

**ATC Strawman Proposal for
Compliance with Planning Principles
Adopted by Final Rule**

FERC Order No. 890

Background

Since beginning operations in 2001, American Transmission Company LLC (ATC) has conducted transmission planning in a manner consistent with the Commission's principles for "coordinated, open and transparent" planning put forth in Order No. 890.¹ ATC is a stand-alone transmission company, the system of which consists of 9,100 circuit miles of transmission line (between 69 kV and 345 kV) and 480 substations² in Wisconsin, Michigan, Illinois, and Minnesota. ATC has been a member of the Midwest Independent Transmission System Operator, Inc. (Midwest ISO)³ since February 1, 2002, and as a member Transmission Owner, ATC performs the day-to-day operation and system control of its transmission facilities. Under the Midwest ISO Transmission Owners Agreement (TOA),⁴ ATC also conducts "bottom-up," local planning to identify improvements that are necessary to ensure the adequacy and reliability of the company's transmission system for the benefit of all interconnected entities and transmission customers that utilize ATC's transmission facilities to receive transmission service.⁵

The Commission in Order No. 890 requires "coordinated, open, and transparent" transmission planning to be conducted on a local and regional level,⁶ and defines nine principles that must be satisfied by transmission planning processes.⁷ Furthermore, the Commission requires transmission owning members of a Regional Transmission

¹ See *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119 (2007) at P 435.

² ATC has entered into more than 50 interconnection agreements with the owners and operators of distribution systems and ATC's transmission facilities are interconnected to more than 50 generating facilities owned by other entities.

³ Effective on February 1, 2002, ATC transferred operational control of its transmission system to the Midwest ISO. Transmission service is provided to various entities over ATC's transmission system under the terms of the Midwest ISO's Open Access Transmission and Energy and Markets Tariff (TEMT).

⁴ See the "Planning Framework" in Appendix B of the "Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation" (FERC Electric Tariff, First Revised Rate Schedule No. 1). Section VII of Appendix B, "Planning Responsibilities of Owners," states: "To fulfill their roles in the collaborative process for the development of the Midwest ISO Plan (Midwest ISO Transmission Expansion Plan), the Owners shall develop expansion plans for their transmission facilities while taking into consideration the needs of (i) connected loads, including load growth, (ii) new customers and new generation sources within the Owner's system, and (iii) known transmission service requests."

⁵ Since it began operating in 2001, ATC has engaged in an active planning and building program, investing more than \$1.6 billion in the necessary strengthening of its transmission system to meet the reliability, economic and capacity requirements of its interconnected and transmission service customers. This work includes 880 miles of new or upgraded high-voltage lines, the connection of over 2,000 MW of new or expanded generation to the system, and more than 100 new distribution system interconnections. Over the next ten years, ATC's transmission plans call for the investment of approximately \$3.1 billion in new transmission improvements to meet the needs of its transmission customers to address their respective load growth, accommodate new generation, improve transmission access by better connecting ATC's system to adjacent regions, and repair or replace aging facilities.

⁶ See Order No. 890 at P 435.

⁷ See *Id.* at P 444.

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Organization to conduct planning in accordance with Order No. 890 in order to permit “transmission customers and stakeholders (to) be able to participate in each underlying transmission owner’s planning process. This is important because, in many cases, RTO planning processes may focus principally on regional problems and solutions, not local planning issues that may be addressed by individual transmission owners.”⁸

It is ATC’s perspective that good transmission planning requires broad community involvement to identify local needs in a planning process that is open to all affected stakeholders and transparent in how transmission projects address those needs. ATC since its formation has maintained the view that “all transmission is local,” in that transmission projects that integrate regional needs with local needs are much more likely to gain the local acceptance necessary to be built.

Furthermore, under Wisconsin Law, ATC as a “transmission company,” has the obligation to plan its transmission system in a manner to meet the needs of all users of the system.⁹ That statutory minimum requirement, in conjunction with ATC’s corporate philosophy that all transmission planning is local, has led the company to surpass what is required of its planning process by addressing local needs in such transparent ways as the “10-Year Transmission System Assessment,”¹⁰ a publicly available annual review of the needs of ATC’s system and planned, proposed and provisional projects to address those needs (TYA).

As a member of the Midwest ISO, ATC also fully participates in the Midwest ISO’s Transmission Expansion planning process and ATC’s Midwest ISO-reviewed projects become part of the MTEP. The company’s TYA is also included in the broader regional plan. It is ATC’s experience that such regional coordination of local transmission plans leads to transmission projects being built that address the transmission needs of larger areas, thus maximizing the benefits of projects and reducing the number of transmission construction projects that are needed. Regional

⁸ See *Id.* at P 440.

