



Matthew R. Dorsett
Attorney
Direct Dial: 317-249-5299
E-mail: MDorsett@misoenergy.org

VIA ELECTRONIC DELIVERY

October 25, 2012

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Midwest Independent Transmission System Operator, Inc.'s and
MISO Transmission Owners' Compliance Filing for Order No. 1000,
Regarding Regional Planning and Cost Allocation of Transmission Projects
with Regional Benefits (Part 2 of 2)
Docket No. ER13-___-000**

Dear Secretary Bose:

Due to the Midwest Independent Transmission System Operator's (MISO) eTariff software constraints, MISO is unable to package revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff") and the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., A Delaware Non-Stock Corporation ("TOA") in the same filing since they do not share the same Tariff Identifier. Therefore, MISO is submitting the TOA revisions in the instant filing. The transmittal letter containing the MISO Tariff revisions, which is being submitted simultaneously, contains the justification for both the Tariff and TOA revisions. MISO respectfully requests that the two filing packages be treated as one since technicalities related to MISO's eTariff software are the sole reason why they are being submitted in two separate filing packages.

The redline version of the revisions to the TOA is attached hereto as Tab A and the clean version is attached as Tab B.

Respectfully Submitted,

/s/ Matthew R. Dorsett

Matthew R. Dorsett
Attorney

Midwest Independent
Transmission System Operator, Inc.

Mailing Address:
P. O. Box 4202
Carmel, IN 46082-4202

Overnight Deliveries:
720 City Center Drive
Carmel, IN 46032

www.misoenergy.org
317-249-5400

Tab A

Table Of Contents

- MISO Transmission Owner Agreement Version: 0.0.0 Effective: 7/31/2010

ARTICLE ONE DEFINITIONS Version: 0.0.0 Effective: 7/31/2010

Section I In General. Version: 0.0.0 Effective: 7/31/2010

A. Agency Agreement. Version: 0.0.0 Effective: 7/31/2010

B. Balancing Authority Agreement. Version: 0.0.0 Effective: 7/31/2010

C. Effective Date. Version: 0.0.0 Effective: 7/31/2010

D. Electric Reliability Organization (ERO). Version: 0.0.0 Effective: 7/31/2010

E. FERC. Version: 0.0.0 Effective: 7/31/2010

F. Funds Trust Agreement. Version: 0.0.0 Effective: 7/31/2010

G. Good Utility Practice. Version: 0.0.0 Effective: 7/31/2010

H. He, Him, or His. Version: 0.0.0 Effective: 7/31/2010

I. Local Balancing Authority. Version: 0.0.0 Effective: 7/31/2010

J. Local Balancing Authority Area. Version: 0.0.0 Effective: 7/31/2010

K. Member. Version: 0.0.0 Effective: 7/31/2010

L. Midwest ISO Balancing Authority Area. Version: 0.0.0 Effective: 7/31/2010

M. NERC. Version: 0.0.0 Effective: 7/31/2010

N. Non-owner Member. Version: 0.0.0 Effective: 7/31/2010

O. Non-transferred Transmission Facilities. Version: 0.0.0 Effective: 7/31/2010

P. Owner. Version: 0.0.0 Effective: 7/31/2010

Q. Regional Entity. Version: 0.0.0 Effective: 7/31/2010

R. Tariff. Version: 0.0.0 Effective: 7/31/2010

S. Transfer Date. Version: 0.0.0 Effective: 7/31/2010

T. Transmission System. Version: 0.0.0 Effective: 7/31/2010

U. User. Version: 0.0.0 Effective: 7/31/2010

ARTICLE TWO ORGANIZATION AND GOVERNANCE OF THE MIDWEST ISO

Version: 0.0.0 Effective: 7/31/2010

Section I Character Of The Organization. Version: 0.0.0 Effective: 7/31/2010

A. Organization of Non-stock, Not-for-profit Corporation. Version: 0.0.0 Effective: 7/31/2010

B. Declaration. Version: 0.0.0 Effective: 7/31/2010

C. Appendices. Version: 0.0.0 Effective: 7/31/2010

D. Purpose of Authorization. Version: 0.0.0 Effective: 7/31/2010

E. Title to Remain with Owners. Version: 0.0.0 Effective: 7/31/2010

F. Bylaws. Version: 0.0.0 Effective: 7/31/2010

Section II Name And Location. Version: 0.0.0 Effective: 7/31/2010

A. Name. Version: 0.0.0 Effective: 7/31/2010

B. Principal Office. Version: 0.0.0 Effective: 7/31/2010

C. Place of Business. Version: 0.0.0 Effective: 7/31/2010

Section III Board Of Directors. Version: 0.0.0 Effective: 7/31/2010

A. In General. Version: 0.0.0 Effective: 7/31/2010

1. Board of Directors. Version: 0.0.0 Effective: 7/31/2010

2. Qualifications. Version: 0.0.0 Effective: 7/31/2010

3. Chairman of the Board. Version: 0.0.0 Effective: 7/31/2010

4. Vice Chairman. Version: 0.0.0 Effective: 7/31/2010

5. Resignation of Directors. Version: 0.0.0 Effective: 7/31/2010

6. Removal of Directors. Version: 0.0.0 Effective: 7/31/2010

B. Duties and Powers. Version: 0.0.0 Effective: 7/31/2010

1. General. Version: 0.0.0 Effective: 7/31/2010

2. Bylaws and regulations. Version: 0.0.0 Effective: 7/31/2010

3. Board oversight. Version: 0.0.0 Effective: 7/31/2010

4. Standards of Conduct. Version: 0.0.0 Effective: 7/31/2010

5. Collections and payments. Version: 0.0.0 Effective: 7/31/2010

6. Employ staff. Version: 0.0.0 Effective: 7/31/2010

7. Board Committees. Version: 0.0.0 Effective: 7/31/2010

C. Meetings of the Board. Version: 0.0.0 Effective: 7/31/2010

1. Meetings. Version: 0.0.0 Effective: 7/31/2010

2. Voting. Version: 0.0.0 Effective: 7/31/2010

3. Accounting. Version: 0.0.0 Effective: 7/31/2010

4. Minutes and reports. Version: 0.0.0 Effective: 7/31/2010

D. Compensation of Directors; Reimbursement of Expenses. Version: 0.0.0 Effective: 7/31/2010

1. Director compensation. Version: 0.0.0 Effective: 7/31/2010

2. Expenses. Version: 0.0.0 Effective: 7/31/2010

Section IV. Officers Of The Midwest ISO. Version: 0.0.0 Effective: 7/31/2010

A. Titles. Version: 0.0.0 Effective: 7/31/2010

B. Election and Term of Office. Version: 0.0.0 Effective: 7/31/2010

C. Removal of Officers by Directors. Version: 0.0.0 Effective: 7/31/2010

D. Chief Executive Officer. Version: 0.0.0 Effective: 7/31/2010

1. Right of Chief Executive Officer to manage. Version: 0.0.0 Effective: 7/31/2010

2. General powers. Version: 0.0.0 Effective: 7/31/2010

3. Acquire property. Version: 0.0.0 Effective: 7/31/2010

4. Prosecute claims. Version: 0.0.0 Effective: 7/31/2010

5. Borrow. Version: 0.0.0 Effective: 7/31/2010

6. Contracts. Version: 0.0.0 Effective: 7/31/2010

7. Taxes and assessments. Version: 0.0.0 Effective: 7/31/2010

8. Depository. Version: 0.0.0 Effective: 7/31/2010

E. President. Version: 0.0.0 Effective: 7/31/2010

F. Vice President. Version: 0.0.0 Effective: 7/31/2010

G. Secretary. Version: 0.0.0 Effective: 7/31/2010

H. Standards of Conduct. Version: 0.0.0 Effective: 7/31/2010

I. Bonds of Officers. Version: 0.0.0 Effective: 7/31/2010

J. Compensation. Version: 0.0.0 Effective: 7/31/2010

Section V Members. Version: 0.0.0 Effective: 7/31/2010

A. General Provisions. Version: 0.0.0 Effective: 7/31/2010

1. Application for membership. Version: 0.0.0 Effective: 7/31/2010

2. Owner status. Version: 0.0.0 Effective: 7/31/2010

3. Subject to Agreement. Version: 0.0.0 Effective: 7/31/2010

4. Manage or control by Members. Version: 0.0.0 Effective: 7/31/2010

5. Partition rights. Version: 0.0.0 Effective: 7/31/2010

B. Members' Meetings; Elections. Version: 0.0.0 Effective: 7/31/2010

1. Meeting times. Version: 0.0.0 Effective: 7/31/2010

2. Special meetings. Version: 0.0.0 Effective: 7/31/2010

3. Notification. Version: 0.0.0 Effective: 7/31/2010

4. Notification to Members. Version: 0.0.0 Effective: 7/31/2010

5. Voting. Version: 0.0.0 Effective: 7/31/2010

C. Limited Liability. Version: 0.0.0 Effective: 7/31/2010

Section VI External Committees. Version: 0.0.0 Effective: 7/31/2010

A. Advisory Committee. Version: 0.0.0 Effective: 7/31/2010

B. Owners' Committee. Version: 0.0.0 Effective: 7/31/2010

C. OMS Committee. Version: 0.0.0 Effective: 12/31/9998

Section VII Open Meetings. Version: 0.0.0 Effective: 7/31/2010

A. In General. Version: 0.0.0 Effective: 7/31/2010

B. Availability of Minutes. Version: 0.0.0 Effective: 7/31/2010

C. Executive Sessions to Preserve Confidentiality. Version: 0.0.0 Effective: 7/31/2010

Section VIII Due Diligence, Limited Liability, And Indemnification Version: 0.0.0 Effective: 7/31/2010

A. Due Diligence Duties. Version: 0.0.0 Effective: 7/31/2010

B. Limitations on Liability. Version: 0.0.0 Effective: 7/31/2010

C. Indemnification. Version: 0.0.0 Effective: 7/31/2010

D. Reliance on Information Provided. Version: 0.0.0 Effective: 7/31/2010

E. Annual Report. Version: 0.0.0 Effective: 7/31/2010

Section IX Amendments. Version: 0.0.0 Effective: 7/31/2010

A. Amendments by Board. Version: 0.0.0 Effective: 7/31/2010

B. Amendments Requiring Approval of Owners. Version: 0.0.0 Effective: 7/31/2010

C. Amendments by Owners. Version: 0.0.0 Effective: 7/31/2010

1. Ownership rights. Version: 0.0.0 Effective: 7/31/2010

2. Board. Version: 0.0.0 Effective: 7/31/2010

3. Duties. Version: 0.0.0 Effective: 7/31/2010

4. Access to books and records. Version: 0.0.0 Effective: 7/31/2010

5. Compliance with requirements. Version: 0.0.0 Effective: 7/31/2010

6. Revenue distribution, Methodology, Return of Start-up Costs Version: 0.0.0 Effective: 7/31/2010

7. Filing Rights of Owners and the Midwest ISO Version: 0.0.0 Effective: 7/31/2010

8. Withdrawal rights. Version: 0.0.0 Effective: 7/31/2010

Section X Duration And Termination. Version: 0.0.0 Effective: 7/31/2010

A. Period. Version: 0.0.0 Effective: 7/31/2010

B. Withdrawal Notification. Version: 0.0.0 Effective: 7/31/2010

C. Termination. Version: 0.0.0 Effective: 7/31/2010

ARTICLE THREE RIGHTS, POWERS, AND OBLIGATIONS OF THE MIDWEST ISO

Version: 0.0.0 Effective: 7/31/2010

Section I Operation And Planning. Version: 0.0.0 Effective: 7/31/2010

A. Functional Control. Version: 0.0.0 Effective: 7/31/2010

B. Reliability. Version: 0.0.0 Effective: 7/31/2010

C. Planning Activities. Version: 0.0.0 Effective: 7/31/2010

D. Performance of Regulatory Obligations. Version: 0.0.0 Effective: 7/31/2010

Section II Non-discriminatory Transmission Service. Version: 0.0.0 Effective: 7/31/2010

A. Type of Service. Version: 0.0.0 Effective: 7/31/2010

B. Pricing. Version: 0.0.0 Effective: 7/31/2010

C. Standards of Conduct. Version: 0.0.0 Effective: 7/31/2010

D. OASIS. Version: 0.0.0 Effective: 7/31/2010

E. Ancillary Services. Version: 0.0.0 Effective: 7/31/2010

Section III Responsibilities Of The Midwest ISO To The Owners Version: 0.0.0 Effective: 7/31/2010

A. Relationship. Version: 0.0.0 Effective: 7/31/2010

B. Promise Not to Impair Value. Version: 0.0.0 Effective: 7/31/2010

C. Revenues. Version: 0.0.0 Effective: 7/31/2010

D. Duty to Maximize Revenues. Version: 0.0.0 Effective: 7/31/2010

E. Revenue Distribution. Version: 0.0.0 Effective: 7/31/2010

Section IV Additional Obligations. Version: 0.0.0 Effective: 7/31/2010

A. Assume Liability. Version: 0.0.0 Effective: 7/31/2010

B. Dispute Resolution. Version: 0.0.0 Effective: 7/31/2010

C. Inspection and Auditing Procedures. Version: 0.0.0 Effective: 7/31/2010

D. Stranded Cost Recovery Charges. Version: 0.0.0 Effective: 7/31/2010

E. Performance Incentives. Version: 0.0.0 Effective: 7/31/2010

F. Standards Governing Post-Employment Restrictions, Gifts Version: 0.0.0 Effective: 7/31/2010

G. Incentives Regarding Location of Generation. Version: 0.0.0 Effective: 7/31/2010

Section V Enforcement Authority. Version: 0.0.0 Effective: 7/31/2010

A. Violations. Version: 0.0.0 Effective: 7/31/2010

B. Penalties. Version: 0.0.0 Effective: 7/31/2010

C. Offset of Expenses. Version: 0.0.0 Effective: 7/31/2010

D. Dispute Resolution. Version: 0.0.0 Effective: 7/31/2010

ARTICLE FOUR RIGHTS, POWERS, AND OBLIGATIONS OF THE OWNERS AND USERS

Version: 0.0.0 Effective: 7/31/2010

Section I Operation And Planning. Version: 0.0.0 Effective: 7/31/2010

A. Redispatch and Curtailment. Version: 0.0.0 Effective: 7/31/2010

B. Maintenance Practices. Version: 0.0.0 Effective: 7/31/2010

C. Construction. Version: 0.0.0 Effective: 7/31/2010

D. Acquisition. Version: 0.0.0 Effective: 7/31/2010

E. Use of Distribution. Version: 0.0.0 Effective: 7/31/2010

F. Other Obligations. Version: 0.0.0 Effective: 7/31/2010

Section II Additional Obligations. Version: 0.0.0 Effective: 7/31/2010

A. Providing Information. Version: 0.0.0 Effective: 7/31/2010

B. Facilities Access. Version: 0.0.0 Effective: 7/31/2010

C. Inspection and Auditing Procedures. Version: 0.0.0 Effective: 7/31/2010

D. Assume Liability. Version: 0.0.0 Effective: 7/31/2010

ARTICLE FIVE WITHDRAWAL OF MEMBERS Version: 0.0.0 Effective: 7/31/2010

Section I Withdrawal Notice. Version: 0.0.0 Effective: 7/31/2010

Section II Effect Of Withdrawal By An Owner On Contractual Obligations Version: 0.0.0 Effective: 7/31/2010

A. Users Held Harmless. Version: 0.0.0 Effective: 7/31/2010

B. Existing Obligations. Version: 0.0.0 Effective: 7/31/2010

C. Construction of Facilities. Version: 0.0.0 Effective: 7/31/2010

D. Other Obligations. Version: 0.0.0 Effective: 7/31/2010

Section III Regulatory And Other Approvals Or Procedures. Version: 0.0.0 Effective: 7/31/2010

ARTICLE SIX MEMBERSHIP FEES Version: 0.0.0 Effective: 7/31/2010

ARTICLE SEVEN REGULATORY, TAX, AND OTHER AUTHORITIES Version: 0.0.0 Effective: 7/31/2010

A. Regulatory And Other Authorities. Version: 0.0.0 Effective: 7/31/2010

B. Tax Authorities. Version: 0.0.0 Effective: 7/31/2010

C. Effectiveness As To Certain Owners. Version: 0.0.0 Effective: 7/31/2010

D. Regulatory Approvals of Withdrawals. Version: 0.0.0 Effective: 7/31/2010

ARTICLE EIGHT MONITORING PROCEDURES Version: 0.0.0 Effective: 7/31/2010

ARTICLE NINE MISCELLANEOUS PROVISIONS Version: 0.0.0 Effective: 7/31/2010

A. Descriptive Headings. Version: 0.0.0 Effective: 7/31/2010

B. Governing Law. Version: 0.0.0 Effective: 7/31/2010

C. Counterparts. Version: 0.0.0 Effective: 7/31/2010

D. Successors And Assigns. Version: 0.0.0 Effective: 7/31/2010

E. No Implied Waivers. Version: 0.0.0 Effective: 7/31/2010

F. Severability. Version: 0.0.0 Effective: 7/31/2010

G. Renegotiation. Version: 0.0.0 Effective: 7/31/2010

H. Representations And Warranties. Version: 0.0.0 Effective: 7/31/2010

I. Further Assurances. Version: 0.0.0 Effective: 7/31/2010

J. Delivery Of Notices. Version: 0.0.0 Effective: 7/31/2010

K. Limitations On Liability. Version: 0.0.0 Effective: 7/31/2010

L. Entire Agreement. Version: 0.0.0 Effective: 7/31/2010

M. Good Faith Efforts. Version: 0.0.0 Effective: 7/31/2010

N. Third-Party Joint Agreements. Version: 0.0.0 Effective: 7/31/2010

O. No Partnership. Version: 0.0.0 Effective: 7/31/2010

- APPENDICES Version: 0.0.0 Effective: 7/31/2010

APPENDIX A STANDARDS OF CONDUCT Version: 0.0.0 Effective: 7/31/2010

APPENDIX B PLANNING FRAMEWORK Version: ~~0~~1.0.0 Effective: ~~7/31/2010~~12/31/9998

APPENDIX C PRICING, REVENUE DISTRIBUTION, RETURN OF START-UP, GFAs

Version: 0.0.0 Effective: 7/31/2010

APPENDIX C-1 DEVELOPMENT OF TRANSACTION PARTICIPATION FACTORS

Version: 0.0.0 Effective: 7/31/2010

APPENDIX C-2 [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX C-3 [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX C-4 Revenue Distribution for SECA Version: 0.0.0 Effective: 7/31/2010

APPENDIX D [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX E Framework for Operational Responsibilities Version: 0.0.0 Effective: 7/31/2010

APPENDIX F BYLAWS Version: ~~0~~1.0.0 Effective: ~~7/31/2010~~12/31/9998

APPENDIX G AGENCY AGREEMENT Version: 0.0.0 Effective: 7/31/2010

APPENDIX H TRANSMISSION SYSTEM FACILITIES Version: 0.0.0 Effective: 7/31/2010

APPENDIX I INDEPENDENT TRANSMISSION COMPANIES Version: 0.0.0 Effective: 7/31/2010

APPENDIX J [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX K FILING RIGHTS PURSUANT TO SECTION 205 OF THE FPA

Version: 0.0.0 Effective: 7/31/2010

C. OMS Committee. Version: 0.0.0 Effective: 12/31/9998

OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to the Midwest ISO Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately supported by the Midwest ISO either through reasonable in-kind services or through the provision of reasonable funding.

