS FOR HOME OFFICE ITEMS, LIFE INSURANCE, UNREIMBURSED MEDICAL EXPENSES AND OTHER ELIGIBLE EXPENSES.

NON-QUALIFIED DEFERRED COMPENSATION PLAN

FORM 990, SCHEDULE J, PART I, LINE 4B

PAUL J FELDMAN	\$ 15,000
J MICHAEL EVANS	\$ 15,000
MICHAEL J CURRAN	\$ 15,000
JUDY WALSH	\$ 15,000
BALJIT DAIL	\$ 15,000
SHELLEY A LONGMUIR	\$ 15,000
EUGENE ZELTMANN	\$ 15,000

Schedule ACM 25 - 22

PUBLIC DISCLOSURE COPY

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN SECTION 457 (F)

FORM 990, SCHEDULE J, PART I, LINE 4B

BEAR, JOHN R.	143,373
BIGGERS, JOSEPHINE A.	25,894
DOYING, RICHARD L.	44,088
HADLEY, DAVID W.	25,566
HARSZY, ROGER C.	56,406
HOLSTEIN, MICHAEL P.	44,597
KEARNEY, A. BRYAN	33,976
KOZEY, STEPHEN G.	68,536
MOELLER, CLAIR J.	47,383
PHILLIPS, WILLIAM C.	46,763
POWELL, GREGORY L	24,974

PUBLIC DISCLOSURE COPY

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2010

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

Name of the organization
MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

Employer identification number
43-1827033

SCHEDULE O

SUPPLEMENTAL INFORMATION

DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, QUESTION 6

A MEMBER CAN BE A REPRESENTATIVE OF ONE ENTITY OR MAY BE A SINGLE MEMBERSHIP REPRESENTING SEVERAL ENTITIES THAT SHARE A MEMBERSHIP AND HOLD A SINGLE VOTE. APPLICANTS MAY JOIN ONE OF NINE SECTORS: TRANSMISSION OWNER; INDEPENDENT POWER PRODUCERS AND EXEMPT WHOLESALE GENERATORS; POWER MARKETERS AND BROKERS; MUNICIPALS, COOPERATIVES, AND TRANSMISSION DEPENDENT UTILITIES; PUBLIC CONSUMER ADVOCATES; STATE REGULATORY AUTHORITIES; ENVIRONMENTAL/OTHER ADVOCATES; ELIGIBLE END USE CUSTOMERS; OR COORDINATING MEMBERS.

DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS

FORM 990, PART VI, QUESTION 7A

ARTICLE TWO, SECTION V(B)(5) OF THE TRANSMISSION OWNERS AGREEMENT SETS OUT THE VOTING RIGHTS OF ALL MEMBERS OF THE MIDWEST ISO. MEMBERS ARE DEFINED IN THE TRANSMISSION OWNERS AGREEMENT AS A "PERSON OR BUSINESS ENTITY WHICH IS (I) AN ELIGIBLE CUSTOMER, AS DEFINED IN THE TARIFF, OR (II) AN OWNER, AS DEFINED HEREIN, AND WHICH PAYS TO THE MIDWEST ISO, THE NON-REFUNDABLE MEMBERSHIP FEES AS REQUIRED HEREIN.

PUBLIC DISCLOSURE COPY

Name of the organization MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

Employer identification number
43-1827033

DESCRIBE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990
FORM 990, PART VI, QUESTION 11B
THE TREASURER & CONTROLLER, CFO, PRESIDENT & CEO, AND LEGAL DEPARTMENT
COMPLETE THE INITIAL REVIEW. THE BOARD OF DIRECTORS ARE THEN PRESENTED
WITH COPIES AND ARE GIVEN THE OPPORTUNITY TO ASK QUESTIONS AND COMMENTS
TO THE EXECUTIVE TEAM.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST
FORM 990, PART VI, QUESTION 12C
THIS POLICY IS IN THE EMPLOYEE HANDBOOK. THE HANDBOOK IS REVIEWED AT NEW
HIRE ORIENTATION. ALL NEW HIRES SIGN AN EMPLOYEE HANDBOOK RECEIPT THAT
THEY HAVE READ AND UNDERSTAND THE HANDBOOK. THE EMPLOYEE HANDBOOK IS
PART OF THE ANNUAL RECERTIFICATION. EACH EMPLOYEE MUST CERTIFY THAT
HE/SHE HAS REVIEWED AND AGREES TO COMPLY WITH THE MIDWEST ISO POLICIES.
IN ADDITION, EACH EMPLOYEE, OFFICER, AND DIRECTOR ANNUALLY RECERTIFIES
THAT THEY ARE COMPLIANT WITH THE EMPLOYEE HANDBOOK AND ITS CONFLICTS OF
INTEREST PROVISIONS.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN
FORM 990, PART VI, QUESTION 15A AND 15B
THE BOARD RETAINS THE SERVICE OF EXPERT OUTSIDE EXECUTIVE COMPENSATION
CONSULTANTS ("THE CONSULTANTS") IN THE REVIEW OF OFFICER COMPENSATION.
ANNUALLY, THE CONSULTANTS PERFORM A FULL AND INDEPENDENT STUDY OF ALL

