

**ATTACHMENT K  
OF AMERICAN TRANSMISSION COMPANY LLC  
A MEMBER OF  
THE MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.**

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**I. Introduction**

American Transmission Company LLC (ATCLLC), as a member company of the Midwest Independent Transmission System Operator, Inc. (Midwest ISO), pursuant to 18 C.F. R. §37.1, *et seq.*, establishes the following as the planning requirements applicable to transmission planning activities engaged in by ATCLLC under the provisions of the Midwest ISO Open Access Transmission and Energy Markets Tariff (EMT) effective December 7, 2007, as may from time to time thereafter be modified, changed, or amended, in accordance with the rules and requirements of the Federal Energy Regulatory Commission (FERC) or as provided in this Attachment K.

**II. Applicability**

The following shall apply to the transmission planning processes described below in connection with the transmission system planning required to be performed, or which in the determination of ATCLLC should be performed in fulfilling ATCLLC's obligation to provide interconnection service and open access transmission service for the benefit of all users of its Transmission Facilities under state and federal law, and to assure the availability of reliable transmission service for the use and benefit of all users of ATCLLC's Transmission Facilities.

**III. Purpose**

The purpose of this Attachment K is to identify and set forth, consistent with the requirements of 18 C.F. R. §37.1, *et seq.*, the practices and procedures of ATCLLC associated American Transmission Company LLC

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Dale Landgren, Chief Strategic Officer \_\_\_\_\_

with planning for the addition to, modification of, or extension of ATCLLC's Transmission Facilities.

There are several different planning functions set forth in this Attachment K, the purpose of which is to identify those changes, modifications, additions or extensions of ATCLLC's Transmission Facilities that are reasonable and appropriate to meet the requests of and needs of ATCLLC's Transmission and Interconnection Customers and the owners of the Distribution Facilities and Transmission Facilities that are interconnected to ATCLLC's Transmission Facilities. Each planning function employs different processes or procedures to arrive at the appropriate electric solution, including the construction of new or modification of existing Transmission Facilities that would meet the needs of ATCLLC's Interconnection and Transmission Customers and the owners of the Distribution Facilities and Transmission Facilities that are interconnected to ATCLLC's Transmission Facilities, or which will reduce the delivered cost of electric energy in the area in which ATCLLC's Transmission Facilities are located.

**IV. Definitions.** The definitions set forth below shall apply to this Attachment K. Any other capitalized term not otherwise defined shall have the meaning set forth in the Midwest ISO EMT.

**Best Value Planning** – The term “Best Value Planning” means the consideration of, or evaluation of, one or more alternatives to the proposed construction of new, or the modification of existing, Transmission Facilities which have been identified in a planning process designed to determine whether an alternative or alternatives exists that may include the construction of new, or the modification of the existing, Distribution Facilities

or Transmission Facilities owned by others that is less costly or which may provide a greater enhancement to the reliability, capability or integrity of ATCLLC's Transmission Facilities and such interconnected Transmission or Distribution Facilities when compared to the estimated cost of the construction and capability of the proposed new, or the proposed modification of, ATCLLC's Transmission Facilities, while taking into account the environmental considerations, regulatory approvals and the ability to construct the proposed Distribution or Transmission Facilities in a timely and appropriate manner.

**Business Practices** – The term “Business Practices” means the practices developed by ATCLLC with the participation of its Interconnection and Transmission Customers relating to the manner in which certain requests, certain activities, including the compensation to be paid for certain construction-related activities, that affect the Distribution Facilities owned by others that are affected by Transmission Facilities construction are to be handled by ATCLLC and how the owners of Distribution Facilities may be compensated if the construction of Transmission Facilities necessitates the addition to or modification of Distribution Facilities.

**Common Facilities** – The term “Common Facilities” means those facilities at a Distribution – Transmission, Transmission – Transmission or Generation – Transmission Interconnection that are used and useful to both ATCLLC and the owner of the interconnected Generating Facility or Distribution Facilities that are located at the Distribution Interconnection or Point of Interconnection. Common Facilities include, but are not limited to batteries, structures that house equipment, ground grids, fences, gravel

areas, parking areas, landscaping, access roads, yard lighting, shielding, and screening.

Common Facilities do not include land, land rights or Interconnection Facilities.

**Distribution Customer** – The term “Distribution Customer” means any entity whose Distribution Facilities are directly interconnected to the Transmission Facilities of ATCLLC and who has entered into a Distribution – Transmission Interconnection Agreement with ATCLLC or will, following the Distribution Interconnection Request planning analysis, be required to enter into a Distribution – Transmission Interconnection Agreement with ATCLLC.

**Distribution Interconnection** – The term “Distribution Interconnection” means the point at which the Transmission Facilities owned by ATCLLC that operate at 50 kV and above interconnect to the Distribution Facilities owned by others that operate at a voltage below 50 kV which serve the purpose of distributing energy to residential, commercial and or industrial end users through one or more distribution systems, or which are intended to support or otherwise enhance the other entity’s ability requesting such Distribution Interconnection to render service to one or more residential, industrial or commercial end users. Distribution Interconnection may, under certain circumstances, include the interconnection of facilities operating at greater than 50 kV if the party requesting such interconnection is a public utility, municipal utility or cooperative utility subject to the laws of the state in which such interconnection is requested, and the Distribution Interconnection is for the purpose of fulfilling their obligation to render retail transmission or distribution electric service to such residential, commercial or industrial

end users under the terms of a contract or state authorized, or municipally approved retail electric service requirement.

**Distribution – Transmission Interconnection Agreement** – The term “Distribution – Transmission Interconnection Agreement” means the agreement entered into between ATCLLC and one or more Distribution Customers, accepted by the FERC, that sets forth the terms and conditions applicable to the interconnection of one or more Distribution Systems to the Transmission Facilities of ATCLLC. A form of the Distribution – Transmission Interconnection Agreement is set forth at Appendix B to this Attachment K. The terms and conditions of the Distribution – Transmission Interconnection Agreement set forth at Appendix B may be changed, modified or revised by ATCLLC in its judgment and determination, but such change modification or revision shall be applicable to those Distribution – Transmission Interconnection Agreements entered into prior to such change, modification or revision only upon the agreement of the parties, or after approval of the FERC. All Distribution – Transmission Interconnection Agreements entered into with new entities shall be submitted for acceptance by the FERC.

**Distribution Facilities** – The term “Distribution Facilities” means the equipment, facilities, or associated elements, including Common Facilities, owned or operated by others that are interconnected to ATCLLC’s Transmission Facilities which are used by such other party to distribute energy to others at voltages below 50 kV, either in the form of distribution transmission service or the retail distribution of energy to residential, commercial or industrial end users.

**Distribution – Transmission Interconnection Request** – The term “Distribution – Transmission Interconnection Request” means the request of one or more owners of Distribution Facilities to modify or change an existing Distribution Interconnection or to interconnect proposed new Distribution Facilities at one or more locations pursuant to the terms and conditions of an existing Distribution – Transmission Interconnection Agreement or under the terms of a new Distribution – Transmission Interconnection Agreement.

**Generation – Transmission Interconnection** – The term “Generation – Transmission Interconnection” means the interconnection of one or more generating facilities interconnected to ATCLLC under the terms of a Generation – Transmission Interconnection Agreement, accepted by the FERC, entered into by the owner or operator of such generating facility either with ATCLLC only or in conjunction with the Midwest ISO either under the requirements of the FERC or the provisions of Attachments R or X of the Midwest ISO EMT.

**Generation – Transmission Interconnection Agreement** – The term “Generation – Transmission Interconnection Agreement” means one or more agreements entered into between ATCLLC and the owners or operators of generating facilities, or the Generator Interconnection Agreement entered into between ATCLLC, the Midwest ISO and the Interconnection Customer under the provisions of Attachment R or Attachment X of the Midwest ISO EMT that set forth the terms and conditions of interconnection service relating to the interconnection of one or more generating units to ATCLLC’s Transmission Facilities. A form of the Generation – Transmission Interconnection

Agreement involving ATCLLC and the Interconnection Customer only is set forth at Appendix C of this Attachment K. A form of the Large Generator Interconnection Agreement employed by the Midwest ISO is set forth at Attachment X of the Midwest ISO EMT. A form of the Small Generator Interconnection Agreement is set forth at Attachment R of the Midwest ISO EMT. All Generation – Transmission Interconnection Agreements to which ATCLLC is a party are or have been submitted to the FERC for acceptance.

**Generation – Transmission Interconnection Request** – The term “Generation – Transmission Interconnection Request” shall have the same meaning as set forth in the Midwest ISO EMT and shall apply to all requests to interconnect new or increased generating capacity to ATCLLC’s Transmission Facilities irrespective of whether the request is made pursuant to a Generation – Transmission Interconnection Agreement to which ATCLLC is only a party, or whether the request is made pursuant to Attachments R or X or the terms and conditions of a Small Generator Interconnection Agreement or Large Generation-Transmission Interconnection Agreement in which the Midwest ISO is also a party.

**Operating Capability** – The term “Operating Capability” means the ability of a piece of equipment or any element of the ATCLLC’s Transmission Facilities to operate at any particular level, rate or capability, notwithstanding its Physical Capacity, when operated under the then existing operating conditions in conjunction with other elements of ATCLLC’s Transmission Facilities.

**Physical Capacity** – The term “Physical Capacity” means the physical ability of any piece of equipment to operate without failure based upon its physical ability or operating rating or operating limits determined by the manufacturer or otherwise calculated or determined by ATCLLC to be the physical limit of any one item or element of its Transmission Facilities and as reported by ATCLLC to the Midwest ISO in accordance with the requirements of Appendix B of the Transmission Owners’ Agreement.

**Regional Planning** – The term “Regional Planning” means the planning engaged in by ATCLLC under the provisions of this Attachment K with the owners or operators of the Transmission Facilities that are interconnected with the Transmission Facilities of ATCLLC or the owners and operators of Transmission Facilities that may be affected by any modification, addition or extension of ATCLLC’s Transmission Facilities and pursuant to the provisions of Appendix B of the Agreement of the Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation, Midwest ISO FERC Electric Tariff, First Revised Rate Schedule No. 1 and Attachment FF of the Midwest ISO EMT.

**Ten Year Assessment** – The term “Ten Year Assessment” means the report published by ATCLLC annually setting forth the planning activities engaged in by ATCLLC relating to its Network Adequacy, which incorporates the Distribution Interconnections and Generation – Transmission Interconnections requested and studied, and the Transmission Service Requests requested by Transmission Service Customers and which identifies those provisional, projected or planned Transmission Facilities construction projects that have been identified that are reasonably believed to meet the requests of



ATCLLC's Interconnection and Transmission Customers, and assure the necessary Network Adequacy of its Transmission Facilities to provide safe, reliable transmission service with sufficient Operating Capability and Physical Capacity to meet the needs of all users of its Transmission Facilities.

**Transmission Customer** – The term “Transmission Customer” shall have the meaning set forth at Section 1.317 of the Midwest ISO EMT.

**Transmission Service Request.** The term “Transmission Service Request” shall mean a Transmission Service Request made by a Transmission Customer or prospective Transmission Service Customer made under Module B of the Midwest ISO EMT and shall be governed by the provisions of the Midwest ISO EMT.

**Transmission Service.** The term “Transmission Service” shall have the meaning set forth in Section 1.327 of the Midwest ISO EMT and shall be provided in accordance with the terms of the Midwest ISO EMT.

**Transmission – Transmission Interconnection** – The term “Transmission – Transmission Interconnection” means the interconnection of Transmission Facilities owned by parties other than ATCLLC interconnected to or which are proposed to be interconnected to the Transmission Facilities of ATCLLC, and which are operated, or when constructed, will operate at a voltage greater than 50 kV or which are used by the owner to transmit bulk quantities of energy for or on behalf of itself or its customers under the terms of the Midwest ISO EMT or other comparable transmission service tariff, or pursuant to a contract or agreement and which have been classified by the owner or the

appropriate state regulatory authority as Transmission Facilities in accordance with the applicable provisions of Order No. 888 (FERC's "seven-factor test").<sup>1</sup>

**Transmission – Transmission Interconnection Agreement** – The term "Transmission – Transmission Interconnection Agreement" means the agreement entered into by ATCLLC and the owners or operators of Transmission Facilities, accepted by the FERC, that sets forth the terms and conditions relating to the interconnection of their Transmission Facilities to the Transmission Facilities owned by ATCLLC.

**Transmission Facilities** – The term "Transmission Facilities" means the poles, wires, structures, substations, control devices, protection methods, and other related equipment owned by ATCLLC and operated at voltages of 50 kV and above and that are used to render Interconnection Service or Transmission Service to Interconnection and Transmission Customers under the provisions of the EMT. The term "Transmission Facilities" also refers to like facilities owned by others which are used for the purpose of carrying bulk quantities of electric energy for others or for the ultimate distribution of such electric energy to residential, commercial or industrial end users and which have been classified by the owner or the appropriate state regulatory authority as Transmission Facilities in accordance with the applicable provisions of Order No. 888 (FERC's "seven-factor test").<sup>2</sup>

**V. Planning Processes.** Consistent with the requirements of 18 C.F. R. §37.1, *et seq.*,

ATCLLC sets forth its planning processes in detail below:

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<sup>1</sup> See Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 FR 21540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996) at 31,771.

<sup>2</sup> See Order No. 888 at 31,771.

**A. Planning Purpose.** ATCLLC hereby identifies the various planning functions engaged in by ATCLLC. The purpose of each planning function is to either meet the requested need of one or more Interconnection Customers, Transmission Customers, or interconnected entity that owns Distribution Facilities or Transmission Facilities or which are necessary in ATCLLC's reasonable judgment to insure that ATCLLC's Transmission Facilities operate in a safe, reliable manner with sufficient Physical Capacity, Operating Capability and reliability to provide adequate transmission service to meet the needs of all users of its Transmission Facilities and to fulfill its legal obligations under state and federal law, or which reduces the cost of energy in the area in which ATCLLC's Transmission Facilities are located.

**B. Planning Requests; Planning Requirements.** In connection with each planning function, the activities associated with that planning function, together with the processes, procedures and methods employed by ATCLLC depends on the type of request made by one or more Interconnection or Transmission Customers or the owners of the Distribution or Transmission Facilities interconnected to ATCLLC's Transmission Facilities. Additionally, for the purposes of 1) Network Adequacy, 2) coordination with the owners of other Transmission Facilities or 3) coordination with the Midwest ISO and the Pennsylvania- New Jersey- Maryland Interconnect LLC (PJM), ATCLLC engages in planning that in ATCLLC's judgment and determination is necessary to ensure the safe, reliable operation of its Transmission Facilities as a whole and to assure that there is sufficient Physical Capacity, Operating Capability and reliability to render open access, non-discriminatory Interconnection and Transmission Service to all users of its Transmission Facilities.

**C. Planning Functions.** In order to assure reliable Transmission Facilities capable of rendering reliable Interconnection and Transmission Service with sufficient Physical Capacity, Operating Capability or reliability to meet the needs of all Transmission and Interconnection Customers, or the needs of other Distribution Facilities or Transmission Facilities Owners whose Distribution Facilities or Transmission Facilities are interconnected with ATCLLC's Transmission Facilities, ATCLLC engages in the following planning functions:

Distribution – Transmission Interconnection Planning

Generator – Transmission Interconnection Planning

Transmission – Transmission Interconnection Planning

Transmission Service Planning

Network Adequacy Planning

Regional Coordination Planning (Transmission – Transmission; Midwest ISO Region; PJM Region)

Economic Project Planning

**D. Applicable Planning Criteria.** In carrying out each planning function, ATCLLC shall use: (1) all applicable reliability requirements established by the North American Electric Reliability Corporation (NERC) or any successor Electric Reliability Organization certified by the FERC, (2) the criteria set forth in Appendix A to this Attachment K, or (3) any reliability requirements established by the Regional Entities approved by NERC and the FERC, and with whom ATCLLC is registered, including Midwest Reliability Organization (MRO) or ReliabilityFirst Corporation (RFC) and (4) such other criteria as ATCLLC may from time to time determine, provided that in the event that there is any conflict between the criteria

developed or employed by ATCLLC and those of MRO, RFC or NERC, then the criteria established by MRO, RFC or NERC shall apply. Appendix A shall be posted on ATCLLC's page of the Midwest ISO Open Access Same-time Information System (OASIS).

**E. Controlling Planning Criteria; Modifications to Planning Criteria.** In the event that there is any conflict between the reliability criteria established by MRO or RFC, then the criteria established by MRO shall apply. In the event that there is any conflict between the reliability criteria established by MRO, RFC or NERC, then the more conservative or more restrictive criteria shall be applied by ATCLLC in performing its planning functions. ATCLLC reserves the right to change, modify, supplement or otherwise revise the criteria employed by ATCLLC and used in connection with any planning process identified in this Attachment K so long as such changed, modified, supplemented or revised criteria are applicable only to planning functions, or to projects proposed, planned or constructed that were identified in such planning functions subsequent to such change, modification, supplement or revision to the criteria, and provided further that such change, modification, supplement or revision shall become applicable thirty (30) days following the posting by ATCLLC of a revised Appendix A on its page of the Midwest ISO OASIS setting forth such change, modification, supplement or revision to the reliability criteria employed in any planning function or when required by NERC, MRO or RFC. To the extent that the criteria employed by ATCLLC are not governed by the reliability criteria of NERC, MRO, RFC, or the rules and regulations of the FERC, ATCLLC shall employ such criteria as, in ATCLLC's judgment, will provide the more effective means of planning for reliable Transmission Facilities that can be constructed in a cost effective manner, taking into account any state regulatory requirements that may be applicable, while taking into account Best

Value Planning associated with any project identified which is proposed to be constructed as a result of the study or studies or other assessment performed in connection with one or more of the planning functions.

**F. Planning Models.** ATCLLC employs a number of planning models in order to properly assess the Distribution – Transmission Interconnection Requests, the Generation – Transmission Interconnection Requests, the Transmission – Transmission Interconnection Requests, the Network Adequacy of its Transmission Facilities, and the inter-relationship of the results of its transmission plans on adjoining Distribution Facilities or Transmission Facilities owners or the Midwest ISO Region or PJM Region as a whole, particularly in connection with the evaluation of proposed transmission projects that are based upon economic factors as well as reliability, capability and safety factors. The models or other assessment tools employed by ATCLLC are set forth in Appendix \_\_ to this Attachment K. ATCLLC reserves the right to discontinue the use of certain models or assessment tools, or to add additional models or assessment tools in its reasonable judgment. To the extent that ATCLLC discontinues the use of any model or assessment tool, or begins using any model or assessment tool in connection with any of the planning functions identified below, ATCLLC will amend Appendix \_\_\_\_\_. The use of such tool or the discontinuance of the use of such tool shall be effective upon the revision to Appendix \_\_\_\_\_. Appendix \_\_\_\_\_, and any revisions modifications or additions to Appendix \_\_\_\_\_ shall be posted by ATCLLC on its page of the Midwest ISO OASIS. Any interested party may request, in writing, copies of the models or assessment tools employed by ATCLLC in performing any planning function or associated analysis or assessment, and ATCLLC shall provide copies of such models under appropriate confidentiality agreements, subject to the rules

and regulations of the FERC. To the extent that such models or assessment tools are used in connection with any proprietary software, hardware or other process owned or distributed by parties other than ATCLLC, ATCLLC will identify the items required to run the requested models, but ATCLLC makes no representation concerning the use of or availability of any proprietary software, hardware or other process necessary to operate any model or assessment tool used or employed by ATCLLC. Any costs associated with acquiring the necessary software, hardware or other process to run or operate any model employed by ATCLLC in any planning function is the responsibility of the party requesting such model or assessment tool.

**VI. Descriptions of Planning Functions.** The means, methods, processes and procedures associated with each planning function are set forth below:

**A. Distribution – Transmission Interconnection Planning**

**1. Distribution Interconnection Request.** Any entity that owns or operates Distribution Facilities shall be entitled to make a request to modify any existing Distribution Interconnection or to propose a new Distribution Interconnection. To the extent that the party making such request is a party to a Distribution – Transmission Interconnection Agreement, the terms and conditions of the Distribution – Transmission Interconnection Agreement shall apply. To the extent that such entity is not yet a party to a Distribution – Transmission Interconnection Agreement, ATCLLC shall perform the study or assessment provided for in this Attachment K, provided such entity enters into such Distribution – Transmission Interconnection Agreement prior to the need on the part of ATCLLC to seek any state regulatory approval for, or to engage in, the construction of any Transmission Facilities that are determined to be necessary as a result of the study or assessment performed. The planning associated with any new, or modified

Distribution Interconnection shall be undertaken upon receipt by ATCLLC of a written request by any entity and shall be subject to the Load Interconnection Business Practice established by ATCLLC. The Load Interconnection Business Practice is attached to this Attachment K as Appendix \_\_\_\_\_. ATCLLC posts its Load Interconnection Business Practice on its external Web site for review by all interested parties. ATCLLC reserves the right to amend, modify, revise or supplement its Load Interconnection Business Practice. No amendment, modification, revision or supplement shall be effective until an amended, modified, revised or supplemented Load Interconnection Business Practice is posted on ATCLLC's external Web site. All Distribution Interconnections are also subject to, and governed by, the terms and conditions of the Distribution – Transmission Interconnection Agreement between ATCLLC and the owners or operators of Distribution Facilities that are interconnected to ATCLLC's Transmission Facilities.

**2. Distribution Interconnection Study Request Queue.** Distribution Interconnection requests are studied or assessed by ATCLLC upon a first come, first served basis. ATCLLC maintains a queue of Distribution Interconnection requests made by those entities owning Distribution Facilities that are interconnected to ATCLLC's Transmission Facilities. Each request is studied in the order in which such request was received, unless the requested date for in-service of the modification of an existing Distribution Interconnection or the establishment of a new Distribution Interconnection requires that ATCLLC study a Distribution Interconnection request prior to other earlier received requests, or the party requesting such Distribution Interconnection identifies such other circumstances, including but not limited to, loss of load, low voltage, or potential emergency circumstances that, in ATCLLC's judgment and determination, require that a later received request should be studied prior to earlier received



requests, but which have a later in-service date or which do not involve any exigent circumstances. Subject to the forgoing, upon receipt of a written Load Interconnection Request pursuant to the Load Interconnection Business Practice from an entity with whom ATCLLC has entered into a Distribution – Transmission Interconnection Agreement, or the same or similar request from any entity not currently a party to a Distribution – Transmission Interconnection Agreement, ATCLLC shall conduct the appropriate evaluation of its Transmission Facilities employing such models or assessment tools as are appropriate in order to determine what if any modification, addition, or extension of its existing Transmission Facilities may be required in order to accommodate the new or modified Distribution Interconnection.