APPENDIX B PLANNING FRAMEWORK Version: 1.0.0~~.0~~ Effective:

127/31/9998~~2010~~

I. Overview.

This Appendix B describes the process to be used by the Midwest ISO in planning the Transmission System. Nothing in this Appendix is intended to restrict or expand existing state laws or regulatory authority.

The following transmission facilities of the Owners shall constitute the Transmission System for which the Midwest ISO shall be responsible for operating and planning by the terms of the Agreement: (i) all networked transmission facilities above 100 kilovolts (hereinafter “kV”); and (ii) all networked transformers whose two (2) highest voltages qualify under the voltage criteria of item (i).

Network transmission facilities (including terminal equipment) are (i) transmission elements capable of carrying power in both directions for sustained periods, and (ii) components that are connected to such transmission facilities and are used for voltage or stability control of the Transmission System, including shunt inductors, shunt capacitors, and synchronous condensers. Appendix H to the Agreement identifies the facilities that constitute the Transmission System for which the Midwest ISO shall have operating and planning responsibility.

The Midwest ISO may direct the Owners to assign Non-transferred Transmission Facilities to its control as part of the Transmission System, subject to obtaining any necessary approvals of federal or state regulatory authorities, when such action is determined to be necessary to relieve a constraint or for reliability purposes. The Midwest ISO also may require

that Owners take back control of facilities included in the Transmission System subject to any such necessary approvals. If an Owner disputes such an order from the Midwest ISO, the dispute shall be resolved pursuant to the dispute resolution provisions set forth in Attachment HH of the Tariff.

With regard to Non-transferred Transmission Facilities, the Midwest ISO shall review and comment on the plans developed by the Owners of these facilities. With respect to such facilities, the Midwest ISO shall have only that planning authority necessary to carry out its responsibilities under the Tariff. Thus, the Midwest ISO, when performing System Impact and Facilities Studies under the Tariff, shall treat these Non-transferred Transmission Facilities just as it would facilities comprising the Transmission System. Similarly, the Midwest ISO shall require Owners to make ATC determinations involving such Non-transferred Transmission Facilities under the Tariff. The Midwest ISO shall coordinate the analyses of ATC associated with Non-transferred Transmission Facilities with the affected Owners. Any disputes concerning Non-transferred Transmission Facilities shall be subject to the dispute resolution procedures under Attachment HH of the Tariff.

The planning of all Non-transferred Transmission Facilities, as well as all distribution facilities, shall be done by the Owners. Furthermore, each Owner, in carrying out its planning responsibilities to meet the reliability needs of all loads connected to the Owner's transmission facilities and to pursue projects that will promote expanded trading in generation markets, to better integrate the grid and to alleviate congestion may, as appropriate, develop and propose plans involving modifications to any of the Owner's transmission facilities which are part of the Transmission System. All such plans developed by the Owners may be incorporated into the Midwest ISO regional plan, as described in Section VI of this Appendix B. Plans developed by

the Owners that involve only Non-transferred Transmission Facilities may be incorporated into the Midwest ISO regional plan, as appropriate. The Owners shall continue to have planning responsibilities for meeting their respective transmission needs in collaboration with the Midwest ISO subject to the requirements of applicable state law or regulatory authority.

II. The Midwest ISO Planning Staff And The Planning Advisory Committee.

The planning function of the Midwest ISO shall be the responsibility of the Midwest ISO Planning Staff (hereinafter “Planning Staff”). The process for carrying out the planning of the Midwest ISO shall be collaborative with Owners, Users, the OMS Committee, and other interested parties. The Midwest ISO shall be organized to engage in such planning activities as are necessary to fulfill its obligations under the Agreement and the Tariff. In exercising such authority, the Midwest ISO shall (i) evaluate and respond to requests for transmission service that extend into or fall within the “Planning Time Horizon” (defined as two (2) weeks and beyond); and (ii) develop a comprehensive Midwest ISO-wide transmission plan (hereinafter the “Midwest ISO Plan”). In order to carry out this planning function, the Planning Staff shall have the following responsibilities, set forth in more detail in subsequent Sections of this Appendix B: (i) to calculate ATC in the Planning Time Horizon; (ii) to process transmission service requests in the Planning Time Horizon; (iii) to develop cost-effective plans to resolve transmission constraints that would otherwise preclude requested transmission service; and (iv) to create the Midwest ISO Plan by integrating, evaluating, and modifying the transmission plans, and other findings from (a) Facilities Studies, (b) plans and analyses developed by the individual Owners, and/or sub-regional groups, to define needs within the Owner’s system(s), (c) plans and analyses developed by the Planning Staff to define regional needs, and (d) Planning Staff analyses giving consideration to information from the Planning Advisory Committee (established under this

Appendix B) and other sources. The Midwest ISO shall make the final determination in the process, subject to the Dispute Resolution procedures under Attachment HH of the Tariff and subject to review by the FERC or state regulatory authorities where appropriate.

The Planning Advisory Committee consists of one (1) representative from each of the constituent groups represented on the Advisory Committee established pursuant to Article Two, Section VI, Paragraph A of this Agreement. The Planning Advisory Committee shall be a source of input to the Planning Staff concerning the development of the Midwest ISO Plan. The Planning Staff shall exercise its discretion in how it utilizes this advice in carrying out its responsibilities.

III. Calculation Of ATC.

The Planning Staff shall be responsible for calculating ATC of the Transmission System for the Planning Time Horizon. In calculating ATC, the Planning Staff shall: (i) take into account transmission limits that may appear regardless of whether such limits involve transferred Transmission System facilities or Non-transferred Transmission Facilities; (ii) use planning criteria which are compatible with operations, including the use of appropriate equipment ratings; (iii) follow the general principles set forth in the NERC documents, *Transfer Capability* (May 1995) and *Available Transfer Capability: Definition and Determination* (June 1996), as those documents may be revised from time to time; (iv) provide for projected load growth, all relevant committed transactions and their resulting power flows throughout the interconnection; and (v) use appropriate analytical tools to determine thermal, voltage, and stability constraints.

The Planning Staff shall adhere to applicable reliability criteria of NERC, applicable Regional Entities, or successor organizations, and Owner's planning criteria filed with federal, state, or local regulatory authorities. In the event that the Planning Staff questions the

appropriateness of such Owner's planning criteria, the matter may be resolved through the Dispute Resolution process provided for in Attachment HH of the Tariff. Until any such dispute is resolved, the Owner's criteria shall govern. The Planning Staff shall also apply equipment capability ratings provided by the Owners for their respective Transmission System facilities. The process to be used by the Planning Staff to validate the ratings is discussed in Section V of this Appendix B. Disputes regarding equipment capability ratings may be resolved through the Dispute Resolution process provided for in Attachment HH of the Tariff. The Planning Staff shall at all times comply with the procedures of the Tariff for calculating ATC.

IV. Evaluation Of Transmission Service Requests.

The Planning Staff shall receive, evaluate, and respond to all requests for transmission service that extends into or occurs within the Planning Time Horizon and involves the use of the Transmission System. With respect to all such requests, the Planning Staff shall analyze and make the determination on access to the Transmission System, including the amount of firm (non-recallable) and/or non-firm (recallable) service which the Transmission System can support. The Planning Staff shall document all requests for transmission service, the disposition of those requests, and supporting data. The Planning Staff shall coordinate with the Owners to process requests for service involving the use of Non-transferred Transmission Facilities and distribution facilities relating to service under the Tariff. The Planning Staff shall consult with the transmission planning representatives of the Owners and/or operators of the affected transmission facilities on matters such as equipment, procedures, maintenance, reliability, and public or worker safety. The Planning Staff shall provide the transmission planning representatives of each Owner with sufficient information to model local conditions and to monitor local consequences of Midwest ISO decisions by the Planning Staff related to ATC

values and requests for transmission service. Any dispute regarding ATC calculations shall be subject to the applicable Dispute Resolution procedures in Attachment HH of the Tariff.

V. Resolution Of Transmission Constraints.

When the evaluation of posted ATCs reveals apparent transmission constraints that would preclude a requested firm transaction, the Planning Staff shall investigate the ability of operating guides and redispatch of generation to permit the transaction to proceed, to the extent that available information, in the form of existing studies and models, permit. In evaluating and resolving transmission constraints, the Planning Staff shall act in a manner consistent with the provisions of the Tariff.

The Planning Staff shall follow the procedures of the Tariff when conducting System Impact and Facilities Studies. Upon receipt of an approved Facilities Study Agreement, the Planning Staff shall form, chair, and direct the activities of an Ad Hoc Planning Committee that includes representatives of all affected Owners. The Ad Hoc Planning Committee shall develop expansion alternatives, perform the described studies, and develop the resulting options, costs, and service agreement which shall be provided to the transmission customer by the Planning Staff.

Each Owner shall file with the Midwest ISO information regarding the physical ratings of all of its equipment in the Transmission System. This information is intended to reflect the normal and emergency ratings routinely used in regional load flow and stability analyses. In carrying out its responsibilities, the Midwest ISO shall apply ratings that have been provided by the respective Owners and have been verified and accepted as appropriate by the Midwest ISO where such ratings affect Midwest ISO reliability. When requested by the Midwest ISO, Owners shall provide specific methods by which the ratings of equipment are calculated. If the Planning

Staff and the Owners' respective planning representatives cannot reach agreement on a rating, the dispute shall be resolved through the Dispute Resolution process provided in Attachment HH of the Tariff. However, the Midwest ISO shall use the ratings provided by the Owner unless and until such ratings are changed through the Dispute Resolution process or by voluntary agreement with the affected Owner.

VI. Development Of The Midwest ISO Transmission Plan.

The Planning Staff, working in collaboration with representatives of the Owners, [the OMS Committee](#), and the Planning Advisory Committee, shall develop the Midwest ISO Plan, consistent with Good Utility Practice and taking into consideration long-range planning horizons, as appropriate. The Planning Staff shall develop this plan for expected use patterns and analyze the performance of the Transmission System in meeting both reliability needs and the needs of the competitive bulk power market, under a wide variety of contingency conditions. The Midwest ISO Plan will give full consideration to all market participants, including demand-side options, and identify expansions needed to support competition in bulk power markets and in maintaining reliability. This analysis and planning process shall integrate into the development of the Midwest ISO Plan among other things: (i) the transmission needs identified from Facilities Studies carried out in connection with specific transmission service requests; (ii) the transmission needs identified by the Owners in connection with their planning analyses to provide reliable power supply to their connected load customers and to expand trading opportunities, better integrate the grid and alleviate congestion; (iii) the transmission planning obligations of an Owner, imposed by federal or state law(s) or regulatory authorities, which can no longer be performed solely by the Owner following transfer of functional control of its transmission facilities to the Midwest ISO; (iv) the inputs provided by the Planning Advisory Committee; ~~and~~

(v) the inputs, if any, provided by the state regulatory authorities having jurisdiction over any of the [Transmission Owners; and \(vi\) the OMS Committee Owners](#). In the course of this process, the Planning Staff shall seek out opportunities to coordinate or consolidate, where possible, individually defined transmission projects into more comprehensive cost-effective developments subject to the limitations imposed by prior commitments and lead time constraints. This multi-party collaborative process is designed to ensure the development of the most efficient and cost-effective Midwest ISO Plan that will meet reliability needs and expand trading opportunities, better integrate the grid, and alleviate congestion, while giving consideration to the inputs from all stakeholders.

The Planning Staff shall test the Midwest ISO Plan for adequacy and reliability based on all applicable criteria. The Midwest ISO Plan shall adhere to applicable reliability requirements of NERC, Regional Entities, or successor organizations, and Owners' planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local system planning and operating reliability criteria. If the Planning Staff and any Owner's planning representatives cannot reach agreement on any element of the Midwest ISO Plan, the dispute may be resolved through the Dispute Resolution process provided in Attachment HH of the Tariff or by the FERC or state regulatory authorities, where appropriate. The Midwest ISO Plan shall have as one of its goals the satisfaction of all regulatory requirements. That is, the Midwest ISO shall not require that projects be undertaken where it is expected that the necessary regulatory approvals for construction and cost recovery will not be obtained.

The Planning Staff shall present the Midwest ISO Plan, along with a summary of relevant alternatives that were not selected, to the Board for approval on a biennial basis, or more frequently if needed. The proposed Midwest ISO Plan shall include specific projects already

approved as a result of the Midwest ISO entering into service agreements with transmission customers where such agreements provide for identification of needed transmission construction, its timetable, cost, and Owner or other parties' construction responsibilities.

Except for facilities that are Open Transmission Projects as defined in the Tariff and subject to the transmission developer selection process set forth in Attachment FF, Section VIII of the Tariff: (i) ownership~~Ownership~~ and the responsibility to construct facilities which are connected to a single Owner's system belong to that Owner, and that Owner is responsible for maintaining such facilities: (ii) ownership~~Ownership~~ and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong equally to each Owner, unless such Owners otherwise agree, and the responsibility for maintaining such facilities belongs to the Owners of the facilities unless otherwise agreed by such Owners; and (iii)~~Finally~~, ownership and the responsibility to construct facilities which are connected between an Owner(s)' system and a system or systems that are not part of the Midwest ISO belong to such Owner(s) unless the Owner(s) and the non-Midwest ISO party or parties otherwise agree; however, the responsibility to maintain the facilities remains with the Owner(s) unless otherwise agreed. Each Owner has the exclusive right to upgrade, modify, alter, or replace its own facilities and its interests in real estate as defined in the Uniform System of Accounts Account Nos. 105, 350, or 380, regardless of whether facility costs are regionally allocated.

The designated Owner or Selected Transmission Developer, as defined in the Tariff, has the responsibility and obligation to construct the facilities it is designated to construct. If the designated Owner and/or Selected Transmission Developer~~If the designated Owner~~ is financially incapable of carrying out its construction responsibilities or would suffer demonstrable financial

harm from such construction, alternate construction arrangements shall be identified. Depending on the specific circumstances, such alternate arrangements shall include solicitation of other Owners or others to take on financial and/or construction responsibilities. Third-parties shall be permitted and are encouraged to participate in the financing, construction and ownership of new transmission facilities as specified in the Midwest ISO Plan. In the event interest among other Owners or other entities is not sufficient to proceed, all Owners, subject to applicable regulatory requirements, shall be responsible for sharing in the financing of the project and/or hiring of a contractor(s) to construct the needed transmission facility; provided, however, the Owners' obligations under this sentence shall be subject to the Owners being satisfied that they will be compensated fully for their investments and will not be subject to additional regulatory requirements, unless the Owners otherwise agree to waive either or both of these requirements.

Approval of the Midwest ISO Plan by the Board certifies it as the Midwest ISO's plan for meeting the transmission needs of all stakeholders subject to any required approvals by federal or state regulatory authorities. The Midwest ISO shall provide a copy of the Midwest ISO Plan to all applicable federal and state regulatory authorities. The affected Owner(s) shall make a good faith effort to design, certify, and build the designated facilities to fulfill the approved Midwest ISO Plan. However, in the event that a proposed [project or selection of the Selected Transmission Developer to construct the](#) project is being challenged through the Dispute Resolution process under Attachment HH of the Tariff, the obligation of the Owners to build that specific project (subject to required approvals) is waived until the project emerges from the Dispute Resolution process as an approved project [with a Transmission Owner or a Selected Transmission Developer designated to construct.](#) The Board shall allow the Owners to optimize the final design of specific facilities and their in-service dates if necessary to accommodate

changing conditions, provided that such changes comport with the approved Midwest ISO Plan and provided that any such changes are accepted by the Midwest ISO. Any disagreements concerning such matters shall be subject to the Dispute Resolution process under Attachment HH of the Tariff.

The Planning Staff shall assist the affected Owner(s) in justifying the need for, and obtaining certification of, any facilities required by the approved Midwest ISO Plan by preparing and presenting testimony in any proceedings before state or federal courts, regulatory authorities, or other agencies as may be required. The Midwest ISO shall publish annually, and distribute to all Members and all appropriate state regulatory authorities, a five-to-ten-year (5-to-10-year) planning report of forecasted transmission requirements. Annual reports and planning reports shall be available to the general public upon request.

VII. Planning Responsibilities Of Owners.

To fulfill their roles in the collaborative process for the development of the Midwest ISO Plan, the Owners shall develop expansion plans for their transmission facilities while taking into consideration the needs of (i) connected loads, including load growth, (ii) new customers and new generation sources within the Owner's system, and (iii) known transmission service requests. Any plans that call for modifications to the Transmission System which would significantly affect ATC must be approved by the Midwest ISO before being implemented. However, the Midwest ISO shall develop a streamlined approval process for reviewing and approving projects proposed by the Owners so that decisions will be provided to the Owner within thirty (30) days of the projects submittal to the Midwest ISO unless a longer review period is mutually agreed upon. Any dispute concerning such matters shall be subject to the Dispute Resolution procedures under Attachment HH of the Tariff. In the event that the

Midwest ISO fails to act or produce results through the Dispute Resolution procedures under the Agreement within a reasonable time (as determined by the Board) of the Owner's submission of its proposed projects, approval of the proposed project(s) by the Midwest ISO shall be automatically conveyed to the affected Owner(s), subject to all requisite approvals.

