AMERICAN TRANSMISSION COMPANY®

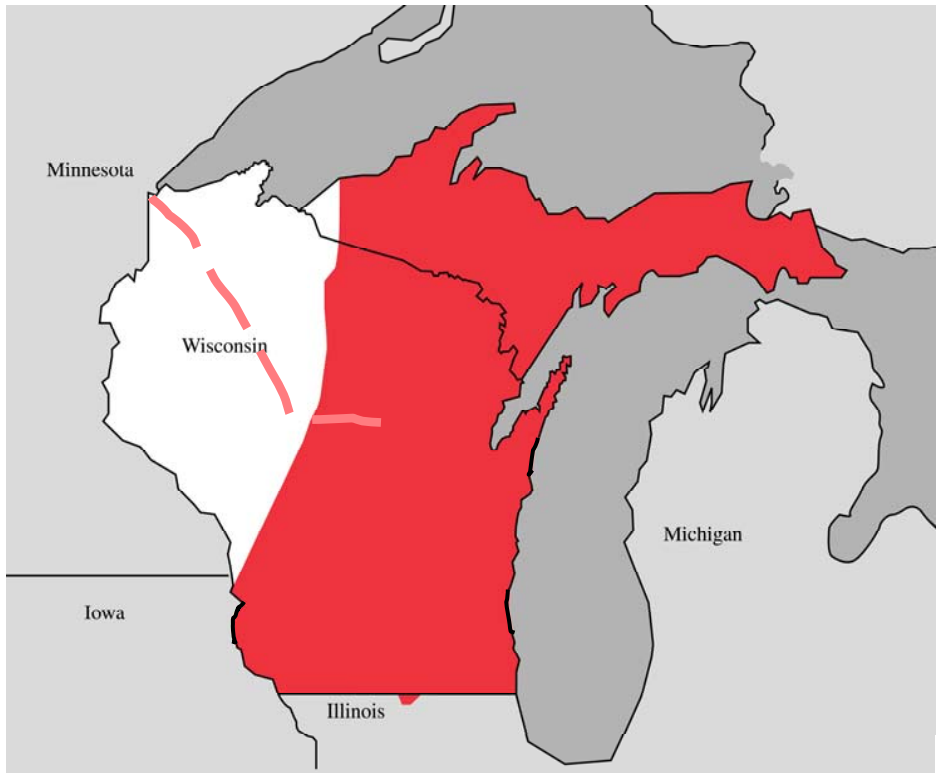
THE ENERGY ACCESS COMPANY

# Order No. 890 Compliance
# FERC Technical Conference
# June 29, 2007

Flora Flygt, Director of Planning
American Transmission Company

# ATC Introduction

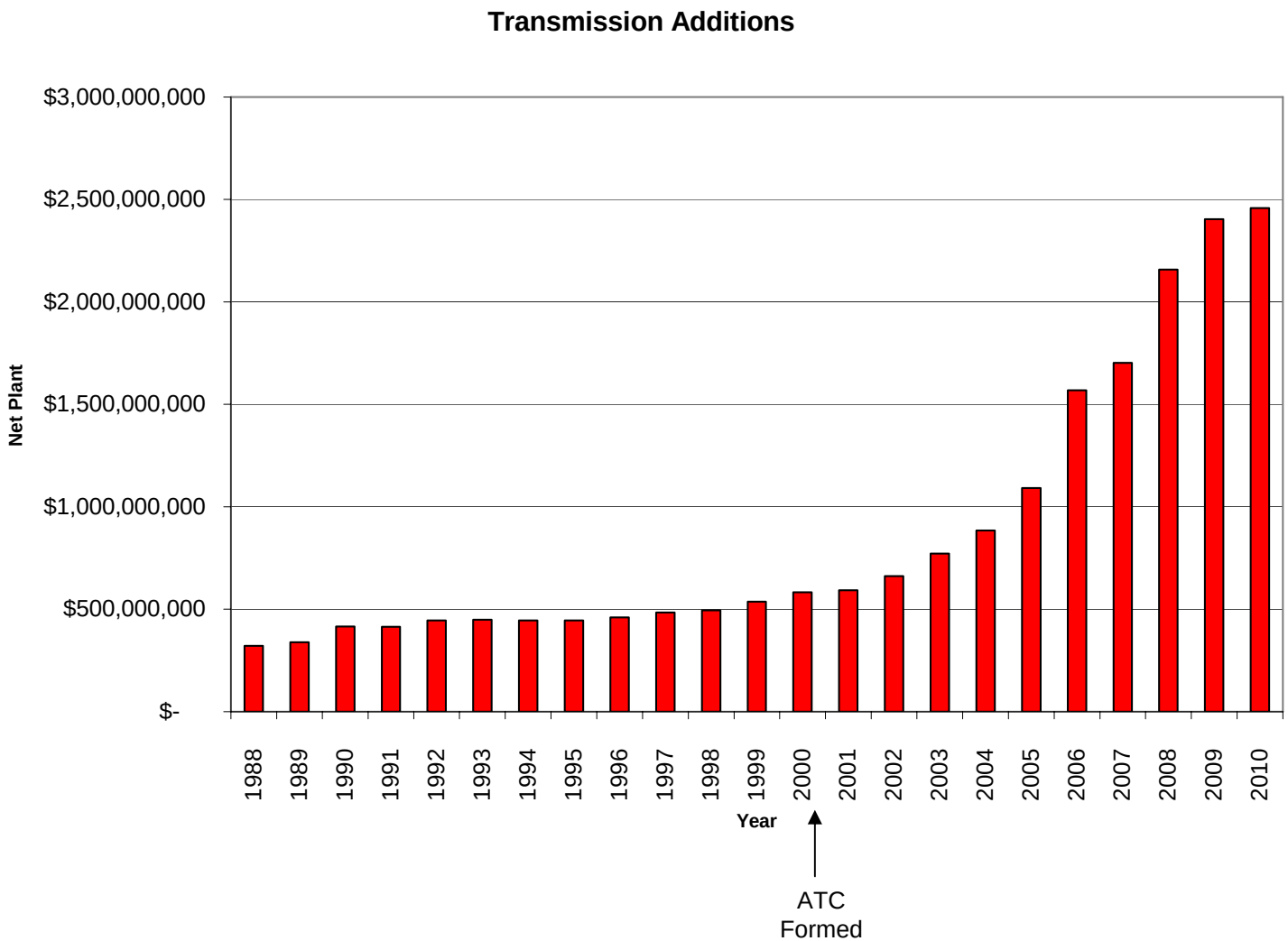
- Formed in 2001 as the first multi-state, transmission-only utility in the U.S.
- ATC's system consists of 9,100 miles of transmission line and 480 substations
- ATC currently has over $1.8 billion in net plant assets in Wisconsin, Michigan, Illinois, and Minnesota