**3. Communication; Information.** ATCLLC shall communicate with the entity making such Distribution Interconnection request consistent with the Load Interconnection Request Business Practice, and consistent with the requirements of 18 C.F.R. §358.1, *et seq.*<sup>3</sup> as frequently as is necessary to insure that the request of the Distribution Facilities' owner is appropriately addressed and that ATCLLC has sufficient information in order to properly assess the impact of the modification of the existing Distribution Interconnection or the proposed new Distribution Interconnection upon ATCLLC's Transmission Facilities. The entity making the written Distribution Interconnection request, in addition to the information required under the

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<sup>3</sup> ATCLLC has entered into a number of Distribution – Transmission Interconnection Agreements with Affiliates as that term is used in 18 C.F.R. §358.1, *et seq.* Pursuant to ATCLLC's Compliance Plan, the communication between ATCLLC and its affiliates in connection with Distribution Interconnections is only with those distribution system planners of such affiliates and is governed by the terms of the Confidential Data Access Agreement (CDAA) entered into between ATCLLC and such Affiliate. ATCLLC's Compliance Plan and the companion CDAA was reviewed by the FERC in Docket No. TS04-76-000. *See Standards of Conduct for Transmission Providers, Docket No. RM01-10-000, Order No. 2004 Compliance Filing, American Transmission Company LLC* (Docket No. TS04-76-000) (February 9, 2004). Also see *Request of American Transmission Company LLC for Limited Waiver and Clarification of the Standards of Conduct* (Docket No. TS04-76-001) (July 7, 2004).

Load Interconnection Business Practice, shall, at the request of ATCLLC, provide such other information to ATCLLC as ATCLLC reasonably believes necessary, including but not limited to any studies performed by such entity, the estimated costs determined by such entity, and such other information as ATCLLC in its reasonable judgment shall determine. To the extent that such Distribution Interconnection request is received from an entity not currently a party to a Distribution – Transmission Interconnection Agreement, ATCLLC will commence and continue the study of such modification or new Distribution Interconnection, provided such entity agrees to enter into a Distribution – Transmission Interconnection Agreement and enters into such agreement prior to ATCLLC being required to seek regulatory approval for the construction of any Transmission Facilities determined to be necessary as a result of such study. In the event that no regulatory approval is required prior to the construction of any Transmission Facilities determined to be necessary, then the parties shall enter into such Distribution – Transmission Interconnection Agreement prior to the commencement of construction of any Transmission Facilities.

**4. Distribution Interconnection Planning Meetings.** In addition to specific Distribution Interconnection requests, ATCLLC shall, at periodic intervals, hold meetings with individual owners of Distribution Facilities, either collectively, individually, or in small groups of similarly situated or electrically inter-related Distribution Facilities in order to assess the need for specific Load Interconnection Requests and to assess whether the current Load Interconnection Requests are appropriate to meet the needs of an owner of such Distribution Facilities and to obtain such other information, or to validate previously received information, and to discuss with such Distribution Facility owners whether the studies or assessments then

being performed or which are to be performed, are appropriate to meet their respective needs, and to determine whether the study models or assessment tools are appropriate for the particular Distribution Interconnection or Distribution Facilities owner's requirements. ATCLLC shall conduct meetings regularly and involve those owners of Distribution Facilities whose distribution systems are, or based on ATCLLC's initial assessment, may be affected by a proposed Distribution Interconnection or which may be experiencing significant change, modification or revision. ATCLLC shall organize such meetings, and solicit information for the agenda for such meetings. Meetings may be telephonic or may be located at the offices of one of the owners in Distribution Facilities or one of the offices of ATCLLC depending on the location of the principal offices of the owner of the Distribution Facilities.

**5. Study Results.** Upon completion of its study or assessment, ATCLLC shall, consistent with the rules and regulations of the FERC relating to Standards of Conduct and Critical Energy Infrastructure Information (CEII), provide to the party requesting the Distribution Interconnection the results of its study or assessment, and shall identify the Transmission Facilities that, based on its study, have been determined to be necessary to permit the modification of the existing Distribution Interconnection or to interconnect the proposed new Distribution Interconnection together with a preliminary estimate of the costs associated with the regulatory approval of, if any, and the estimated cost of constructing such Transmission Facilities.

**6. Best Value Planning.** In addition, ATCLLC and the party requesting such Distribution Interconnection, shall engage in Best Value Planning to determine whether there are other distribution system modifications, additions or extensions that may provide the same or

greater benefit to facilitate the modification to the existing Distribution Interconnection or which will support the proposed new Distribution Interconnection at a lower estimated cost, or which, for a greater estimated cost, could provide a greater benefit to both the Distribution Facilities and the Transmission Facilities. The entity requesting such Distribution Interconnection shall provide such additional information, as ATCLLC may reasonably request including the estimated cost of constructing such alternatives to the Transmission Facilities identified in ATCLLC's study or studies or other assessment.

**7. Affect on other Transmission or Distribution Systems.** To the extent that a Distribution Interconnection Request may have, or upon study by ATCLLC, is determined to have, an impact on the Distribution or Transmission Facilities owned by others, ATCLLC shall provide the information necessary or the results of its study or assessment to the owner or owners of such other Distribution or Transmission Facilities subject to the rules and regulations of the FERC relating to Standards of Conduct and CEII. To the extent appropriate, ATCLLC, the party requesting the Distribution Interconnection and the party or parties owning such affected Distribution or Transmission Facilities shall engage in such further planning and assessment, including such meetings (whether telephonic or in person), including Best Value Planning to determine what Distribution or Transmission Facilities may be required to fulfill the Distribution Interconnection request, giving consideration to the impact of such interconnection on the Transmission Facilities of ATCLLC and the impact of such Distribution Interconnection request on the Distribution or Transmission Facilities of such other party or parties.

**8. Inclusion of Distribution Interconnection Request Study Results in other Planning Functions.** To the extent necessary and appropriate, ATCLLC shall incorporate the

results of the studies or assessments performed for any and all Distribution Interconnection requests in its Network Assessment and shall reflect such modifications to existing Distribution Interconnections or proposed new Distribution Interconnections in any Generation – Transmission Interconnection study or assessment or in any other Distribution Interconnection study or assessment that may be electrically affected by the Distribution Interconnection request, and the Transmission Facilities that are determined to be necessary as a result of such study or studies or other assessment shall be incorporated into such other planning function, including but not limited to, other Distribution Interconnection requests, Generation Interconnection requests, Transmission Service Request, Network Assessment, Regional Plans, or the Midwest ISO Transmission Expansion Plan, to the extent necessary or appropriate to reflect the affect of such request or the Transmission Facilities determined necessary to fulfill such request on the configuration or ATCLLC's Transmission Facilities, and shall be incorporated in any models or assessment tools utilized in such other planning functions.

**9. Cost Allocation of Transmission Facilities Required to Fulfill a Distribution Interconnection Request.** The allocation of the costs of any Transmission Facilities constructed by ATCLLC determined to be necessary to fulfill any Distribution Interconnection request shall be handled in the following manner:

A. To the extent that such Transmission Facilities are necessary to permit ATCLLC to render adequate service under the terms of the Distribution – Transmission Interconnection Agreement, the costs associated with the construction of such Transmission Facilities shall be paid for by ATCLLC and those costs incurred shall be recovered in accordance with the provisions of Attachment O of the Midwest ISO EMT, or as otherwise may be

recovered under the provisions of Attachment FF of the Midwest ISO EMT, or any successor provisions of the Midwest ISO EMT that permit ATCLLC to recover its capital costs and revenue requirement associated with rendering Transmission and other services.

B. To the extent that any portion of the costs associated with the Distribution – Transmission Interconnection are governed by the Business Practices adopted by ATCLLC, then the responsibility for the payment of such costs shall be initially allocated between the Distribution Customer and ATCLLC in accordance with such Business Practices.

C. To the extent that any Transmission Facilities required to meet the needs of any Distribution Interconnection Request qualifies as a Baseline Reliability Project under the provisions of Attachment FF of the Midwest ISO EMT, then the costs associated with such Transmission Facilities shall be allocated in accordance with the provisions of Attachment FF of the Midwest ISO EMT.

**B. Generator – Transmission Interconnection Planning**

**1. Generator Interconnection Requests.** Requests received to interconnect new generating facilities or to modify existing Generator – Transmission Interconnections, to the extent that such request involves new generating capacity or an increase in the generating capacity currently interconnected to ATCLLC's Transmission Facilities at a Generation Interconnection are governed under the terms of Attachments R and X of the Midwest ISO EMT. All requests to interconnect new or to increase the generating capacity of existing generating facilities shall be made to the Midwest ISO pursuant to either Attachment R or Attachment X of the Midwest ISO EMT. All studies required to assess the impact of such new or increased generating capacity shall be performed in accordance with Attachment R or Attachment X of the

Midwest ISO. The results of such studies, together with the Transmission Facilities that are determined to be required to interconnect such new or increased generating capacity shall be reflected in either an amendment to the existing Generation – Transmission Interconnection Agreement between ATCLLC and the Interconnection Customer, or where appropriate, between ATCLLC, the Interconnection Customer and the Midwest ISO, or a new Large Generator Interconnection Agreement or Small Generator Interconnection Agreement entered into pursuant to Attachment X or Attachment R of the Midwest ISO EMT.

**2. Requests to Modify Existing Generation – Transmission Interconnections That Do Not Involve an Increase in Generating Capacity.** Any Interconnection Customer may request, in writing, that ATCLLC perform any necessary studies or assessment of the impact of proposed modifications, additions, or supplemental Interconnection Facilities or auxiliary facilities to be installed by the Interconnection Customer at the existing Generation Interconnection with ATCLLC's Transmission Facilities or any Common Facilities located at the Point of Interconnection. In addition to the requirements set forth in this Attachment K, the results of such studies, together with the Transmission Facilities that are determined to be required to accommodate such modifications or additions may be reflected, if necessary, in an amendment to the existing Generation – Transmission Interconnection Agreement between ATCLLC and the Interconnection Customer pursuant to Attachment X or Attachment R of the Midwest ISO EMT.

**3. Generation – Interconnection Request.** Upon receipt by the Midwest ISO of a request under either Attachments R or X of the Midwest ISO EMT, the studies required under the Midwest ISO EMT shall be performed at the direction of the Midwest ISO. If the request

does not involve new generating capacity or an increase in the generating capacity at an existing Point of Interconnection, then ATCLLC shall study or assess the impact on ATCLLC's Transmission Facilities of any, modification, addition or supplement to the Interconnection Facilities, Common Facilities, or auxiliary facilities of the Interconnection Customer. ATCLLC shall perform such studies or assessment using such models or assessment tools as ATCLLC shall determine. ATCLLC shall perform such study or assessment in a reasonable period of time following receipt of such request, but in no event shall ATCLLC commence such study or assessment more than one hundred and twenty (120) days following receipt by ATCLLC of sufficient information from the Interconnection Customer to permit ATCLLC to perform the appropriate study or assessment of the impact of such addition, modification or supplement to the Interconnection Facilities, Common Facilities, or auxiliary facilities located at the Generation – Transmission Interconnection.

**4. Generation – Transmission Interconnection Information; Communication.** The Interconnection Customer shall provide ATCLLC with sufficient information in order to permit ATCLLC to perform such studies or assessments necessary to determine the impact of the addition, modification or supplement to the Interconnection Facilities, Common Facilities, or auxiliary facilities may have on ATCLLC's Transmission Facilities. The information that the Interconnection Customer shall supply shall include, but not be limited to information consistent with the Midwest ISO Attachments R and X, and such other information ATCLLC reasonably determines to be required to permit ATCLLC to perform the assessment or analysis. The Interconnection Customer and ATCLLC shall communicate as frequently as necessary in order to insure that ATCLLC has sufficient information to appropriately study or assess the impact of



the change, modification, addition or supplement to the Interconnection Facilities, Common Facilities, or auxiliary facilities at the Generation – Transmission Interconnection.

**5. Study Results; Completion.** Upon receipt of the necessary information, ATCLLC shall, within a reasonable period of time not to exceed one hundred and twenty (120) days following receipt of sufficient information from the Interconnection Customer, complete the study or studies or make such other appropriate assessment of the impact of the change, modification, addition or supplement to the Interconnection Facilities, Common Facilities or auxiliary facilities at the Generation – Transmission Interconnection. Upon completion of the study or studies or other assessment, ATCLLC shall post on ATCLLC's external Web site a copy of such study or studies or other assessment to the Interconnection Customer which shall identify the modifications, additions or extensions of ATCLLC's Transmission Facilities, together with the preliminary estimated costs, that ATCLLC has determined are required as a result of the change, modification, addition or supplement at the Generation – Transmission Interconnection.

**6. Impact on Other Systems.** To the extent that the impact of the change, modification, addition or supplement of the Interconnection Facilities, Common Facilities or auxiliary facilities at the Generation – Transmission Interconnection, based on ATCLLC's study or assessment, may have an impact on the Distribution or Transmission Facilities owned by others, ATCLLC shall so advise the Interconnection Customer. To the extent permitted and authorized in writing by the Interconnection Customer, ATCLLC will make a copy of its study or studies or other assessment available to the owners of the Distribution or Transmission Facilities that may be affected by the change, modification, addition or supplement to the

Generation – Transmission Interconnection. To the extent authorized, ATCLLC, the Interconnection Customer and the owner or owners of the Distribution Facilities or Transmission Facilities that are affected by the change, modification, addition or supplement at the Generation – Transmission Interconnection shall engage in Best Value Planning to determine if there are other, less costly, or more appropriate solutions, other than the changes, modifications, additions or extensions of ATCLLC's Transmission Facilities in order to meet the Interconnection Customer's request, taking into account the environmental concerns, regulatory concerns, and the estimated cost of such alternative or alternatives. Upon completion of any Best Value Planning, ATCLLC shall provide the Interconnection Customer with the results of such Best Value Planning study or assessment.

**7. Inclusion of Generation Interconnection Studies in Other Planning Functions.** The results of all studies or assessment of Generation Interconnections, whether performed pursuant to Attachments R or X of the Midwest ISO EMT, or the provisions of this Attachment K, shall be included by ATCLLC in any other planning function, and the Transmission Facilities that are determined to be necessary as a result of such study or studies or other assessment shall be incorporated into such other planning function, including but not limited to, other Generation Interconnection requests, Network Assessment, Regional Plans, or the Midwest ISO Transmission Expansion Plan, to the extent necessary or appropriate to reflect the affect of such change on the configuration or ATCLLC's Transmission Facilities, and shall be incorporated in any models or assessment tools utilized in all affected planning functions.

**8. Allocation of Generation – Transmission Facilities Costs.** To the extent that ATCLLC constructs any Transmission Facilities to fulfill any Generation Interconnection

Request, the costs associated with such Transmission Facilities shall be allocated to the extent such Generation Interconnection Request is governed by the provisions of Attachment R or Attachment X of the Midwest ISO EMT. Then the costs associated with the construction of any Transmission Facilities required in connection with fulfilling such Generation Interconnection Request shall be allocated in accordance with the provisions of Attachment R or Attachment X, the provisions of the Small Generator Interconnection Agreement, the provisions of the Large Generator Interconnection Agreement, or the provisions of Attachment FF of the Midwest ISO EMT as applicable.

**C. Transmission Service Planning**

**1. Transmission Service Requests.** Transmission Service Requests shall be governed by the terms of the Midwest ISO EMT. Any request for Network Integration Transmission Service, Firm Point-to-Point Transmission Service, Interruptible Transmission Service or any other transmission-related service, including but not limited to, the change to any receipt or delivery point under any existing Transmission Service Agreement, or the receipt of any ancillary services, shall be made to the Midwest ISO and shall be governed by the provisions of the Midwest ISO EMT. The results of any studies or assessments performed in connection with any Transmission Service Request shall be included in any other planning function that may be affected by such Transmission Service Request, including but not limited to Distribution Interconnection Requests, Generation Interconnection Requests, Network Assessment or Regional Planning, or the Midwest ISO MTEP, to the extent necessary or required.

**2. Allocation of Transmission Facilities Costs Related to Transmission Service Requests.** To the extent that the study or assessment of any Transmission Service Request

results in the construction of any Transmission Facilities, the costs associated with the construction of such Transmission Facilities shall be allocated in accordance with the provisions of the Midwest ISO EMT and the provisions of ATCLLC's Attachment O to the Midwest ISO EMT. To the extent that the Transmission Facilities are determined to be a Baseline Reliability Project, or Regionally Beneficial Project, then the costs associated with the construction of such Transmission Facilities shall be allocated in accordance with Attachment FF of the Midwest ISO EMT.

