



CMPAS PRECEDENT-SETTING TRANSMISSION HISTORY

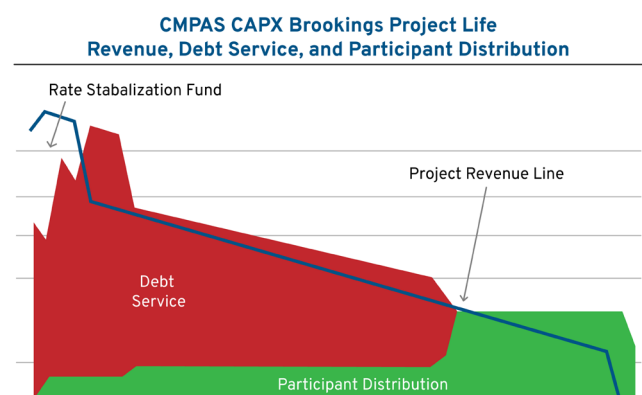
Benjamin Franklin, often considered the father of electricity, offered sage investment advice, “Drive Thy Business or It Will Drive Thee”. This advice especially rings true for CMPAS as it guides utilities in the pursuit of sound investment decisions to best serve their local customers. When the MISO was formed to operate the transmission system, CMPAS’s analyses indicated that transmission ownership would serve as the only path to mitigate the doubling and tripling of transmission rates that followed.

Taking control of its future, CMPAS earned designation as a transmission owner in 2006. The agency also successfully built a coalition of 15 public power utilities in Minnesota and Iowa that embarked on a 3.9 percent ownership investment in the CAPX Brookings 250-mile transmission line.

Along the way, CMPAS endured a nine-year precedent-setting regulatory journey. With support from the Midwest Municipal Transmission Group (MMTG), CMPAS eventually won approval from the Federal Energy Regulatory Commission (FERC) to use financial cost recovery

mechanisms that were similar to ones investor-owned utilities use when making transmission investments.

CMPAS’ project agency model brings the benefits of the investment into sharp focus, and its participants are learning first hand that ownership brings a rate of return and other financial benefits that mitigate related costs. Over the CAPX Brookings’ project 40-year life, participants are projected to earn a return of \$17.8 million in excess of expenses in the form of distributions and savings from their \$32 million investment.



To prepare for future transmission purchases, CMPAS recommends that municipal utilities educate local commission and city council members about the financial and risk management benefits of transmission ownership. Local leaders should understand the governance process and necessary commitments so that they can adequately consider CMPAS transmission opportunities when they occur.

WANT TO LEARN MORE ABOUT PUBLIC POWER TRANSMISSION INVESTMENTS?

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