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MN PUBLIC UTILITIES COMMISSION

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June 23, 2003

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: Northern States Power Company d/b/a Xcel Energy
Docket No. E002,PT6205/PA-02-2152

Interstate Power & Light Company
Docket No. E001/PA-02-2219

Dear Mr. Haar:

Enclosed for filing are the original and 15 copies of the Settlement Agreement in the above-entitled docket between TRANSLink Development Management Corporation ("TRANSLink") and several of the environmental intervenors, including Minnesota Center for Environmental Advocacy, Izaak Walton League of America – Midwest Office, Minnesotans for an Energy Efficient Economy, and North American Water Office (jointly, "the Intervenors") (collectively with TRANSLink, the Settling Parties). The Settlement Agreement exemplifies TRANSLink's commitment to conduct business in Minnesota and throughout TRANSLink's proposed footprint in a way that recognizes and integrates the interests of all stakeholders in the planning process, including those who advance the development of wind energy.

As the Settlement Agreement indicates at ¶ 8, the Settlement Agreement "addresses all of the concerns Intervenors raised in these proceedings." As a result, and as also indicated in ¶ 8, the Intervenors withdraw their objections to the requested approvals relating to TRANSLink and have no further objections to the Commission's approval of the Petitions in this proceeding. For its part, TRANSLink has agreed to be bound by the terms of the Settlement Agreement as a condition of a Commission order granting the approvals requested in this proceeding.

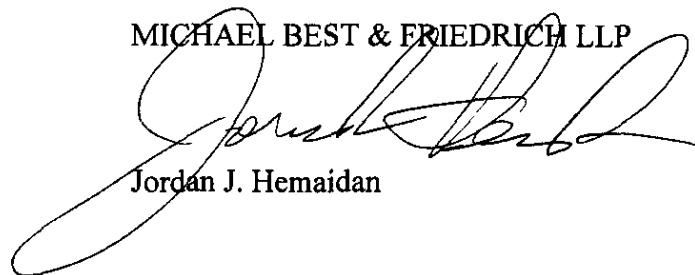
Burl W. Haar
June 23, 2003
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Service

TRANSLink Development will arrange to serve a copy of these initial comments on all parties to the Commission service list for this proceeding. A certificate of service and service list are attached.

Sincerely,

MICHAEL BEST & FRIEDRICH LLP



Jordan J. Hemaidan

JJH:jjh
Enclosures

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

AFFIDAVIT OF SERVICE
MPUC Docket Nos. E002, PT6205/PA-02-2152
E001, PT6205/PA-02-2219

Susan Bunge of the City of Madison, County of Dane, State of Wisconsin, says that on the 23rd day of June, 2003, she served the Settlement Agreement in the above-entitled dockets between TRANSLink Development Management Corporation and Minnesota Center for Environmental Advocacy, Izaak Walton League of America – Midwest Office, Minnesotans for an Energy Efficient Economy, and North American Water Office upon the people listed upon the attached service list via FedEx, except for Dr. Burl Haar, Kathy Aslakson and Curt Nelson. Dr. Haar, Ms. Aslakson and Curt Nelson will have been served via messenger on the 24th day of June, 2003.


Susan Bunge

Subscribed and sworn to before me this
23rd day of June, 2003.



Notary Public

My Commission: expires 7/24/05

**IN THE MATTER OF NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY FOR
APPROVAL OF TRANSFER OF FUNCTIONAL CONTROL OF TRANSMISSION FACILITIES TO
TRANSLINK TRANSMISSION COMPANY LLC AND FOR RELATED RELIEF**

DOCKET NO. E002, PT6205/PA-02-2152

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IN THE MATTER OF NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY FOR
APPROVAL OF TRANSFER OF FUNCTIONAL CONTROL OF TRANSMISSION FACILITIES TO
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DOCKET NO. E002, PT6205/PA-02-2152

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**IN THE MATTER OF NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY FOR
APPROVAL OF TRANSFER OF FUNCTIONAL CONTROL OF TRANSMISSION FACILITIES TO
TRANSLINK TRANSMISSION COMPANY LLC AND FOR RELATED RELIEF**

DOCKET NO. E002, PT6205/PA-02-2152

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**IN THE MATTER OF INTERSTATE POWER AND LIGHT COMPANY PETITION FOR APPROVAL OF
TRANSFER OF FUNCTIONAL CONTROL OF TRANSMISSION FACILITIES TO TRANSLINK
TRANSMISSION COMPANY LLC AND FOR RELATED RELIEF**

DOCKET No. E002, PT6205/PA-02-2219

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**IN THE MATTER OF INTERSTATE POWER AND LIGHT COMPANY PETITION FOR APPROVAL OF
TRANSFER OF FUNCTIONAL CONTROL OF TRANSMISSION FACILITIES TO TRANSLINK
TRANSMISSION COMPANY LLC AND FOR RELATED RELIEF**

DOCKET NO. E002, PT6205/PA-02-2219

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STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Leroy Koppendrayer	Chair
Ellen Gavin	Commissioner
Marshall Johnson	Commissioner
Gregory Scott	Commissioner
Phyllis Reha	Commissioner

Petition of Northern States Power Company
d/b/a Xcel Energy for Approval of the
Transfer of Functional Control of Transmission
Facilities to TRANSLink Transmission
Company LLC and for Related Relief

Docket No. E002, PT6025/PA-02-2152

and

Petition of Interstate Power and Light
Company For Approval of the Transfer
of Functional Control of Transmission
Facilities To TRANSLink Transmission
Company LLC And For Related Relief

Docket No. E001, PT6205/PA-02-2219

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is made and entered into this 20th day of June, 2003, by and between TRANSLink Management Development Corporation ("TRANSLink Development") for itself and on behalf of its successor TRANSLink Management Corporation, and the Minnesota Center for Environmental Advocacy, Izaak Walton League of America – Midwest Office and Minnesotans for an Energy Efficient Economy and North American Water Office (jointly, "the Intervenors") collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, On December 16, 2002, Northern States Power Company d/b/a Xcel Energy ("Xcel Energy") petitioned the Minnesota Public Utilities Commission ("Commission")

for an Order authorizing the transfer of functional control of its transmission facilities in the State of Minnesota to TRANSLink Transmission Company LLC ("TRANSLink") and transfer of ownership of Xcel Energy's Energy Management System ("EMS") software pursuant to Minn. Stat. 216B.50 (the "Xcel Energy Petition");

WHEREAS, On December 30, 2002, Interstate Power and Light Company ("IPL") petitioned the Commission for an Order authorizing the transfer of control and ownership of its transmission facilities in the State of Minnesota to TRANSLink (the "IPL Petition");

WHEREAS, the Xcel Energy Petition and the IPL Petition are collectively referred to herein as "the Petitions;"

WHEREAS, On or about March 24, 2003 the Intervenors submitted initial comments on the Petitions to the Commission and expressed concerns relating to the TRANSLink transmission planning process and TRANSLink's ability to satisfy certificate of need ("CON") information requirements.

WHEREAS, at least one of the Intervenors petitioned the Commission for intervention as a party pursuant to Minnesota Rule 7829.0800 and more than 15 days have elapsed without an objection to that petition being filed;

WHEREAS, On April 14, 2003, the Intervenors submitted reply comments wherein Intervenors requested that the Commission require Xcel Energy to provide satisfactory mechanisms to ensure formal and meaningful stakeholder participation in the TRANSLink transmission planning process and to ensure that TRANSLink will satisfy the content requirements for resource planning and CON filings TRANSLink may submit proposing to construct transmission facilities in Minnesota;

WHEREAS, the Intervenor also expressed concerns in comments regarding the ability of the Commission to require TRANSLink to take actions to modify its transmission planning process because TRANSLink was not a petitioner in this proceeding;

WHEREAS, On April 14, 2003, TRANSLink Development, the predecessor entity to TRANSLink Management Corporation, filed reply comments and petitioned the Commission for intervention as a party pursuant to Minnesota Rule 7829.0800 and more than 15 days have elapsed without an objection to that petition being filed;

WHEREAS, TRANSLink Development and Intervenor is each a party to the above captioned proceeding by operation of Minnesota Rule 7829.0800, Subpart 5;

WHEREAS, After these filings, representatives from Intervenor met with TRANSLink Development and discussed the concerns of Intervenor;

WHEREAS, TRANSLink Development and Intervenor have agreed to make certain commitments to each other, which commitments would fully satisfy Intervenor's concerns about the Xcel Energy petition and the proposed transfers to TRANSLink;

WHEREAS, TRANSLink and Intervenor recognize the rapidly expanding legislative, regulatory, and market support for continued strong growth of wind power in the TRANSLink footprint, and agree that it is reasonable to expect that at least 7500 megawatts (MW) of new wind power will be operational in the TRANSLink footprint by 2015;

WHEREAS, The Parties wish to memorialize these commitments in this Settlement Agreement to fully and finally settle all of Intervenor's concerns in this proceeding about the Xcel Energy petition and the proposed transfers to TRANSLink;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. To the extent reasonable and practicable, TRANSLink shall avoid filing exemption requests when it files CON applications for future transmission facilities in Minnesota, including when it makes transmission project filings under the statewide biennial transmission planning process. TRANSLink shall not file exemption requests on the grounds that TRANSLink neither owns or controls, or manages electric generation or electric distribution facilities. TRANSLink commits to work with all of its Participants in Minnesota to gather the information required for a CON application. If TRANSLink files a request to be exempt from any Minnesota CON filing requirement because neither TRANSLink nor its Participants can gather the required data, TRANSLink will identify in such exemption request the steps TRANSLink has taken to obtain the data and explain why neither TRANSLink nor its Participants could provide the data.

2. Once TRANSLink begins operations and provides service under its rate schedules, the Intervenor and TRANSLink shall jointly undertake to create a coalition of organizations that support the development in TRANSLink's footprint of small-scale community-based and large-scale wind generation (the "Wind Coalition"). The purpose of the Wind Coalition will be to work with TRANSLink to develop the infrastructure, operations, and tariffs needed to serve wind generation throughout the TRANSLink footprint. The Wind Coalition shall compile and submit to TRANSLink Wind Development Plan(s) for use in determining what transmission infrastructure development, operational solutions, and tariff changes may be needed to serve forecast wind generation development within TRANSLink's

footprint. To address seams issues, the Wind Development Plan(s) may also consider forecast wind generation development in states or other areas adjacent to the TRANSLink footprint.

3. TRANSLink Development will develop the TRANSLink Planning Process, a working draft of which is attached hereto as Exhibit A, in a way that affords the Wind Coalition a level of participation in the TRANSLink regional planning process at least as great as Intervenor may have in the MISO super-regional and Mid-Continent Area Power Pool ("MAPP") regional planning processes. The Intervenor's level of participation in the TRANSLink Planning Process shall never be less than that currently afforded to Intervenor under the MISO and MAPP planning processes except where such participation is, through no effort of TRANSLink, limited by any court or administrative agency of competent jurisdiction. For example, the Wind Coalition may participate in the scenario planning process and participate in and comment on TRANSLink study scopes, problem identification, solution development, solution testing and solution evaluations. Consistent with the nature of its participation at MAPP and MISO, the Wind Coalition will provide assumptions relating to wind generation for use in planning scenarios and assist TRANSLink in identifying potential non-transmission solutions where appropriate. Non-transmission solutions may include, but are not limited to, control strategies, distribution or generation solutions, demand side management, operational solutions, or tariff modifications.

4. As part of the Wind Coalition's participation in the TRANSLink Planning Process, the Wind Coalition will:

- (a) Annually prepare and submit a forecast (the "Wind Development Plan") of the quantity of wind generation expected to be installed in the TRANSLink

region, where that wind generation is likely to be located and when the generation is expected to come on-line.

(b) TRANSLink shall integrate the Wind Development Plan into the TRANSLink Planning Process, including but not limited to TRANSLink "scenario" planning initiatives. As part of the TRANSLink Planning Process, TRANSLink shall work with the Wind Coalition to analyze and identify the transmission infrastructure requirements, operational modifications, and tariff changes that may be needed to serve the forecasted wind generation (the "Wind Response Plan"). TRANSLink shall provide the Wind Response Plan to the Wind Coalition for review and comment in accordance with established review procedures within the TRANSLink Planning Process.

(c) The Wind Coalition shall evaluate and make recommendations to TRANSLink on the Wind Response Plan. TRANSLink shall thereafter implement the Wind Response Plan in a fashion consistent with the Wind Coalition's recommendations to the extent that such recommendations are technically feasible and consistent with good utility practice, electric reliability and security. TRANSLink is not required to implement the Wind Coalition's recommendations where the costs associated with implementing and sustaining such recommendations are not reasonable or where TRANSLink reasonably believes that such costs would not be recoverable in TRANSLink's rates.

5. The Wind Coalition will prepare and submit to TRANSLink list(s) of any transmission-related issues within the TRANSLink footprint that the Wind Coalition believes TRANSLink needs to address to facilitate the development of wind generation (a "Wind Issues

List(s)"). The Wind Issues List(s) need not be prepared and submitted within the context of the TRANSLink Planning Process. The Wind Issues List(s) may recommend transmission solutions or non-transmission solutions (examples of which are listed in paragraph 3 of this Settlement Agreement) to the issues raised. Within 120 days of receiving the Wind Issues List(s), TRANSLink shall evaluate the issues and shall provide the Wind Coalition with a response identifying the actions TRANSLink agrees to implement or alternative solutions TRANSLink proposes to implement to address the issues on the Wind Issues List(s) (a "Wind Issues Response Plan(s)"). The Wind Coalition shall review the Wind Issues Response Plan(s) and make recommendations to TRANSLink. TRANSLink shall thereafter implement the Wind Issues Response Plan(s) in a fashion consistent with the Wind Coalition's recommendations to the extent that such recommendations are technically feasible, consistent with good utility practice, and consistent with electric reliability and security. TRANSLink is not required to implement the Wind Coalition's recommendations where the costs associated with implementing and sustaining such recommendations are unreasonable or where TRANSLink reasonably believes that such costs would not be recoverable in TRANSLink's rates.

6. TRANSLink recognizes that the process of obtaining rights-of-way within its footprint has the potential to generate significant public controversy. TRANSLink shall work with the Wind Coalition to investigate and implement creative solutions or alternatives for the procurement of and landowner compensation for transmission rights of way. To the extent that TRANSLink and the Wind Coalition agree to implement any particular alternative, the Intervenor shall not object to TRANSLink's recovery of associated reasonable costs in TRANSLink's rates.

7. Within 180 days after TRANSLink commences operations, TRANSLink and the Wind Coalition shall jointly identify and evaluate any federal and/or state regulatory impediments to 1) the efficient development and execution of infrastructure development plans necessary to accommodate planned wind generation, and 2) the provision of ancillary services for wind generation facilities. TRANSLink and the Wind Coalition shall thereafter work together with the goal of jointly developing any federal and/or state regulatory filings that may be appropriate and necessary to achieve the elimination or minimization of such regulatory impediments. Any rate schedule amendments to reduce or eliminate such impediments are subject to FERC approval. This paragraph is not intended to limit the Parties' right to express independent views on issues that are or may in the future be pending before any federal and/or state regulatory agency(ies).

8. As a result of the commitments that TRANSLink Development makes in this Settlement Agreement, Intervenors agree that Commission approval of TRANSLink will bring about beneficial opportunities for stakeholder involvement in expanding the transmission infrastructure, operations, and tariffs that support significant wind power expansion in the TRANSLink footprint. Intervenors agree that this Settlement Agreement addresses all of the concerns Intervenors raised in these proceedings, and hereby withdraw their opposition to the Petitions, having no further objections to Commission approval of the Petitions.

