

SCHEDULE 39

MULTI-VALUE PROJECT FINANCIAL OBLIGATIONS AND COST RECOVERY FOR WITHDRAWING TRANSMISSION OWNERS

I. Definitions

Any capitalized terms not defined in this Schedule 39 shall have the meaning as defined in Module A of the Tariff. Definitions for this Schedule 39 are as follows:

A. MISO Transmission Owner – for purposes of this Schedule 39, any Transmission Owner or ITC in MISO responsible for the construction of Multi-Value Projects (“MVPs”) under the MISO Tariff.

B. MVP Responsible Transactions – Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules excluding those Monthly Net Actual Energy Withdrawals provided under Grandfathered Agreements.

C. Schedule 39 MUR – The MVP usage rate (“MUR”) charged to recover revenue requirements for Schedule 39 MVPs. Withdrawing Transmission Owners shall pay the MUR calculated pursuant to Attachment MM for those MVPs approved by the Transmission Provider’s Board of Directors after the Withdrawing Transmission Owner’s integration date into the Transmission Provider and prior to the effective date of the Withdrawing Transmission Owner’s exit from the Transmission Provider.

D. Schedule 39 MVP – An MVP that is: (1) approved by the Transmission Provider’s Board of Directors after the Withdrawing Transmission Owner’s integration date into the Transmission Provider and prior to the Withdrawing Transmission Owner’s exit from the Transmission Provider; and (2) constructed or to be constructed by a Withdrawing Transmission

Owner or by a MISO Transmission Owner and listed in Appendices to this Schedule 39. The applicable projects under this Schedule 39 are listed in Appendices to this Schedule 39 for each Withdrawing Transmission Owner as of the effective date of this Schedule 39, and will be listed in such Appendices for any future Withdrawing Transmission Owners, and include only MVPs approved by the Transmission Provider's Board of Directors for inclusion in Appendix A of the MTEP after the Withdrawing Transmission Owner's integration date into the Transmission Provider and prior to Withdrawing Transmission Owner's exit from the Transmission Provider.

E. Withdrawing Transmission Owner – For purposes of this Schedule 39, an owner of transmission facilities that withdraws its transmission facilities from the operational control of the Transmission Provider after July 16, 2010.

F. Withdrawing Transmission Owner Monthly Net Actual Energy Withdrawals Excluding Grandfathered Agreements (WTO MNAEW Excluding GFAs) - Monthly Net Actual Energy Withdrawal amounts for a Withdrawing Transmission Owner excluding MWhs of service provided under Grandfathered Agreements as determined under Section III.B of this Schedule 39.

G. Withdrawing Transmission Owner Monthly Net Actual Energy Withdrawals Including Grandfathered Agreements (WTO MNAEW Including GFAs) - Monthly Net Actual Energy Withdrawal amounts for a Withdrawing Transmission Owner including MWhs of service provided under Grandfathered Agreements as determined under Section III.B of this Schedule 39.

II. Introduction and Purpose

A. The entities with MVP Responsible Transactions shall pay a portion of the cost of Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction, by the Withdrawing Transmission Owner, after the Withdrawing Transmission Owner withdraws from the Transmission Provider. Likewise, after the Withdrawing Transmission Owner exits the Transmission Provider, the Withdrawing Transmission Owner is responsible for a portion of the cost of Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors prior to the Withdrawing Transmission Owner's exit for construction, by MISO Transmission Owners.

B. This Schedule 39 sets forth: (1) the method by which the entities with MVP Responsible Transactions are charged for Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction, by the Withdrawing Transmission Owner; and (2) the method by which the Withdrawing Transmission Owner is charged for Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction, by MISO Transmission Owners.

C. This Schedule 39 also sets forth: (1) the method by which the Withdrawing Transmission Owner will derive the annual revenue requirements relating to Schedule 39 MVPs; (2) the method by which the Transmission Provider will transmit the revenues received from the entities with MVP Responsible Transactions to the Withdrawing Transmission Owner for Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction, by the Withdrawing Transmission Owner; and (3) the method for billing the Withdrawing Transmission Owner for Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction, by the MISO Transmission Owners.

D. Finally, this Schedule 39 addresses the manner in which: (1) the MISO Transmission Owners will derive the annual revenue requirements relating to Schedule 39 MVPs; and (2) the Transmission Provider will distribute revenues received from the Withdrawing Transmission Owner for the Withdrawing Transmission Owner's payment of costs for Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction, by MISO Transmission Owners.

