



**Stakeholder Survey II
Cross Border Cost Allocation for Economic Transmission Projects
For Discussion December 17, 2008**

In this second survey, PJM and the Midwest ISO are seeking input from stakeholders on two issues. The first issue is the preferred Option from amongst the four discussed at the November 20, 2008 meeting. The second issue is whether or not a Cross Border Market Efficiency Project should include projects to be built in one RTO and that only shows benefits to the other RTO.

Thank you in advance for participating in this important survey.

Respondent Information:

Stakeholder Company and RTO Sector

Survey Completed by

24 Responses Received

15 MISO (11 TO, 3 TDU, 1 Regulatory)

9 PJM (9 TO)



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For Issue 1, please indicate your company's preference for each Option by dividing 100 Points between each alternative. The most preferred alternative should be given a higher value of points. Please allocate all 100 points between the alternatives.

Issue 1: Preferred Option for Benefit Metric and Allocation Metric

At the November 20, 2008 meeting, four options for evaluating the economic benefits and allocating the costs of a Cross Border Market Efficiency Project were discussed. In the following, Net Load Payment is LMP times Load less an adjustment for FTR credits held by Load.

Among the following Options, I prefer:

1689

Option 1: Benefit Metric = 70% Adjusted Production Cost + 30% Net Load Payment
Allocation Metric = 70% Adjusted Production Cost + 30% Net Load Payment

301

Option 2: Benefit Metric = 100% Adjusted Production Cost
Allocation Metric = 100% Adjusted Production Cost

210

Option 2a: Benefit Metric = 100% Adjusted Production Cost
Allocation Metric = 70% Adjusted Production Cost + 30% Net Load Payment

200

Option 2b: Benefit Metric = 100% Adjusted Production Cost
Allocation Metric = 100% Net Load Payment

2400

Total Points

Please state your reasons for your selections below:



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Issue 2: Projects to be built in one RTO with benefits to only the other RTO

The RTOs have initially proposed that a project would need to show benefits to both RTOs (on the agreed upon metric) in order to be qualified as a Cross Border Market Efficiency Project (CBMEP). This Issue seeks Stakeholder input on that proposal.

Once qualified as a CBMEP, the Transmission Owner(s) in the constructing RTO will have the same obligation to construct the project as for any other approved MTEP or RTEP project, and the costs would be allocated and recovered according to the CBMEP allocation method.

Please indicate your position on this policy below, by placing 100 in only one of the boxes below:

630

A Project constructed in one RTO and with benefits only to the other RTO, would be qualified as a CBMEP and would therefore carry the CBMEP obligation to build.

1670

A Project constructed in one RTO and with benefits only to the other RTO, would not be qualified as a CBMEP, and would therefore not carry the CBMEP obligation to build but could be pursued on a negotiated basis between parties in the benefitting RTO and the constructing RTO.

2300

Total Points

Please state your reasons for your selection below: