

SCHEDULE 37

MTEP PROJECT COST RECOVERY FOR ATSI

I. Definitions

Any capitalized terms not defined in this Schedule 37 shall have the meaning as defined in Module A of the Tariff. Definitions for this Schedule 37 are as follows:

- A. ATSI - American Transmission Systems, Incorporated.
- B. MISO – Midcontinent Independent System Operator, Inc.
- C. MISO Tariff or Tariff – Shall mean the Open Access Transmission, Energy and Operating Reserve Markets Tariff, including all schedules or attachments thereto, of the Transmission Provider as amended from time to time. The term Tariff shall endure to include any successor tariff or rate schedule approved by the Commission.
- D. MISO Transmission Owner – Any Transmission Owner or ITC in MISO as of June 1, 2011 responsible for the construction of, or payment for, MTEP Projects under the MISO Tariff.
- E. MTEP – The MISO Transmission Expansion Plan established pursuant to the ISO Agreement and the MISO Tariff.
- F. MTEP Project – A transmission project approved by the MISO Board of Directors prior to ATSI's May 31, 2011 exit from MISO constructed or to be constructed by ATSI or by a MISO Transmission Owner and listed in Section V of this Schedule. The projects listed in Section V of this Schedule include only projects listed in Appendix A of the MTEP approved by the MISO Board of Directors prior to ATSI's May 31, 2011 exit from MISO.
- G. MISO Zones – the Transmission Pricing Zones MISO uses to develop transmission rates and allocate revenues. For purposes of this Schedule 37, this term is intended to include the

MISO Transmission Pricing Zones as of June 1, 2011, as modified with respect to DEO, DEK and DEI (as those terms are defined in Schedule 38 of the MISO Tariff) pursuant to Appendix 1 of Schedule 38.

II. Introduction and Purpose

Transmission Customers taking transmission service in MISO, as well as DEO or DEK (as those terms are defined in Schedule 38 of the MISO Tariff) pursuant to Schedule 38 of the MISO Tariff, shall pay a portion of MTEP Projects constructed or approved by the MISO Board of Directors for construction by ATSI upon ATSI's integration into PJM effective June 1, 2011. Likewise, effective June 1, 2011, ATSI is responsible for a portion of MTEP Projects constructed or approved by the MISO Board of Directors for construction by MISO Transmission Owners. This Schedule 37 sets forth the method by which Transmission Customers in MISO, as well as DEO or DEK (as those terms are defined in Schedule 38 of the MISO Tariff) pursuant to Schedule 38, are charged for MTEP Projects constructed or approved by the MISO Board of Directors for construction by ATSI. This Schedule also sets forth the method by which MISO will transmit the revenues received from Transmission Customers and DEO or DEK, as applicable, to PJM for MTEP Projects constructed or approved by the MISO Board of Directors for construction by ATSI. Finally, this Schedule addresses the manner in which the MISO Transmission Owners will derive the annual revenue requirements and in which the MISO will distribute revenues received from ATSI for ATSI's allocation of costs for MTEP Projects constructed or approved by the MISO Board of Directors for construction by MISO Transmission Owners.

III. MTEP Project Revenue Requirements Allocated to ATSI

A. Derivation of Annual Revenue Requirements

The MISO Transmission Owners shall periodically update the annual revenue requirements in accordance with the provisions of Attachment GG of the MISO Tariff, for MTEP Projects constructed or approved by the MISO Board of Directors for construction by MISO Transmission Owners having a portion allocated to ATSI. These updates will follow the timing of MISO annual rate updates that are effective January 1 and June 1 of each year, or as needed. The list of MTEP Projects for purposes of this Section III.A is provided in Section V.A.

B. Allocation of Annual Revenue Requirements to ATSI

MISO shall calculate the monthly portion of the annual revenue requirements under Section III.A for each MTEP Project constructed or approved by the MISO Board of Directors for construction by MISO Transmission Owners that will be allocated to ATSI. This will be calculated as:

A times B divided by C, where

A = Each MTEP Project's revenue requirements derived in Section III.A

B = The percentage for ATSI calculated in accordance with the cost allocation methodology under Attachment FF of the MISO Tariff as approved by FERC with respect to that MTEP Project, at the time the project was approved by the MISO Board of Directors; and

C = 12.

C. Monthly Revenue Requirements Owed from ATSI

MISO shall bill ATSI solely for the purposes of this Schedule 37, the monthly amount of the annual revenue requirements as calculated in Section III.B of this Schedule 37 and in accordance with, and subject to, the billing and payment provisions described in Section 7 of the MISO Tariff.

D. Revenue Distribution from Payments Made by ATSI

Upon ATSI's remittance to MISO of amounts billed in Section III.C of this Schedule 37 pursuant to agreed upon settlement procedures, MISO shall distribute the remitted amounts to (i) MISO Transmission Owners (including as applicable to DEO and DEK as those terms are defined in Schedule 38 pursuant to Schedule 38), (ii) ATSI, for purposes of this Schedule 37, in proportion to their pro-rata share of the total Network Upgrade Charge revenue requirements as called for in Schedule 26 of the MISO Tariff and in accordance with the billing and payment provisions of the Tariff.