# ATC Introduction

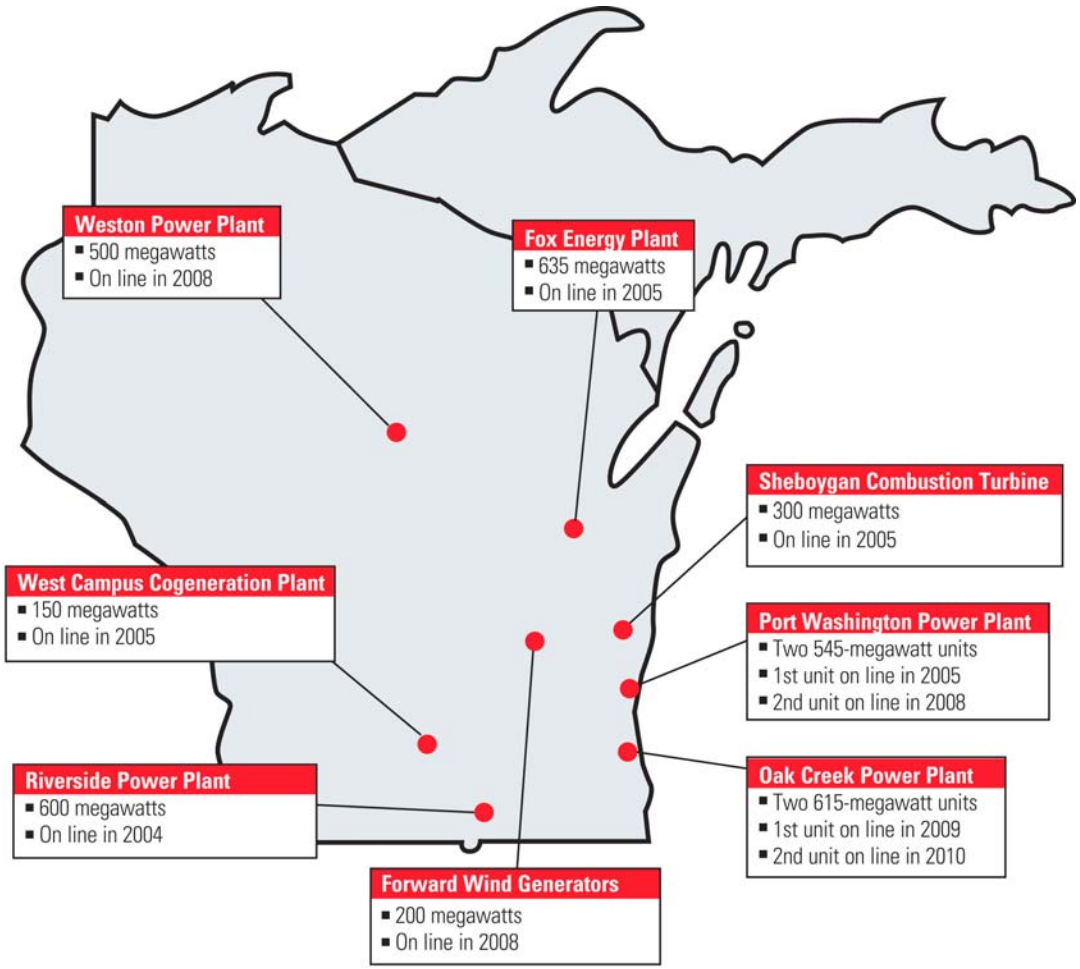
- We are responsible for planning, building, operating, upgrading and maintaining our transmission system
- We are a public utility company in WI, IL and MN
- We own transmission between 69 kV and 345 kV
- We are currently owned by our customers (28), but operate totally independently of them
  - Over 10% of ownership is by customer-owned entities (public power and coops)
- We are a member of the Midwest ISO

# ATC Construction



# ATC Construction

## Major Generators Requiring Interconnection



# ATC's 10-Year Plan

- $3.1 billion additional investment during next 10 years:
  - 160 projects to support load growth and reliability
  - 195 projects to support new interconnections
  - 30 new generator interconnection proposals
  - 41 projects required to support existing transmission service requests
  - 22 projects eliminate service limitations and address age and condition of infrastructure
  - 9 projects to address condition or obsolescence issues
  - 1 project based solely on economic benefits

# Role of Planning at ATC

- Planning is an integral part of ATC business model
  - Accountable for:
    - Reliability of service
    - Costs of local transmission projects borne by retail customers
    - Market access
    - Interconnection studies for distribution and generation (delegated)
    - Meeting NERC Planning standards
  - 10-year plan published annually
  - Open, transparent, collaborative planning process

# ATC's Perspective

- Good transmission planning requires broad community involvement in an open and transparent planning process
- "All transmission is local"
  - Transmission projects that integrate local needs with regional needs are much more likely to gain acceptance needed to site and build them

# Planning Principles

- Coordination
  - Customers/stakeholders involved in developing 10-Year Assessment
  - Regional coordination as a member of Midwest ISO and numerous transmission study groups
  - On-going meetings with our customers and other stakeholders to develop transmission projects
- Openness
  - Customer/stakeholder data and needs incorporated in 10-Year Assessment
  - Open invitation for comment or discussion on proposed solutions
  - Collaboration efforts on larger projects
  - Conduct “Open Houses” for all major projects and incorporate all comments as part of Public Service Commission filing
  - Non-disclosure agreement for system planning information

# Planning Principles

- Transparency
  - ATC has a bias toward sharing information when it's permissible
  - Basic planning criteria, planning assumptions data and methodologies are posted on the OASIS and on ATC's external Web site
  - Certain Base Case information relating to stability and fault duty studies are routinely published
- Information Exchange
  - Receive 10-year load forecasts from customers and requests information on future generation and retirements
  - Share and solicit feedback on study assumptions for some large projects
  - Regular meetings with our customers at all levels of their organizations

# Planning Principles

- Comparability
  - As a stand-alone transmission company, ATC treats all customers equally and has no inherent conflicts in doing so
  - Incorporate demand response through load forecast reductions and by making specific assumptions in our models
- Dispute Resolution
  - ATC attempts first and foremost to avoid disputes with regular, open and honest communication
  - Agreements include specific dispute resolution procedures
  - Disputes also are resolved through state regulatory process

# Planning Principles

- Regional Participation
  - Member of Midwest ISO and numerous regional transmission study groups
  - Meets with adjacent TOs to coordinate planning
  - Partnered with Minnesota Power Company to build Arrowhead-Weston line
  - Partnered with ComEd to build Wempletown - Paddock
- Economic Studies
  - Proposed first economically-justified project in Midwest ISO
  - Performed one economic study at customer's request
- Cost Allocation
  - MISO TEMT Attachment FF

# Discussion