⁹ See e.g. § 196.485 (1)(ge), Wis. Stats. (2002) provides that a transmission company “has as its sole purpose the planning, constructing, operating, maintaining and expanding of transmission facilities that it owns to provide for an adequate and reliable transmission system that meets the needs of all users that are dependent on the transmission system and that supports effective competition in energy markets without favoring any market participant.” In fulfillment of that obligation, in addition to other matters detailed elsewhere, ATC has entered into more than 50 Distribution – Transmission Interconnection Agreements with all interconnected distribution system operators, including municipal electric utilities, cooperative utilities and investor-owned utilities that require the sharing of fundamental information between the distribution system operator and ATC, including load growth information. Furthermore, the Distribution-Transmission agreements require ATC to provide “adequate” service and facilities and require both the distribution system operator and ATC to plan to meet their respective obligations using “reasonable cost planning” principles that require the coordinated planning, together with coordinated development of system solutions, either distribution or transmission, to meet their respective obligations.

¹⁰ The 10-Year Assessment is available at: <http://www.atc10yearplan.com>. The 10-Year Assessment for each of the five zones within ATC’s territory includes descriptions of transmission projects that the company believes are necessary and information that justifies their need.

coordination also improves local transmission projects by minimizing any adverse effects that a local project might have in other parts of a regional transmission system.

Order No. 890 requires transmission providers and transmission owning members of regional transmission organizations (RTO) and independent system operators (ISO) to develop a “strawman” proposal setting forth the manner in which the transmission provider and the transmission owners will comply with the planning principles set forth in the order.¹¹ These strawman proposals will be the base for the “Attachment K Transmission Planning Process,” in which a transmission provider either must propose a newly developed planning process that complies with the nine principles or show that a current transmission planning process is consistent with or superior to what is required in Order No. 890.¹²

Accordingly, below is a description of ATC’s planning process and an explanation of how it is consistent with or superior to the Commission’s principles in providing for a coordinated, open, and transparent transmission planning process.

ATC Compliance with the Nine Planning Principles in the Order No. 890

1. Coordination

This principle requires that “transmission providers must meet with all of their transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis.”¹³ The planning process must “provide for the timely and meaningful input and participation of customers into the development of transmission plans.”¹⁴

ATC Compliance with the Coordination Principle

In accordance with the requirements of Order No. 890, ATC’s planning function is an open and collaborative process.

Upon its formation in 2001, ATC undertook an assessment of the condition of its entire transmission network to determine its condition and whether modifications, additions or expansions of its transmission system were required to assure that the transmission system was adequate to meet the needs of all of its interconnected and transmission customers and met ATC’s reliability standards. ATC published its assessment of the adequacy and reliability of the transmission system and made it available to all interested parties, including interconnected and transmission customers, government regulators and interested stakeholders.

¹¹ See Order No. 890 at P 443. These proposals are to be discussed in regional staff technical conferences that will be conducted by the Commission to address regional implementation and other compliance issues related to the Order No. 890 planning requirements.

¹² See *Id.* at P 442.

¹³ See *Id.* at PP 445, 451.

¹⁴ See *Id.* at P 454.

Following ATC transferring the operational control of its transmission system to the Midwest ISO in February 2002, ATC continued its planning activities in fulfillment of the provisions of Appendix B of the Midwest ISO's Transmission Owner's Agreement¹⁵, which establishes the relationship between the Midwest ISO and member transmission owners for local planning. It also established the parameters of the role of the Midwest ISO for regional planning and its role in reviewing transmission owner local plans. ATC's protocol is to continually and proactively seek input from customers, regulators, community officials, residents and others in evaluating the transmission needs of ATC's transmission and interconnected customers as a whole and recommending solutions that address multiple needs and concerns.

ATC publishes its TYA of its transmission system that identifies and illustrates system deficiencies and includes conceptual and proposed solutions to meet the reliability and adequacy needs of its interconnected and transmission customers. The TYA is unique in the industry setting forth system limitations, such as low voltage conditions and overloaded facilities, and this process facilitates the kind of coordination with customers the Commission now recommends in its planning principles. ATC seeks broad input from all stakeholders and incorporates this input into the TYA, updates the assessment every year, revises the proposed and conceptual solutions, and adjusts, if necessary, the proposed construction schedule for those modifications as new planning data or stakeholder input warrant. ATC's planning coordination is accomplished by:

- a. Ongoing meetings with planners of larger load-serving entities (LSE) to evaluate needs and alternative solutions and regular meetings with planners for smaller utilities to evaluate their respective needs
- b. Quarterly meetings with LSEs and other stakeholders in its service area
- c. Executive briefings with customers
- d. Ad hoc meetings when unanticipated events alter the feasibility of solutions
- e. A collaborative outreach process on major projects to provide an additional opportunity for "expert" stakeholders to evaluate and vet project need prior to specific project proposal; this process is reserved for 345 kV projects.
- f. ATC meets with adjacent transmission owners to coordinate planning on a single-system basis, which consists of
 1. sharing and discussing transmission plans at least annually;
 2. discussing and coordinating inter-system impacts of implementing those plans;
 3. exploring the potential for inter-system opportunities; and
 4. coordinating with Midwest ISO and the Public Service Commission of Wisconsin (PSCW) and other regulatory agencies to implement any results of these coordinated planning activities.

¹⁵ Agreement of the Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc. Midwest Independent Transmission System Operator, Inc., FERC Electric Tariff, First Revised Rate Schedule No. 1.

