

2015 ATC Projected Budget and Rates *Stakeholder Inquiries*

On October 3, 2014, Wisconsin Public Service inquired whether there will be an update about MISO Schedule 33 costs during ATC's stakeholder meeting on the 2015 projected budget and rates.

The response from ATC on October 7, 2014 stated that during the October 9, 2014 stakeholder meeting to review ATC's 2015 projected budget and rates, the company will also provide a brief update on Blackstart service agreements in its footprint.

On October 9, 2014, during the stakeholder meeting on the 2015 projected budget and rates, ATC stated that it has a compliance obligation to contract with generation providers in its footprint to serve as Blackstart service providers in the event of a large-scale outage in the area. Currently, ATC has one Blackstart service agreement in place, with an annual revenue requirement of about \$2M. ATC will have a second agreement in place, beginning in January 2015, which will bring the total annual revenue requirement for Blackstart service to approximately \$4M. ATC continues to work with generation providers in its footprint to attain geographic diversity with regards to Blackstart service.

On October 9, 2014, during ATC's stakeholder meeting on the 2015 projected budget and rates, Wisconsin Public Service inquired about an explanation regarding the two-step Discounted Cash Flow (DCF) methodology that was adopted in the FERC June 19, 2014 order in the NE-ISO ROE compliant case.

In response, ATC noted that the DCF methodology takes into account both short-term and long-term growth projections in the calculation and is utilized in the natural gas and oil industries. For more information on the order and the two-step DCF methodology, ATC recommended stakeholders refer to the order issued by FERC in Docket No. EL11-66 on June 19, 2014.

Additionally, on October 9, 2014, during ATC's stakeholder meeting on the 2015 projected budget and rates, Wisconsin Public Service inquired as to how ATC major projects were progressing. WPS noted that ATC's projects had, in the past, seen some movement in terms of timelines and milestones.

In response, ATC noted that currently the Cardinal Hickory Creek project is the only major capital project that may have deviated slightly from the original project schedule. ATC noted that outreach has begun on the project so that will help to get the project back on schedule.