PUBLIC DISCLOSURE COPY

Name of the organization MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

Employer identification number
43-1827033

OFFICER DIRECT COMPENSATION (BASE PLUS INCENTIVES). THE CONSULTANTS CONSIDER THE LEVEL OF COMPENSATION RELATIVE TO THE DUTIES PERFORMED; THE CURRENT COMPETITIVE MARKET FOR SIMILAR SKILLS, KNOWLEDGE, AND RESPONSIBILITY; AND OTHER STRATEGIC NEEDS IDENTIFIED BY THE BOARD OF DIRECTORS. THE CONSULTANTS PREPARE AND DELIVER A FULL DETAILED REPORT TO THE HUMAN RESOURCES COMMITTEE OF THE BOARD ("HRC") FOR EACH OFFICER POSITION. THIS REPORT INCLUDES RECOMMENDATIONS FOR DIRECT COMPENSATION CHANGES. THE HRC COMBINES THE RECOMMENDATIONS OF THE CONSULTANTS WITH EVALUATIONS OF OFFICER PERFORMANCE TO RECOMMEND APPROPRIATE COMPENSATION LEVELS TO THE BOARD OF DIRECTORS FOR APPROVAL. EVERY TWO YEARS THE CONSULTANT PREPARES A LETTER OF "REASONABLENESS" OF THE TOTAL REMUNERATION PACKAGE FOR OFFICERS OF THE COMPANY. THIS LETTER IS CONSISTENT WITH THE GUIDELINES OF SECTION 4958 OF THE INTERNAL REVENUE CODE. THIS LETTER CERTIFIES THAT IN THE "REASONED OPINION" OF THE CONSULTANT AS AN "INDEPENDENT EVALUATION EXPERT" THE COMPENSATION AND BENEFITS PROVIDED TO THE OFFICERS REPRESENT "REASONABLE COMPENSATION." THE HRC REVIEWS ALL METRICS, RESULTS, AND ACTUAL INCENTIVES FROM MIDWEST ISO ANNUAL AND LONG-TERM INCENTIVE PLANS. NO INCENTIVES ARE PAID UNTIL RECOMMENDED BY THE HRC AND APPROVED BY THE BOARD. THE HRC REVIEWS AND RECOMMENDS ANY NEW OR MODIFIED EMPLOYMENT CONTRACTS WITH OFFICERS, INCLUDING RETENTION AGREEMENTS WHICH THEN MUST BE APPROVED BY THE BOARD. FROM TIME TO TIME, THE HRC WILL RETAIN THE SERVICES OF OUTSIDE EXPERTS TO EVALUATE AND MAKE RECOMMENDATIONS TO THE LEVEL AND TYPE OF SPECIFIC COMPENSATION AND BENEFIT ITEMS. THE HRC ROUTINELY REPORTS TO AND, IF REQUIRED, OBTAINS APPROVAL FROM THE FULL BOARD ON THESE MATTERS.

PUBLIC DISCLOSURE COPY

Name of the organization MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.

Employer identification number 43-1827033

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC FORM 990, PART VI, QUESTION 19

THE MIDWEST ISO'S GOVERNING DOCUMENTS CAN BE FOUND ON OUR WEBSITE UNDER "LIBRARY" TAB. THESE DOCUMENTS ARE THE TARIFF AND THE TRANSMISSION OWNERS AGREEMENT WHICH INCLUDES THE COMPANY'S STANDARDS OF CONDUCT (APPENDIX A) AND THE COMPANY'S BYLAWS (APPENDIX F). THESE DOCUMENTS ARE ALSO FILED WITH AND AVAILABLE ON THE FEDERAL ENGERGY REGULATORY COMMISSION'S WEBSITE AT WWW.FERC.GOV IN THE ELIBRARY. THE FINANCIAL STATEMENTS OF THE MIDWEST ISO ARE CONTAINED IN THE COMPANY'S ANNUAL REPORT WHICH IS ALSO LOCATED ON OUR WEBSITE AT WWW.MISOENERGY.ORG.

ATTACHMENT 1

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

ON DECEMBER 19, 2001, THE MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC. (MISO OR THE COMPANY) BECAME THE NATION'S FIRST REGIONAL TRANSMISSION ORGANIZATION (RTO) APPROVED BY THE FEDERAL ENERGY REGULATORY COMMISSION (THE FERC). AS AN RTO, MISO PROVIDES TRANSMISSION SERVICE ON BEHALF OF ITS MEMBERS WHO OWN TRANSMISSION ASSETS. IN ADDITION, MISO IS A NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION (NERC) CERTIFIED RELIABILITY COORDINATOR. IN THAT CAPACITY, MISO MONITORS THE FLOW OF ELECTRICITY OVER THE TRANSMISSION SYSTEMS OF ITS MEMBERS WHO OWN TRANSMISSION ASSETS.