- g. ATC fully participates in Midwest ISO's planning process
- h. Publishing a TYA of limitations and proposed solutions as the culmination of the evaluation of the data received during the various discussions with interconnected and transmission customers, stakeholders and the public. Posting the TYA to our Web site and sending out summary pamphlets seeking comments to a mailing list of over more 15,000 stakeholders.

2. Openness

The planning process must "be open to all affected parties" and must include safeguards to ensure confidentiality of transmission system information, particularly Critical Energy Infrastructure Information (CEII).¹⁶

ATC Compliance with the Openness Principle

As described above and in the Information Exchange discussion below, ATC obtains necessary data from customers and interested stakeholders, analyzes that data, and publishes the transmission system needs and proposed solutions in its TYA. ATC's plans are driven by a variety of factors, including reliability, economics, load interconnection and generator interconnection. For ATC's network driven projects, as described above, ATC publishes system needs and proposed solutions and solicits the input of its interconnected and transmission customers, stakeholders and state regulators concerning the proposed solutions.

ATC publishes meeting notices on its page of the Midwest ISO Open Access Same Time Information System (OASIS) and then mails copies of the TYA summary to local officials, customers, community organizations, chambers of commerce, industry groups, and environmental organizations. ATC continually uses the input and updated analysis to revise the TYA. In addition ATC provides the opportunity for all recipients of the direct mailing to request an ATC Representative to speak to them regarding proposed local transmission construction projects, the electric system in general, environmental concerns, planning, the TYA or other topic in which they may be interested. Through these meetings ATC further identifies the specific needs, potential alternative solutions to address those needs and develops a consensus concerning the transmission facility requirements that will most appropriately meet the collective needs of all of ATC's interconnected and transmission customers.

To address LSE needs, the system planners for both distribution and generation meet with ATC's planning staff – quarterly or more frequently as needed – to review the needs of the respective distribution, generation and transmission elements of the interconnected electrical system. ATC uses Best Value Planning (BVP) which assesses distribution or generation requirements together with transmission requirements. The BVP plan determines which solutions meet the greatest need in the most reasonable

¹⁶ See Order No. 890 at P 460.

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manner at the most reasonable cost. Best Value Planning demonstrates that ATC is committed to working jointly with interconnected and transmission customers to find the best transmission, distribution, or other resource plan to meet the load serving entities' need to connect to our system.

The BVP process specifies the project parameters, the cost responsibilities of the parties, and the process necessary to seek any required regulatory approvals, as well as the time in which the project is to be completed. This joint planning process, depending on the circumstances, employs one or more of the following mechanisms and tools:

1. Open and extensive discussions between ATC planners and customer planners regarding the needs of the transmission and distribution systems
2. Quarterly planning meetings between ATC and each of its customers
3. Monthly planning dialogues among ATC and its customers
4. Annual publication of ATC's TYA,
5. ATC's load interconnection queue posted to ATC's OASIS, which is available at all times to customers. (<http://www.atcllc.com/O.shtml>)

ATC actively participates in all of Midwest ISO's planning processes, including working directly with Midwest ISO planners and participating on planning committees.

ATC also has a non-disclosure agreement for system planning information to address sharing of transmission planning supporting study information (power flow models, preliminary results, PROMOD model results for economic projects and planning reports drafts).

Additionally, pursuant to statute, the Wisconsin Public Service Commission (PSCW) conducts an extensive assessment, every two years, that "evaluates the adequacy and reliability" of Wisconsin's "current and future electrical supply."¹⁷ As part of that assessment, the PSCW must "identify and describe" planned electric transmission lines to be built in the three years following the assessment, and whether there is an "adequate ability" to transfer electric power into the state of Wisconsin. The strategic assessment considers a broad range of factors in an open process in which all interested stakeholders are entitled to participate. Included in its consideration of the energy needs of the state are factors such as load data, generating resources, the role of renewable resources, environmental concerns, economic development, and public health and safety. The PSCW's review even considers the impact of the "regional bulk-power market contributes" to the adequacy and reliability of Wisconsin's electrical supply. The Strategic Energy Assessment culminates in an extensive review of the energy needs of Wisconsin. The most recent assessment, Strategic Energy Assessment 2012 can be found at:

http://psc.wi.gov/apps/erf_share/view/viewdoc.aspx?docid=69877.

¹⁷ See *Wis. Stat.* §196.491(2) (2006).

As part of the Strategic Energy Assessment 2012, the PSCW concluded:

The PSC will convene a Technical Conference on planning to help develop a holistic, regional approach to energy planning that includes better coordination of plans for new generation, transmission, renewables and energy efficiency.

In addition to the extensive involvement of stakeholders in ATC's specific planning processes, the state as a whole, engages in extensive, integrated planning including planning for transmission facilities.

ATC also participates in the biennial planning conducted by the Minnesota Public Utility Commission, the Electric Transmission Biennial Plan that, similar to the Wisconsin process, evaluates the electricity reliability and capacity needs of the state of Minnesota as a whole. ATC participates with the Minnesota utilities and transmission owners in the evaluation of their respective systems to assess how the needs of the state are to be met through transmission. Additionally, ATC participates with a number of Minnesota utilities in connection with the development of large transmission projects generally referred to as "CapX2020." The Minnesota utilities are exploring the manner in which certain 345 kV transmission projects can meet their respective needs. ATC participates in those discussions, and has provided its planning needs and requirements as part of the evaluation in this additional Minnesota planning process.

