

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Midwest Independent Transmission)	
System Operator, Inc.)	Docket Nos. ER09-1727-000
ALLETE, Inc. d/b/a Minnesota Power)	
)	

**MOTION FOR LEAVE TO FILE ANSWER, ANSWER, AND REQUEST FOR
EXPEDITED ACTION OF
THE MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC. AND
ALLETE, INC. D/B/A MINNESOTA POWER**

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. §§ 385.212 and 385.213 (2009), the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”) and ALLETE, Inc. d/b/a Minnesota Power (“ALLETE”) (together, “Applicants”) hereby submit this Answer to the October 13, 2009 comments and limited protest filed in the above-captioned docket by: (1) the Midwest Transmission Dependent Utilities (“Midwest TDUs”)¹; (2) International Transmission Company d/b/a *ITCTransmission*, Michigan Electric Transmission Company, LLC and ITC Midwest, LLC (“ITC”)²; and (3) the Midwest ISO Transmission Owners (“Midwest ISO TOs”).³ On September 21, 2009, the Applicants submitted a joint filing under Section 205 of the Federal Power Act (“FPA”) (“Joint Proposal”) proposing an Agency

¹ See *Intervention, Comments and Limited Protest of Midwest TDUs, Midwest Independent Transmission Sys. Operator, Inc., et al.*, Docket No. ER09-1727 (filed Oct. 13, 2009) (“Midwest TDUs Protest”). The Midwest TDUs participating in this proceeding consist of Madison Gas & Electric Company, Missouri River Energy Services and WPPI Energy.

² See *Motion to Intervene and Comments of International Transmission Company d/b/a ITCTransmission, Michigan Electric Transmission Company, LLC and ITC Midwest, LLC, Midwest Independent Transmission Sys. Operator, Inc., et al.*, Docket No. ER09-1727 (filed Oct. 13, 2009) (“ITC Protest”).

³ See *Response of the Midwest ISO Transmission Owners In Support of Comments, Midwest Independent Transmission Sys. Operator, Inc., et al.*, Docket No. ER09-1727 (filed Oct. 23, 2009) (“Midwest ISO TOs Comments”).

Agreement and certain related revisions to the Midwest ISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff" or "Midwest ISO Tariff"). In the Agency Agreement, the Midwest ISO and ALLETE agree to delegate certain responsibilities concerning the administration of transmission and generator interconnection services over high-voltage direct-current transmission facilities ("HVDC Facilities") that ALLETE is purchasing from Square Butte Electric Cooperative ("Square Butte").⁴

The Midwest TDUs and ITC, as supported by the Midwest ISO TOs, have raised limited and discrete issues concerning the Joint Proposal's pricing of losses for firm transmission customers taking service over the HVDC Facilities, the precedential effect of the Joint Proposal on HVDC facilities development in the Midwest ISO, the proper distribution of revenue based on the nature of transmission service taken over ALLETE's HVDC Facilities and the proper treatment of ALLETE's HVDC Facilities as "Gross Plant in Service" for purposes of revenue distribution. While, as explained below, the Applicants do not necessarily agree with the Midwest TDUs and/or ITC's position on some of these issues, the Applicants believe that they are easily mitigated or clarified and, therefore, this Answer includes several proposed revisions and/or clarifications to the Joint Proposal designed to accommodate the intervenors' concerns.

Because the revisions and clarifications included in this Answer properly resolve the issues raised in this docket, Applicants respectfully request that the Commission accept the Joint Proposal, as proposed to be revised and as clarified herein, to be effective as requested.

⁴ The HVDC Facilities include Square Butte's 465-mile ± 250 kV HVDC transmission line running from Center, North Dakota to ALLETE's Arrowhead Substation near Duluth, Minnesota. In addition to the HVDC transmission line, ALLETE's purchase includes the direct-current facilities within Square Butte's 230 kV Substation near Center, North Dakota ("Square Butte Substation"), as well as certain alternating-current ("AC") facilities within the Square Butte Substation, tariffs, contracts and existing transmission and interconnection queues. *See* Joint Proposal, Direct Testimony of Bradley Oachs, Ex. ATE-1 ("Oachs Testimony"), at 1-3; *see also Application of ALLETE, Inc. d/b/a Minnesota Power For Authorization to Acquire Transmission Facilities, ALLETE, Inc. d/b/a Minnesota Power*, Docket No. EC09-108 (filed Sept. 4, 2009).