IV. ATSI MTEP Project Revenue Requirements Allocated to MISO Zones

A. Derivation of Annual Revenue Requirements

By May 1 of each year, ATSI shall provide to MISO the annual revenue requirements for MTEP Projects constructed by ATSI having a portion allocated to Transmission Customers taking transmission service in MISO, as well as DEO or DEK (as those terms are defined in Schedule 38 of the MISO Tariff) pursuant to Schedule 38, for the upcoming June 1 through May 31 rate year. The list of MTEP Projects for purposes of this Section IV.A is provided in Section V.B.

B. Allocation of Annual Revenue Requirements to MISO Zones

MISO shall calculate the portion of the annual revenue requirements for the MTEP Projects constructed or approved by the MISO Board of Directors for construction by ATSI that will be allocated to Transmission Customers taking transmission service in MISO, as well as DEO or DEK (as those terms are defined in Schedule 38 of the MISO Tariff) pursuant to Schedule 38, by multiplying each MTEP Project's revenue requirements derived in Section IV.A of this Schedule 37 by the percentage assigned to each applicable MISO Zone in accordance with the cost allocation methodology identified in Attachment FF of the MISO Tariff in effect at the time the MTEP project was approved by the MISO Board of Directors.

C. Recovery of Annual Revenue Requirements for ATSI MTEP Projects

MISO shall include the portion of the annual revenue requirements for MTEP Projects constructed or approved by the MISO Board of Directors for construction by ATSI as calculated in Section IV.B in the development of the Schedule 26 transmission rates for each applicable MISO Zone. The portion of the revenue requirement that would have been allocated to ATSI will be removed from the Schedule 26 rate calculation.

D. Revenue Distribution from Payments Made by DEO, DEK, and Transmission Customers in MISO

Each month, and pursuant to agreed upon settlement procedures, MISO shall remit an amount to PJM, for and on behalf of ATSI, from the payments made by DEO, DEK, or Transmission Customers in proportion to ATSI's annual pro-rata share (ATSI's annual revenue requirement less the portion of ATSI's annual revenue requirement removed from the Schedule 26 rate calculation as discussed in Section IV.C) of the total Network

Upgrade Charge revenue requirements as determined under Attachment GG and
Schedule 26 of the MISO Tariff.

V. MTEP Projects

A. MTEP Projects Constructed by MISO Transmission Owners

<u>Project ID</u>	<u>Project Name</u>	<u>Constructing Owner</u>
2068	Latham - Oreana 345 kV line	Ameren Illinois
2069	South Bloomington - Install new 560 MVA 345 /138 Xfmr	Ameren Illinois
2472	New 345kV Supply at Fargo Substation	Ameren Illinois
2829	Coffeen Plant-Coffeen, North - 2nd. Bus tie	Ameren Illinois
345	Morgan - Werner West 345 kV line (includes Clintonville-Werner West 138)	American Transmission Company LLC
356	Rockdale-West Middleton 345 kV	American Transmission Company LLC
2793	G883/4 Uprate Point Beach-Sheboygan	American Transmission

	EC 345-kV	Company LLC
2837	Uprate Cypress-Arcadian 345 kV line	American Transmission Company LLC
91	Hillcrest 345/138	Duke Energy Ohio
1263	G431 - Edwardsport	Duke Energy Indiana
3104	G514 Heartland Wind	Great River Energy
286	Fargo, ND - St Cloud/Monticello, MN area 345 kV project	Great River Energy, Northern States Power Company, Otter Tail Power Company, Missouri River Energy Services, & Minnesota Power
1749	G172 Mitchell County Substation	ITC Midwest
686	Majestic 345/120 kV switching station	International Transmission Company

911	Placid 345/120 transformer #2	International Transmission Company
910	Coventry Station upgrade	International Transmission Company
481	Tallmadge 345/138 kV TB3 transformer #3	Michigan Electric Transmission Company, LLC
1817	Midland	Michigan Electric Transmission Company, LLC
1828	Argenta-Palisades 345kV ckt. 1 & 2	Michigan Electric Transmission Company, LLC
662	Weeds Lake	Michigan Electric Transmission Company, LLC
612	Hiple - Add 2nd 345-138 kV Transformer	Northern Indiana Public Service Company LLC

1457	G287, 37642-03. Upgrades for G287	Northern States Power Company
1458	G349, 37774-01. Upgrades for G349	Northern States Power Company
1024	SE Twin Cities - Rochester, MN - LaCrosse, WI 345 kV project	Northern States Power Company; Southern Minnesota Municipal Power Agency
1257	New Transmission Line Gibson (Cinergy)to AB Brown (Vectren) to Reid (BREC)	Vectren Energy
1004	New 345/138 kV Substation at Francisco	Vectren Energy

B. MTEP Projects Constructed by ATSI

Projects

890	North Medina 345/138 kV Substation
1326	Capacitor Banks at Harding and Juniper 345 kV

MISO
FERC Electric Tariff
SCHEDULES

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