9. Intervenors will not propose any conditions to the Commission other than those to which TRANSLink Development has agreed in this Settlement Agreement, nor will Intervenors advocate for any conditions that have been or in the future may be proposed by other parties and commenters in this proceeding, other than those conditions set forth in this Settlement

Agreement. Intervenors may advocate for conditions contained in other Settlement Agreements TRANSLink submits to the Commission in this proceeding.

10. TRANSLink hereby agrees to the MPUC's imposition of the requirements of this Settlement Agreement on TRANSLink as a condition of any order approving the Petitions.

11. Upon TRANSLink's request, Intervenors shall submit to agency(ies) in other states before which application(s) for the transfer of control of transmission facilities to TRANSLink are pending written comments or correspondence expressing their support for such application(s) on the basis of the application's(s') beneficial opportunities for wind power development, so long as TRANSLink agrees to conditions consistent with this Settlement Agreement in such other states. Intervenors shall not be required to make such submissions where they have objections to pending applications on issues that were not implicated by the Petitions in these proceedings.

12. This Settlement Agreement shall be binding upon and inure to the benefit of the successors and assigns of TRANSLink Development and Intervenors whether by way of merger, consolidation, operation of law, assignment, purchase or other acquisition. If the proposed transfer of functional control of Xcel Energy's and IPL's transmission facilities to TRANSLink is not effectuated for any reason, this Settlement Agreement shall be of no force and effect.

13. In entering into this Settlement Agreement, the Parties represent that they have relied upon the advice of their attorneys, that each party's attorney is the attorney of the party's own choice, that they have read the terms of this Settlement Agreement, that the terms of this Settlement Agreement have been completely read and explained to them by their attorney, and that the terms are fully understood and voluntarily accepted by them. Each party agrees and

represents that neither party is relying on any representations or statement(s) made by the other party or anyone representing the other party or by any person employed by the other party.

14. It is understood and agreed that all offers of settlement and discussions related thereto are privileged and may not be used in any manner in connection with proceedings in this case or otherwise, except as provided by law. In the event the Commission does not approve this Settlement Agreement, the Settlement Agreement shall not constitute part of the record in this proceeding and no part thereof may be used for any purpose in this proceeding or otherwise. This Settlement Agreement shall not in any respect constitute a determination by the Parties as to the merits of any specific allegations or contentions made by the Parties.

15. This Settlement Agreement constitutes the entire agreement and understanding between the Parties pertaining to the resolution of issues in this proceeding and the other matters specified herein, and supersedes and replaces all prior negotiations and proposed agreements, written or oral.

16. Any modification to this Settlement Agreement shall not be binding on the Parties unless consented to in writing by TRANSLink Development and Intervenors.

17. This Settlement Agreement may be executed in counterparts with the same force and effect as if a single original had been executed by the Parties hereto. A facsimile signature will be considered as an original.

TRANSLink Management Development Corp.



by Audrey Zelman, its Chief Executive Officer
for itself on and behalf of its successor
TRANSLink Management Corporation

Izaak Walton League of America – Midwest Office

by William Grant, its Associate Executive Director

Minnesotans for an Energy Efficient Economy

by Michael Noble, its Executive Director

Minnesota Center for Environmental Advocacy

by Martha Brand, its Executive Director

North American Water Office

by George Crocker, its Executive Director

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for itself on and behalf of its successor
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Frank Walton League of America - Midwest Office

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Minnesotans for an Energy Efficient Economy

 6/23/03
by Michael Noble, its Executive Director

Minnesota Center for Environmental Advocacy

by Martha Brand, its Executive Director

North American Water Office

by George Crocker, its Executive Director

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by Audrey Zibelman, its Chief Executive Officer
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by Michael Noble, its Executive Director

Minnesota Center for Environmental Advocacy

by Martha Brand, its Executive Director

North American Water Office


by George Crocker, its Executive Director

Exhibit A

WORKING DRAFT FOR DISCUSSION PURPOSES ONLY.



TRANSLink Planning Process Overview

June 5, 2003

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1.0 Appendix I

On November 22, 2002, the Appendix I Agreement between TRANSLink Development Company, LLC and the Midwest Independent Transmission System Operator, Inc. (MISO) was filed with the Federal Energy Regulatory Commission (FERC). Contained in the Appendix I Agreement is Schedule 5 which describes the TRANSLink Planning Procedures.

The purpose of Schedule 5 is to describe a framework within which TRANSLink will develop a TRANSLink transmission system expansion plan. The attributes of Schedule 5 include the concepts of "coordinated planning through an open and fair process", environmentally sensitive and least-cost planning, development of 10 Year Plan (updated annually) and the use of planning committees. The following is meant to add further detail to the TRANSLink Planning Process and add clarity to the various relationships with stakeholders that are necessary for developing the appropriate TRANSLink transmission plan. This document is marked as draft because it is a work in progress, as TRANSLink has not yet had the benefit of stakeholder input.

The TRANSLink planning process is designed to enable various stakeholders to participate at all stages, including problem/opportunity identification, scenario development, solution alternative identification, and result presentation. The objective of the process is to develop plans that have wide stakeholder and regulatory understanding and support to permit smooth implementation.