The Applicants further request that the Commission expedite its action in this proceeding to permit ALLETE and the Midwest ISO to make any necessary compliance filings that will allow ALLETE to close on its purchase of the HVDC Facilities by December 31, 2009.

I. BACKGROUND

The Applicants submitted the Joint Proposal on September 21, 2009.⁵ In addition to the Agency Agreement, the Joint Proposal also included: (1) a new Section 27A of the Tariff (and other related Tariff revisions) that will govern the standard rates, terms, and conditions of HVDC Service; (2) revisions to the Midwest ISO's standard generator interconnection procedures and standard interconnection agreement to reflect the Midwest ISO's role in administering generator interconnection for Section 27A HVDC facilities; (3) a revised Attachment O, as well as revised Schedules 7 and 8, to the Midwest ISO Tariff including transmission rates for ALLETE's HVDC Facilities; and (4) a new Schedule 35 under the Midwest ISO Tariff that will be the Tariff mechanism through which the Midwest ISO will recuperate the costs associated with the administration of Section 27A HVDC facilities.

Further, in the Joint Proposal, ALLETE proposed to charge losses on an incremental basis for firm and non-firm transmission service taken over ALLETE's HVDC Facilities. The

⁵ ALLETE submitted two individual filings under Section 205 of the FPA in Docket Nos. ER09-1726 and ER09-1728 concurrently with the Joint Proposal. ALLETE's filing in Docket No. ER09-1726 proposed a new Schedule 2 (HVDC) to ALLETE's existing Open Access Transmission Tariff ("OATT"). Under the Agency Agreement, Transmission Customers taking HVDC transmission service must self-supply reactive power and voltage support when taking HVDC service or those services will be provided by ALLETE. ALLETE's proposed new Schedule 2 (HVDC) is the tariff mechanism that allows ALLETE to provide reactive power and voltage support to HVDC customers. ALLETE's filing in Docket No. ER09-1726 also proposed to suspend the portions of the existing ALLETE OATT that were superseded by the transfer of functional control of ALLETE's AC transmission system to the Midwest ISO and the implementation of the Midwest ISO's Ancillary Service Market on January 6, 2009. *See ALLETE, Inc. d/b/a Minnesota Power*, Docket No. ER09-1726 (filed Sept. 21, 2009). ALLETE's filing in Docket No. ER09-1728 proposes a new "wires" interconnection agreement between ALLETE and Square Butte that moves the existing point of interconnection between ALLETE's and Square Butte's transmission facilities to the Square Butte Substation and governs the coordinated operation of ALLETE's and Square Butte's transmission systems, as well as the Milton R. Young, Unit 2 generation facility, upon ALLETE's purchase of the HVDC Facilities. *See ALLETE, Inc. d/b/a Minnesota Power*, Docket No. ER09-1728 (filed Sept. 21, 2009).

two transmission customers currently taking (or that have reserved) all of the firm transmission capacity over ALLETE's HVDC Facilities are the merchant function of ALLETE and Minnkota Power Cooperative ("Minnkota"),⁶ and neither opposed continuing the incremental loss change under their existing agreements. With respect to non-firm transmission service, the Joint Proposal proposed a substantially reduced transmission charge of \$1/MWh, which is not based on average embedded costs, in addition to incremental losses.⁷

On October 13, 2009, the Midwest TDUs submitted a motion to intervene and a limited protest of the Joint Proposal. On the same day, ITC submitted comments on the Joint Proposal. On October 23, 2009, the Midwest ISO TOs filed an answer in support of the ITC Comments.

While the Midwest TDUs recognize that ALLETE and Minnkota have historically agreed to assign losses incrementally amongst themselves, the Midwest TDUs protested ALLETE's proposal to charge incremental losses for future transmission customers taking firm transmission service over the HVDC Facilities.⁸ Further, while the Midwest TDUs do not oppose the creation of a generally applicable agency "template" for "non-transferred" facilities under the TOA for the creation of future agency relationships like the one proposed for ALLETE, the Midwest TDUs argue that the transfer of full "functional control" of HVDC facilities is permitted (or, at least, not prohibited) under the Midwest ISO TOA.⁹ Accordingly, the Midwest TDUs ask that FERC clarify that the Joint Proposal should not be deemed to preclude the transfer of full functional control of other HVDC facilities to Midwest ISO under the TOA in the future.¹⁰

⁶ See Joint Proposal, Transmittal Letter at p. 10; Agency Agreement, Appendices C, D; Oachs Testimony at 2: 3:4.

⁷ See Joint Proposal, Transmittal Letter at p. 9-10; Oachs Testimony at p. 6:10 - 8:21.

⁸ See Midwest TDUs Protest at 4-11, Attachments A-C. The Midwest TDUs do not oppose the proposal to change incremental losses for non-firm transmission service over the HVDC Facilities.

⁹ See *id.* at 11-12.

¹⁰ See *id.* at 12.

ITC made three substantive comments concerning the Joint Proposal. First, ITC comments that the transmission service that will be provided over ALLETE's HVDC Facilities is more akin to "partial path" transmission service and not traditional point-to-point transmission service under the Midwest ISO Tariff.¹¹ Therefore, ITC requests that references to the transmission rate for transmission service over ALLETE's HVDC Facilities be included in their own section in Schedules 7 and 8 of the Midwest ISO Tariff, instead of the sections concerning the Midwest ISO's traditional zonal rates.¹²

Second, ITC comments that Appendix C, Article III.A.3 of the Midwest ISO TOA¹³ does not govern the distribution of revenue for transmission service taken over ALLETE's HVDC Facilities because such service is "partial path" service.¹⁴ Appendix C, Article III.A.3 of the Midwest ISO TOA states that revenues collected for "transmission services associated with power transactions where the generation source(s) and load(s) are physically located within the same Host Zone shall be fully distributed to that Host Zone whether the generation source is controlled by the Owner or another entity." ITC argues that this provision will not necessarily apply to the partial path transactions over the ALLETE's HVDC facilities, where it is possible in a transaction, for both the ultimate generation source and load to be located outside of the ALLETE pricing zone. Instead, ITC argues that the applicable TOA provision is Appendix C, Article III.A.7, which states: "All other Midwest ISO transmission revenues . . . shall be distributed among Zones as follows: (i) fifty percent (50%) of such revenues shall be distributed in proportion to transmission investment . . . and (ii) fifty percent (50%) of such revenues shall

¹¹ See ITC Comments at 3-4.

¹² See *id.* at 4.

¹³ The full name of the Midwest ISO TOA is "Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation."

¹⁴ See *id.* at 4-5.

be shared based upon power flows.”¹⁵ In ITC’s view, if ALLETE does not wish to be subject to the 50/50 revenue sharing for transactions that source and sink outside of its pricing zone, the Midwest ISO and ALLETE should revise the Joint Proposal to state the appropriate revenue distribution methodology for transmission services across ALLETE’s HVDC Facilities in Schedules 7 and 8 of the Midwest ISO Tariff.¹⁶

Finally, ITC asks that the Midwest ISO and ALLETE clarify that ALLETE’s investment in its HVDC Facilities should be excluded from the “Gross Transmission Plant in Service” used to determine the 50/50 revenue distribution for point-to-point transmission service revenues from transactions that utilize the Midwest ISO’s AC transmission system because, currently, the HVDC facilities are not used in providing any of this point-to-point transmission service.¹⁷

The Midwest ISO TOs generally support the ITC Comments. They, however, suggest that it may be more appropriate for the transmission rate for ALLETE HVDC service to be included in a separate rate schedule of the Midwest ISO Tariff, rather than in Schedule 7 or Schedule 8.¹⁸

II. MOTION FOR LEAVE TO FILE ANSWER

Pursuant to Rule 212,¹⁹ to the extent necessary, the Midwest ISO and ALLETE request leave to file this Answer to the Midwest TDUs’, ITC’s, and the Midwest ISO TOs’ comments and limited protest. Generally, an Answer to a Protest is not permitted,²⁰ however, the Commission will permit such an Answer when it provides useful and relevant information that

¹⁵ *See id.*

¹⁶ *See id.* at 5.

¹⁷ *See id.* at 5.

¹⁸ *See* Midwest ISO TOs Comments at 4-5, FN 4.

¹⁹ 18 C.F.R. § 385.212 (2009).