Owners shall provide to the Planning Staff any necessary modeling or supporting data, planning criteria applicable to the Owner's system, and system-specific operating procedures. Owners shall carry out other duties deemed appropriate by the Owners that support the objectives of the Midwest ISO planning process, the calculation of ATC, or regional reliability analyses. Owners shall participate in the integration and testing of the Midwest ISO Plan. Owners shall serve on Ad Hoc Planning Committees established by the Planning Staff to respond to transmission service requests and other matters. Owners shall also calculate ATC at points of delivery to or receipt from Non-transferred Transmission Facilities and distribution facilities.

VIII. Coordination Between Midwest ISO Operating And Planning Staffs.

The Planning Staff shall provide support to the Midwest ISO Operating Staff (hereinafter "Operating Staff") in determining and posting ATC during the Operating Time Horizon (as defined by the Operating Staff) and in developing and reviewing operating procedures. The Planning Staff also shall assist the Operating Staff by performing operational planning assessments for near-term system configurations. Within their respective time horizons, the Operating and Planning Staffs shall have the same general responsibilities for determining whether the Transmission System can accommodate a specific transaction. The Planning Staff shall be responsible for all responses to requests for transmission service that require an expansion of the Transmission System or Non-transferred Transmission Facilities.

IX. Miscellaneous Responsibilities Of Planning Staff.

Among its general responsibilities, the Planning Staff shall: (i) review and comment on Owners' transmission plans; (ii) provide general oversight of all studies performed by Owners for the Midwest ISO; (iii) identify alternatives for further study and review that could increase the efficient and economic use of the Transmission System; (iv) analyze and assess the Transmission System periodically to ensure operational reliability, adequacy, and security, and that the long-term needs of transmission customers are being met; (v) facilitate communications among Owners, transmission customers, generation suppliers, [the OMS Committee](#), and other stakeholders; and (vi) periodically monitor real-time data to identify emerging trends that require modification of planning assumptions to assure the reliable operation of the Transmission System in the future.

BYLAWS

of the

MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.

A Delaware Non-Stock Corporation

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1. Definitions. Unless the context otherwise specifies or requires, certain capitalized terms are used in these Bylaws and the attached appendices with the meanings set forth below or in other provisions of these Bylaws. Any capitalized terms not defined in these Bylaws shall have the meaning as defined in the Midwest ISO Agreement and, if not defined there, in the Tariff.

Agency Agreement - The agreement allowing Non-transferred Transmission Facilities to be offered by the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") for transmission service under the Tariff. The Agency Agreement is Appendix G to the Midwest ISO Agreement.

Effective Date - The effective date of the Midwest ISO Agreement.

FERC - The Federal Energy Regulatory Commission, or any successor agency.

Funds Trust Agreement – The Funds Trust Agreement among JPMorgan Chase Bank, N.A., Midwest Independent Transmission System Operator, Inc., and the Beneficiaries, as may be amended from time to time, under which agreement a trust is established and maintained for the receipt and distribution of revenues resulting from the provision of transmission services under the Tariff.

Good Utility Practice- Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

He, Him, or His - Includes "she," "her," or "hers."

Member - A person or business entity which is (i) an Eligible Customer, as defined in the Tariff, or (ii) an Owner, as defined herein, and which pays to the Midwest ISO, the non-refundable membership fees as required herein. Such person or entity shall be a Member during the period covered by the applicable membership fees unless earlier terminated pursuant to the Bylaws.

Midwest ISO Agreement - The Agreement Of Transmission Facilities Owners To Organize The Midwest Independent Transmission System Operator, Inc., A Delaware Non-Stock Corporation, and any amendments thereto, and as accepted by the FERC.

Non-owner Member - - A Member which is not an Owner.

Non-Transferred Transmission Facilities - The booked transmission facilities not identified in Appendix H to the Midwest ISO Agreement which are the subject of the Agency Agreement.

Owner - A utility or other entity which owns, operates, or controls facilities for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven-factor (7 – factor) test of the FERC set forth in FERC Order No. 888, 61 Fed. Reg.

21,540, 21,620 (1996), or any successor test adopted by the FERC) and which is a signatory to the Midwest ISO Agreement. A public utility holding company system shall be treated as a single owner for purposes of the Midwest ISO Agreement. Each Owner shall pay the applicable membership fees and become a Member. Any termination of a utility's or entity's status as an Owner shall be determined pursuant to the Midwest ISO Agreement and these Bylaws.

Person - Any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, governmental agency, cooperative, association, other entity, or individual, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person, as the context may require.

Regional Entity. An entity having enforcement authority pursuant to Section 215(e)(4) of the Federal Power Act, 16 U.S.C. § 824o(e)(4), as specifically identified in the Tariff or its successor as may be in effect from time to time.

Tariff - The tariff on file with the FERC under which the Midwest ISO will offer transmission service, energy and ancillary market services, or any successor tariff.

Transmission System - The transmission facilities of the Owners which are committed to the operation of the Midwest ISO by the Midwest ISO Agreement. The facilities comprising the Transmission System are identified in Appendix H to the Midwest ISO Agreement.

User - A Transmission Customer under the Tariff or an entity that is a party to a transaction under the Tariff.

Section 1.2. Interpretation. In the event of any conflict between these Bylaws and the Midwest ISO Agreement, the Midwest ISO Agreement shall control. The descriptive headings of Articles and Sections of these Bylaws have been inserted for convenience of reference only and shall not define, modify, restrict, construe, or otherwise affect their construction or interpretation.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. *Organization.* The Midwest ISO is a non-stock, not-for-profit corporation, pursuant to Title 8, Chapter 1 of the laws of the State of Delaware. The Midwest ISO is operated exclusively for the promotion of social welfare, in furtherance of the public policy reflected in the order of the FERC approving the Midwest ISO Agreement and FERC Order No. 888. No part of the net earnings, if any, of the Midwest ISO shall inure to the benefit of any Midwest ISO Member, Director, Officer, employee, or any other interested private person. The Midwest ISO is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments or distributions in furtherance of the purposes and objectives set forth in the Midwest ISO Agreement and the Tariff. No substantial part of the activities of the Midwest ISO shall be carrying on propaganda or otherwise attempting to influence legislation. The Midwest ISO shall not participate in or intervene in any political campaign on behalf of any candidate for public office. The Midwest ISO shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under the Internal Revenue Code, or successor provisions in any subsequent federal tax laws, or such other provision or successor provisions under which the Internal Revenue Service may recognize that the Midwest ISO is exempt from taxation.

Section 2.2 *Offices.* The principal office of the Midwest ISO shall be located as determined by the Board of Directors. The Board may establish such branch offices or places of business as it shall determine to be in the best interests of the Midwest ISO.

ARTICLE III

MEMBERS

Section 3.1. *Qualifications; Membership Fees; Term*

- a. Qualifications. Any Person which (i) is an Eligible Customer (as defined in the Tariff) or an Owner and (ii) pays to the Midwest ISO the non-refundable membership fees set forth in Section 3.1(b) shall be eligible to become a Member. A person may apply to become a Member of the Midwest ISO by submitting an application in the form then approved by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and making payment of the membership fees set forth in Section 3.1(b) of these Bylaws. Action upon any application for membership shall be taken at the first meeting of the Board following submission of the membership application.
- b. Membership Fees. All entities eligible for membership in the Midwest ISO shall pay an initial membership fee of \$15,000 in order to become Members. On January 1 of each year, each Member shall pay an additional fee of \$1,000 to the Midwest ISO to retain its membership. All such fees are nonrefundable and may be adjusted from time to time, as may be appropriate, by the Board.
- c. Term. A Person shall be a Member during the period covered by the applicable membership fees unless earlier terminated as provided in these Bylaws.

d. Withdrawal of Members. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in the Midwest ISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). A Member who is also an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), commence a process of withdrawal of its facilities from the Transmission System. The terms and conditions of such withdrawal are specified in the Midwest ISO Agreement.

Section 3.2. *Owner Status.* Members admitted to Membership after the start-up of the Midwest ISO who wish also to have the status as Owners, must (i) own, operate, or control facilities used for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven factor (7-factor) test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) that are physically interconnected with the facilities of an existing Owner; (ii) express its agreement to become a signatory to the Midwest ISO Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Midwest ISO Agreement, and (iii) express its agreement to become a signatory to the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Funds Trust Agreement if and/or when it

receives revenues for transmission service, and prior to the existence of any right of the Member to receive revenues from transmission service under the Tariff executes the Funds Trust Agreement. Upon fulfillment of these conditions, and upon completion of any physical integration of the new Owner's facilities with the Transmission System in a fashion consistent with the Chief Executive Officer's (or if the Board chooses not to elect the Chief Executive Officer, the President's) direction, the Board shall allow the new Member to become a signatory to the Midwest ISO Agreement. In general, an Owner must own, operate, or control interstate transmission facilities as detailed above; however, on a case-by-case basis, the Board may waive the requirement that such facilities be physically interconnected if allowing the Member also to become an Owner will result in significant net benefits to the Midwest ISO and its Members.

Section 3.3. *No Rights of Members to Manage or Control.* No Member shall have any rights to manage or control the property, affairs, or business of the Midwest ISO, or any power to control the Board in these respects.

Section 3.4. *Regular Meetings.* The Members shall hold their meetings at the principal office of the Midwest ISO, or other location designated by the Board, on the dates designated by the Board. The Members shall also hold their annual meetings at such location on the second Thursday of December each year, or such other day of December as may be designated by the Board, for the purpose of electing Directors and of exercising and discharging any other powers or duties vested in them by the Midwest ISO Agreement and the Bylaws.

Section 3.5. *Special Meetings.* The Board or any twenty-five percent (25%) of the Members may call special meetings of the Members at any time.

Section 3.6. *Notification.*

a. The Secretary shall provide notice to appropriate state regulatory authorities, FERC, the members of the Advisory Committee (established pursuant to the Midwest ISO Agreement), and the public by posting on the Midwest ISO's Internet World-Wide Web Site or equivalent form of electronic posting at least seven (7) days prior to the meeting, of the time and place of all meetings of Members, whether regular or special.

b. Notice mailed to a Member, sent by telefacsimile, or other electronic means no later than seven (7) days prior to the date of the meeting, directed to the Member at the address as shown on the books of the Midwest ISO, shall be deemed sufficient for the provisions of this provision and for all other purposes, unless written notice of change of such address has been previously given to the Midwest ISO. In the case of special meetings, the Secretary shall also give notice to all Members of the general purpose of the meeting and the nature of the business to be considered at such meeting. Such a special meeting shall be limited to the business thus specified in the notice, unless at least twenty-five percent (25%) of the Members consent in writing to the consideration of other matters. The Members of record eligible to participate in any meeting shall be determined as of the date notice of the meeting is provided to the Members.

Section 3.7. *Conduct of Meetings; Quorum; Voting.* At all meetings of Members, the Chairman of the Board, or such other person as may be designated by the Board, shall preside.

Each Member shall be entitled to one vote, and Members may vote by proxy. Twenty-five percent (25%) of the Members, or their proxies, shall constitute a quorum for the purpose of any such meeting. Except where it is otherwise provided in these Bylaws, a vote of a majority of the Members represented and voting at the meeting shall control.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. *General Powers.* There shall be a Board of Directors of the Midwest ISO which shall consist of seven (7) persons plus the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). The Board may exercise all of the powers of the non-stock corporation and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers, and the management of the Midwest ISO) as it may deem proper and consistent with applicable law, the Midwest ISO Agreement, the Tariff, the articles of incorporation, and these Bylaws, provided that authority for such actions is not reserved to the Members or Owners.

Section 4.2. *Qualifications.* A Director shall not be, and shall not have been at any time within two (2) years prior to or subsequent to election to the Board, a Director, Officer, or employee of a Member, User, or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. At all times while serving on the Board, and for two (2) years thereafter, a Director shall have no material business relationship or other affiliation with any Member or User or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. A Director's participation in a pension plan of a Member or User or an affiliate thereof shall not be deemed to be a material business relationship if the Member's or User's financial performance has no material effect on such pension plan. Similarly, a

Director's ownership of securities in a Member or User or affiliate thereof shall not be deemed to be a material business relationship if such securities are held through a mutual fund, retirement fund, blind trust (as defined in Appendix A, Section II.E.6) or similar arrangement where the Director has no discretion to manage the assets in such an account. Of the seven (7) Directors, four (4) shall have expertise and experience in corporate leadership at the senior management or board of directors level, or in the professional disciplines of finance, accounting, engineering, or utility laws and regulation. Of the other three (3) Directors, one (1) shall have expertise and experience in the operation of electric transmission systems, one (1) shall have expertise and experience in the planning of electric transmission systems, and one (1) shall have expertise and experience in commercial markets and trading and associated risk management.

Section 4.3. *Number; Election.*

a. Board. The Board shall be elected by the Members at their annual meeting from a slate of candidates presented to them by the Nominating Committee. Directors shall be elected to terms of three (3) years, except for any Director elected to fill a vacancy in the remainder of the term of a previously elected Director that has been removed or resigns. Before the term of a Director expires, a nominating committee consisting of three Board Members whose terms are not expiring appointed by the Board and two members of the Advisory Committee selected by the Advisory Committee shall select an executive search firm to provide at least two (2) candidates, with the qualifications specified below, to the nominating committee for each open Director position. Members may submit the names of

candidates directly to the nominating committee. The nominating committee shall then provide at least two (2) candidates to the Board for each open position. The candidates for a specific Director position shall have the same type of qualifications as the Director being replaced, as set forth in Section 4.2 above. At least thirty (30) days prior to the meeting of the Members at which the Directors will be elected, the Board shall distribute to the Members a slate of candidates consisting of at least one (1) candidate for each Director position to be filled. The Board shall also provide the Members with information on the qualifications and experience of the candidate to fill the Director seat for which each candidate is proposed. A candidate receiving a majority of the votes cast by the Members shall be elected. Should the Members fail to elect a candidate from the slate proposed by the Board, the Board shall prepare a new slate using the procedures set forth above for consideration by the Members at a meeting of the Members to be called no later than seventy-five (75) days after such election. Each Director shall serve until the Director's successor shall have been duly elected and qualified, or until the Director's earlier resignation or removal. Vacancies on the Board caused by a Director leaving office before the expiration of the Director's term shall be filled by vote of the Board, which shall choose a candidate having the same type of qualifications as the Director's predecessor from a list prepared by the nominating

committee in consultation with an executive search firm chosen by the nominating committee. A Director selected to fill such a vacancy shall serve out the term of his predecessor.

Section 4.4. *Chairman of the Board.* The Board shall select from among its members a Chairman of the Board. The Chairman shall serve in such capacity at the pleasure of the Board until the first meeting of the Board following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. The Chairman of the Board shall, unless otherwise determined by the Board, preside over all meetings of the Board and Members. The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as from time to time may be assigned to him by the Board.

Section 4.5. *Vice Chairman.* The Board shall select from among its members a Vice Chairman of the Board. The Vice Chairman shall serve in such capacity at the pleasure of the Board until its first meeting following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman of the Board, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6. *Resignation of Directors.* Any Director may resign his office by submitting a signed notice of resignation, delivered or mailed to the principal office of the Midwest ISO. Such notice of resignation shall state the effective date of resignation. If the notice does not indicate an effective date, the resignation shall take effect upon receipt of the notice at the principal office of the Midwest ISO.

Section 4.7. *Removal of Directors.*

a. Removal by Members. The Members may remove a Director by a vote of a majority of the Members. Removal proceedings may only be initiated by a petition signed by not less than twenty percent (20%) of all Members. The petition shall state the specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A Director sought to be removed shall be given fifteen (15) days to respond in writing to any charges set forth in the petition. The petition shall specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.

b. Removal by Owners for Unauthorized Acts. If the Board of the Midwest ISO changes, or attempts to change, any of the provisions of the Midwest ISO Agreement identified in Article Two, Section IX, Paragraph C of the Midwest ISO Agreement without obtaining the requisite approval of the Owners as specified therein, or if the Board fails to enact these Bylaws or enacts any Bylaws contrary to the Midwest ISO Agreement, or if the Board fails or refuses to fulfill the duties owed to the Owners set forth in Article Three, Section III, Paragraphs B and C of the Midwest ISO Agreement, then the Board shall be deemed to have acted without authorization, and may be removed in its entirety by unanimous vote of the Owners’

Committee (established by Article Two, Section VI, Paragraph B of the Midwest ISO Agreement), provided that such removal shall be subject to approval by the FERC. Removal proceedings hereunder shall be initiated only by the delivery by the Owners' Committee to the Chairman of the Board of a statement specifying in detail the manner in which the Board has acted without authorization. The Board shall have sixty (60) days to respond to such a statement, after which the Owners may, by unanimous vote of the Owners' Committee, reaffirm their proposal to remove the Board if they are not satisfied with the Board's response. If the Owners vote unanimously to reaffirm their proposal, they shall file such proposal with the FERC and provide notice to the appropriate state regulatory authorities. Upon the FERC's approval of such proposal, the Board shall be removed in its entirety and a new Board shall be selected in accordance with the provisions for the selection of an initial Board specified in these Bylaws. The new Board so selected shall have all of the powers specified herein as belonging to the Board, including the power to replace the Chief Executive Officer, the President and other Officers, employees, or agents of the Midwest ISO chosen by the removed Board or its predecessors. Nothing herein shall be deemed to prejudice any right any Owner may otherwise have under the FPA or other provisions of law.

Section 4.8. Meetings; Notification. Regular meetings of the Board shall be held at least quarterly, and other meetings shall be held from time to time on the call of the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), Chairman, or a majority of the Board. A Director may participate in a meeting personally or by electronic means. Written notice of the date, location, and time of each meeting of the Board must be provided by first-class mail or by telefacsimile to each Director no later than seven (7) calendar days prior to the date of the meeting. Participation in a meeting by a Director is a waiver of any objection that the Director may make to any failure to give adequate notice under this provision. Any action required or permitted to be taken at any meeting of the Board, or of any Board Committee, may be taken without a meeting if all Directors or Board Committee members, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or Board Committee. Consistent with the Midwest ISO Agreement, the Board shall have all procedural authority provided and options available under Title 8 of the Delaware Corporation Law, section 141, as such law may be amended or, any successor provision thereto.

Section 4.9. Quorum; Voting. Five (5) Directors shall constitute a quorum of the Board. Except as provided in Section 4.7 of these Bylaws, the affirmative vote of a majority of the Directors present at a meeting is required to constitute any act or decision rendered by the Board.

Section 4.10. Accounting. At each quarterly meeting of the Board, or such other time as the Board directs, the Board shall require the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to submit for Board approval a full statement of the conditions of the Midwest ISO, and all business transacted by it, and, when the statement is approved, shall cause a copy of it to be sent to each Member.

Section 4.11. *Minutes and Reports.* The Board shall cause to be kept by the Secretary, elected by it, accurate minutes of all meetings of the Board, Members, and Board Committees. Insofar as non-Members of the Midwest ISO are concerned, these records shall be conclusive for the Board of the facts and activities stated and recorded therein.

Section 4.12. *Director Compensation and Expenses.* Directors shall receive from the Midwest ISO such compensation, regular or special, subject to the terms and conditions stated in the Midwest ISO Agreement, Article Two, Section Three, Paragraph D, Subparagraph 1. An independent compensation or human resources firm shall set Director compensation following such Director elections, subject to approval of the Members. If two-thirds (2/3) or more of the Members vote to reject the compensation and human resources firm's recommended compensation, then the recommended compensation shall be rejected. If the recommended compensation is rejected, then the compensation and human resources firm shall be requested to submit another recommendation or another compensation and human resources firm may be hired for such purpose. Directors, and their successors and assigns, shall have the right to reimbursement by the Midwest ISO for all of their actual expenses reasonably incurred or accrued in the performance of their duties as Directors of the Midwest ISO.

Section 4.13. *Annual Report.* The Board shall annually make a written report showing the financial results of the Midwest ISO's operations during the preceding fiscal year. A copy of such report shall be furnished to each Member.

Section 4.14. *Board Oversight.* The Board of Directors shall oversee the Chief Executive Officer's and/or the President's performance of the obligations of the Midwest ISO specified in the Midwest ISO Agreement and these Bylaws. The performance of such obligations shall be carried out and executed by the Chief Executive Officer and/or the President with oversight as

appropriate by the Board. The Board shall establish general policies to be followed by the Chief Executive Officer and/or the President and employees of the Midwest ISO in the conduct of their duties. The Board shall have the obligation to assure that the Chief Executive Officer and/or the President accounts for all transactions on the Transmission System and other activities of the Midwest ISO; submits bills for such transactions; pays the expenses of operation of the Midwest ISO; collects monies for transmission service from customers solely as agent for Owners or their designee(s) in accordance with the Tariff; and distributes monies to the Owners or their designee(s) in accordance with the Midwest ISO Agreement, any associated agreements referred to in the Midwest ISO Agreement, the Funds Trust Agreement, and the Tariff.

Section 4.15. *Standards of Conduct.* The Directors shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement, and, by direction or oversight, shall require that the Officers and employees of the Midwest ISO also comply with such standards.

Section 4.16. *Employ Staff.* The Board shall have the power to employ staff, auditors, counsel, and other personnel as necessary to carry out the business of the Midwest ISO, and may delegate to the Chief Executive Officer and/or the President all or part of such authority to employ such staff, auditors, counsel, and other personnel.

Section 4.17. *Board Committees.* The Board may appoint such committees of the Board of Directors as are necessary and appropriate for the conduct of the Midwest ISO's business, provided that final responsibility for any action recommended by any such committee remains with the Board

ARTICLE V
OFFICERS

Section 5.1. *Titles.* The Officers of the Midwest ISO shall be the Chief Executive Officer, the President, one or more Vice Presidents (at the discretion of the Board), and a Secretary.

Section 5.2. *Election and Term of Office.* The Officers of the Midwest ISO shall be elected from time to time by the Board. Each Officer shall hold office at the pleasure of the Board.

Section 5.3. *Removal of Officers by Directors.* Any Officer may be removed by the Board whenever, in the Board's judgment, the best interests of the Midwest ISO will be served thereby.

Section 5.4. *Chief Executive Officer.* At its discretion, the Board shall have the power not to establish the office of the Chief Executive Officer, or if established, to combine the offices of the Chief Executive Officer and the President. The President shall exercise the powers and perform the duties of the Chief Executive Officer as set forth in Article V, Section 5.5 of these Bylaws. The Chief Executive Officer shall serve on the Board of the Midwest ISO. The Chief Executive Officer may vote on any matter presented at a Board meeting except when the Chief Executive Officer's vote would create a tied Board vote. In that circumstance, the Chief Executive Officer shall be barred from voting. The Chief Executive Officer also may not vote on the selection of, or continued employment of the Chief Executive Officer or on the Chief Executive Officer's compensation. The Chief Executive Officer shall be included in the determination of a quorum of the Board for any meeting of the Board and in the determination of a majority vote of the Board for any purpose. The duties of the Chief Executive Officer are as follows:

a. Right of Chief Executive Officer to Manage. The right of the Chief Executive Officer to exercise functional control over the operation of the Transmission System, insofar as is necessary to carry out the rights, duties, and obligations of the Midwest ISO as set forth in the Midwest ISO Agreement, shall be absolute, unconditional, and free from the control and management of the Owners, who shall have only the rights specifically set forth in the Midwest ISO Agreement. The Chief Executive Officer shall have the authority to act for the Midwest ISO before any and all applicable federal or state regulatory authorities to carry out the business of the Midwest ISO.

b. General Powers. The Chief Executive Officer shall possess and exercise any and all such additional powers as are reasonably implied from the powers contained in the Midwest ISO Agreement such as may be necessary or convenient in the conduct of any business or enterprise of the Midwest ISO. The Chief Executive Officer may (i) do and perform everything that (a) he deems necessary, suitable, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives, enumerated in the Midwest ISO Agreement, or (b) that shall at any time appear conducive to, or expedient for, the protection or benefit of the Midwest ISO, and (ii) do and perform all other acts or things that are deemed necessary or incidental to the purposes set forth in the Midwest ISO Agreement.

c. Acquire Property. The Chief Executive Officer shall have power to purchase, or otherwise acquire through leases, such property, except for transmission facilities which shall be governed by Appendix B to the

Midwest ISO Agreement, as necessary to carry out the obligations of the Midwest ISO as specified in Article Three of the Midwest ISO Agreement.

d. Prosecute Claims. The Chief Executive Officer shall have full and exclusive power and authority to demand, sue for, claim, and receive any and all revenues and monies due the Midwest ISO.

e. Borrow. The Chief Executive Officer shall have the power to borrow money up to the level authorized by the Board for the purposes of the Midwest ISO and to give the obligations of the Midwest ISO to secure such indebtedness.

f. Contracts. The Chief Executive Officer shall have the authority and power to make all such contracts as he may deem expedient and proper in conducting the business of the Midwest ISO, except as may be limited by the Board.

g. Taxes and Assessments. The Chief Executive Officer shall have the power (i) to pay all taxes or assessments of whatever kind or nature imposed upon or against the Midwest ISO in connection with the Midwest ISO property, or upon or against the Midwest ISO property, or any part of such property; (ii) to do all acts and things as may be required or permitted by any present or future law for the purpose of making the activities of the Midwest ISO exempt from taxation; and (iii) for any of the above-stated purposes, to do all such other acts and things as may be deemed by him necessary or desirable.

h. Depository. In accordance with policies set by the Board, and subject to any limitations set forth in the Midwest ISO Agreement or the Funds Trust Agreement, the Chief Executive Officer shall have the power to select a depository, and to deposit any monies or securities held by the Midwest ISO in connection with the performance of its obligations under the Midwest ISO Agreement, with any one or more banks, trust companies, or other banking institutions, that are federally insured and deemed by the Chief Executive Officer to be responsible, such monies or securities to be subject to withdrawal on notice upon demand or in such manner as the Chief Executive Officer may determine, with no responsibility upon the Chief Executive Officer for any loss that may occur by reason of the failure of the person with whom the monies or securities had been deposited properly to account for the monies or securities so deposited.

Section 5.5. *President*. If the Board has established the office of the Chief Executive Officer, the President shall, in the absence or disability of the Chief Executive Officer, exercise the powers and perform the duties of the Chief Executive Officer. The President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer and/or the Board consistent with this Agreement. The President shall not be eligible to serve on the Board of the Midwest ISO except when performing the duties of the Chief Executive Officer, as above provided, or except when the Board chooses not to establish the office of the Chief Executive Officer. If the Board chooses not to establish the office of the Chief Executive Officer, the President shall exercise the powers and perform the duties of the Chief Executive Officer.

Section 5.6. *Vice President.* If the Board chooses not to establish the office of the Chief Executive Officer, the Vice President or, if there be more than one, the Vice President designated by the Board, shall in the absence or disability of the President, exercise the powers and perform the duties of the President. Each Vice President shall exercise such other powers and perform such other duties as shall be prescribed by Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and the Board consistent with the Midwest ISO Agreement and these Bylaws. No Vice President shall be eligible to serve on the Board of the Midwest ISO except when performing the duties of the President as provided in the Midwest ISO Agreement.

Section 5.7. *Secretary.* The Secretary shall be responsible for the following duties:

- a. Keeping the minutes of the applicable meetings in one or more books provided for that purpose;
- b. Seeing that all notices are duly provided in accordance with these Bylaws, policies of the Midwest ISO, and any and all other documents which provide for the governance of the Midwest ISO;
- c. Maintaining custody of the records of the business of the Midwest ISO and the seal of the Midwest ISO, and affixing such seal to all appropriate documents, the execution of which, on behalf of the Midwest ISO, under its seal, is duly authorized in accordance with the provisions of these Bylaws;
- d. Keeping a register of the names and post office addresses of all Members and Directors;
- e. Signing letters of membership, the issuance of which shall have been authorized by the Board or Members;
- f. Keeping on file at all times at the principal office of the Midwest ISO a

complete copy of the Midwest ISO Agreement, and all amendments thereto, together with these Bylaws and any policies concerning the governance of the Midwest ISO, and, at the expense of the Midwest ISO, forwarding or otherwise making available copies of such information to each of the Members and to the public to the extent required by law; and generally performing all duties instant to the office of Secretary and such other duties that, from time to time, may be assigned to the Secretary by the Board.

Section 5.8. *Standards of Conduct.* The Officers, agents, and employees of the Midwest ISO shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement.

Section 5.9. *Bonds of Officers.* Any Officer, employee, or agent of the Midwest ISO charged with the responsibility for the custody of any of its funds or property shall give bond in such sums, and with such sureties, as the Board shall determine. The Board, in its discretion, may also require any other Officer, agent, or employee of the Midwest ISO to give bond in such amount, with such surety, as it shall determine. All premiums of the aforesaid bonds shall be paid by the Midwest ISO.

Section 5.10. *Compensation.* Compensation of the Officers, agents, and employees of the Midwest ISO shall be established by the Board or pursuant to the policies approved by the Board.

ARTICLE VI
EXTERNAL COMMITTEES

Section 6.1. *Advisory Committee.*

a. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty-three (23) representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool (“MAPP”) as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers (“IPPs”) and exempt wholesale generators (“EWGs”), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) three (3) representatives of state regulatory authorities, with one (1) seat assigned to a Member of this

group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to the Midwest ISO have, entered into coordination or agency agreements with the Midwest ISO (“Coordination Members”). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings. The Advisory Committee shall be a forum for its members to be apprised of the Midwest ISO’s activities and to provide information and

advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or the Midwest ISO. Nothing in the Midwest ISO Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports. The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

b. Members of the Advisory Committee shall be selected in the following manner:

i. The Owners' representatives on the Advisory Committee shall be selected in accordance with Section 6.2 of these Bylaws.

ii. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting.

Approval by the Board of such procedures shall not be unreasonably withheld.

iii. The representatives of state regulatory authorities on the Advisory Committee shall be chosen by the state public service commissions which regulate the retail electric or distribution rates of the Owners who are signatories to the Midwest ISO Agreement.

iv. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of the Midwest ISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

v. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

c. In order to ensure appropriate representation on the Advisory Committee, the Board may change the size and composition of the Advisory Committee at three-year (3-year) intervals.

Section 6.2. Owners' Committee. An Owners' Committee shall exist throughout the period of the Midwest ISO Agreement. The Owners' Committee shall consist of one (1) person

representing each of the Owners who are signatories to the Midwest ISO Agreement. The Owners' Committee shall meet at its discretion to exercise the authority granted to the Owners as a group under these Bylaws, including voting upon the matters set forth in Sections 4.7(b) and 6.1(b)(i) of these Bylaws, and under the Midwest ISO Agreement. The Owners' Committee shall select three (3) representatives to serve on the Advisory Committee established pursuant to Section 6.1 of these Bylaws.

Section 6.3. OMS Committee. OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to the Midwest ISO Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately supported by the Transmission Provider either through reasonable in-kind services or through the provision of reasonable funding.

ARTICLE VII

OPEN MEETINGS

Section 7.1. *Open Meetings.* Except as provided herein, all meetings of the Board, all meetings of Board Committees and working groups, all meetings of the Advisory Committee and all Members' meetings shall be open to the public. Timely notice of such meetings and copies of all materials to be addressed at such meetings shall be provided to the members of the Advisory Committee, appropriate state regulatory authorities, and the FERC and posted on the Midwest ISO's Internet World-Wide Web Site or equivalent form of electronic posting. The procedures adopted by the Board for the conduct of such meetings shall allow interested members of the public, including those stakeholders represented on the Advisory Committee, to provide oral and written comments at such meetings concerning any matter that may come before the Board, Board Committees and working groups, Advisory Committee, or Members, whichever is applicable, during the open portion of such meetings.

Section 7.2. *Minutes.* The meeting minutes of all meetings of the Board, Board Committees and working groups, Advisory Committee, and Members shall be made available to the public and furnished to appropriate state regulatory authorities and the FERC, upon request; provided, however, that materials or information which is privileged or confidential pursuant to Section 7.3 of these Bylaws may be redacted from such minutes. Copies of executed or final documents, such as contracts, leases, and agreements, not otherwise required to be treated as confidential shall be made available for review. In the event the basis for information being treated as confidential ceases to exist, said information shall thereafter be available for review.

Section 7.3. *Executive Sessions to Preserve Confidentiality.* Executive sessions (closed to the public) shall be held as necessary to safeguard the confidentiality of (a) personnel-related

information; (b) information subject to the attorney-client privilege or to confidential treatment under the attorney-work product doctrine or concerning pending or threatened litigation; (c) information that is confidential under Appendix A to the Midwest ISO Agreement; (d) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; (e) except as may be required by law, consideration of the sale or purchase of securities, investments, or investment contracts; (f) strategy and negotiation sessions in connection with a collective bargaining agreement; (g) discussion of emergency and security procedures; (h) consideration of matters classified as confidential by federal or state law; (i) matters to protect trade secrets, proprietary information, specifications for competitive bidding, or to discuss a specific proposal if open discussion would jeopardize the cost or siting or give an unfair competitive or bargaining advantage to any person or entity; and (j) discussion of proceedings by the Alternate Dispute Resolution Committee established under Attachment HH of the Tariff.

ARTICLE VIII

DUE DILIGENCE, LIABILITY, AND INDEMNIFICATION

Section 8.1. *Due Diligence Duties.* It shall be the duty of Directors, Officers, employees, agents, and other representatives of the Midwest ISO (a) to faithfully and diligently administer the Midwest ISO as would reasonable and prudent persons acting in their own behalf; (b) to keep correct and accurate records of all business transacted; (c) to exercise prudence and economy in the business of the Midwest ISO, including the minimization of tax liability, if any; (d) to act in good faith, and only for the best interests of the Midwest ISO; (e) to annually render a full and correct account of the Midwest ISO business; and (f) at the termination of the Midwest ISO, to render and to deliver all the properties and funds of the Midwest ISO in accordance with the Midwest ISO Agreement and applicable law.

Section 8.2. *Limitations on Liability.* No Director, Officer, agent, employee, or other representative of the Midwest ISO, and no corporation or other business organization that employs a Director of the Midwest ISO, or any Director, Officer, agent, or employee of such corporation or other business organization, shall be personally liable to the Midwest ISO, any Member, or any User for any act or omission on the part of any such Director, Officer, agent, employee, or other representative of the Midwest ISO, which was performed or omitted in good faith in his official capacity as a Director, Officer, agent, employee, or other representative of the Midwest ISO pursuant to the operation of the Midwest ISO Agreement, or in any other capacity he may hold, at the request of the Midwest ISO, as its representative in any other organization. However, this release of liability shall not operate to release such a Director, Officer, agent, employee, or other representative of the Midwest ISO from any personal liability resulting from willful acts or omissions knowingly or intentionally committed or omitted by him in breach of the Midwest ISO Agreement, for improper personal benefit, or in bad faith. Directors, Officers, agents, employees, or other representatives of the Midwest ISO also shall not be personally liable for any actions or omissions of others, including Owners, whose actions or omissions may relate to the Midwest ISO, or any property or property rights forming, or intended or believed to form, part of the Midwest ISO's property, or for any defect in the title to, or liens or encumbrances on, any such property or property rights.

Section 8.3. *Indemnification.* The Midwest ISO shall indemnify each Director, Officer, agent, employee, or other representative strictly in accordance with the terms and conditions of the Indemnification provisions of the Midwest ISO Agreement, Article II, Section VIII.

ARTICLE IX
AMENDMENTS

Section 9.1. *Amendment.* These Bylaws may be amended by the Board from time to time, subject to the receipt of all necessary federal and state regulatory approvals, and provided that no amendment is contrary to the Midwest ISO Agreement.

ARTICLE X
MISCELLANEOUS MATTERS

Section 10.1. *Dispute Resolution.* The Midwest ISO shall resolve disputes between and among the Midwest ISO and the Owners, individually or collectively, and Users other than the Owners, in accordance with the procedures set forth in Attachment HH of the Tariff.

Section 10.2. *Inspection and Auditing Procedures.* The Midwest ISO shall grant each Member, its employees or agents, external auditors, and federal and state regulatory authorities having jurisdiction over the Midwest ISO or an Owner, such access to the Midwest ISO's books and records as is necessary to verify compliance by the Midwest ISO with the Midwest ISO Agreement and to audit and verify transactions under the Midwest ISO Agreement. Such access shall be at reasonable times and under reasonable conditions. The Midwest ISO shall also comply with the reporting requirements of federal and state regulatory authorities having jurisdiction over the Midwest ISO with respect to the business aspects of its business operations, including, but not limited to, the State of Delaware. Contacts between Officers, employees, and agents of any Owner and those of the Midwest ISO pursuant to this Section 10.2 shall be strictly limited to the purposes of this Section 10.2 and shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement.

ARTICLE XI

WITHDRAWAL OR TERMINATION OF MEMBERS

Section 11.1. *Withdrawal Notice.* A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in the Midwest ISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President).

A Member who is also an Owner may withdraw under the procedures and rights specified in the Midwest ISO Agreement and shall be subject to the regulatory approvals referred to in that Agreement or as provided by applicable law. The effect of such withdrawal shall be as stated in that Agreement.

TAB B

Table Of Contents

- MISO Transmission Owner Agreement Version: 0.0.0 Effective: 7/31/2010

ARTICLE ONE DEFINITIONS Version: 0.0.0 Effective: 7/31/2010

Section I In General. Version: 0.0.0 Effective: 7/31/2010

A. Agency Agreement. Version: 0.0.0 Effective: 7/31/2010

B. Balancing Authority Agreement. Version: 0.0.0 Effective: 7/31/2010

C. Effective Date. Version: 0.0.0 Effective: 7/31/2010

D. Electric Reliability Organization (ERO). Version: 0.0.0 Effective: 7/31/2010

E. FERC. Version: 0.0.0 Effective: 7/31/2010

F. Funds Trust Agreement. Version: 0.0.0 Effective: 7/31/2010

G. Good Utility Practice. Version: 0.0.0 Effective: 7/31/2010

H. He, Him, or His. Version: 0.0.0 Effective: 7/31/2010

I. Local Balancing Authority. Version: 0.0.0 Effective: 7/31/2010

J. Local Balancing Authority Area. Version: 0.0.0 Effective: 7/31/2010

K. Member. Version: 0.0.0 Effective: 7/31/2010

L. Midwest ISO Balancing Authority Area. Version: 0.0.0 Effective: 7/31/2010

M. NERC. Version: 0.0.0 Effective: 7/31/2010

N. Non-owner Member. Version: 0.0.0 Effective: 7/31/2010

O. Non-transferred Transmission Facilities. Version: 0.0.0 Effective: 7/31/2010

P. Owner. Version: 0.0.0 Effective: 7/31/2010

Q. Regional Entity. Version: 0.0.0 Effective: 7/31/2010

R. Tariff. Version: 0.0.0 Effective: 7/31/2010

S. Transfer Date. Version: 0.0.0 Effective: 7/31/2010

T. Transmission System. Version: 0.0.0 Effective: 7/31/2010

U. User. Version: 0.0.0 Effective: 7/31/2010

ARTICLE TWO ORGANIZATION AND GOVERNANCE OF THE MIDWEST ISO

Version: 0.0.0 Effective: 7/31/2010

Section I Character Of The Organization. Version: 0.0.0 Effective: 7/31/2010

A. Organization of Non-stock, Not-for-profit Corporation. Version: 0.0.0 Effective: 7/31/2010

B. Declaration. Version: 0.0.0 Effective: 7/31/2010

C. Appendices. Version: 0.0.0 Effective: 7/31/2010

D. Purpose of Authorization. Version: 0.0.0 Effective: 7/31/2010

E. Title to Remain with Owners. Version: 0.0.0 Effective: 7/31/2010

F. Bylaws. Version: 0.0.0 Effective: 7/31/2010

Section II Name And Location. Version: 0.0.0 Effective: 7/31/2010

A. Name. Version: 0.0.0 Effective: 7/31/2010

B. Principal Office. Version: 0.0.0 Effective: 7/31/2010

C. Place of Business. Version: 0.0.0 Effective: 7/31/2010

Section III Board Of Directors. Version: 0.0.0 Effective: 7/31/2010

A. In General. Version: 0.0.0 Effective: 7/31/2010

1. Board of Directors. Version: 0.0.0 Effective: 7/31/2010

2. Qualifications. Version: 0.0.0 Effective: 7/31/2010

3. Chairman of the Board. Version: 0.0.0 Effective: 7/31/2010

4. Vice Chairman. Version: 0.0.0 Effective: 7/31/2010

5. Resignation of Directors. Version: 0.0.0 Effective: 7/31/2010

6. Removal of Directors. Version: 0.0.0 Effective: 7/31/2010

B. Duties and Powers. Version: 0.0.0 Effective: 7/31/2010

1. General. Version: 0.0.0 Effective: 7/31/2010

2. Bylaws and regulations. Version: 0.0.0 Effective: 7/31/2010

3. Board oversight. Version: 0.0.0 Effective: 7/31/2010

4. Standards of Conduct. Version: 0.0.0 Effective: 7/31/2010

5. Collections and payments. Version: 0.0.0 Effective: 7/31/2010

6. Employ staff. Version: 0.0.0 Effective: 7/31/2010

7. Board Committees. Version: 0.0.0 Effective: 7/31/2010

C. Meetings of the Board. Version: 0.0.0 Effective: 7/31/2010

1. Meetings. Version: 0.0.0 Effective: 7/31/2010

2. Voting. Version: 0.0.0 Effective: 7/31/2010

3. Accounting. Version: 0.0.0 Effective: 7/31/2010

4. Minutes and reports. Version: 0.0.0 Effective: 7/31/2010

D. Compensation of Directors; Reimbursement of Expenses. Version: 0.0.0 Effective: 7/31/2010

1. Director compensation. Version: 0.0.0 Effective: 7/31/2010

2. Expenses. Version: 0.0.0 Effective: 7/31/2010

Section IV. Officers Of The Midwest ISO. Version: 0.0.0 Effective: 7/31/2010

A. Titles. Version: 0.0.0 Effective: 7/31/2010

B. Election and Term of Office. Version: 0.0.0 Effective: 7/31/2010

C. Removal of Officers by Directors. Version: 0.0.0 Effective: 7/31/2010

D. Chief Executive Officer. Version: 0.0.0 Effective: 7/31/2010

1. Right of Chief Executive Officer to manage. Version: 0.0.0 Effective: 7/31/2010

2. General powers. Version: 0.0.0 Effective: 7/31/2010

3. Acquire property. Version: 0.0.0 Effective: 7/31/2010

4. Prosecute claims. Version: 0.0.0 Effective: 7/31/2010

5. Borrow. Version: 0.0.0 Effective: 7/31/2010

6. Contracts. Version: 0.0.0 Effective: 7/31/2010

7. Taxes and assessments. Version: 0.0.0 Effective: 7/31/2010

8. Depository. Version: 0.0.0 Effective: 7/31/2010

E. President. Version: 0.0.0 Effective: 7/31/2010

F. Vice President. Version: 0.0.0 Effective: 7/31/2010

G. Secretary. Version: 0.0.0 Effective: 7/31/2010

H. Standards of Conduct. Version: 0.0.0 Effective: 7/31/2010

I. Bonds of Officers. Version: 0.0.0 Effective: 7/31/2010

J. Compensation. Version: 0.0.0 Effective: 7/31/2010

Section V Members. Version: 0.0.0 Effective: 7/31/2010

A. General Provisions. Version: 0.0.0 Effective: 7/31/2010

1. Application for membership. Version: 0.0.0 Effective: 7/31/2010

2. Owner status. Version: 0.0.0 Effective: 7/31/2010

3. Subject to Agreement. Version: 0.0.0 Effective: 7/31/2010

4. Manage or control by Members. Version: 0.0.0 Effective: 7/31/2010

5. Partition rights. Version: 0.0.0 Effective: 7/31/2010

B. Members' Meetings; Elections. Version: 0.0.0 Effective: 7/31/2010

1. Meeting times. Version: 0.0.0 Effective: 7/31/2010

2. Special meetings. Version: 0.0.0 Effective: 7/31/2010

3. Notification. Version: 0.0.0 Effective: 7/31/2010

4. Notification to Members. Version: 0.0.0 Effective: 7/31/2010

5. Voting. Version: 0.0.0 Effective: 7/31/2010

C. Limited Liability. Version: 0.0.0 Effective: 7/31/2010

Section VI External Committees. Version: 0.0.0 Effective: 7/31/2010

A. Advisory Committee. Version: 0.0.0 Effective: 7/31/2010

B. Owners' Committee. Version: 0.0.0 Effective: 7/31/2010

C. OMS Committee . Version: 0.0.0 Effective: 12/31/9998

Section VII Open Meetings. Version: 0.0.0 Effective: 7/31/2010

A. In General. Version: 0.0.0 Effective: 7/31/2010

B. Availability of Minutes. Version: 0.0.0 Effective: 7/31/2010

C. Executive Sessions to Preserve Confidentiality. Version: 0.0.0 Effective: 7/31/2010

Section VIII Due Diligence, Limited Liability, And Indemnification Version: 0.0.0 Effective: 7/31/2010

A. Due Diligence Duties. Version: 0.0.0 Effective: 7/31/2010

B. Limitations on Liability. Version: 0.0.0 Effective: 7/31/2010

C. Indemnification. Version: 0.0.0 Effective: 7/31/2010

D. Reliance on Information Provided. Version: 0.0.0 Effective: 7/31/2010

E. Annual Report. Version: 0.0.0 Effective: 7/31/2010

Section IX Amendments. Version: 0.0.0 Effective: 7/31/2010

A. Amendments by Board. Version: 0.0.0 Effective: 7/31/2010

B. Amendments Requiring Approval of Owners. Version: 0.0.0 Effective: 7/31/2010

C. Amendments by Owners. Version: 0.0.0 Effective: 7/31/2010

1. Ownership rights. Version: 0.0.0 Effective: 7/31/2010

2. Board. Version: 0.0.0 Effective: 7/31/2010

3. Duties. Version: 0.0.0 Effective: 7/31/2010

4. Access to books and records. Version: 0.0.0 Effective: 7/31/2010

5. Compliance with requirements. Version: 0.0.0 Effective: 7/31/2010

6. Revenue distribution, Methodology, Return of Start-up Costs Version: 0.0.0 Effective: 7/31/2010

7. Filing Rights of Owners and the Midwest ISO Version: 0.0.0 Effective: 7/31/2010

8. Withdrawal rights. Version: 0.0.0 Effective: 7/31/2010

Section X Duration And Termination. Version: 0.0.0 Effective: 7/31/2010

A. Period. Version: 0.0.0 Effective: 7/31/2010

B. Withdrawal Notification. Version: 0.0.0 Effective: 7/31/2010

C. Termination. Version: 0.0.0 Effective: 7/31/2010

ARTICLE THREE RIGHTS, POWERS, AND OBLIGATIONS OF THE MIDWEST ISO

Version: 0.0.0 Effective: 7/31/2010

Section I Operation And Planning. Version: 0.0.0 Effective: 7/31/2010

A. Functional Control. Version: 0.0.0 Effective: 7/31/2010

B. Reliability. Version: 0.0.0 Effective: 7/31/2010

C. Planning Activities. Version: 0.0.0 Effective: 7/31/2010

D. Performance of Regulatory Obligations. Version: 0.0.0 Effective: 7/31/2010

Section II Non-discriminatory Transmission Service. Version: 0.0.0 Effective: 7/31/2010

A. Type of Service. Version: 0.0.0 Effective: 7/31/2010

B. Pricing. Version: 0.0.0 Effective: 7/31/2010

C. Standards of Conduct. Version: 0.0.0 Effective: 7/31/2010

D. OASIS. Version: 0.0.0 Effective: 7/31/2010

E. Ancillary Services. Version: 0.0.0 Effective: 7/31/2010

Section III Responsibilities Of The Midwest ISO To The Owners Version: 0.0.0 Effective: 7/31/2010

A. Relationship. Version: 0.0.0 Effective: 7/31/2010

B. Promise Not to Impair Value. Version: 0.0.0 Effective: 7/31/2010

C. Revenues. Version: 0.0.0 Effective: 7/31/2010

D. Duty to Maximize Revenues. Version: 0.0.0 Effective: 7/31/2010

E. Revenue Distribution. Version: 0.0.0 Effective: 7/31/2010

Section IV Additional Obligations. Version: 0.0.0 Effective: 7/31/2010

A. Assume Liability. Version: 0.0.0 Effective: 7/31/2010

B. Dispute Resolution. Version: 0.0.0 Effective: 7/31/2010

C. Inspection and Auditing Procedures. Version: 0.0.0 Effective: 7/31/2010

D. Stranded Cost Recovery Charges. Version: 0.0.0 Effective: 7/31/2010

E. Performance Incentives. Version: 0.0.0 Effective: 7/31/2010

F. Standards Governing Post-Employment Restrictions, Gifts Version: 0.0.0 Effective: 7/31/2010

G. Incentives Regarding Location of Generation. Version: 0.0.0 Effective: 7/31/2010

Section V Enforcement Authority. Version: 0.0.0 Effective: 7/31/2010

A. Violations. Version: 0.0.0 Effective: 7/31/2010

B. Penalties. Version: 0.0.0 Effective: 7/31/2010

C. Offset of Expenses. Version: 0.0.0 Effective: 7/31/2010

D. Dispute Resolution. Version: 0.0.0 Effective: 7/31/2010

ARTICLE FOUR RIGHTS, POWERS, AND OBLIGATIONS OF THE OWNERS AND USERS

Version: 0.0.0 Effective: 7/31/2010

Section I Operation And Planning. Version: 0.0.0 Effective: 7/31/2010

A. Redispatch and Curtailment. Version: 0.0.0 Effective: 7/31/2010

B. Maintenance Practices. Version: 0.0.0 Effective: 7/31/2010

C. Construction. Version: 0.0.0 Effective: 7/31/2010

D. Acquisition. Version: 0.0.0 Effective: 7/31/2010

E. Use of Distribution. Version: 0.0.0 Effective: 7/31/2010

F. Other Obligations. Version: 0.0.0 Effective: 7/31/2010

Section II Additional Obligations. Version: 0.0.0 Effective: 7/31/2010

A. Providing Information. Version: 0.0.0 Effective: 7/31/2010

B. Facilities Access. Version: 0.0.0 Effective: 7/31/2010

C. Inspection and Auditing Procedures. Version: 0.0.0 Effective: 7/31/2010

D. Assume Liability. Version: 0.0.0 Effective: 7/31/2010

ARTICLE FIVE WITHDRAWAL OF MEMBERS Version: 0.0.0 Effective: 7/31/2010

Section I Withdrawal Notice. Version: 0.0.0 Effective: 7/31/2010

Section II Effect Of Withdrawal By An Owner On Contractual Obligations Version: 0.0.0 Effective: 7/31/2010

A. Users Held Harmless. Version: 0.0.0 Effective: 7/31/2010

B. Existing Obligations. Version: 0.0.0 Effective: 7/31/2010

C. Construction of Facilities. Version: 0.0.0 Effective: 7/31/2010

D. Other Obligations. Version: 0.0.0 Effective: 7/31/2010

Section III Regulatory And Other Approvals Or Procedures. Version: 0.0.0 Effective: 7/31/2010

ARTICLE SIX MEMBERSHIP FEES Version: 0.0.0 Effective: 7/31/2010

ARTICLE SEVEN REGULATORY, TAX, AND OTHER AUTHORITIES Version: 0.0.0 Effective: 7/31/2010

A. Regulatory And Other Authorities. Version: 0.0.0 Effective: 7/31/2010

B. Tax Authorities. Version: 0.0.0 Effective: 7/31/2010

C. Effectiveness As To Certain Owners. Version: 0.0.0 Effective: 7/31/2010

D. Regulatory Approvals of Withdrawals. Version: 0.0.0 Effective: 7/31/2010

ARTICLE EIGHT MONITORING PROCEDURES Version: 0.0.0 Effective: 7/31/2010

ARTICLE NINE MISCELLANEOUS PROVISIONS Version: 0.0.0 Effective: 7/31/2010

A. Descriptive Headings. Version: 0.0.0 Effective: 7/31/2010

B. Governing Law. Version: 0.0.0 Effective: 7/31/2010

C. Counterparts. Version: 0.0.0 Effective: 7/31/2010

D. Successors And Assigns. Version: 0.0.0 Effective: 7/31/2010

E. No Implied Waivers. Version: 0.0.0 Effective: 7/31/2010

F. Severability. Version: 0.0.0 Effective: 7/31/2010

G. Renegotiation. Version: 0.0.0 Effective: 7/31/2010

H. Representations And Warranties. Version: 0.0.0 Effective: 7/31/2010

I. Further Assurances. Version: 0.0.0 Effective: 7/31/2010

J. Delivery Of Notices. Version: 0.0.0 Effective: 7/31/2010

K. Limitations On Liability. Version: 0.0.0 Effective: 7/31/2010

L. Entire Agreement. Version: 0.0.0 Effective: 7/31/2010

M. Good Faith Efforts. Version: 0.0.0 Effective: 7/31/2010

N. Third-Party Joint Agreements. Version: 0.0.0 Effective: 7/31/2010

O. No Partnership. Version: 0.0.0 Effective: 7/31/2010

- APPENDICES Version: 0.0.0 Effective: 7/31/2010

APPENDIX A STANDARDS OF CONDUCT Version: 0.0.0 Effective: 7/31/2010

APPENDIX B PLANNING FRAMEWORK Version: 1.0.0 Effective: 12/31/9998

**APPENDIX C PRICING, REVENUE DISTRIBUTION, RETURN OF START-UP, GFAs
Version: 0.0.0 Effective: 7/31/2010**

**APPENDIX C-1 DEVELOPMENT OF TRANSACTION PARTICIPATION FACTORS
Version: 0.0.0 Effective: 7/31/2010**

APPENDIX C-2 [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX C-3 [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX C-4 Revenue Distribution for SECA Version: 0.0.0 Effective: 7/31/2010

APPENDIX D [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX E Framework for Operational Responsibilities Version: 0.0.0 Effective: 7/31/2010

APPENDIX F BYLAWS Version: 1.0.0 Effective: 12/31/998

APPENDIX G AGENCY AGREEMENT Version: 0.0.0 Effective: 7/31/2010

APPENDIX H TRANSMISSION SYSTEM FACILITIES Version: 0.0.0 Effective: 7/31/2010

APPENDIX I INDEPENDENT TRANSMISSION COMPANIES Version: 0.0.0 Effective: 7/31/2010

APPENDIX J [RESERVED] Version: 0.0.0 Effective: 7/31/2010

APPENDIX K FILING RIGHTS PURSUANT TO SECTION 205 OF THE FPA

Version: 0.0.0 Effective: 7/31/2010

C. OMS Committee. Version: 0.0.0 Effective: 12/31/9998

OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to the Midwest ISO Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately supported by the Midwest ISO either through reasonable in-kind services or through the provision of reasonable funding.