2.0 Glossary of Terms

2.1 RSPG

Regional Stakeholder Planning Group: The RSPG will identify and coordinate regional planning issues and coordinate sub-regional initiatives. Membership will be open to all stakeholders including transmission owners, load serving entities, environmental groups, generation developers, other public interest groups, the Midwest ISO and regulatory agencies.

2.2 RPC

Reliability Planning Committee: The RPC is defined in Schedule 5 to the Appendix I agreement between TRANSLink Development LLC and MISO to consist of those entities with an "obligation to serve" (TRANSLink, TRANSLink Participants, and Load Serving Entities, plus representatives of regulatory agencies and MISO). The RPC will be a subset of the RSPG and will provide a forum for the discussion of RSPG issues that are subject to the FERC Standards of Conduct and Commercial Confidentiality Requirements. Accordingly, RPC membership will be limited to those who agree to comply with these standards.

2.3 TPWS

Ten Year Plan Working Subcommittee (TPWS): The TPWS will be another subset of the RSPG and will be open to all RSPG members. It will be responsible for coordinating the 10-year TRANSLink enhancement plan process and drafting the 10-year TRANSLink enhancement plan.

2.4 SPGs

Stakeholder Planning Groups: The SPGs are designed to focus on local-level planning issues and solutions. Membership will be open to all stakeholders including transmission owners, load serving entities, environmental groups, generation developers, other public interest groups, and regulatory agencies.

2.5 WSCs

Working Subcommittees: WSCs will be part of the RSPG and the SPGs. The WSCs will undertake the studies and other tasks within each group. WSC members are expected to complete study work in a thorough and timely manner.

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2.6 MTEP

MISO Transmission Expansion Plan: MTEP is the name of the Midwest ISO long-range expansion plan. The first such plan is referred to as MTEP-03.

2.7 Planning Scenario

Planning Scenario: refers to the multitude of expectations, assumptions and goals upon which the transmission system can be planned. These scenarios, for example, can take into account various inputs in load growth patterns, wind development, conservation, load management, distributed generation, locations of energy markets, etc.

3.0 Planning Committees

TRANSLink's objective is to establish an open and fair planning process to foster input from all interested parties and stakeholders. To accomplish this, a stakeholder committee structure has been developed as an integral part of the planning process. The committee structure will augment the planning structure of TRANSLink and perform tasks through the use of working subcommittees. Throughout the process, TRANSLink staff will be available upon request to attend various stakeholder meetings to receive comment and to answer questions. (Refer to Diagram 1 on page 8)

3.1 Regional Stakeholder Planning Group

The Regional Stakeholder Planning Group (RSPG) will coordinate the identification of regional planning issues and sub-regional initiatives. It is envisioned that the RSPG will maintain the "big picture" with respect to planning in the TRANSLink footprint. It will be the responsibility of the RSPG to: 1) ensure effective communications between the RSPG, SPGs and TRANSLink, 2) ensure coordination and minimize duplication of efforts between and among the SPGs and 3) perform work that is "regional" in nature. The following are key attributes of the RSPG:

- The RSPG will be chaired by TRANSLink staff.
- Membership will be open to all stakeholders and consist of transmission owners, load serving entities, environmental groups, generation developers, other public interest groups, the Midwest ISO and regulatory agencies.
- RSPG activities will be coordinated with the Midwest ISO through TRANSLink.
- The RSPG and the SPGs will perform functions through the use of Working Sub-Committees (WSCs):
 - TRANSLink staff will chair the WSCs.
 - The WSCs will be open to all stakeholders.
 - Members of the WSCs will be expected to perform study work in a thorough and timely manner.
 - Each WSC will have a clearly defined scope of work approved by the RSPG.
 - Work performed by the WSCs is to be presented for review by the SPGs and the RSPG.
 - In the event that the scope of a WSC is subject to the FERC Standards of Conduct, the WSC will have membership closed to those not bound by the Standards of Conduct. Accordingly,

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such a WSC would report directly to the Reliability Planning Committee that similarly is subject to confidentiality rules.

3.2 Reliability Planning Committee

A subset of the RSPG is the Reliability Planning Committee (RPC). The RPC is defined in Schedule 5 to consist of those entities with an "obligation to serve" within the TRANSLink transmission system (TRANSLink, TRANSLink Participants, and Load Serving Entities, plus representatives of regulatory agencies and MISO). The purpose of the RPC will be to provide a forum for the discussion of RSPG issues that are subject to the FERC Standards of Conduct. The following are the key points of the RPC:

- Will be chaired by TRANSLink staff.
- The FERC Standards of Conduct will limit participation.
- The intent of the RPC is not to be separate from the RSPG, but rather a "stakeholder" sub-group of the RSPG.
- RPC meetings will be held only as needed for discussion of FERC Standards of Conduct issues and held in conjunction with RSPG meetings whenever possible.
- RPC meeting dates and locations will be considered public information for all stakeholders.
- Specific meeting discussion items will be made available to the RSPG when the information is ready for release to the public domain as determined by either by the FERC Standards of Conduct or other confidentiality terms.