III. MISO Transmission Owners' Schedule 39 MVP Revenue Requirements and Charges to the Withdrawing Transmission Owner

A. Derivation of Annual Revenue Requirements

The MISO Transmission Owners shall periodically update the annual revenue requirements, using the methodology provided under Attachment MM of the Tariff, for Schedule 39 MVPs. These updates will follow the timing of the Transmission Provider's annual rate updates that are effective January 1 and June 1 of each year. The applicable list of Schedule 39 MVPs for purposes of this Section III.A shall be provided in an Appendix to this schedule for the applicable Withdrawing Transmission Owner.

B. Determination of Charge to the Withdrawing Transmission Owner

A Withdrawing Transmission Owner's Schedule 39 MVP monthly obligation will be equal to its WTO MNAEW Excluding GFAs times the Schedule 39 MUR.

A Withdrawing Transmission Owner's WTO MNAEW Excluding GFAs and WTO MNAEW Including GFAs shall be based on the Withdrawing Transmission Owner's values or the sum total of the actual energy of customers taking service for delivery in the Withdrawing Transmission Owner's zone in the period for which charges are applicable. A Withdrawing

Transmission Owner must provide the values of its WTO MNAEW Excluding GFAs and WTO MNAEW Including GFAs by the 3rd business day following a given operating month and shall provide updates to the original values up to 105 days after the last day of a given operating month. For the purposes of calculating the MUR pursuant to Attachment MM, the Withdrawing Transmission Owner shall provide: (1) its total WTO MNAEW Including GFAs to be used in the calculation of the Schedule 39 MUR; and (2) its WTO MNAEW Excluding GFAs to be used in the calculation of its Schedule 39 MVP monthly obligation. In the absence of WTO MNAEW Excluding GFAs and WTO MNAEW Including GFAs values provided by the Withdrawing Transmission Owner, the Transmission Provider shall estimate the Withdrawing Transmission Owner's WTO MNAEW Excluding GFAs and WTO MNAEW Including GFAs based on historical Monthly Net Actual Energy Withdrawal values for each month of the year using the Monthly Net Actual Energy Withdrawal associated with the Withdrawing Transmission Owner from the last calendar year prior to the Withdrawing Transmission Owner's exit, with the historical Monthly Net Actual Energy Withdrawal values adjusted each year assuming a 5 percent annual energy growth rate.

The monthly Schedule 39 MUR shall be calculated pursuant to Attachment MM. Except as provided above, the Schedule 39 MUR will be charged monthly, in accordance with the Market Settlements Business Practices Manual, to the Withdrawing Transmission Owner with WTO MNAEW Excluding GFAs.

For a Withdrawing Transmission Owner, there will be an offset for the Schedule 39 MUR charges for the Schedule 26-A charges paid by the Withdrawing Transmission Owner or load in the Withdrawing Transmission Owner's zone with Real-Time Export Schedules, and

Real-Time Through Schedules.

C. Monthly Charge Owed by Withdrawing Transmission Owner

The Transmission Provider shall bill the Withdrawing Transmission Owner, or where appropriate, the Withdrawing Transmission Owner's agent, the monthly Schedule 39 MVP monthly obligation as calculated in Section III.B of this Schedule 39 and in accordance with, and subject to, the billing and payment provisions described in Section 7 of the Tariff.

D. Revenue Distribution of Payments Made by Withdrawing Transmission Owners

Upon the remittance of the Withdrawing Transmission Owner, or where appropriate, the remittance of the Withdrawing Transmission Owner's agent, to the Transmission Provider of amounts billed in Section III.C of this Schedule 39 pursuant to agreed upon settlement procedures, the Transmission Provider shall distribute the remitted amounts pursuant to Schedule 26-A.

IV. Withdrawing Transmission Owner's Schedule 39 MVP Revenue

A. Derivation of Annual Revenue Requirements

By May 1 of each year, the Withdrawing Transmission Owner shall provide to the Transmission Provider the annual revenue requirements for its Schedule 39 MVPs, for the upcoming June 1 through May 31 rate year. The applicable list of Schedule 39 MVPs for purposes of this Section IV.A shall be provided in an Appendix to this Schedule 39 for the applicable Withdrawing Transmission Owner.

B. Recovery of Annual Revenue Requirements for Schedule 39 MVPs

The Transmission Provider shall include the portion of the annual revenue requirements

for Schedule 39 MVPs constructed, or approved by the Transmission Provider's Board of Directors for construction by, the Withdrawing Transmission Owner, as calculated in Section IV.A in the development of the Schedule 26-A rate.

C. Revenue Distribution from Payments Made by the Entities with MVP

Responsible Transactions

Each month, and pursuant to agreed upon settlement procedures, the Transmission Provider shall remit an amount to the Withdrawing Transmission Owner, or where appropriate, the Withdrawing Transmission Owner's agent, from the payments made by the entities with MVP Responsible Transactions in proportion to the Withdrawing Transmission Owner's annual *pro rata* share of the total MVP revenue requirements as determined under Attachment MM.