MISO WAS INCORPORATED AS A DELAWARE NONSTOCK, NONPROFIT CORPORATION IN MARCH 1998. THE COMPANY IS GOVERNED BY AN

PUBLIC DISCLOSURE COPY

Name of the organization **MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.**

Employer identification number
43-1827033

ATTACHMENT 1 (CONT'D)

INDEPENDENT BOARD OF DIRECTORS. MEMBERSHIP IN MISO IS OPEN TO OWNERS OF ELECTRIC TRANSMISSION FACILITIES AS WELL AS OTHER PARTICIPANTS IN THE ELECTRIC ENERGY MARKET. THIRTY TRANSMISSION OWNERS WITH MORE THAN 93,600 MILES OF TRANSMISSION LINES, 130,000 MEGAWATTS OF ELECTRIC GENERATION, AND APPROXIMATELY \$14.4 BILLION IN INSTALLED GROSS TRANSMISSION ASSETS ARE CURRENTLY PARTICIPATING IN MISO.

ON DECEMBER 15, 2001, THE COMPANY BEGAN PROVIDING RELIABILITY COORDINATION SERVICES TO THE TRANSMISSION-OWNING MEMBERS OF MISO AND THEIR CUSTOMERS. ON THE SAME DATE, MISO ALSO BEGAN PROVIDING OPERATIONS PLANNING, GENERATION INTERCONNECTION, MAINTENANCE COORDINATION, LONG-TERM REGIONAL PLANNING, MARKET MONITORING, AND DISPUTE RESOLUTION SERVICES. THE COMPANY COMMENCED SUBSTANTIALLY ALL OPERATIONS ON FEBRUARY 1, 2002, THE DATE MISO BEGAN PROVIDING REGIONAL TRANSMISSION SERVICE UNDER ITS PERC-ACCEPTED OPEN ACCESS TRANSMISSION AND ENERGY MARKETS TARIFF (THE TARIFF).

ON APRIL 1, 2005, MISO FORMALLY BEGAN OPERATING ITS MARKET-BASED, CONGESTION MANAGEMENT SYSTEM WHICH FEATURES THE FOLLOWING:

- O DAY-AHEAD ENERGY MARKET
- O REAL-TIME ENERGY MARKET
- O FINANCIAL TRANSMISSION RIGHTS (FTR) MARKET

PUBLIC DISCLOSURE COPY

Name of the organization MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	Employer identification number 43-1827033
---	--

ATTACHMENT 1 (CONT'D)

THE DAY-AHEAD AND REAL-TIME ENERGY MARKETS ARE DESIGNED TO RELIABLY MAKE THE MOST EFFICIENT USE OF ALL GENERATION AND TRANSMISSION RESOURCES WITHIN THE REGION BASED ON BIDS AND OFFERS SUBMITTED BY MARKET PARTICIPANTS. THE DAY-AHEAD AND REAL-TIME ENERGY MARKETS PRICE TRANSMISSION SYSTEM CONGESTION THROUGH THE USE OF LOCATIONAL MARGINAL PRICING (LMP) ALGORITHMS. FTRS PROVIDE A MEANS OF HEDGING LMP-BASED CONGESTION COSTS.

ON JANUARY 6, 2009, MISO BEGAN OPERATING A MARKET FOR ANCILLARY SERVICES. THE ANCILLARY SERVICES MARKET INTEGRATES THE PROCUREMENT AND USE OF REGULATION AND CONTINGENCY RESERVES WITH THE EXISTING REAL-TIME ENERGY MARKET. MISO ALSO BECAME AN NERC-CERTIFIED BALANCING AUTHORITY ON JANUARY 6, 2009.

ATTACHMENT 2

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
DUANE MORRIS LLP 30 SOUTH 17TH STREET PHILADELPHIA, PA 19103-4196	LEGAL SERVICES	4,635,096.
POTOMAC ECONOMICS 9990 FAIRFAX BLVD. FAIRFAX, VA 22030	MARKET RESEARCH	3,270,729.
UTILICAST PO BOX 38 KIRKLAND, WA 98083	PROF CONSULTING	2,723,890.
UTILITY INTEGRATION 24 BENTHILL CT LAFAYETTE, CA 94549	SOFTWARE INTEGRATION	1,806,980.

PUBLIC DISCLOSURE COPY

Schedule O (Form 990 or 990-EZ) 2010

Page 2

Name of the organization MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.

Employer identification number
43-1827033

ATTACHMENT 2 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
KLINGSTUBBINS, INC 2301 CHESTNUT ST PHILADELPHIA, PA 19103	ARCHITECTURAL SERV.	1,543,480.
	TOTAL COMPENSATION	<u>13,980,175.</u>