Lastly, ATC also participates in the planning processes of the state of Michigan. ATC participates in the Michigan process designated as the 21st Century Plan which seeks to assess and evaluate the overall energy requirements of the state of Michigan.

3. Transparency

Transmission providers are to disclose basic planning criteria, planning assumptions and planning data along with study methodologies, criteria, and processes. Transmission providers are required to have written documentation of the study methodology, criteria, and processes used to develop transmission plans.¹⁸ Transmission providers must "make available information regarding the status of upgrades identified in their transmission plans in addition to the underlying plans and related studies."¹⁹ Also, "where demand resources are capable of providing the functions assessed in a transmission planning process, and can be relied upon on a long-term basis, (the demand resources) should be permitted to participate in (the) process on a comparable basis."²⁰

¹⁸ See *Id.* at P 471.

¹⁹ See *Id.* at P 472.

²⁰ See *Id.* at P 479.

ATC Compliance with the Transparency Principle

ATC Planning criteria:

ATC employs various system planning criteria to ensure the development of appropriate transmission plans to assure a reliable transmission system that has sufficient capacity and operating capability to meet the needs of all of its interconnected and transmission customers. ATC's criteria have been developed 1) to support effective competition in energy markets; 2) to provide reliable transmission service to the interconnected distribution systems; and 3) to deliver energy from existing and new generation facilities connected to ATC's transmission system.

ATC publishes its TYA of the transmission system annually. In addition to listing identified proposed transmission projects to be constructed that would expand, modify or change the transmission system with their respective planning status (planned, proposed or provisional), the TYA includes the reliability criteria on which the projects are based. Reliability criteria may be changed as a result of new system conditions, new technologies, new operating procedures, extraordinary events, safety issues, operational issues, maintenance issues, customer requests, and regulatory requirements. ATC anticipates that the criteria will be revised to reflect the mandatory reliability standards of the Electric Reliability Organization (ERO) and those of the regional entities (RE) with which ATC is associated. The reliability criteria reflect, at any time, ATC's view of the standards to be employed in constructing, operating and maintaining the transmission system in a reliable and safe manner.

The planning criteria employed by ATC are listed under the following headings:

- System Performance Criteria
- Capacity Benefit Margin Criteria
- Transmission Reserve Margin Criteria
- Facility Rating Criteria
- Model Building Criteria
- Facility Condition Criteria
- Planning Zones
- System Alternatives
- Load Forecast Criteria
- Economic Criteria
- Environmental Criteria
- Other Considerations

The planning criteria employed by ATC are set forth publicly at:

<http://www.atc10yearplan.com/PF7.shtml>.

With the analyses performed in connection with the interconnection of new generating facilities, ATC, pursuant to Order No. 2003, provides certain Base Case

information relating to stability and fault duty studies in order to permit those seeking to interconnect generation to ATC's Transmission System to perform their own analyses to confirm ATC's results. Copies of the Base Cases (as they exist at the time the request is made, and with the information then available) can be received provided the party requesting the Base Case information agrees to execute a confidentiality agreement and agrees to keep the base case data confidential. The form of the confidentiality agreement is attached. Because the information provided could be viewed as potential Critical Energy Infrastructure Information (CEII), ATC requests that the party requesting the information provide information concerning their request and the organization with which they are associated.

4. Information Exchange

Transmission providers, in consultation with customers and other stakeholders, must develop information exchange guidelines and schedules for submittal of information from both network and point-to-point transmission customers.²¹

ATC Compliance with the Information Exchange Principle

ATC is entitled to receive 10-year load and resource forecasts from our network customers pursuant to agreements entered into at ATC's formation. ATC also requests information regarding any generation additions and/or retirements from all entities. [See attachments] ATC also obtains information concerning generator interconnections from the Midwest ISO interconnection request queue.

This information is used in the power system model building process, and generation interconnection information from the interconnection request queues. In addition, publicly available Transmission Service Request (TSR) queue information is applied in the expansion planning process in order to factor firm transmission service commitments into the planning models.

ATC fully participates in the Midwest ISO's planning processes.

ATC will provide certain base case information relating to Stability and Fault Duty Studies in order to permit those seeking to interconnect generation to ATC's transmission system to perform their own analyses. Copies of the base cases (as they exist at the time the request is made, and with the information then available) can be received provided the party requesting the base case information agrees to execute a confidentiality agreement and agrees to keep the base case data confidential. The form of the confidentiality agreement is attached. Because the information provided could be viewed as potential Critical Energy Infrastructure Information (CEII), ATC requests that the party requesting the information provide information concerning their request and the organization with which it is associated.

²¹ See *Id.* at PP 480, 486.

