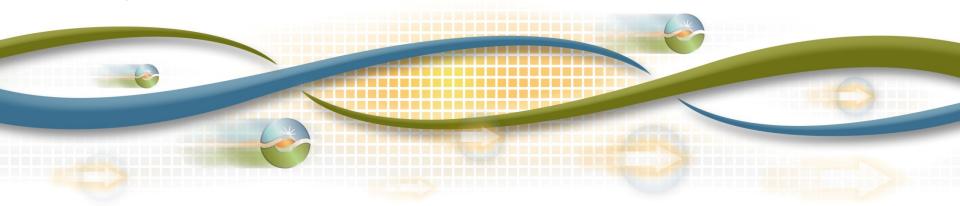


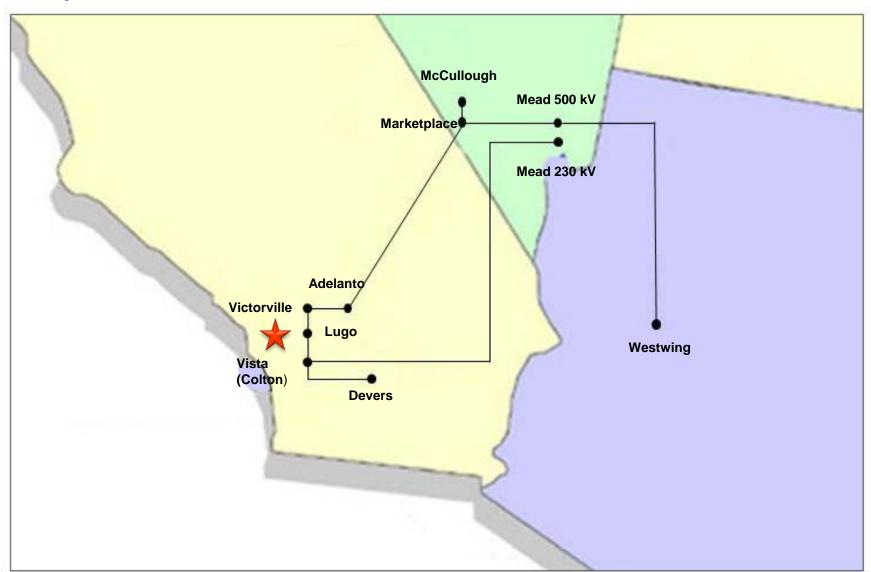
Decision on Participating Transmission Owner Applications of the City of Colton and Valley Electric Association, Inc.

Daune Kirrene Sr. Contracts Negotiator

Board of Governors Meeting General Session September 13-14, 2012



City of Colton's transmission entitlements





Valley Electric Association's transmission entitlements



Participating transmission owner process

- Transmission owner submits application to the ISO
- ISO posts for public comment

Board Approval

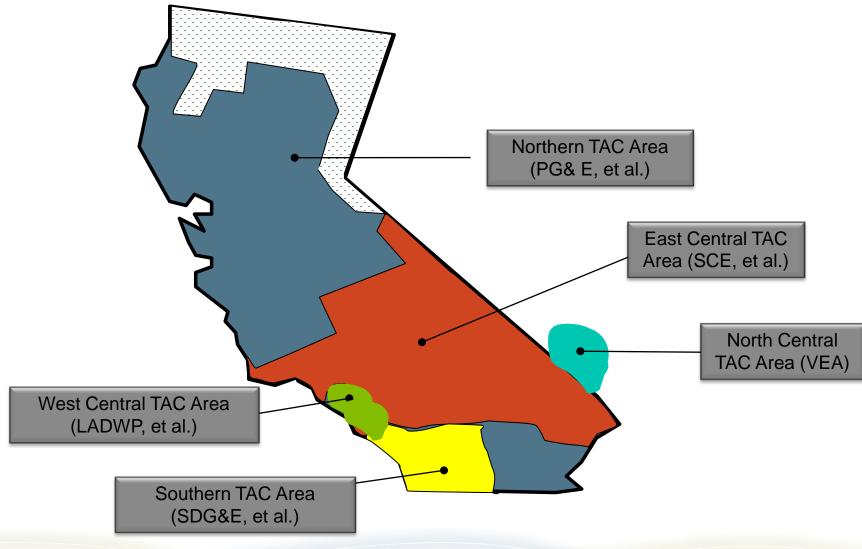
FERC Approvals

- Transmission Control Agreement
- Transmission Revenue Requirement
- Transmission Owner Tariff

Participating
Transmission Owner



Transmission Access Charge Areas





Creation of new Transmission Access Charge area

- ISO allocates local capacity procurement costs by Transmission Access Charge (TAC) area
- Board approval of TAC areas required by the ISO tariff
- New North Central Transmission Access Charge area
 - Consisting of Valley Electric's system
 - Valley Electric's unmet local capacity procurement costs will appropriately be allocated to Valley Electric