3.3 Sub-Regional Stakeholder Planning Groups

The Sub-Regional Stakeholder Planning Groups will be established for the purpose of addressing local (sub-regional) planning issues and undertaking other efforts as directed by the RSPG. Within the historic MAPP area, there will be three such groups:

- Iowa Stakeholder Planning Group (ISPG)
- Nebraska Stakeholder Planning Group (NSPG)
- Northern MAPP Stakeholder Planning Group (NMSPG)

The sub-regional SPGs are similar to the RSPG, but their focus is on sub-regional planning issues. The following are the key points of the SPGs:

- Membership will be open to all stakeholders and consist of transmission owners, load serving entities, environmental groups,

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generation developers, other public interest groups, and regulatory agencies.

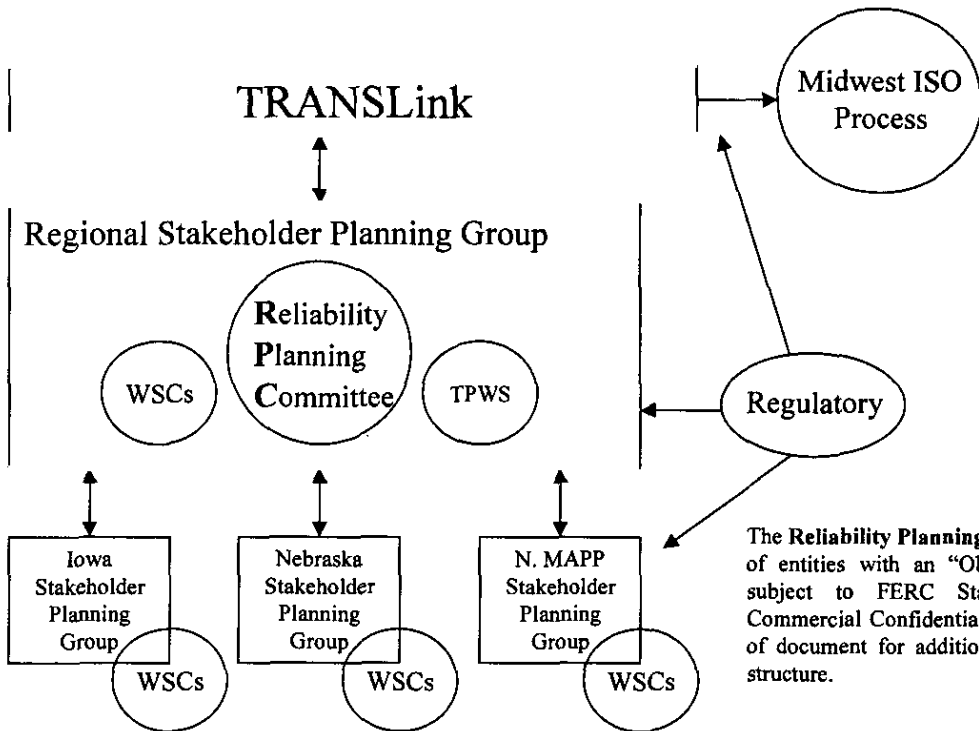
- SPGs will perform functions through the use of WSCs:
 - These groups will be open to all members of the SPGs.
 - The role of the WSCs will be local in nature (e.g. load service planning).
 - Each WSC will have a clearly defined scope of work approved by the RSPG.
 - Members of the WSCs will be expected to perform study work in a thorough and timely manner.
 - Work performed by the WSCs will be presented for review to the RSPG.
 - In the event that the scope of a WCS is subject to the FERC Standards of Conduct, the WCS will be coordinated by the RPC.

3.4 RSPG and SPG Coordination

The coordination effort between the RSPG and SPGs is envisioned to be a layered structure. The RSPG will maintain a "regional" perspective of the transmission system while the SPGs will have the "local" perspective. The RSPG will coordinate the efforts of the SPGs in order to eliminate duplication of efforts between the RSPG and SPGs and between the SPGs themselves.

Diagram 1

TRANSLink 10 Year Planning Structure (North System)



The Reliability Planning Committee (RPC) consists of entities with an "Obligation To Serve" and is subject to FERC Standards of Conduct and Commercial Confidentiality Requirements. See body of document for additional explanation of planning structure.

Parallel processes are used in the SPP and WECC regions



4.0 Long Term Transmission Planning

4.1 Midwest ISO Transmission Expansion Planning Cycle

The Midwest ISO will be publishing its first long-range expansion plan, referred to as MTEP-03, in May-June of 2003. The Midwest ISO intends to publish its 2004 expansion plan in April of 2004 as part of its annual cycle. The on-going annual expansion plan cycle at the Midwest ISO is as follows:

- Perform necessary study work throughout the year
- Draft report writing in November/December
- Draft report sent to various Midwest ISO committees for comments and approval, requiring approximately 3 months (Jan-Mar)
- Final approved MTEP report published in April
- Next annual expansion plan cycle starts

4.2 TRANSLink System Enhancement Planning Cycle

The title above was selected specifically to convey the TRANSLink philosophy that a wide variety of options should be considered during plan development. The process is designed to encourage stakeholders to identify solutions ranging from traditional transmission additions, to implementation of new technologies, to dispersed generation.