5. Comparability

Each transmission provider is required “to develop a transmission system plan that (1) meets the specific service requests of its transmission customers and (2) otherwise treats similarly-situated customers (e.g. network and retail native load) comparably in transmission system planning.” Furthermore, “customer demand resources should be considered on a comparable basis to the service provided by comparable generation resources, where appropriate.”²²

ATC Compliance with the Comparability Principle

As a stand-alone transmission company that does not own generation, buy or sell energy, serve retail customers or otherwise function as a transmission customer or market participant, ATC’s planning process seeks to include all interested parties and treats all similarly situated interconnected transmission customers in a similar manner. In addition, as described above, the TYA is developed to provide for efficient and reliable service to all of ATC’s customers throughout the planning horizon.

As part of the TYA, ATC receives not only the demand forecasts of its interconnected and transmission customers, but also receives information concerning their respective demand response programs, initiatives or requirements. Those demand response elements are factored into the TYA in evaluating the overall needs of the interconnected and transmission customers in determining what transmission projects may be necessary to meet their overall needs.

6. Dispute Resolution

For transmission planning related issues, transmission providers must have a dispute mechanism outlined in their OATT that is able to address “both procedural and substantive planning issues.” A transmission provider can utilize an existing dispute resolution process, but must specifically state how the process will be used to address planning disputes.²³

ATC Compliance with the Dispute Resolution Principle

While ATC incorporates the interests and concerns of its interconnected and transmission customers, and has constructed significant facilities to meet their respective as well as aggregate needs, ATC has several means of ameliorating disputes. First, and foremost, ATC seeks to include the concerns of its interconnected and transmission customers in its transmission plans, and therefore, all disputes are resolved in a cooperative, coordinated manner. Secondly, the agreements entered into by ATC with its interconnected customers include dispute resolution provisions so that any party can dispute the nature and extent of the inclusion of their concerns in the

²² See *Id.* at P 494.

²³ See *Id.* at P 501.

TYA. Lastly, under the statutes of Wisconsin, any expenditure by ATC of more than \$6.9 Million or the construction of more than one mile of new transmission line to operate at more than 100 kV must be approved by the Public Service Commission of Wisconsin in an application process. Any party affected by such application, has the right to intervene and to seek to change or modify the project requirements. A fundamental requirement of the application process of the Public Service Commission of Wisconsin is a demonstration of the need for any particular construction activity. If the reason for the construction is based upon the needs of ATC's interconnected and transmission customers (as opposed to operating reliability concerns), ATC is required to include its planning studies for review by the Public Service Commission of Wisconsin.

Disputes are therefore either resolved initially in the collaborative process of transmission plan development or through:

- The terms of agreements under which parties have the contractual right of dispute resolution,
- The regulatory process in the application for and approval of the construction of transmission facilities.

7. Regional Participation

The principle states that “each transmission provider will be required to coordinate with interconnected systems to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data and (2) identify system enhancements that could relieve congestion or integrate new resources.”²⁴ Transmission providers are required to specify “the broader region in which they propose to conduct coordinated regional planning.”²⁵ The coordinated regional planning “must be open and inclusive and address both reliability and economic considerations.”²⁶

ATC Compliance with the Regional Participation Principle

ATC supplies to the Midwest ISO, pursuant to Appendix B of the TOA, all projects that are identified by ATC in its transmission assessment process, including those included in its TYA.

Furthermore, ATC meets with adjacent transmission owners to coordinate planning on a single-system basis in an effort to develop transmission solutions that not only resolve multiple system reliability and capacity requirements but does so at the

²⁴ See *Id.* at P 523.

²⁵ See *Id.* at Note 313.

²⁶ See *Id.* at P 528.

lowest reasonable cost.²⁷ ATC's coordination with other transmission owners consists of sharing and discussing transmission plans at least annually, discussing and coordinating inter-system impacts of implementing those plans, exploring the potential for inter-system opportunities that could result in either joint project development or the modification of proposed projects to take into account the needs of the adjoining transmission providers, together with coordinating with Midwest ISO and the Public Service Commission of Wisconsin (PSCW) and other regulatory agencies to implement any results of these coordinated planning activities.

ATC participates in the Midwest ISO's Western Sub-regional Planning Group, Expansion Planning Working Group, Planning Subcommittee, and Planning Advisory Committee for the development of the MTEP. ATC also participates in the Midwest ISO-PJM Inter-regional Planning Advisory Committee and neighboring state initiatives such as: CAPX 2020 in Minnesota, and the Minnesota Electric Transmission Biennial Plan. ATC also participates on numerous Midwest ISO ad-hoc study groups for Large Generator Interconnection Studies that could affect the ATC system.

8. Economic Planning Studies

Transmission providers are required to perform economic planning studies (1) to address both "'local' congestion (i.e., within the transmission provider's system) and congestion between control areas and sub-regions" and (2) to integrate new generation resources and/or loads on an aggregated or regional basis.²⁸

Customers may request studies that evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads on an aggregated or regional basis.²⁹

Transmission providers, in consultation with their stakeholders, must develop a means to allow the clustering or batching of requests for economic planning studies "so that the transmission provider may perform the studies in the most efficient manner." Transmission providers must post requests, as well as responses to the requests, for economic planning studies on their OASIS or website.³⁰

Stakeholders must be given the right to request a defined number of high priority economic planning studies annually. "The cost of the defined number of high priority

²⁷In its most recent rate proceeding before the Commission, ATC included a commitment to coordinate its planning with adjacent transmission owners. ATC included this commitment as part of its open and coordinated planning process. See *American Transmission Company LLC*, 107 FERC ¶ 61,117 (2004) (*Order dismissing reh'g as moot, providing clarification and approving uncontested settlement*).

