Cedar Falls Utilities
THE POWER OF SERVICE

March 10, 2017

Ms. Gloria Bryant
Manager, Transmission Settlements
MISO
P.O. Box 4202
Carmel, IN 46082-4202

Re: Submittal of Attachments O and MM and Supporting Workpapers to MISO

Dear Ms. Bryant:

The accompanying Attachment O and Attachment MM, along with any other supporting workpapers requested by MISO submitted for the Municipal Electric Utility of the City of Cedar Falls Iowa (CFU) are based on the audited financial statements and underlying financial records for the electric utility for the year ended December 31, 2015. The expenses, assets, liabilities and proprietary capital data provided by CFU in the EIA Form 412, Attachment O, Attachment MM and supporting workpapers are consistent with the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts.

Allocations of expenses made in CFU's financial statements are based on historical cost allocation reviews conducted by CFU Accounting staff; a full description of these allocation methodologies is attached. As part of the annual audits of all of CFU's utilities (Electric, Gas, Water and Communications) certified professional accountants review CFU's allocations and these allocations are an accurate representation of the financial condition of the electric utility. Each year as part of the annual preparation of Attachment O and Attachment MM, CFU will provide the allocations used to allocate expenses in its financial statements. CFU confirms that its audited financial statements and workpapers submitted with the Attachment O and Attachment MM will be publicly available for review and inspection.

CFU is not a jurisdictional utility under the Federal Power Act and FERC regulations. Therefore, CFU did not file a FERC Form 1 for 2015. However, CFU does keep its books and records in accordance with the FERC Uniform System of Accounts. CFU has completed an EIA Form 412, based on the last instructions for this form, before it was rendered obsolete by FERC, consistent with historical allocations and record keeping. CFU confirms that these allocations and categorizations of rate base balances and expense detail are reasonable and consistent with the intent of the Midwest ISO's Attachment O, Attachment MM, EIA Form 412 templates and the FERC Uniform System of Accounts.

Very truly yours,

Wynette Froehner, Director of Finance & Organizational Services