²⁰ *Id.* § 385.213(a)(2).

will assist the Commission in the decision-making process,²¹ or where the Answer will clarify the issues before the Commission.²²

This Answer will provide useful and relevant information that will assist the Commission in the decision-making process because the Applicants have agreed to revise or to clarify the Joint Proposal in response to the issues raised by the intervening parties. Specifically, the Midwest ISO and ALLETE have agreed to: (1) revise the Joint Proposal to apply average losses to customers taking firm transmission service over ALLETE's HVDC Facilities, subject to ALLETE and Minnkota then re-assigning losses between themselves by contract on an incremental basis; (2) revise Schedules 7 and 8 of the Midwest ISO Tariff to include a separate section to set out transmission rate for service over ALLETE's HVDC Facilities, or if necessary, create new Schedules for ALLETE HVDC Service, as further discussed below; and (3) revise the Agency Agreement to clearly state the revenue distribution that will apply for transmission service taken over the ALLETE's HVDC Facilities. This Answer also clarifies: (1) the Joint Proposal's impact on HVDC facilities development in the Midwest ISO; and (2) the treatment of ALLETE's HVDC Facilities with respect to Gross Transmission Plant in Service for revenue distribution purposes for ALLETE's AC transmission system.

III. ANSWER

A. The Midwest ISO and ALLETE Will Revise The Joint Proposal To Charge Average Losses To Firm Transmission Customers Taking Transmission Service Over the HVDC Facilities.

While the Midwest TDUs recognize that ALLETE and Minnkota have historically agreed to allocate losses to themselves on an incremental basis when taking firm transmission service

²¹ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 120 FERC ¶ 61,147 at P 8 (2007).

²² See, e.g., *Entergy Servs. Inc.*, 91 FERC ¶ 61,348 at 62,169 (2000).

over the HVDC Facilities, the Midwest TDUs protest the Midwest ISO's and ALLETE's proposal to continue charging incremental losses for new firm transmission service taken over the HVDC Facilities. The Midwest TDUs argue that capacity and variable costs (*i.e.*, losses) must be charged on the same basis. Thus, because the firm transmission rate for ALLETE's HVDC Facilities is an average rate, losses for firm transmission service must also be allocated on an average basis.²³ The Midwest TDUs, however, recognize that ALLETE and Minnkota have the right to shift the cost of losses on an incremental basis between themselves as a matter of contract in order to preserve their historical economic expectations. The Midwest TDUs, therefore, propose a methodology to charge losses for all firm customers on an average basis and then for ALLETE and Minnkota to assign losses incrementally between themselves.²⁴

As a preliminary matter, at least some of the Midwest TDUs concerns regarding the application of incremental pricing to firm transmission customers appears to result from a misperception that the Applicants are proposing to apply incremental losses to all future HVDC facilities transferred to the Midwest ISO's administration through the TOA or an agency agreement. This is not accurate. As explained in the Oachs Testimony, the reason that the Joint Proposal applies incremental losses to firm transmission customers taking service over ALLETE's HVDC Facilities is to preserve the historic economic expectation of the only two firm transmission customers that have reserved all of the existing capacity (*i.e.*, ALLETE and Minnkota) over the HVDC Facilities.²⁵ This proposal is specific to ALLETE's HVDC Facilities. In fact, proposed Section 27A.3.6 (Transmission Losses on HVDC Facilities) of the Midwest

²³ See Midwest TDUs Protest at 4-11.

²⁴ See *id.* at 10-1, Attachments A-C.

²⁵ See Joint Proposal, Oachs Testimony at 6:8 – 6:19.

ISO Tariff very clearly states that the rate treatment of losses will be facility-specific. Proposed Section 27A.3.6 explains:

Transmission losses are associated with HVDC Service. The Transmission Provider is not obligated to provide transmission losses. Transmission Customers taking HVDC Service are responsible for losses associated with that service, as calculated by the Transmission Provider in accordance with *applicable business practices and procedures and agreements with the applicable owner or operator of HVDC Facilities. Such losses shall be apportioned to all Transmission Customers taking service over HVDC Facilities in accordance with procedures developed by the Transmission Provider and the owner or operator of those HVDC Facilities.*²⁶

Therefore, the losses applied to HVDC facilities subject to Section 27A of the Midwest ISO Tariff will be charged based on procedures specific to each HVDC facility, and not necessarily incrementally. The Joint Proposal should not be construed to set a precedent for the rate treatment of losses for future HVDC facilities transferred to the Midwest ISO's administration.²⁷

Nevertheless, ALLETE does not oppose the Midwest TDUs' comment that the Joint Proposal be amended to reflect the losses pricing methodology that the Midwest TDUs propose in Attachments A, B, and C of their pleading. Under this methodology, losses will be charged on an average basis to existing and new firm transmission customers. By contract, ALLETE and Minnkota will assign losses between themselves on an incremental basis. Specifically, from ALLETE's understanding, the Midwest TDUs are proposing that all losses associated with firm

²⁶ See Joint Proposal, Original Sheet 505Z.06 (emphasis added).