²⁸ See *Id.* at PP 529, 542,

²⁹ See *Id.* at P 547,

³⁰ See *Id.* at P 546,

studies (will) be recovered as part of the overall *pro forma* OATT cost of service.” Stakeholders may request additional studies at their own expense.³¹

Transmission providers must “clearly define the information sharing obligations placed on customers in the planning attachment to their *pro forma* OATT.”³²

Transmission providers need to study economic upgrades but do not have an obligation to build or fund.³³

ATC Compliance with the Economic Planning Studies Principle

ATC is proposing the first economically justified transmission project in Midwest ISO’s service area – the 345 kV Paddock-Rockdale line in south-central Wisconsin. While the traditional reliability criteria have been at the heart of ATC’s plans from the beginning, ATC’s Access Initiative in 2004 and 2005 before the Wisconsin Public Service Commission (WPSC) began the formal process of evaluating the economic benefits associated with construction of a transmission project. Starting with the Access Initiative and continuing through the detailed analysis of the Paddock-Rockdale project, stakeholders were invited to comment on the methodology and metrics used to evaluate congestion impacts on customers as well as the potential benefits of new transmission enhancements.

The operation of the Midwest ISO Day 2 Market that began April 1, 2005 has provided a new and continuous set of economic signals on the effectiveness of the transmission system in allowing the most economically beneficial mix of energy to flow from an extremely large portfolio of generators.

ATC does not believe that any transmission project is solely a reliability project or an economic project. ATC believes every transmission project has reliability and economic aspects. ATC is incorporating economic analysis as part of its transmission evaluation, particularly related to major projects.

Although ATC has not developed a formal process for evaluating economic projects, ATC has entertained requests to evaluate economic projects that have the potential to also relieve transmission constraints. For example, Wisconsin Power and Light Company requested an evaluation of the economic impacts of relieving

³¹ See *Id.* at P 547,

³² See *Id.* at P 550,

³³ See *Id.* at PP 542, 544.

transmission congestion by comparing two proposed generator sites. ATC performed the evaluation and posted the results as part of the Impact Study:

http://oasis.midwestiso.org/documents/ATC/G527_Impact_Study.pdf

ATC continues to work with this customer to refine the study and address the customer's information needs. ATC is committed to working with our customers to address their transmission system needs including economic needs.

ATC participates fully in the Midwest ISO's economic studies. ATC participates in the Midwest ISO's Western Sub-regional Planning Group, Expansion Planning Working Group, Planning Subcommittee, and Planning Advisory Committee - for the development of the MTEP & MISO-PJM Inter-regional Planning Advisory Committee. ATC also participates on numerous Midwest ISO Ad-hoc study groups for Large Generator Interconnection Studies that could affect the ATC system.

9. Cost Allocation

A transmission provider's planning process "must address the allocation of costs of new facilities."³⁴ This applies only to regional projects that do not fit under existing rate structures, such as regional projects involving several transmission owners or economic projects that are identified under the study process described in the economic planning studies principle. The planning proposal "should identify the types of new projects that are not covered under existing cost allocation rules."³⁵

ATC Compliance with the Cost Allocation Principle

As a member of the Midwest ISO, transmission construction projects proposed by ATC that could qualify for treatment as Regionally Beneficial Projects, Baseline Reliability Projects or Generator Interconnection Projects are governed by the terms of the Midwest ISO EMT, Attachment FF. As a result, as part of the Midwest ISO, all projects that could provide regional reliability benefits, regional economic benefits or involve generator interconnection, are evaluated by the Midwest ISO, and to the extent that they qualify for one of those types of projects, the costs associated with the construction of those projects are allocated in accordance with the terms of the Commission-approved Tariff. For those projects that are not treated under the terms of Attachment FF, ATC's rates and charges are governed by Attachment O of the Midwest ISO under the terms of which all transmission service customers pay their proportionate

³⁴ See *Id.* at P 557,

³⁵ See *Id.* at P 558.

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share of the costs of transmission facilities constructed by ATC that are not otherwise governed by Attachment FF. The proportionate share of the costs of transmission facilities is based upon the load ratio share of each network integrated transmission service customer. Firm and interruptible point-to-point customers pay a rate derived from the network service customer rate.

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Attachments

Load interconnection, generation addition and retirement and load forecasting info request letters

ATC mails letters annually requesting customers to provide data.

Generation additions and retirements:

Dear Generation Owner,

As you may know, our 10 Year Assessment looks into the future and identifies and prioritizes projects necessary for continued adequacy and reliability of the transmission system, as well as improved economic performance in the Midwest ISO "Day 2" market. Additionally, we have recently added a Twenty Year Assessment section to our report. The accuracy of our assessment(s) depends on the accuracy of the planning models we utilize in our analyses. Hence, it is important that we have the most updated representation of what generation will and will not be available during the planning horizon.

