

SCHEDULE 26-G

COST RECOVERY FROM TRANSMISSION CUSTOMERS ACTING AS BACKSTOP FOR JOINT TARGETED INTERCONNECTION QUEUE UPGRADES CONSTRUCTED BY MISO TRANSMISSION OWNERS

I. Definitions

Unless defined in this Schedule 26-G, any capitalized terms used in this Schedule 26-G shall have the meaning as defined in Attachment JJJ of the MISO Tariff, except that for purposes of this Schedule 26-G MISO Transmission Owner shall include any Transmission Owner or ITC in MISO responsible for the construction of a Joint Targeted Interconnection Queue Upgrade (“JTIQ Upgrade”) under the MISO Tariff.

II. Introduction and Purpose

This Schedule 26-G sets forth the methodology for collecting the backstop charges from MISO Transmission Customers acting as the Backstop for JTIQ Upgrades constructed by MISO Transmission Owners. Only the MISO Region-Wide Backstop Charge related to JTIQ Upgrades constructed by MISO Transmission Owners shall be collected under this Schedule 26-G.

III. Applicability

A. The charges under Schedule 26-G shall be in addition to any charges under Schedules 7, 8, 9, 26, 26-A, 26-B, 26-C, 26-D, 26-E, 26-F 26-H and 39. Grandfathered Agreements, including the provision of Transmission Service, shall not be assessed charges pursuant to Schedule 26-G.

B. The Transmission Customer shall not be charged pursuant to this Schedule 26-G for Transmission Service (1) where the generation source is located within the Transmission

Provider Region and the load is located outside of the Transmission Provider Region; and (2) where both the generation source and the load are located outside of the Transmission Provider Region.

IV. MISO Region-Wide Backstop Charge

A. Derivation of JTIQ Upgrade Monthly MISO Region-Wide Backstop Charge

The MISO Transmission Owners shall periodically update the annual revenue requirements for JTIQ Upgrades in accordance with the provisions of Attachment JJJ of the MISO Tariff. These updates will occur when the JTIQ Upgrade is first placed in service or on August 1st of each year, or as needed. The monthly MISO Region-Wide Backstop Charge shall be determined utilizing the Attachment JJJ Formula Rate Template as provided in Exhibit V, Line 55, Column E.

B. Apportionment of Monthly MISO Region-Wide Backstop Charge

MISO shall calculate each applicable MISO Transmission Customer's monthly MISO Region-Wide Backstop Charge under Section IV.A for each JTIQ Upgrade constructed by MISO Transmission Owners by allocating the Total Monthly MISO Region-Wide Backstop Charge to MISO Transmission Customers within the Transmission Provider Region taking Network Integration Transmission Service ("NITS") or Point-to-Point Transmission Service.

C. Collection of the Monthly MISO Region-Wide Backstop Charge from MISO Transmission Customers

The Total Monthly MISO Region-Wide Backstop Charge shall be the sum of each MISO Transmission Owner's JTIQ Upgrade's monthly MISO Region-Wide Backstop Charge, in accordance with Attachment JJJ ("Total Monthly MISO Region-Wide Backstop Charge"). MISO shall calculate each applicable MISO Transmission Customer's monthly Backstop charge

by allocating the Total Monthly MISO Region-Wide Backstop Charge to each eligible customer within the Transmission Provider Region taking NITS or Point-to-Point Transmission Service. The allocation of the Total Monthly MISO Region-Wide Backstop Charge will be based on each Transmission Customer's monthly pro-rata share of the total monthly load for the Transmission Provider Region. The monthly loads will be comprised of (i) the NITS loads and (ii) any Point-To-Point load for any reservation on OASIS used to serve load in the Transmission Provider Region. The NITS load will be equal to the Network Customer's Monthly Network Load as determined in accordance with Module B, Section 34.2 of this Tariff multiplied by the number of hours in the month. The Point-To-Point load will be equal to the Reserved Capacity for the Point-To-Point Transmission Services reservation multiplied by the duration, in hours, of the reservation within the month.

D. Distribution of Schedule 26-G Revenue to MISO Transmission Owners

As and to the extent that the Transmission Provider collects revenues for Backstop charges, as described in Section IV.C of this Schedule 26-G, the Transmission Provider shall remit such revenues to the MISO Transmission Owners in proportion to their pro-rata share of the Total Monthly MISO Region-Wide Backstop Charge determined pursuant to Section IV.A above.