²⁷ The Midwest TDUs have also indicated that firm capacity may become available over ALLETE's HVDC Facilities once a 345kV transmission line that Minnkota is proposing to interconnect to the Square Butte substation is constructed (currently planned for 2013). As explained in the Oachs Testimony, ALLETE is purchasing the HVDC Facilities from Square Butte as part of its overall efforts to comply with the State of Minnesota's Renewable Energy Standards ("RES"). Under the transaction, ALLETE will have 500 MW (with an additional 50 MW subject to the construction of transmission upgrades) of reserved firm transmission service over the HVDC Facilities well beyond 2013. The wind generation that ALLETE is planning to develop near Center, North Dakota will rely upon the HVDC Facilities. Accordingly, ALLETE believes that the Midwest TDUs' assumption that firm transmission capacity may become available over the HVDC Facilities once Minnkota's 345kV line is completed is premature at this time.

transmission reservations will be allocated using an average loss calculation. This average loss calculation will: (1) sum all incremental losses for firm transmission reservations and then (2) average that sum into an average loss percentage on a per MW basis. That average percentage will be used to assign losses to each firm transmission customer. This average loss calculation will be made part of any schedule required under a transmission service agreement. ALLETE and Minnkota will then separately apply incremental loss calculations to assign losses incrementally between themselves. All losses associated with non-firm transactions, however, will continue to be allocated on an incremental basis as proposed in the Joint Proposal.

Accordingly, if directed to do so by the Commission, the Applicants will amend the Joint Proposal in a compliance filing to reflect the Midwest TDUs' suggested pricing mechanism for losses as applied to firm transmission customers.

B. Precedent For Future HVDC Facilities Transferred to the Midwest ISO's Functional Control.

The Midwest TDUs seek clarification that the Joint Proposal should not preclude necessary modifications to the proposed template or foreclose full transfer to the Midwest ISO's functional control of other HVDC facilities under the Midwest ISO TOA in the future.²⁸

The Midwest ISO does not oppose the requested clarification. When the Midwest ISO referred to the "generic" or "uniform" basis for HVDC Service, it meant primarily the proposed Section 27A and other related Tariff provisions. In contrast, contractual arrangements underlying HVDC Service, such as an agency agreement or any other delegation agreement, are by nature fact-specific and will be negotiated between the Midwest ISO and the owner or operator of HVDC facilities. Similarly, nothing in the Joint Proposal precludes a transfer of a particular HVDC facility to the Midwest ISO's functional control, where such a transfer is

²⁸ See Midwest TDUs Protest at 11-12.

consistent with the requirements of the TOA and is operationally and commercially feasible. In short, the purpose of the Joint Proposal is to encourage development of HVDC facilities in the Midwest ISO rather than artificially constrain such development.

C. Revisions To the Midwest ISO Tariff and Section 3.2.9 of the Agency Agreement.

ITC requests that certain aspects of the Joint Proposal be clarified “to avoid any confusion in the administration of the proposed HVDC service.”²⁹ ITC recommends that ALLETE’s firm and non-firm HVDC rates in Schedules 7 and 8 of the Tariff be set out in separate sections in those schedules, titled “Minnesota Power HVDC Service.” ITC states that, in its view, the proposed HVDC Service is “akin to a partial path transmission service” and the HVDC rates should not be stated in the “zonal rate” sections of Schedules 7 and 8.³⁰ ITC further contends that the current revenue distribution language in the Agency Agreement, which is Section 3.2.9, lacks specificity because it references the revenue distribution provisions set forth in Appendix C, Article III.A.3 of the TOA. According to ITC, it is not clear whether the referenced TOA provision applies to the proposed HVDC Service. ITC argues that the Applicants should specifically set out the desired revenue distribution arrangement.³¹

The Midwest ISO TOs, while generally concurring in the ITC Comments, suggest that ALLETE’s HVDC rates should be in a schedule separate from Schedule 7, 8, or 9 if the parties intend for all revenue to be distributed to ALLETE.³²

While the Applicants do not agree with ITC’s or the Midwest ISO TOs’ characterization of HVDC Service as a “partial path transmission service,” the Applicants have no objection to

²⁹ ITC Comments at 3.

³⁰ *Id.*

³¹ *See id.* at 4-5.

³² *See* Midwest ISO TOs Comment at p.5, FN 4.

stating ALLETE's HVDC rates in a special section in Schedules 7 and 8, or in a separate Schedule 7 - ALLETE (HVDC) and Schedule 8 - ALLETE (HVDC), to the extent necessary to ensure that ALLETE receives the full distribution of revenues from service over the HVDC Facilities.³³ If the Commission so directs, the Applicants will make corresponding revisions on compliance.

The Applicants also disagree that the reference to the TOA is unclear or that the referenced language may not be applicable. Nonetheless, to avoid any ambiguity or controversy with respect to this important issue, Applicants agree to revise Section 3.2.9 of the Agency Agreement as follows:

The Midwest ISO shall collect and distribute **fully** to ALLETE the revenue received in connection with the provision of transmission and ancillary service over the HVDC Facilities, including the transmission and ancillary services provided under Pre-existing HVDC Transmission Agreements. ~~Revenue will be collected and distributed pursuant to Appendix C, Section III.A.3 of the Transmission Owners Agreement.~~ The timing of revenue distribution to ALLETE for the revenue collected from HVDC Customers pursuant to this Agreement shall be **as identical to that** specified in Section 7 of the Tariff for transmission service revenue distribution.

Therefore, if so directed by the Commission, Applicants will make the language modification above on compliance.

D. Clarification Concerning Gross Transmission Plant In Service

ITC asks for clarification concerning the Joint Proposal's treatment of "Gross Transmission Plant in Service". ITC argues that, under Appendix C, Article III.A.7 of the TOA, revenues from point-to-point transmission service are subject to a 50/50 revenue sharing on the basis of transmission investment and power flows. As reflected in each Transmission Owner's

³³ The Applicants note that any revenue distribution to ALLETE for service taken over the HVDC Facilities pursuant to a new section in Schedule 7 and Schedule 8, or a new Schedule 7 - ALLETE (HVDC) or Schedule 8 - ALLETE (HVDC), would be governed by the revised Section 3.2.9 of the Agency Agreement proposed in this Answer and not the provisions of the TOA referenced by ITC and the Midwest ISO TOs. *See* note 32 *supra*.

populated Attachment O template, the *investment portion* of this revenue distribution is based on the gross transmission plant in service. ITC argues that in the instant proceeding, however, ALLETE's proposed Attachment O allows ALLETE to reflect its AC and HVDC Facilities as Gross Transmission Plant In Service. ITC asks for clarification that ALLETE's investment in its HVDC Facilities should be excluded from the investment used to determine the 50/50 revenue distribution for point-to-point transmission service revenues from transactions that utilize the ALLETE's AC transmission system because, presently, the HVDC facilities are not used in providing any of this point-to-point transmission service.

In response to ITC's concern, the Applicants clarify that ALLETE's investment in its HVDC Facilities will be excluded from the investment used to determine the 50/50 revenue distribution associated with point-to-point transmission service that utilize ALLETE's AC transmission system under the Midwest ISO functional control. No associated tariff revision is necessary for this clarification.

IV. REQUEST FOR EXPEDITED ACTION

The Applicants believe that, by agreeing to revise the Joint Proposal in a compliance filing as discussed above, they have addressed the essence of the concerns raised in this docket. In light of the fact that the Applicants, if so directed by the Commission, have now agreed to revise the Joint Proposal as described above, Applicants respectfully request the Commission act as expeditiously as possible in this proceeding. Specifically, Applicants request that the Commission act on the Joint Proposal on or before November 20, 2009, to allow any necessary compliance filing to be filed and *acted upon* by the Commission by no later than ALLETE's anticipated December 31, 2009 closing.

V. CONCLUSION

WHEREFORE, the Applicants respectfully request that the Commission accept the Joint Proposal, as the Applicants agree to revise that filing in this Answer, to be effective as requested.

Respectfully submitted,

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Dated: October 28, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 28th day of October, 2009.

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