To that end, please update us at this time if any of your existing generation is presently planned for retirement over the next 20 years. Similarly, indicate if you anticipate installing any generation over the next 20 years that is currently not listed in the Midwest ISO generator-transmission interconnection queue. Please note that this information will not be confidential once it is received by ATC. Providing this information does not commit you to the installation or retirement of generation but it will add tremendous value to the assessments ATC produces.

Please reply by May 12, 2006. You may contact me by mail at 2489 Rinden Road, Cottage Grove, WI 53527-9598, or by email at (). Should we not hear from you within this time, we will need to model your existing generation based on your last provided list of online generation. If you have any questions or comments, feel free to contact me by email or phone ().

Sincerely,

Representative of ATC
Transmission Service Contract Administrator

CC: Contract Administration
Transmission Planning

Section 1. Generation to be mothballed or retired

<u>Plant Name</u>	<u>Unit #</u>	<u>Action (mothball or retire)</u>	<u>Potential date for removal</u>

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Section 2. Generation to be added (Location is substation name or line # w/distance from substation)

<u>Unit Size</u>	<u>Location</u>	<u>Date to be Added</u>	<u>Fuel Type</u>

Load Forecasts

RE: Load forecast information

Dear LSE:

ATC has appreciated everyone’s diligence in past responses to our requests for load forecast information. The purpose of this letter is to convey ATC’s annual request for the following forecasted load information at each of (‘s) interconnection points with the ATC transmission system.

- 10 years of load forecast information under the D-T IA. A template for this information is included in the attached spreadsheet.
- Additional load information that ATC needs for developing light load and stability models. (Please see the **Instructions** tab of the attached spreadsheet).

As we did last year, ATC is proposing the submittal of (‘s) 10-year forecast utilizing the template provided. ATC requests that LSE returns the template with the requested information no later than **June 1, (Annually)**. Detailed instructions are included in the attached spreadsheet. Please note that this year we are requesting information about distribution-connected generation which we will be utilizing to ensure that we’re not double-counting generation output in our studies.

Please forward all information to:
Transmission Planning Dept
American Transmission Company
P. O. Box 47
Waukesha, WI 53187-0047

or email it to us at (Transmission Planning Contact)

Please do not hesitate to contact ATC Transmission Planning if you have questions or comments about any aspect of this request. Again, thanks for your past prompt and diligent responses.

Sincerely,

Manager – Transmission Planning

<p><i>Load Template Worksheet Instructions</i></p> <p>Please use the EIA-411 to match the 10-year forecast submittals</p>
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- What is provided in the 2007 forecast (and beyond) should relate to the load plus interruptible load line found in the 411.
- From the “Load plus interruptible” line, remove approximate transmission losses before reconciling with the total forecast numbers.
- Adjust for loads included in the EIA-411 that are not covered in your feeder forecasts, e.g., wholesale customers your company provides resources for, but you don’t include in your feeder forecast; or wholesale customers in your feeder forecasts for which your company doesn’t provide resources in the EIA-411.

Column A: Interconnection Point Name. If there are substations not yet accounted for in this worksheet, please supply them along with corresponding forecasted load data. *Load(s) at interconnection points that may be sensitive (i.e. where the customer name should not be made public) should be masked. ATC will keep a confidential key for these masked items such that the specified interconnection point names do not become public information.*

Columns C and D: PSS/E Name and Bus Number. New substations should be defined by name (in column A) and ATC will subsequently supply a bus number.

Column F: Is the metering on the high or low side of the transformer? This is needed to determine whether or not ATC needs to calculate transformer losses for your data. If your data is metered on the low side of the transformer but you have some other way of compensating for losses before submitting this data, please let us know in an email so that we do not double count these losses.

Column G: Is this data scalable or non-scalable? Can we scale summer peak data to winter, fall or light load cases based on the data provided in the **Load Factors** worksheet?

Column H: Does this data conform to a typical daily load distribution curve (per Midwest ISO definition)? For example, does this interconnection peak near the summer coincident time, or does it typically peak in an off-hour?

Columns I/J/K/L: Percentages of residential, commercial, industrial and agricultural load by interconnection point. If not available by interconnection point, a higher-level breakdown is acceptable.

Column M – Column AH: MW and MVARs (or MVA and Power Factor) for summer peak conditions 2007-2017. This data should match your most recent EIA-411 summer peak submittal for each year, but if it does not, please provide justification for the difference (Please see note highlighted in yellow above).

Load Shifts Worksheet Instructions

Please verify that these loads should be shifted and supply us with other situations where two entities may be reporting information for the same point. We are attempting to remove double-counting of loads from our models.

Load Factors Worksheet Instructions

Please supply percentage of **summer** peak, either for aggregate system or by interconnection point for each calendar month.

Constant Loads Worksheet Instructions

Constant loads (non-scalable) that ATC has thus far identified are listed on this worksheet. This currently will match Column G in the **Load Template**. If there are any others that we should be accounting for, please put them on this list.