APPENDIX B PLANNING FRAMEWORK Version: 1.0.0 Effective: 12/31/9998

I. Overview.

This Appendix B describes the process to be used by the Midwest ISO in planning the Transmission System. Nothing in this Appendix is intended to restrict or expand existing state laws or regulatory authority.

The following transmission facilities of the Owners shall constitute the Transmission System for which the Midwest ISO shall be responsible for operating and planning by the terms of the Agreement: (i) all networked transmission facilities above 100 kilovolts (hereinafter “kV”); and (ii) all networked transformers whose two (2) highest voltages qualify under the voltage criteria of item (i).

Network transmission facilities (including terminal equipment) are (i) transmission elements capable of carrying power in both directions for sustained periods, and (ii) components that are connected to such transmission facilities and are used for voltage or stability control of the Transmission System, including shunt inductors, shunt capacitors, and synchronous condensers. Appendix H to the Agreement identifies the facilities that constitute the Transmission System for which the Midwest ISO shall have operating and planning responsibility.

The Midwest ISO may direct the Owners to assign Non-transferred Transmission Facilities to its control as part of the Transmission System, subject to obtaining any necessary approvals of federal or state regulatory authorities, when such action is determined to be necessary to relieve a constraint or for reliability purposes. The Midwest ISO also may require that Owners take back control of facilities included in the Transmission System subject to any

such necessary approvals. If an Owner disputes such an order from the Midwest ISO, the dispute shall be resolved pursuant to the dispute resolution provisions set forth in Attachment HH of the Tariff.

With regard to Non-transferred Transmission Facilities, the Midwest ISO shall review and comment on the plans developed by the Owners of these facilities. With respect to such facilities, the Midwest ISO shall have only that planning authority necessary to carry out its responsibilities under the Tariff. Thus, the Midwest ISO, when performing System Impact and Facilities Studies under the Tariff, shall treat these Non-transferred Transmission Facilities just as it would facilities comprising the Transmission System. Similarly, the Midwest ISO shall require Owners to make ATC determinations involving such Non-transferred Transmission Facilities under the Tariff. The Midwest ISO shall coordinate the analyses of ATC associated with Non-transferred Transmission Facilities with the affected Owners. Any disputes concerning Non-transferred Transmission Facilities shall be subject to the dispute resolution procedures under Attachment HH of the Tariff.

The planning of all Non-transferred Transmission Facilities, as well as all distribution facilities, shall be done by the Owners. Furthermore, each Owner, in carrying out its planning responsibilities to meet the reliability needs of all loads connected to the Owner's transmission facilities and to pursue projects that will promote expanded trading in generation markets, to better integrate the grid and to alleviate congestion may, as appropriate, develop and propose plans involving modifications to any of the Owner's transmission facilities which are part of the Transmission System. All such plans developed by the Owners may be incorporated into the Midwest ISO regional plan, as described in Section VI of this Appendix B. Plans developed by the Owners that involve only Non-transferred Transmission Facilities may be incorporated into

the Midwest ISO regional plan, as appropriate. The Owners shall continue to have planning responsibilities for meeting their respective transmission needs in collaboration with the Midwest ISO subject to the requirements of applicable state law or regulatory authority.

II. The Midwest ISO Planning Staff And The Planning Advisory Committee.

The planning function of the Midwest ISO shall be the responsibility of the Midwest ISO Planning Staff (hereinafter “Planning Staff”). The process for carrying out the planning of the Midwest ISO shall be collaborative with Owners, Users, the OMS Committee, and other interested parties. The Midwest ISO shall be organized to engage in such planning activities as are necessary to fulfill its obligations under the Agreement and the Tariff. In exercising such authority, the Midwest ISO shall (i) evaluate and respond to requests for transmission service that extend into or fall within the “Planning Time Horizon” (defined as two (2) weeks and beyond); and (ii) develop a comprehensive Midwest ISO-wide transmission plan (hereinafter the “Midwest ISO Plan”). In order to carry out this planning function, the Planning Staff shall have the following responsibilities, set forth in more detail in subsequent Sections of this Appendix B: (i) to calculate ATC in the Planning Time Horizon; (ii) to process transmission service requests in the Planning Time Horizon; (iii) to develop cost-effective plans to resolve transmission constraints that would otherwise preclude requested transmission service; and (iv) to create the Midwest ISO Plan by integrating, evaluating, and modifying the transmission plans, and other findings from (a) Facilities Studies, (b) plans and analyses developed by the individual Owners, and/or sub-regional groups, to define needs within the Owner’s system(s), (c) plans and analyses developed by the Planning Staff to define regional needs, and (d) Planning Staff analyses giving consideration to information from the Planning Advisory Committee (established under this Appendix B) and other sources. The Midwest ISO shall make the final determination in the

process, subject to the Dispute Resolution procedures under Attachment HH of the Tariff and subject to review by the FERC or state regulatory authorities where appropriate.

The Planning Advisory Committee consists of one (1) representative from each of the constituent groups represented on the Advisory Committee established pursuant to Article Two, Section VI, Paragraph A of this Agreement. The Planning Advisory Committee shall be a source of input to the Planning Staff concerning the development of the Midwest ISO Plan. The Planning Staff shall exercise its discretion in how it utilizes this advice in carrying out its responsibilities.

III. Calculation Of ATC.

The Planning Staff shall be responsible for calculating ATC of the Transmission System for the Planning Time Horizon. In calculating ATC, the Planning Staff shall: (i) take into account transmission limits that may appear regardless of whether such limits involve transferred Transmission System facilities or Non-transferred Transmission Facilities; (ii) use planning criteria which are compatible with operations, including the use of appropriate equipment ratings; (iii) follow the general principles set forth in the NERC documents, *Transfer Capability* (May 1995) and *Available Transfer Capability: Definition and Determination* (June 1996), as those documents may be revised from time to time; (iv) provide for projected load growth, all relevant committed transactions and their resulting power flows throughout the interconnection; and (v) use appropriate analytical tools to determine thermal, voltage, and stability constraints.

The Planning Staff shall adhere to applicable reliability criteria of NERC, applicable Regional Entities, or successor organizations, and Owner's planning criteria filed with federal, state, or local regulatory authorities. In the event that the Planning Staff questions the appropriateness of such Owner's planning criteria, the matter may be resolved through the

Dispute Resolution process provided for in Attachment HH of the Tariff. Until any such dispute is resolved, the Owner's criteria shall govern. The Planning Staff shall also apply equipment capability ratings provided by the Owners for their respective Transmission System facilities. The process to be used by the Planning Staff to validate the ratings is discussed in Section V of this Appendix B. Disputes regarding equipment capability ratings may be resolved through the Dispute Resolution process provided for in Attachment HH of the Tariff. The Planning Staff shall at all times comply with the procedures of the Tariff for calculating ATC.

IV. Evaluation Of Transmission Service Requests.

The Planning Staff shall receive, evaluate, and respond to all requests for transmission service that extends into or occurs within the Planning Time Horizon and involves the use of the Transmission System. With respect to all such requests, the Planning Staff shall analyze and make the determination on access to the Transmission System, including the amount of firm (non-recallable) and/or non-firm (recallable) service which the Transmission System can support. The Planning Staff shall document all requests for transmission service, the disposition of those requests, and supporting data. The Planning Staff shall coordinate with the Owners to process requests for service involving the use of Non-transferred Transmission Facilities and distribution facilities relating to service under the Tariff. The Planning Staff shall consult with the transmission planning representatives of the Owners and/or operators of the affected transmission facilities on matters such as equipment, procedures, maintenance, reliability, and public or worker safety. The Planning Staff shall provide the transmission planning representatives of each Owner with sufficient information to model local conditions and to monitor local consequences of Midwest ISO decisions by the Planning Staff related to ATC values and requests for transmission service. Any dispute regarding ATC calculations shall be

subject to the applicable Dispute Resolution procedures in Attachment HH of the Tariff.

V. Resolution Of Transmission Constraints.

When the evaluation of posted ATCs reveals apparent transmission constraints that would preclude a requested firm transaction, the Planning Staff shall investigate the ability of operating guides and redispatch of generation to permit the transaction to proceed, to the extent that available information, in the form of existing studies and models, permit. In evaluating and resolving transmission constraints, the Planning Staff shall act in a manner consistent with the provisions of the Tariff.

The Planning Staff shall follow the procedures of the Tariff when conducting System Impact and Facilities Studies. Upon receipt of an approved Facilities Study Agreement, the Planning Staff shall form, chair, and direct the activities of an Ad Hoc Planning Committee that includes representatives of all affected Owners. The Ad Hoc Planning Committee shall develop expansion alternatives, perform the described studies, and develop the resulting options, costs, and service agreement which shall be provided to the transmission customer by the Planning Staff.

Each Owner shall file with the Midwest ISO information regarding the physical ratings of all of its equipment in the Transmission System. This information is intended to reflect the normal and emergency ratings routinely used in regional load flow and stability analyses. In carrying out its responsibilities, the Midwest ISO shall apply ratings that have been provided by the respective Owners and have been verified and accepted as appropriate by the Midwest ISO where such ratings affect Midwest ISO reliability. When requested by the Midwest ISO, Owners shall provide specific methods by which the ratings of equipment are calculated. If the Planning Staff and the Owners' respective planning representatives cannot reach agreement on a rating,

the dispute shall be resolved through the Dispute Resolution process provided in Attachment HH of the Tariff. However, the Midwest ISO shall use the ratings provided by the Owner unless and until such ratings are changed through the Dispute Resolution process or by voluntary agreement with the affected Owner.

VI. Development Of The Midwest ISO Transmission Plan.

The Planning Staff, working in collaboration with representatives of the Owners, the OMS Committee, and the Planning Advisory Committee, shall develop the Midwest ISO Plan, consistent with Good Utility Practice and taking into consideration long-range planning horizons, as appropriate. The Planning Staff shall develop this plan for expected use patterns and analyze the performance of the Transmission System in meeting both reliability needs and the needs of the competitive bulk power market, under a wide variety of contingency conditions. The Midwest ISO Plan will give full consideration to all market participants, including demand-side options, and identify expansions needed to support competition in bulk power markets and in maintaining reliability. This analysis and planning process shall integrate into the development of the Midwest ISO Plan among other things: (i) the transmission needs identified from Facilities Studies carried out in connection with specific transmission service requests; (ii) the transmission needs identified by the Owners in connection with their planning analyses to provide reliable power supply to their connected load customers and to expand trading opportunities, better integrate the grid and alleviate congestion; (iii) the transmission planning obligations of an Owner, imposed by federal or state law(s) or regulatory authorities, which can no longer be performed solely by the Owner following transfer of functional control of its transmission facilities to the Midwest ISO; (iv) the inputs provided by the Planning Advisory Committee; (v) the inputs, if any, provided by the state regulatory authorities having jurisdiction over any of the

Transmission Owners; and (vi) the OMS Committee. In the course of this process, the Planning Staff shall seek out opportunities to coordinate or consolidate, where possible, individually defined transmission projects into more comprehensive cost-effective developments subject to the limitations imposed by prior commitments and lead time constraints. This multi-party collaborative process is designed to ensure the development of the most efficient and cost-effective Midwest ISO Plan that will meet reliability needs and expand trading opportunities, better integrate the grid, and alleviate congestion, while giving consideration to the inputs from all stakeholders.

The Planning Staff shall test the Midwest ISO Plan for adequacy and reliability based on all applicable criteria. The Midwest ISO Plan shall adhere to applicable reliability requirements of NERC, Regional Entities, or successor organizations, and Owners' planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local system planning and operating reliability criteria. If the Planning Staff and any Owner's planning representatives cannot reach agreement on any element of the Midwest ISO Plan, the dispute may be resolved through the Dispute Resolution process provided in Attachment HH of the Tariff or by the FERC or state regulatory authorities, where appropriate. The Midwest ISO Plan shall have as one of its goals the satisfaction of all regulatory requirements. That is, the Midwest ISO shall not require that projects be undertaken where it is expected that the necessary regulatory approvals for construction and cost recovery will not be obtained.

The Planning Staff shall present the Midwest ISO Plan, along with a summary of relevant alternatives that were not selected, to the Board for approval on a biennial basis, or more frequently if needed. The proposed Midwest ISO Plan shall include specific projects already approved as a result of the Midwest ISO entering into service agreements with transmission

customers where such agreements provide for identification of needed transmission construction, its timetable, cost, and Owner or other parties' construction responsibilities.

Except for facilities that are Open Transmission Projects as defined in the Tariff and subject to the transmission developer selection process set forth in Attachment FF, Section VIII of the Tariff: (i) ownership and the responsibility to construct facilities which are connected to a single Owner's system belong to that Owner, and that Owner is responsible for maintaining such facilities: (ii) ownership and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong equally to each Owner, unless such Owners otherwise agree, and the responsibility for maintaining such facilities belongs to the Owners of the facilities unless otherwise agreed by such Owners; and (iii) ownership and the responsibility to construct facilities which are connected between an Owner(s)' system and a system or systems that are not part of the Midwest ISO belong to such Owner(s) unless the Owner(s) and the non-Midwest ISO party or parties otherwise agree, however, the responsibility to maintain the facilities remains with the Owner(s) unless otherwise agreed. Each Owner has the exclusive right to upgrade, modify, alter, or replace its own facilities and its interests in real estate as defined in the Uniform System of Accounts Account Nos. 105, 350, or 380, regardless of whether facility costs are regionally allocated.

The designated Owner or Selected Transmission Developer, as defined in the Tariff, has the responsibility and obligation to construct the facilities it is designated to construct. If the designated Owner and/or Selected Transmission Developer is financially incapable of carrying out its construction responsibilities or would suffer demonstrable financial harm from such construction, alternate construction arrangements shall be identified. Depending on the specific circumstances, such alternate arrangements shall include solicitation of other Owners or others to

take on financial and/or construction responsibilities. Third-parties shall be permitted and are encouraged to participate in the financing, construction and ownership of new transmission facilities as specified in the Midwest ISO Plan. In the event interest among other Owners or other entities is not sufficient to proceed, all Owners, subject to applicable regulatory requirements, shall be responsible for sharing in the financing of the project and/or hiring of a contractor(s) to construct the needed transmission facility; provided, however, the Owners' obligations under this sentence shall be subject to the Owners being satisfied that they will be compensated fully for their investments and will not be subject to additional regulatory requirements, unless the Owners otherwise agree to waive either or both of these requirements.

Approval of the Midwest ISO Plan by the Board certifies it as the Midwest ISO's plan for meeting the transmission needs of all stakeholders subject to any required approvals by federal or state regulatory authorities. The Midwest ISO shall provide a copy of the Midwest ISO Plan to all applicable federal and state regulatory authorities. The affected Owner(s) shall make a good faith effort to design, certify, and build the designated facilities to fulfill the approved Midwest ISO Plan. However, in the event that a proposed project or selection of the Selected Transmission Developer to construct the project is being challenged through the Dispute Resolution process under Attachment HH of the Tariff, the obligation of the Owners to build that specific project (subject to required approvals) is waived until the project emerges from the Dispute Resolution process as an approved project with a Transmission Owner or a Selected Transmission Developer designated to construct. The Board shall allow the Owners to optimize the final design of specific facilities and their in-service dates if necessary to accommodate changing conditions, provided that such changes comport with the approved Midwest ISO Plan and provided that any such changes are accepted by the Midwest ISO. Any disagreements

concerning such matters shall be subject to the Dispute Resolution process under Attachment HH of the Tariff.

The Planning Staff shall assist the affected Owner(s) in justifying the need for, and obtaining certification of, any facilities required by the approved Midwest ISO Plan by preparing and presenting testimony in any proceedings before state or federal courts, regulatory authorities, or other agencies as may be required. The Midwest ISO shall publish annually, and distribute to all Members and all appropriate state regulatory authorities, a five-to-ten-year (5-to-10-year) planning report of forecasted transmission requirements. Annual reports and planning reports shall be available to the general public upon request.

VII. Planning Responsibilities Of Owners.

To fulfill their roles in the collaborative process for the development of the Midwest ISO Plan, the Owners shall develop expansion plans for their transmission facilities while taking into consideration the needs of (i) connected loads, including load growth, (ii) new customers and new generation sources within the Owner's system, and (iii) known transmission service requests. Any plans that call for modifications to the Transmission System which would significantly affect ATC must be approved by the Midwest ISO before being implemented. However, the Midwest ISO shall develop a streamlined approval process for reviewing and approving projects proposed by the Owners so that decisions will be provided to the Owner within thirty (30) days of the projects submittal to the Midwest ISO unless a longer review period is mutually agreed upon. Any dispute concerning such matters shall be subject to the Dispute Resolution procedures under Attachment HH of the Tariff. In the event that the Midwest ISO fails to act or produce results through the Dispute Resolution procedures under the Agreement within a reasonable time (as determined by the Board) of the Owner's submission of

its proposed projects, approval of the proposed project(s) by the Midwest ISO shall be automatically conveyed to the affected Owner(s), subject to all requisite approvals.

Owners shall provide to the Planning Staff any necessary modeling or supporting data, planning criteria applicable to the Owner's system, and system-specific operating procedures. Owners shall carry out other duties deemed appropriate by the Owners that support the objectives of the Midwest ISO planning process, the calculation of ATC, or regional reliability analyses. Owners shall participate in the integration and testing of the Midwest ISO Plan. Owners shall serve on Ad Hoc Planning Committees established by the Planning Staff to respond to transmission service requests and other matters. Owners shall also calculate ATC at points of delivery to or receipt from Non-transferred Transmission Facilities and distribution facilities.

VIII. Coordination Between Midwest ISO Operating And Planning Staffs.

The Planning Staff shall provide support to the Midwest ISO Operating Staff (hereinafter "Operating Staff") in determining and posting ATC during the Operating Time Horizon (as defined by the Operating Staff) and in developing and reviewing operating procedures. The Planning Staff also shall assist the Operating Staff by performing operational planning assessments for near-term system configurations. Within their respective time horizons, the Operating and Planning Staffs shall have the same general responsibilities for determining whether the Transmission System can accommodate a specific transaction. The Planning Staff shall be responsible for all responses to requests for transmission service that require an expansion of the Transmission System or Non-transferred Transmission Facilities.

