



**Partners In Business  
Summer 2008**



# Agenda



- ◆ Introduction Jeff Dorr, Manager Stakeholder Relations
- ◆ Regulatory & Legislative Randy Gross, ITC Regulatory Affairs
- ◆ Transmission Planning Consortium Kwafo Adarkwa, ITC Regulatory Specialist
- ◆ Midwest ISO Gene Mauk, Manager
- ◆ Closing Remarks Jeff Dorr, Manager Stakeholder Relations
- ◆ Golf

**Legislative & Regulatory Update**  
**Randy Gross**  
**Regulatory Analyst**

# State Legislative Update



- ◆ Michigan House and Senate
  - Primary Election over and 1 incumbent lost in the August races. Work left to do in 2008: State budget, energy package, health insurance package.
  - Energy package (HB 5524, HB 5548, HB 5549, SB 213) sent to joint conference committees of the House and Senate to resolve differences:
    - How much “choice” in the state?
    - When and how is deskewing accomplished?
    - What is the state RPS %?
    - How does energy efficiency fit in and how much?
  - Senate bill includes wind energy zone language to efficiently plan and build transmission where wind is optimal in the state.
  - Action possible in September or after the November elections in “lame duck” session.

# Regulatory Update



- ◆ ITC filed a protest to American Transmission Company (ATC) filing to become an Appendix I entity under the MISO tariff. (ER08-1146)
- ◆ ITC filed comments to MISO's Generation Interconnection Queue filing focusing on cost allocation for network upgrades in aiding to address the queue backlog. . (ER08-1169).
- ◆ ITC filed comments supporting MISO's amendments to the Balancing Authority Agreement (BAA), which included the addition of the MECS agreement as an appendix to the BAA. (ER07-1372)
- ◆ ITC filed comments on the Standards of Conduct NOPR. (RM07-1)
- ◆ MSATs filed a "plain vanilla" intervention on the integration of Duquesne into MISO. (ER08-1308) (ER08-1235)
- ◆ ITC filed FERC Form 714 for the Michigan Electric Power Coordinated Center balancing authority area.
- ◆ ITC provided comments to NERC on the effects of climate initiatives on grid reliability. (NERC Request)

# Regulatory Update (cont'd)



- ◆ FERC granted the request of MISO and PJM for an extension of time to file a cost allocation practice for cross border economic projects. The new deadline is January 28, 2009. (ER05-6)
- ◆ FERC issued an order approving five reliability standards and approving several NERC interpretations of existing reliability standards. (RM08-7)
- ◆ FERC accepted the first two services outline in MISO Western Markets Proposal, or Module F (Reliability Coordination and Seams Operations), but delayed making a decision on the third service (Market Coordination) until MISO provides further information. (ER08-637)
- ◆ FERC accepted MISO's proposed ancillary services market (ASM) which included amendments to the Balancing Authority Agreement (BAA), along with the addition of the MECS agreement as an appendix to the BAA. (ER07-1372)
- ◆ FERC provided guidance to the ERO regarding the content of future notices of penalty submitted to the Commission after NERC filed 37 Notices of Penalty. (AD08-10)

# Regulatory Update (cont'd)



## ◆ MISO Draft RECB Report

- MISO acknowledges that cost allocation issues are some of the most divisive topics discussed by stakeholders. They state that since there has been about two years of cost allocation experience, it may be time to reevaluate the unintended consequences that arise from the current rules.
- MISO states that to date, no economic projects have passed the RECB II thresholds, so further discussion and analysis may be needed to see if additional metrics need to be incorporated. They also think that more analysis is needed to see if the cost benefit ratio, discount rate and study timeframe is appropriate.
- MISO question whether to keep the distinction between economic and reliability projects.
- MISO will reinstate the RECB task force to work on addressing the issues brought up in the RECB Report.
- ITC provided comments to MISO on the draft report.

# Regulatory Update (cont'd)



- ◆ **2009 Rates for ITC Transmission and METC will be posted on September 1, 2008 with customer meetings to follow.**
  - October 3, 2008 ITC Transmission rate presentation at Schoolcraft College (Vista Tech).
  - October 7, 2008 METC rate presentation at the Lansing Center.

# Questions and Discussion

**Transmission Planning Consortium  
Kwafo Adarkwa  
Regulatory Specialist**

# Regulatory Update



## ◆ **MPSC issued order establishing a transmission planning consortium**

- Commission opened docket for Case No. U-15590 on July 1, 2008
- Focus is to evaluate transmission needs for Michigan.
- 1 year long consortium process with meetings every month; report in July 2009 on the consortium's efficacy in impacting electricity infrastructure.
- Initial comments submitted by Detroit Edison, Consumers Energy, Wolverine Power Cooperative, ABATE, AEP, ATC, Constellation NewEnergy, Inc., We Energies, MEC, HDR Engineering, New Covert, METC and International Transmission Company to Staff's strawman proposal.
- Kick off meeting was held July 23, 2008.
- Consortium may focus on MTEP planning process, renewable generation, and 765 kV line among other issues.

# Questions and Discussion

# Midwest ISO Gene Mauk

# Questions and Discussion

# Contact information



- ◆ **Jeff Dorr**  
ITC Holdings  
Manager, Stakeholder Relations  
248.946.3482 office  
248.660.7109 cell  
[jdorr@itctransco.com](mailto:jdorr@itctransco.com)
- ◆ **Randy Gross**  
ITC Holdings  
Regulatory Analysts  
248.946.3463  
[rgross@itctransco.com](mailto:rgross@itctransco.com)
- ◆ **Eugene Mauk**  
Midwest ISO  
Manager, Customer Accounts  
317.249.5397  
[emauk@midwestiso.org](mailto:emauk@midwestiso.org)