



Duke Energy Independent Entity Update

○ October 27, 2006

○ Independent Entity Transition Approach

- Goal to make transition to an IE seamless for Customers
- Implement existing practices but with FERC independent oversight

○ Benefits to the Customer

- Enhance planning of the transmission system
 - Coordinated regional planning and optimization
 - Annual Transmission Plan
 - Annual Transmission Summit for Stakeholder review
- Transparency of information

○ IE Services

■ What the IE will do

- OASIS/OATT Administration
- Coordinated Planning
- ATC/TTC Calculations
- Generator Interconnections

■ What the IE won't do

- Functional Control of facilities
- Duke Energy remains the Transmission Provider

○ Effects to Processes

- IE is point of contact for:
 - OASIS/OATT Administration (1/07)
 - Generator Interconnection Requests
 - ATC/TTC calculations
- Generator Interconnection Feasibility and System Impact Study Agreements signed by the IE and Customer
- IE will process deposits/billing/invoicing for Gen Interconnection and TSR study's
- All TSR and Gen Interconnection requests prior to transition date will remain the responsibility of Duke Energy

○ Transition Dates

- OATT/OASIS Administration – Jan 2007
 - Long-Term (yearly) Transmission Service – Nov 1, 2006
- Generator Interconnection – Nov 1, 2006
- Coordinated Planning – Nov 1, 2006
- ATC/TTC Calculations – Nov 1, 2006

○ Transition Contacts

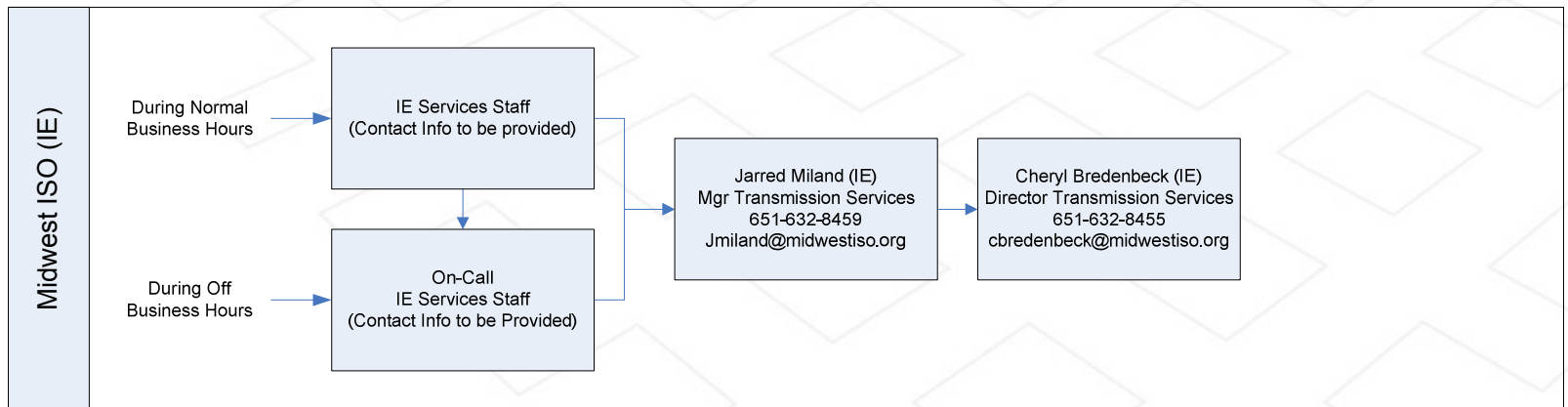
■ Midwest ISO

- Jarred Miland, Mgr Transmission Services
651-632-8459/jmiland@midwestiso.org
- Contact info for individual services to be provided at a later date

■ Duke Energy

- Dave McRee, Project Manager
704-382-9841/damcree@duke-energy.com

Inquiry Escalation Map



○ OATT/OASIS Administration

- Services to be provided Jan 17, 2007
- Stakeholder meeting will be scheduled to discuss transition prior to transition date

Generator Interconnection & Long-Term Transmission Service

- Operating Procedure will be posted on OASIS prior to Nov 1
- All requests received after Nov 1, 2006 will be subject to the IE, all previous requests will continue with Duke Energy
- Before Nov 1, contact and other necessary information will be posted to the Duke Energy OASIS
- Generator Interconnection and Transmission Service Agreements will remain unchanged and executed between Customer and Duke Energy

○ Coordinated Planning

- Independent review of Planning (per Attachment K)
- Annual plan to be developed in 2007 with IE and Stakeholder review (per Attachment K)

○ **ATC/TTC Calculations**

- ATC/TTC Calculation posting times will not change
- Calculations currently in “parallel operations”

○ The Midwest ISO

- FERC approved RTO founded in 1996
- Offices located in Carmel, IN and St Paul, MN
- Dedicated work team in St Paul for IE Services