Distribution Generators Worksheet Instructions

ATC should be made aware if the load forecast being provided, for interconnection points where ATC models distribution generation is:

- * **the net of interconnection point load and distribution generation or**
- * **simply the load without the off-setting impact of the distribution generation.**

A list of distribution generators that ATC models is provided on this worksheet. Please indicate in column H if the distribution generation and load at the point of interconnection have been netted.

If the distribution generator is on-line all the time and not modeled in the ATC power flow models, the distribution generation generally should be netted with the load at the point of interconnection when reporting the interconnection point load forecast.

If the distribution generator is modeled in the ATC power flow models, it is preferred that the distribution generator **not** be netted with the load at the point of interconnection when reporting the interconnection point load forecast.

We Energies, WPPI and Madison Gas & Electric Only (See Distribution Capacitor Banks Worksheet):

Please verify the existing distribution capacitor banks on your system with our list; let us know if there are additions or changes. Please verify non-highlighted columns and supply information for the two highlighted columns (nominal operating voltage and

Does the reported power factor at the interconnection point (in **Load Template**) account for these distribution capacitor banks?

New Load Interconnections



Load Interconnection Request Form (LIRF)

LIRF ID # (ATC use only):

Date Submitted (by LDC):

INSTRUCTIONS: Date Received (by ATC):

1. Complete the LIRF in its entirety (except for non-applicable fields).
PROPOSED ONE-LINE DIAGRAM MUST BE ATTACHED IN PDF OR MICROSOFT WORD FORMAT.
2. If this is a **revision to a previously submitted LIRF**, edit changes as needed and clearly indicate the change via the

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corresponding row's checkbox on the left side of this form.

3. ATC will update the queue and assign a LIRF ID Number and a Date Received when a complete LIRF is submitted.
4. Please submit the LIRF to: Michele Stark at mstark@atcllc.com, (262) 506-6775.

Substation Name: Project Type*: Click here for types Requested In-Service Date:

*If the project type is a **transformer replacement**, indicate if such a project will include a **high voltage protection device replacement** as well. If a more detailed description of project type is necessary, provide in the Statement of Need.

REQUESTER INFORMATION

<input type="checkbox"/>	Requester:		Phone:		Email:	
<input type="checkbox"/>	Company					
<input type="checkbox"/>	Address:					
<input type="checkbox"/>	City:		State:		Zip:	
<input type="checkbox"/>	Contact:		Phone:		Email:	

LOAD INTERCONNECTION INFORMATION

<input type="checkbox"/>	Location (attach a drawing or a map):		State:	
<input type="checkbox"/>	Max distance from existing transmission facilities:		County:	
<input type="checkbox"/>	Will the distribution work require a CA filing with the PSCW?	Uncertain at this time		
<input type="checkbox"/>	Predominant nature of load:	Mixed	Balancing Area:	
<input type="checkbox"/>	Total distribution-connected co-generation or IPP(s): Existing: MW Proposed Additional: MW			

Describe any of the following that apply: 1) Devices (esp. large motors) that may produce harmonic currents or voltage flicker/imbalance 2) Anticipated needs from ATC (relocations, outages, removals, etc.). 3) Proposed transformer protection scheme modifications. 4) Existing or proposed distribution networking schemes. 5) Details (similar to below) on additional added, replaced, or retired transformers if multiple units are involved. 6) Projected load (see page 2) Other

TRANSFORMER SPECIFICATIONS

<input type="checkbox"/>	High Side: Voltage: kV Winding Type: delta	Low Side: Voltage: kV Winding Type: grounded wye
<input type="checkbox"/>	Continuous/30 min. overload ratings (MVA):	Nameplate impedance:
<input type="checkbox"/>	Capacitor banks MVAR & switching (timer, voltage):	
<input type="checkbox"/>	Ultimate number of transformers at site:	

STATEMENT OF NEED FOR PROJECT

Include any information or report on the best-value alternative rationale. Attach additional sheets as needed.

<input type="checkbox"/>	
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CCAUTION: Any hard copy reproductions of this Business Practice form should be verified against the on-line system for current revisions. Last Revised 12/06/06



Load Interconnection Request Form (LIRF)

LIRF ID # (ATC use only): Revision:

10-YEAR LOAD PROJECTION Substation Name: If the 10-year load forecast for the affected substation(s) has (have) changed since the most recently submitted 10-year load forecast, please complete the following tables. *Double click on the table to copy and paste your information.

Loads unchanged from those included in the most recently submitted 10-year load forecast.

Loads changed from previous LIRF submittal.

Projection of Real Power Peak Requirements (MW)										
	Year									
	1	2	3	4	5	6	7	8	9	10
January										
February										
March										
April										
May										
June										
July										
August										
September										
October										
November										
December										

Projection of Reactive Power Peak Requirements (MVAR)										
	Year									
	1	2	3	4	5	6	7	8	9	10
January										
February										
March										
April										
May										
June										
July										
August										
September										

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October										
November										
December										

NOTE: Please indicate what other substations' load forecasts would be affected by the proposed substation. Provide updated load forecasts for those affected substations. *CAUTION: Any hard copy reproductions of this Business Practice form should be verified against the on-line system for current revisions.* Last Revised 12/06/06 Page 2