Given that the annual TRANSLink System Enhancement Plan will be incorporated into the annual MTEP, the TRANSLink schedule below is meant to coincide with the Midwest ISO cycle (also see Diagram 2 on page 12). To the extent that the Midwest ISO adjusts its expansion plan cycle, TRANSLink will adjust as well. The envisioned details of the TRANSLink planning cycle are: (refer to Section 3.0 for a description of groups/committees)

1st Quarter

- Regional Stakeholder Planning Group (RSPG) meets and establishes the Ten Year Plan Working Subcommittee (TPWS). This subcommittee will be chaired by TRANSLink staff. Its membership will consist of RSPG member representatives, regulatory representatives, and other stakeholder representatives. As this is viewed as a "working subcommittee" the size of the subcommittee must be kept at a functional size.
- TPWS compiles all existing study work and proposed projects since the last published TRANSLink System Enhancement plan including

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load service plans, generator interconnection plans, regional transmission plans, IRP results etc.

- Stakeholder Planning Groups (SPGs) and the TPWS identify deficient study areas and other study needs.
- TPWS develops priorities, scopes and schedules that are then presented to the RSPG and SPGs for comment on priorities and scopes.
- RSPG, TPWS and SPGs establish necessary Working Subcommittees (WSCs) to complete the study scopes. Membership in WSCs will be drawn from a list of all stakeholders registered with SPGs or the RSPG.
- To the extent possible, the WSCs begin study work.

2nd Quarter

- WSCs perform adequacy assessment on study areas (NERC 1A Standards) and identify system enhancement needs.
- WSCs present adequacy assessment to SPGs and use this open forum to develop alternatives to be studied to address deficiencies.
- SPGs analyze alternatives and evaluate enhancement options.
- SPGs share evaluations with RSPG for comments, ideas, and other input.

3rd Quarter

- WSCs complete study work and present results to RSPG and SPGs.
- TPWS coordinates the 10 Year System Enhancement Plan report writing effort with the RSPG and SPGs.
- New plans developed during the year (e.g. generator interconnection results) are added to the draft report.

4th Quarter

- TPWS presents draft report to RSPG for review and comment by all members and participant observers.
- RSPG formally accepts plan.
- The Draft 10 Year System Enhancement Plan Report is forwarded to TRANSLink Management for approval.
- Upon TRANSLink Management approval, the report will become Final and sent to the Midwest ISO for incorporation into the Midwest ISO MTEP Report. Should any stakeholders continue to have concerns about any aspect of the plan, they can raise these concerns by petitioning MISO.

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4.3 Planning Scenarios

TRANSLink's goal is to propose system expansion options to accommodate not only the "obligation to serve" requirements, but also market, public interest and environmental initiatives and requirements as well. TRANSLink is establishing its planning process to provide an opportunity for all stakeholders to actively participate. To achieve these objectives, TRANSLink will rely on the development and analysis of planning "scenarios" as a key component of the TRANSLink Ten Year System Enhancement Plan.

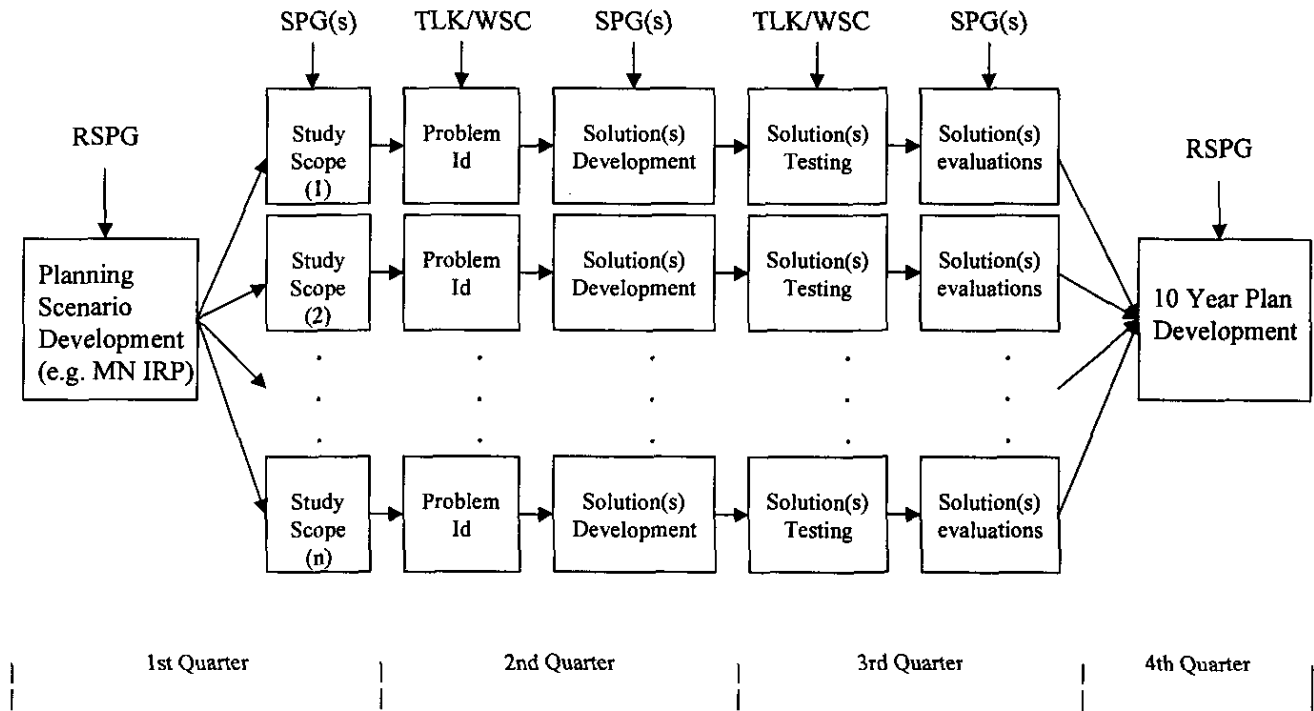
Planning scenarios will provide direction(s) for optional transmission expansion initiatives incorporating "traditional" planning and "vision" planning. Traditional planning concerns consist of the "obligation to serve" demands that must be accommodated such as reliability, load growth and interconnections. Vision planning concerns include energy policy, conservation and market economics. In Minnesota, for example, vision planning drives the utility integrated resource plan (IRP) process. TRANSLink expects that these plans will play an integral role in the development of scenarios relating to the transmission needs of load serving entities and the market (also see Diagram 2 on page 12). Other vision issues include:

- Load Growth Assumptions (demand side management and other)
- Energy Source Options
- Market Needs (wholesale, flowgates)
- Generator Assumptions
- Economic Activity
- New Technologies

Developing vision scenarios will require significant input from all stakeholders, particularly market participants (such as the wind energy industry), environmental groups, public interest advocates and regulatory agencies. TRANSLink will be asking for and strongly encouraging direct and purposeful involvement from stakeholders to incorporate vision planning in the process. The RSPG will be the main body for achieving this result.

Diagram 2

TRANSLink 10 Year Transmission Plan



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4.4 Plan Implementation and Dissemination

The implementation of the accepted plan will be the responsibility of TRANSLink and subject to the permitting and siting rules of the various jurisdictions within which TRANSLink operates. To facilitate implementation, TRANSLink will schedule periodic meetings with state regulatory agencies to keep the agencies informed of developments. These meetings will also provide another forum outside the planning process for the agencies to express comments/concerns to TRANSLink.

5.0 TRANSLink Planning Functions

TRANSLink will be the transmission owner and operator for a significant portion of the eastern interconnection. TRANSLink will have the ultimate responsibility for numerous planning related functions such as facilitating interconnections, maintaining NERC compliance and developing a long-term enhancement plan. Below is a listing of some of these functions and important aspects of each.

5.1 Ten Year System Enhancement Plan

- The RSPG or a WSC of the RSPG will develop the 10 Year Plan.
- The Plan will be updated on an annual basis.
- The Plan will be compiled utilizing all study work to date from each of the TRANSLink planning functions carried out by TRANSLink, the RSPG, the SPGs and MISO.
- The TRANSLink Asset Management group will have the final approval of all proposed facilities within the TRANSLink footprint.
- The 10 Year Plan will be coordinated with the SPGs for input.
- The 10 Year Plan will be provided to the Midwest ISO through its Expansion Plan process.
- The Midwest ISO will have final authority over those projects deemed to have "material affect" on facilities outside of the TRANSLink footprint.
- Non-TRANSLink participant utilities will have the opportunity to add their long-range transmission plans to the TRANSLink plan for submission to the Midwest ISO.

5.2 Model Building

- The RPC will develop a model building process for TRANSLink.
- SPG and RSPG members within the TRANSLink footprint will gather data for the model building process.
- Other entities with model building responsibilities wishing to participate in the TRANSLink model building process will be welcomed and encouraged.
- The intent of the TRANSLink model building process will be to create a regional model.
- The model building process will be coordinated with the Midwest ISO and all data gathered will be supplied to the Midwest ISO as part of its model building process(s).

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5.3 NERC Compliance

- The RPC will develop NERC compliance requirements for TRANSLink.
- The RPC will determine what data is needed and what study work is required for NERC compliance.
- The RPC will coordinate NERC compliance needs with the SPGs to ensure the appropriate information is available and study work completed.
- Through the use of WSCs, the RSPG will perform study work on a regional basis; the SPGs will perform study work on a sub-regional basis.
- WSCs will be created as necessary.

5.4 Load Service Planning

- Load Service Planning and other local planning initiatives will be conducted by the SPGs.
- To ensure the proper coordination with other SPGs and RSPG efforts, each study effort will have a clearly defined scope of work approved by the RSPG.
- All study work efforts shall be provided to the RSPG for review and final approval.
- Where the study effort is outside of the TRANSLink footprint, the study work will be shared with the RSPG.

5.5 Generator Interconnection and Transmission Service Analysis

- Due to the FERC Standards of Conduct and proprietary nature of Generator Interconnection and Transmission Service Analysis study work, these two processes will be conducted internally within TRANSLink.
- TRANSLink will utilize a WSC format encompassing necessary stakeholders under the FERC Standards of Conduct.
- As necessary and when permissible, information will be shared with the RPC and RSPG.
- Information will be shared with the SPGs once public involvement is permitted.

5.6 Facility Interconnections

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- The Facility Interconnection process will be conducted internally within TRANSLink due to potential FERC Standards of Conduct issues.
- The Facility Interconnection process will utilize a WSC format encompassing necessary stakeholders under the FERC Standards of Conduct as needed.
- As allowable by the FERC Standards of Conduct, facility interconnection study work will be conducted and coordinated within the SPGs via the RPC and RSPG.
- Only those projects or requests that are not already part of the normal load service planning process, 10 Year Plan or other study processes will be required to be studied separately under a facility interconnection process.