IX. Miscellaneous Responsibilities Of Planning Staff.

Among its general responsibilities, the Planning Staff shall: (i) review and comment on Owners' transmission plans; (ii) provide general oversight of all studies performed by Owners

for the Midwest ISO; (iii) identify alternatives for further study and review that could increase the efficient and economic use of the Transmission System; (iv) analyze and assess the Transmission System periodically to ensure operational reliability, adequacy, and security, and that the long-term needs of transmission customers are being met; (v) facilitate communications among Owners, transmission customers, generation suppliers, the OMS Committee, and other stakeholders; and (vi) periodically monitor real-time data to identify emerging trends that require modification of planning assumptions to assure the reliable operation of the Transmission System in the future.

APPENDIX F BYLAWS Version: 1.0.0 Effective: 12/31/9998

**BYLAWS
of the
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.**

A Delaware Non-Stock Corporation

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

Section 1.1. *Definitions.* Unless the context otherwise specifies or requires, certain capitalized terms are used in these Bylaws and the attached appendices with the meanings set forth below or in other provisions of these Bylaws. Any capitalized terms not defined in these Bylaws shall have the meaning as defined in the Midwest ISO Agreement and, if not defined there, in the Tariff.

Agency Agreement - The agreement allowing Non-transferred Transmission Facilities to be offered by the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") for transmission service under the Tariff. The Agency Agreement is Appendix G to the Midwest ISO Agreement.

Effective Date - The effective date of the Midwest ISO Agreement.

FERC - The Federal Energy Regulatory Commission, or any successor agency.

Funds Trust Agreement – The Funds Trust Agreement among JPMorgan Chase Bank, N.A., Midwest Independent Transmission System Operator, Inc., and the Beneficiaries, as may be amended from time to time, under which agreement a trust is established and maintained for the receipt and distribution of revenues resulting from the provision of transmission services

under the Tariff.

Good Utility Practice- Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

He, Him, or His - Includes "she," "her," or "hers."

Member - A person or business entity which is (i) an Eligible Customer, as defined in the Tariff, or (ii) an Owner, as defined herein, and which pays to the Midwest ISO, the non-refundable membership fees as required herein. Such person or entity shall be a Member during the period covered by the applicable membership fees unless earlier terminated pursuant to the Bylaws.

Midwest ISO Agreement - The Agreement Of Transmission Facilities Owners To Organize The Midwest Independent Transmission System Operator, Inc., A Delaware Non-Stock Corporation, and any amendments thereto, and as accepted by the FERC.

Non-owner Member - - A Member which is not an Owner.

Non-Transferred Transmission Facilities - The booked transmission facilities not identified in Appendix H to the Midwest ISO Agreement which are the subject of the Agency Agreement.

Owner - A utility or other entity which owns, operates, or controls facilities for

the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven-factor (7 – factor) test of the FERC set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) and which is a signatory to the Midwest ISO Agreement. A public utility holding company system shall be treated as a single owner for purposes of the Midwest ISO Agreement. Each Owner shall pay the applicable membership fees and become a Member. Any termination of a utility's or entity's status as an Owner shall be determined pursuant to the Midwest ISO Agreement and these Bylaws.

Person - Any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, governmental agency, cooperative, association, other entity, or individual, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person, as the context may require.

Regional Entity. An entity having enforcement authority pursuant to Section 215(e)(4) of the Federal Power Act, 16 U.S.C. § 824o(e)(4), as specifically identified in the Tariff or its successor as may be in effect from time to time.

Tariff - The tariff on file with the FERC under which the Midwest ISO will offer transmission service, energy and ancillary market services, or any successor tariff.

Transmission System - The transmission facilities of the Owners which are committed to the operation of the Midwest ISO by the Midwest ISO Agreement. The facilities comprising the Transmission System are identified in Appendix H to the Midwest ISO Agreement.

User - A Transmission Customer under the Tariff or an entity that is a party to a transaction under the Tariff.

Section 1.2. *Interpretation.* In the event of any conflict between these Bylaws

and the Midwest ISO Agreement, the Midwest ISO Agreement shall control. The descriptive headings of Articles and Sections of these Bylaws have been inserted for convenience of reference only and shall not define, modify, restrict, construe, or otherwise affect their construction or interpretation.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. *Organization.* The Midwest ISO is a non-stock, not-for-profit corporation, pursuant to Title 8, Chapter 1 of the laws of the State of Delaware. The Midwest ISO is operated exclusively for the promotion of social welfare, in furtherance of the public policy reflected in the order of the FERC approving the Midwest ISO Agreement and FERC Order No. 888. No part of the net earnings, if any, of the Midwest ISO shall inure to the benefit of any Midwest ISO Member, Director, Officer, employee, or any other interested private person. The Midwest ISO is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments or distributions in furtherance of the purposes and objectives set forth in the Midwest ISO Agreement and the Tariff. No substantial part of the activities of the Midwest ISO shall be carrying on propaganda or otherwise attempting to influence legislation. The Midwest ISO shall not participate in or intervene in any political campaign on behalf of any candidate for public office. The Midwest ISO shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under the Internal Revenue Code, or successor provisions in any subsequent federal tax laws, or such other provision or successor provisions under which the Internal Revenue Service may recognize that the Midwest ISO is exempt from taxation.

Section 2.2 *Offices.* The principal office of the Midwest ISO shall be located as determined by the Board of Directors. The Board may establish such branch offices or places of business as it shall determine to be in the best interests of the Midwest ISO.

ARTICLE III

MEMBERS

Section 3.1. *Qualifications; Membership Fees; Term*

- a. Qualifications. Any Person which (i) is an Eligible Customer (as defined in the Tariff) or an Owner and (ii) pays to the Midwest ISO the non-refundable membership fees set forth in Section 3.1(b) shall be eligible to become a Member. A person may apply to become a Member of the Midwest ISO by submitting an application in the form then approved by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and making payment of the membership fees set forth in Section 3.1(b) of these Bylaws. Action upon any application for membership shall be taken at the first meeting of the Board following submission of the membership application.
- b. Membership Fees. All entities eligible for membership in the Midwest ISO shall pay an initial membership fee of \$15,000 in order to become Members. On January 1 of each year, each Member shall pay an additional fee of \$1,000 to the Midwest ISO to retain its membership. All such fees are nonrefundable and may be adjusted from time to time, as may be appropriate, by the Board.
- c. Term. A Person shall be a Member during the period covered by the applicable membership fees unless earlier terminated as provided in these Bylaws.

d. Withdrawal of Members. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in the Midwest ISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). A Member who is also an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), commence a process of withdrawal of its facilities from the Transmission System. The terms and conditions of such withdrawal are specified in the Midwest ISO Agreement.

Section 3.2. *Owner Status.* Members admitted to Membership after the start-up of the Midwest ISO who wish also to have the status as Owners, must (i) own, operate, or control facilities used for the transmission of electricity in interstate commerce (as determined by the Midwest ISO by applying the seven factor (7-factor) test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) that are physically interconnected with the facilities of an existing Owner; (ii) express its agreement to become a signatory to the Midwest ISO Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Midwest ISO Agreement, and (iii) express its agreement to become a signatory to the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Funds Trust Agreement if and/or when it receives revenues for transmission service, and prior to the existence of any right of the Member to receive revenues from transmission service under the Tariff executes the Funds

Trust Agreement. Upon fulfillment of these conditions, and upon completion of any physical integration of the new Owner's facilities with the Transmission System in a fashion consistent with the Chief Executive Officer's (or if the Board chooses not to elect the Chief Executive Officer, the President's) direction, the Board shall allow the new Member to become a signatory to the Midwest ISO Agreement. In general, an Owner must own, operate, or control interstate transmission facilities as detailed above; however, on a case-by-case basis, the Board may waive the requirement that such facilities be physically interconnected if allowing the Member also to become an Owner will result in significant net benefits to the Midwest ISO and its Members.

Section 3.3. *No Rights of Members to Manage or Control.* No Member shall have any rights to manage or control the property, affairs, or business of the Midwest ISO, or any power to control the Board in these respects.

Section 3.4. *Regular Meetings.* The Members shall hold their meetings at the principal office of the Midwest ISO, or other location designated by the Board, on the dates designated by the Board. The Members shall also hold their annual meetings at such location on the second Thursday of December each year, or such other day of December as may be designated by the Board, for the purpose of electing Directors and of exercising and discharging any other powers or duties vested in them by the Midwest ISO Agreement and the Bylaws.

Section 3.5. *Special Meetings.* The Board or any twenty-five percent (25%) of the Members may call special meetings of the Members at any time.

Section 3.6. *Notification.*

- a. The Secretary shall provide notice to appropriate state regulatory authorities, FERC, the members of the Advisory Committee (established pursuant to the Midwest ISO Agreement), and the public by posting on the Midwest ISO's

Internet World-Wide Web Site or equivalent form of electronic posting at least seven (7) days prior to the meeting, of the time and place of all meetings of Members, whether regular or special.

b. Notice mailed to a Member, sent by telefacsimile, or other electronic means no later than seven (7) days prior to the date of the meeting, directed to the Member at the address as shown on the books of the Midwest ISO, shall be deemed sufficient for the provisions of this provision and for all other purposes, unless written notice of change of such address has been previously given to the Midwest ISO. In the case of special meetings, the Secretary shall also give notice to all Members of the general purpose of the meeting and the nature of the business to be considered at such meeting. Such a special meeting shall be limited to the business thus specified in the notice, unless at least twenty-five percent (25%) of the Members consent in writing to the consideration of other matters. The Members of record eligible to participate in any meeting shall be determined as of the date notice of the meeting is provided to the Members.

Section 3.7. *Conduct of Meetings; Quorum; Voting.* At all meetings of Members, the Chairman of the Board, or such other person as may be designated by the Board, shall preside. Each Member shall be entitled to one vote, and Members may vote by proxy. Twenty-five percent (25%) of the Members, or their proxies, shall constitute a quorum for the purpose of any such meeting. Except where it is otherwise provided in these Bylaws, a vote of a majority of the Members represented and voting at the meeting shall control.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. *General Powers.* There shall be a Board of Directors of the Midwest ISO which shall consist of seven (7) persons plus the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). The Board may exercise all of the powers of the non-stock corporation and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers, and the management of the Midwest ISO) as it may deem proper and consistent with applicable law, the Midwest ISO Agreement, the Tariff, the articles of incorporation, and these Bylaws, provided that authority for such actions is not reserved to the Members or Owners.

Section 4.2. *Qualifications.* A Director shall not be, and shall not have been at any time within two (2) years prior to or subsequent to election to the Board, a Director, Officer, or employee of a Member, User, or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. At all times while serving on the Board, and for two (2) years thereafter, a Director shall have no material business relationship or other affiliation with any Member or User or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. A Director's participation in a pension plan of a Member or User or an affiliate thereof shall not be deemed to be a material business relationship if the Member's or User's financial performance has no material effect on such pension plan. Similarly, a Director's ownership of securities in a Member or User or affiliate thereof shall not be deemed to be a material business relationship if

such securities are held through a mutual fund, retirement fund, blind trust (as defined in Appendix A, Section II.E.6) or similar arrangement where the Director has no discretion to manage the assets in such an account. Of the seven (7) Directors, four (4) shall have expertise and experience in corporate leadership at the senior management or board of directors level, or in the professional disciplines of finance, accounting, engineering, or utility laws and regulation. Of the other three (3) Directors, one (1) shall have expertise and experience in the operation of electric transmission systems, one (1) shall have expertise and experience in the planning of electric transmission systems, and one (1) shall have expertise and experience in commercial markets and trading and associated risk management.

Section 4.3. *Number; Election.*

- a. Board. The Board shall be elected by the Members at their annual meeting from a slate of candidates presented to them by the Nominating Committee. Directors shall be elected to terms of three (3) years, except for any Director elected to fill a vacancy in the remainder of the term of a previously elected Director that has been removed or resigns. Before the term of a Director expires, a nominating committee consisting of three Board Members whose terms are not expiring appointed by the Board and two members of the Advisory Committee selected by the Advisory Committee shall select an executive search firm to provide at least two (2) candidates, with the qualifications specified below, to the nominating committee for each open Director position. Members may submit the names of candidates directly to the nominating committee. The nominating committee shall then provide at least two (2) candidates to the Board

for each open position. The candidates for a specific Director position shall have the same type of qualifications as the Director being replaced, as set forth in Section 4.2 above. At least thirty (30) days prior to the meeting of the Members at which the Directors will be elected, the Board shall distribute to the Members a slate of candidates consisting of at least one (1) candidate for each Director position to be filled. The Board shall also provide the Members with information on the qualifications and experience of the candidate to fill the Director seat for which each candidate is proposed. A candidate receiving a majority of the votes cast by the Members shall be elected. Should the Members fail to elect a candidate from the slate proposed by the Board, the Board shall prepare a new slate using the procedures set forth above for consideration by the Members at a meeting of the Members to be called no later than seventy-five (75) days after such election. Each Director shall serve until the Director's successor shall have been duly elected and qualified, or until the Director's earlier resignation or removal. Vacancies on the Board caused by a Director leaving office before the expiration of the Director's term shall be filled by vote of the Board, which shall choose a candidate having the same type of qualifications as the Director's predecessor from a list prepared by the nominating committee in consultation with an executive search firm chosen by the nominating committee. A Director selected to fill such a vacancy shall serve out the term of his predecessor.

Section 4.4. *Chairman of the Board.* The Board shall select from among its members a Chairman of the Board. The Chairman shall serve in such capacity at the pleasure of the Board until the first meeting of the Board following the next succeeding annual meeting of the

Members, or until his successor shall have been elected and have qualified. The Chairman of the Board shall, unless otherwise determined by the Board, preside over all meetings of the Board and Members. The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as from time to time may be assigned to him by the Board.

Section 4.5. *Vice Chairman.* The Board shall select from among its members a Vice Chairman of the Board. The Vice Chairman shall serve in such capacity at the pleasure of the Board until its first meeting following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman of the Board, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6. *Resignation of Directors.* Any Director may resign his office by submitting a signed notice of resignation, delivered or mailed to the principal office of the Midwest ISO. Such notice of resignation shall state the effective date of resignation. If the notice does not indicate an effective date, the resignation shall take effect upon receipt of the notice at the principal office of the Midwest ISO.

Section 4.7. *Removal of Directors.*

- a. Removal by Members. The Members may remove a Director by a vote of a majority of the Members. Removal proceedings may only be initiated by a petition signed by not less than twenty percent (20%) of all Members. The petition shall state the specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A

Director sought to be removed shall be given fifteen (15) days to respond in writing to any charges set forth in the petition. The petition shall specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.

b. Removal by Owners for Unauthorized Acts. If the Board of the Midwest ISO changes, or attempts to change, any of the provisions of the Midwest ISO Agreement identified in Article Two, Section IX, Paragraph C of the Midwest ISO Agreement without obtaining the requisite approval of the Owners as specified therein, or if the Board fails to enact these Bylaws or enacts any Bylaws contrary to the Midwest ISO Agreement, or if the Board fails or refuses to fulfill the duties owed to the Owners set forth in Article Three, Section III, Paragraphs B and C of the Midwest ISO Agreement, then the Board shall be deemed to have acted without authorization, and may be removed in its entirety by unanimous vote of the Owners' Committee (established by Article Two, Section VI, Paragraph B of the Midwest ISO Agreement), provided that such removal shall be subject to approval by the FERC. Removal proceedings hereunder shall be initiated only by the delivery by the Owners' Committee to the Chairman of the Board of a statement specifying in detail the manner in which the Board has acted without authorization. The Board shall have sixty (60) days to respond to such a statement, after which the Owners may, by unanimous vote of the Owners' Committee, reaffirm their proposal to remove the Board if they are not satisfied with the Board's response. If the Owners vote unanimously to reaffirm their proposal, they shall file such proposal with the FERC and provide notice to the

appropriate state regulatory authorities. Upon the FERC's approval of such proposal, the Board shall be removed in its entirety and a new Board shall be selected in accordance with the provisions for the selection of an initial Board specified in these Bylaws. The new Board so selected shall have all of the powers specified herein as belonging to the Board, including the power to replace the Chief Executive Officer, the President and other Officers, employees, or agents of the Midwest ISO chosen by the removed Board or its predecessors. Nothing herein shall be deemed to prejudice any right any Owner may otherwise have under the FPA or other provisions of law.

Section 4.8. *Meetings; Notification.* Regular meetings of the Board shall be held at least quarterly, and other meetings shall be held from time to time on the call of the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), Chairman, or a majority of the Board. A Director may participate in a meeting personally or by electronic means. Written notice of the date, location, and time of each meeting of the Board must be provided by first-class mail or by telefacsimile to each Director no later than seven (7) calendar days prior to the date of the meeting. Participation in a meeting by a Director is a waiver of any objection that the Director may make to any failure to give adequate notice under this provision. Any action required or permitted to be taken at any meeting of the Board, or of any Board Committee, may be taken without a meeting if all Directors or Board Committee members, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or Board Committee. Consistent with the Midwest ISO Agreement, the Board shall have all procedural authority provided and options available under Title 8 of the Delaware Corporation Law, section 141, as such law may be

amended or, any successor provision thereto.

Section 4.9. *Quorum; Voting.* Five (5) Directors shall constitute a quorum of the Board. Except as provided in Section 4.7 of these Bylaws, the affirmative vote of a majority of the Directors present at a meeting is required to constitute any act or decision rendered by the Board.

Section 4.10. *Accounting.* At each quarterly meeting of the Board, or such other time as the Board directs, the Board shall require the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to submit for Board approval a full statement of the conditions of the Midwest ISO, and all business transacted by it, and, when the statement is approved, shall cause a copy of it to be sent to each Member.

Section 4.11. *Minutes and Reports.* The Board shall cause to be kept by the Secretary, elected by it, accurate minutes of all meetings of the Board, Members, and Board Committees. Insofar as non-Members of the Midwest ISO are concerned, these records shall be conclusive for the Board of the facts and activities stated and recorded therein.

