



Public Service Commission of Wisconsin

Eric Callisto, Chairperson
Mark Meyer, Commissioner
Lauren Azar, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

July 14, 2009

Mr. Lars Kvale
APX, Inc.
5201 Great America Parkway
Santa Clara, CA 95054

Re: Request to Investigate and Provide Proposals
for Changing the M-RETS Fee Structure

Dear Lars:

I am writing on behalf of the Board of Directors of Midwest Renewable Energy Tracking System, Inc. (the "Board") to request an inquiry into the possibility of changing the structure of fees for users of the Midwest Renewable Energy Tracking System ("M-RETS"). Specifically, the Board is requesting a review of Section 5 of the M-RETS Operating System Terms of Use pertaining to Fees.

The Board recognizes that the current fee structure was designed to ensure that APX would recover its up-front costs in the first few years of system operation. As such, the "volumetric fee" is a fixed fee based on all retail load served by M-RETS LSE subscribers within M-RETS states. In 2008, APX indicated that a change in this fee structure might be appropriate. On May 15, 2009, the full Board discussed this possibility and agreed that an inquiry into the structure of how fees are charged to M-RETS subscribers would be prudent and timely. Hence, the Board requests that APX consider a fee structure to incorporate transaction and retirement fees in lieu of some of the currently imposed fees, to ensure that M-RETS users are bearing the costs of the system in proportion to the amount of activity they conduct in M-RETS. APX should feel free to propose different models, indicating the pros and cons of each and noting its preferred model.

The Board wants to consider how any fee change affects: (1) APX revenues, (2) current users of the system, and (3) the cost of tracking/producing RECs. As part of its proposal, APX should include: (1) an analysis that shows how fees charged under the new proposals for calendar year 2008 compare to actual fees collected by APX in the same year, (2) an analysis comparing how potential changes in the fee structure will affect hypothetical M-RETS subscribers. To ensure a representative analysis, the hypothetical users should include both those with a high volume of transactions, but with both high and low capacity factor units, as well as those with a low volume of transactions, but with both high and low capacity factor units. Comparisons should use representative 2008 data to illustrate the effects of the alternative proposals on the three considerations above. The Board recognizes that it would be a significant undertaking to evaluate all subscriber units as a part of the analysis and recognizes that hypothetical user data to assess the impacts will be necessary.

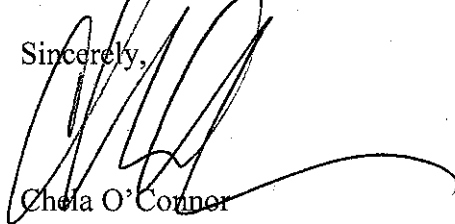
Mr. Lars Kvale

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After the Board reviews APX's proposed changes, and the potential changes have been communicated to the subscriber group, there will be a comment period for all subscribers. During this period, subscribers and others will be able to comment in writing on the proposed changes as part of an open docket facilitated by the Public Service Commission of Wisconsin (PSCW). Any changes to the fee structure will need to be approved by the PSCW.

The Board asks that APX respond to this request no later than three weeks from the receipt of this letter with a proposed timeline for conducting the fee structure review and proposal for change. If you have any questions about this request, please contact me at (608)266-2307 or Chela.O'Connor@psc.state.wi.us.

Sincerely,



Chela O'Connor

President

Midwest Renewable Energy Tracking System, Inc.

CBO:ash:k:\cbo\m-rets\kvale rqst for m-rets fee structure revisions

enclosure

cc: Dan Smies
Ron Franz, DPC