Section 4.12. *Director Compensation and Expenses.* Directors shall receive from the Midwest ISO such compensation, regular or special, subject to the terms and conditions stated in the Midwest ISO Agreement, Article Two, Section Three, Paragraph D, Subparagraph 1. An independent compensation or human resources firm shall set Director compensation following such Director elections, subject to approval of the Members. If two-thirds (2/3) or more of the Members vote to reject the compensation and human resources firm's recommended compensation, then the recommended compensation shall be rejected. If the recommended compensation is rejected, then the compensation and human resources firm shall be requested to submit another recommendation or another compensation and human resources firm may be hired for such purpose. Directors, and their successors and assigns, shall have the right to

reimbursement by the Midwest ISO for all of their actual expenses reasonably incurred or accrued in the performance of their duties as Directors of the Midwest ISO.

Section 4.13. *Annual Report.* The Board shall annually make a written report showing the financial results of the Midwest ISO's operations during the preceding fiscal year. A copy of such report shall be furnished to each Member.

Section 4.14. *Board Oversight.* The Board of Directors shall oversee the Chief Executive Officer's and/or the President's performance of the obligations of the Midwest ISO specified in the Midwest ISO Agreement and these Bylaws. The performance of such obligations shall be carried out and executed by the Chief Executive Officer and/or the President with oversight as appropriate by the Board. The Board shall establish general policies to be followed by the Chief Executive Officer and/or the President and employees of the Midwest ISO in the conduct of their duties. The Board shall have the obligation to assure that the Chief Executive Officer and/or the President accounts for all transactions on the Transmission System and other activities of the Midwest ISO; submits bills for such transactions; pays the expenses of operation of the Midwest ISO; collects monies for transmission service from customers solely as agent for Owners or their designee(s) in accordance with the Tariff; and distributes monies to the Owners or their designee(s) in accordance with the Midwest ISO Agreement, any associated agreements referred to in the Midwest ISO Agreement, the Funds Trust Agreement, and the Tariff.

Section 4.15. *Standards of Conduct.* The Directors shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement, and, by direction or oversight, shall require that the Officers and employees of the Midwest ISO also comply with such standards.

Section 4.16. *Employ Staff.* The Board shall have the power to employ staff,

auditors, counsel, and other personnel as necessary to carry out the business of the Midwest ISO, and may delegate to the Chief Executive Officer and/or the President all or part of such authority to employ such staff, auditors, counsel, and other personnel.

Section 4.17. *Board Committees.* The Board may appoint such committees of the Board of Directors as are necessary and appropriate for the conduct of the Midwest ISO's business, provided that final responsibility for any action recommended by any such committee remains with the Board.

ARTICLE V

OFFICERS

Section 5.1. *Titles.* The Officers of the Midwest ISO shall be the Chief Executive Officer, the President, one or more Vice Presidents (at the discretion of the Board), and a Secretary.

Section 5.2. *Election and Term of Office.* The Officers of the Midwest ISO shall be elected from time to time by the Board. Each Officer shall hold office at the pleasure of the Board.

Section 5.3. *Removal of Officers by Directors.* Any Officer may be removed by the Board whenever, in the Board's judgment, the best interests of the Midwest ISO will be served thereby.

Section 5.4. *Chief Executive Officer.* At its discretion, the Board shall have the power not to establish the office of the Chief Executive Officer, or if established, to combine the offices of the Chief Executive Officer and the President. The President shall exercise the powers and perform the duties of the Chief Executive Officer as set forth in Article V, Section 5.5 of these

Bylaws. The Chief Executive Officer shall serve on the Board of the Midwest ISO. The Chief Executive Officer may vote on any matter presented at a Board meeting except when the Chief Executive Officer's vote would create a tied Board vote. In that circumstance, the Chief Executive Officer shall be barred from voting. The Chief Executive Officer also may not vote on the selection of, or continued employment of the Chief Executive Officer or on the Chief Executive Officer's compensation. The Chief Executive Officer shall be included in the determination of a quorum of the Board for any meeting of the Board and in the determination of a majority vote of the Board for any purpose. The duties of the Chief Executive Officer are as follows:

- a. Right of Chief Executive Officer to Manage. The right of the Chief Executive Officer to exercise functional control over the operation of the Transmission System, insofar as is necessary to carry out the rights, duties, and obligations of the Midwest ISO as set forth in the Midwest ISO Agreement, shall be absolute, unconditional, and free from the control and management of the Owners, who shall have only the rights specifically set forth in the Midwest ISO Agreement. The Chief Executive Officer shall have the authority to act for the Midwest ISO before any and all applicable federal or state regulatory authorities to carry out the business of the Midwest ISO.
- b. General Powers. The Chief Executive Officer shall possess and exercise any and all such additional powers as are reasonably implied from the powers contained in the Midwest ISO Agreement such as may be necessary or convenient in the conduct of any business or enterprise of the Midwest ISO. The Chief Executive Officer may (i) do and perform everything that (a) he deems necessary,

suitable, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives, enumerated in the Midwest ISO Agreement, or (b) that shall at any time appear conducive to, or expedient for, the protection or benefit of the Midwest ISO, and (ii) do and perform all other acts or things that are deemed necessary or incidental to the purposes set forth in the Midwest ISO Agreement.

c. Acquire Property. The Chief Executive Officer shall have power to purchase, or otherwise acquire through leases, such property, except for transmission facilities which shall be governed by Appendix B to the Midwest ISO Agreement, as necessary to carry out the obligations of the Midwest ISO as specified in Article Three of the Midwest ISO Agreement.

d. Prosecute Claims. The Chief Executive Officer shall have full and exclusive power and authority to demand, sue for, claim, and receive any and all revenues and monies due the Midwest ISO.

e. Borrow. The Chief Executive Officer shall have the power to borrow money up to the level authorized by the Board for the purposes of the Midwest ISO and to give the obligations of the Midwest ISO to secure such indebtedness.

f. Contracts. The Chief Executive Officer shall have the authority and power to make all such contracts as he may deem expedient and proper in conducting the business of the Midwest ISO, except as may be limited by the Board.

g. Taxes and Assessments. The Chief Executive Officer shall have the power (i) to pay all taxes or assessments of whatever kind or nature imposed upon

or against the Midwest ISO in connection with the Midwest ISO property, or upon or against the Midwest ISO property, or any part of such property; (ii) to do all acts and things as may be required or permitted by any present or future law for the purpose of making the activities of the Midwest ISO exempt from taxation; and (iii) for any of the above-stated purposes, to do all such other acts and things as may be deemed by him necessary or desirable.

h. Depository. In accordance with policies set by the Board, and subject to any limitations set forth in the Midwest ISO Agreement or the Funds Trust Agreement, the Chief Executive Officer shall have the power to select a depository, and to deposit any monies or securities held by the Midwest ISO in connection with the performance of its obligations under the Midwest ISO Agreement, with any one or more banks, trust companies, or other banking institutions, that are federally insured and deemed by the Chief Executive Officer to be responsible, such monies or securities to be subject to withdrawal on notice upon demand or in such manner as the Chief Executive Officer may determine, with no responsibility upon the Chief Executive Officer for any loss that may occur by reason of the failure of the person with whom the monies or securities had been deposited properly to account for the monies or securities so deposited.

Section 5.5. *President*. If the Board has established the office of the Chief Executive Officer, the President shall, in the absence or disability of the Chief Executive Officer, exercise the powers and perform the duties of the Chief Executive Officer. The President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer and/or the Board consistent with this Agreement. The President shall not be eligible to

serve on the Board of the Midwest ISO except when performing the duties of the Chief Executive Officer, as above provided, or except when the Board chooses not to establish the office of the Chief Executive Officer. If the Board chooses not to establish the office of the Chief Executive Officer, the President shall exercise the powers and perform the duties of the Chief Executive Officer.

Section 5.6. *Vice President.* If the Board chooses not to establish the office of the Chief Executive Officer, the Vice President or, if there be more than one, the Vice President designated by the Board, shall in the absence or disability of the President, exercise the powers and perform the duties of the President. Each Vice President shall exercise such other powers and perform such other duties as shall be prescribed by Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and the Board consistent with the Midwest ISO Agreement and these Bylaws. No Vice President shall be eligible to serve on the Board of the Midwest ISO except when performing the duties of the President as provided in the Midwest ISO Agreement.

Section 5.7. *Secretary.* The Secretary shall be responsible for the following duties:

- a. Keeping the minutes of the applicable meetings in one or more books provided for that purpose;
- b. Seeing that all notices are duly provided in accordance with these Bylaws, policies of the Midwest ISO, and any and all other documents which provide for the governance of the Midwest ISO;
- c. Maintaining custody of the records of the business of the Midwest ISO and the seal of the Midwest ISO, and affixing such seal to all appropriate documents, the execution of which, on behalf of the Midwest ISO, under its seal,

is duly authorized in accordance with the provisions of these Bylaws;

d. Keeping a register of the names and post office addresses of all Members and Directors;

e. Signing letters of membership, the issuance of which shall have been authorized by the Board or Members;

f. Keeping on file at all times at the principal office of the Midwest ISO a complete copy of the Midwest ISO Agreement, and all amendments thereto, together with these Bylaws and any policies concerning the governance of the Midwest ISO, and, at the expense of the Midwest ISO, forwarding or otherwise making available copies of such information to each of the Members and to the public to the extent required by law; and generally performing all duties instant to the office of Secretary and such other duties that, from time to time, may be assigned to the Secretary by the Board.

Section 5.8. *Standards of Conduct.* The Officers, agents, and employees of the Midwest ISO shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement.

Section 5.9. *Bonds of Officers.* Any Officer, employee, or agent of the Midwest ISO charged with the responsibility for the custody of any of its funds or property shall give bond in such sums, and with such sureties, as the Board shall determine. The Board, in its discretion, may also require any other Officer, agent, or employee of the Midwest ISO to give bond in such amount, with such surety, as it shall determine. All premiums of the aforesaid bonds shall be paid by the Midwest ISO.

Section 5.10. *Compensation.* Compensation of the Officers, agents, and employees of

the Midwest ISO shall be established by the Board or pursuant to the policies approved by the Board.

ARTICLE VI

EXTERNAL COMMITTEES

Section 6.1. *Advisory Committee.*

a. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty-three (23) representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool (“MAPP”) as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers (“IPPs”) and exempt wholesale generators (“EWGs”), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is

actively involved in the MAPP region (as it existed on March 1, 2000); (vi) three (3) representatives of state regulatory authorities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to the Midwest ISO have, entered into coordination or agency agreements with the Midwest ISO (“Coordination Members”). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings. The Advisory Committee shall be a forum for its members to be apprised of the Midwest ISO’s activities and

to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or the Midwest ISO. Nothing in the Midwest ISO Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports. The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

b. Members of the Advisory Committee shall be selected in the following manner:

i. The Owners' representatives on the Advisory Committee shall be selected in accordance with Section 6.2 of these Bylaws.

ii. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting. Approval by the Board of such procedures shall not be unreasonably withheld.

- iii. The representatives of state regulatory authorities on the Advisory Committee shall be chosen by the state public service commissions which regulate the retail electric or distribution rates of the Owners who are signatories to the Midwest ISO Agreement.
 - iv. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of the Midwest ISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.
 - v. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.
- c. In order to ensure appropriate representation on the Advisory Committee, the Board may change the size and composition of the Advisory Committee at three-year (3-year) intervals.

Section 6.2. Owners' Committee. An Owners' Committee shall exist throughout the period of the Midwest ISO Agreement. The Owners' Committee shall consist of one (1) person representing each of the Owners who are signatories to the Midwest ISO Agreement. The Owners' Committee shall meet at its discretion to exercise the authority granted to the Owners as a group under these Bylaws, including voting upon the matters set forth in Sections 4.7(b) and

6.1(b)(i) of these Bylaws, and under the Midwest ISO Agreement. The Owners' Committee shall select three (3) representatives to serve on the Advisory Committee established pursuant to Section 6.1 of these Bylaws.

Section 6.3. OMS Committee. OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to the Midwest ISO Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately supported by the Transmission Provider either through reasonable in-kind services or through the provision of reasonable funding.

ARTICLE VII

OPEN MEETINGS

Section 7.1. Open Meetings. Except as provided herein, all meetings of the Board, all meetings of Board Committees and working groups, all meetings of the Advisory Committee and all Members' meetings shall be open to the public. Timely notice of such meetings and copies of all materials to be addressed at such meetings shall be provided to the members of the Advisory Committee, appropriate state regulatory authorities, and the FERC and posted on the Midwest ISO's Internet World-Wide Web Site or equivalent form of electronic posting. The procedures adopted by the Board for the conduct of such meetings shall allow interested members of the public, including those stakeholders represented on the Advisory Committee, to provide oral and

written comments at such meetings concerning any matter that may come before the Board, Board Committees and working groups, Advisory Committee, or Members, whichever is applicable, during the open portion of such meetings.

Section 7.2. *Minutes.* The meeting minutes of all meetings of the Board, Board Committees and working groups, Advisory Committee, and Members shall be made available to the public and furnished to appropriate state regulatory authorities and the FERC, upon request; provided, however, that materials or information which is privileged or confidential pursuant to Section 7.3 of these Bylaws may be redacted from such minutes. Copies of executed or final documents, such as contracts, leases, and agreements, not otherwise required to be treated as confidential shall be made available for review. In the event the basis for information being treated as confidential ceases to exist, said information shall thereafter be available for review.

Section 7.3. *Executive Sessions to Preserve Confidentiality.* Executive sessions (closed to the public) shall be held as necessary to safeguard the confidentiality of (a) personnel-related information; (b) information subject to the attorney-client privilege or to confidential treatment under the attorney-work product doctrine or concerning pending or threatened litigation; (c) information that is confidential under Appendix A to the Midwest ISO Agreement; (d) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; (e) except as may be required by law, consideration of the sale or purchase of securities, investments, or investment contracts; (f) strategy and negotiation sessions in connection with a collective bargaining agreement; (g) discussion of emergency and security procedures; (h) consideration of matters classified as confidential by federal or state law; (i) matters to protect trade secrets, proprietary information, specifications for competitive bidding, or to discuss a specific proposal if open discussion would jeopardize the cost or siting or give an

unfair competitive or bargaining advantage to any person or entity; and (j) discussion of proceedings by the Alternate Dispute Resolution Committee established under Attachment HH of the Tariff.

ARTICLE VIII

DUE DILIGENCE, LIABILITY, AND INDEMNIFICATION

Section 8.1. *Due Diligence Duties.* It shall be the duty of Directors, Officers, employees, agents, and other representatives of the Midwest ISO (a) to faithfully and diligently administer the Midwest ISO as would reasonable and prudent persons acting in their own behalf; (b) to keep correct and accurate records of all business transacted; (c) to exercise prudence and economy in the business of the Midwest ISO, including the minimization of tax liability, if any; (d) to act in good faith, and only for the best interests of the Midwest ISO; (e) to annually render a full and correct account of the Midwest ISO business; and (f) at the termination of the Midwest ISO, to render and to deliver all the properties and funds of the Midwest ISO in accordance with the Midwest ISO Agreement and applicable law.

Section 8.2. *Limitations on Liability.* No Director, Officer, agent, employee, or other representative of the Midwest ISO, and no corporation or other business organization that employs a Director of the Midwest ISO, or any Director, Officer, agent, or employee of such corporation or other business organization, shall be personally liable to the Midwest ISO, any Member, or any User for any act or omission on the part of any such Director, Officer, agent, employee, or other representative of the Midwest ISO, which was performed or omitted in good faith in his official capacity as a Director, Officer, agent, employee, or other representative of the Midwest ISO pursuant to the operation of the Midwest ISO Agreement, or in any other capacity he may hold, at the request of the Midwest ISO, as its representative in any other organization.

However, this release of liability shall not operate to release such a Director, Officer, agent, employee, or other representative of the Midwest ISO from any personal liability resulting from willful acts or omissions knowingly or intentionally committed or omitted by him in breach of the

Midwest ISO Agreement, for improper personal benefit, or in bad faith. Directors, Officers, agents, employees, or other representatives of the Midwest ISO also shall not be personally liable for any actions or omissions of others, including Owners, whose actions or omissions may relate to the Midwest ISO, or any property or property rights forming, or intended or believed to form, part of the Midwest ISO's property, or for any defect in the title to, or liens or encumbrances on, any such property or property rights.

Section 8.3. *Indemnification.* The Midwest ISO shall indemnify each Director, Officer, agent, employee, or other representative strictly in accordance with the terms and conditions of the Indemnification provisions of the Midwest ISO Agreement, Article II, Section VIII.

ARTICLE IX

AMENDMENTS

Section 9.1. *Amendment.* These Bylaws may be amended by the Board from time to time, subject to the receipt of all necessary federal and state regulatory approvals, and provided that no amendment is contrary to the Midwest ISO Agreement.

ARTICLE X

MISCELLANEOUS MATTERS

Section 10.1. *Dispute Resolution.* The Midwest ISO shall resolve disputes between and among the Midwest ISO and the Owners, individually or collectively, and Users other than the Owners, in accordance with the procedures set forth in Attachment HH of the Tariff.

Section 10.2. *Inspection and Auditing Procedures.* The Midwest ISO shall grant each Member, its employees or agents, external auditors, and federal and state regulatory authorities having jurisdiction over the Midwest ISO or an Owner, such access to the Midwest ISO's books and records as is necessary to verify compliance by the Midwest ISO with the Midwest ISO Agreement and to audit and verify transactions under the Midwest ISO Agreement. Such access shall be at reasonable times and under reasonable conditions. The Midwest ISO shall also comply with the reporting requirements of federal and state regulatory authorities having jurisdiction over the Midwest ISO with respect to the business aspects of its business operations, including, but not limited to, the State of Delaware. Contacts between Officers, employees, and agents of any Owner and those of the Midwest ISO pursuant to this Section 10.2 shall be strictly limited to the purposes of this Section 10.2 and shall comply with the Standards of Conduct set forth in Appendix A to the Midwest ISO Agreement.

ARTICLE XI

WITHDRAWAL OR TERMINATION OF MEMBERS

Section 11.1. *Withdrawal Notice.* A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in the Midwest ISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President).

A Member who is also an Owner may withdraw under the procedures and rights specified in the Midwest ISO Agreement and shall be subject to the regulatory approvals referred

to in that Agreement or as provided by applicable law. The effect of such withdrawal shall be as stated in that Agreement.