**D. Network Adequacy Planning**

**1. Network Assessment; Ten Year Assessment.** In addition to any requests made by any Interconnection or Transmission Customers, or the owners of any Distribution or Transmission Facilities interconnected with ATCLLC's Transmission Facilities, ATCLLC performs an assessment of the need to modify, extend, or construct new Transmission Facilities to provide, safe, reliable, Interconnection and Transmission Service and to insure that its Transmission Facilities are capable of providing and have the Physical Capacity to reliably provide adequate Transmission Service to meet the needs of all users of its Transmission Facilities. Each year, ATCLLC shall perform such studies and assessments of various attributes and elements of its Transmission Facilities in order to determine whether any change, modification, extension or addition to its Transmission Facilities is required over the next ten (10) year period. The results of such studies and assessments shall be published as ATCLLC's *Ten Year Assessment* (TYA). As described in more detail below, the TYA shall make an assessment of the Transmission Facility construction projects over a ten year planning horizon, and shall determine whether such projects are provisional, proposed or planned. For the

purposes of this Attachment K and the TYA, a provisional project is one that has been identified, based on an initial assessment of one or more needs of ATCLLC's Transmission Facilities, either from a reliability, Physical Capacity, maintenance or Operating Capability requirement. However, the information available to support the need determination is either not yet sufficient or warrants further evaluation before the need can be adequately determined. For the purposes of this Attachment K and the TYA, a proposed project is one for which the electrical need has been sufficiently determined from a reliability, Physical Capacity, maintenance or Operating Capability requirement, but for which there are more than one electrical solutions that could result in changes, additions, modifications or extensions to one or more elements of ATCLLC's Transmission Facilities. For the purposes of this Attachment K and the TYA, a planned project is one that is sufficiently justifiable on the basis of the electrical need to support the reliability, Operating Capability, maintenance, or Physical Capacity requirements of ATCLLC's Transmission Facilities and that all other electrical solution alternatives have been considered and the planned projects determined to be the Transmission Facilities construction project that will meet the needs of ATCLLC and its Transmission and Interconnection Customers, and the needs of the owners of the Distribution and Transmission Facilities that are interconnected to ATCLLC's Transmission System.

**2. Participation in and Information Gathering For the Network Assessment and the TYA.** For the purposes of the TYA and the general Network Assessment, ATCLLC, not less frequently than annually, shall solicit information from all Interconnection Customers, Transmission Customers and the owners of all Distribution Facilities that are interconnected to ATCLLC's Transmission System. Each party shall be contacted by using the form letters

attached as Appendix \_\_\_\_ to this Attachment K which request the supply of certain information concerning each recipient's current and projected use of ATCLLC's Transmission Facilities or the needs of their respective Interconnection or Distribution Facilities. The information set forth in such letters shall be collected and compiled and taken into account in any models and assessment tools that ATCLLC uses to study and make its assessment of its Transmission Facilities requirements. In addition to the information solicited from all interconnected entities, ATCLLC shall contact such interconnected parties as it deems necessary or appropriate to obtain all additional information, including, but not limited to load forecasts, generation requirements, generation retirements, generation outage schedules, and distribution construction programs. ATCLLC shall incorporate or otherwise take into account the information provided by all Distribution Facilities owners, and shall incorporate or otherwise take into account all Distribution, Generation Interconnection and Transmission Service Requests previously studied or assessed by either ATCLLC or the Midwest ISO in conducting its studies and assessment of its Transmission Facilities needs, as well as any Transmission Facilities construction that may result from any Regional Planning as set forth below.

**3. Information Verification.** ATCLLC shall communicate with any party supplying information to be incorporated in or otherwise taken into account in performing the studies or assessments associated with the TYA. Such communication may be individually with the entity supplying such information, or may be with more than one owner of Distribution Facilities to the extent that their respective systems are electrically interrelated or otherwise have an impact or effect on their respective use or interconnection to ATCLLC's Transmission Facilities. To obtain information, or to verify information that has been supplied, ATCLLC may:

A. Meet individually with the entity supplying the information. To the extent of such meeting, ATCLLC shall coordinate the date, time and location of such meeting or meetings, whether such meetings are to be telephonic or in person, and shall coordinate the determination of the agenda. Any such meetings shall be conducted in accordance with the requirements of ATCLLC's CDAA, the FERC's Standards of Conduct, and shall take into account the requirements of the FERC in connection with CEIL.

B. Communicate telephonically or electronically with representatives of such entity supplying information requested by ATCLLC in connection with the TYA. Any meetings or communications shall be as frequent as the party supplying the information may request or as ATCLLC may determine to assure itself that the information supplied by such entity is complete, accurate and sufficient to permit ATCLLC to incorporate such information in the studies or assessments associated with the TYA.

**4. Information Review/Feedback by Stakeholders.** Following the verification of the data provided by Interconnection Customers, Transmission Customers and the owners of all Distribution Facilities that are interconnected to ATCLLC's Transmission System, ATCLLC shall hold one or more meeting with customers and stakeholders to discuss the assumptions set forth for inclusion in the TYA and the models that will be used to perform the assessment. The meeting or meetings to discuss the TYA shall be held by ATCLLC at such locations and at such times as may be convenient for customers and other stakeholders. ATCLLC shall establish the date, time, and place for such meeting or meetings and ATCLLC shall post notice of such meeting or meetings on its external Web site to provide notice to all parties. Information regarding assumptions and models shall be posted on ATCLLC's external Web site. Any

Interconnection Customer, Transmission Customer, owner of Distribution Facilities or Transmission Facilities, as well as any other stakeholder, including state regulators, local, state and federal governmental officials, and members of interested community organizations shall be entitled to participate in such meeting or meetings held to discuss assumptions and models. Participants in such meetings, or thereafter, shall be entitled to comment on, provide additional information associated with, or otherwise offer suggested revisions, changes, modifications or additions to the assumptions that will be used in performing the studies required by the TYA. Stakeholders may comment on the inputs provided. Such comments, provided they are predicated on relevant facts, information not available during the study, or evaluation of the Network requirements, shall be considered, and to the extent appropriate, included in the evaluation of the Network requirements, and may be included in the TYA analysis.

**5. Studies and Assessments.** ATCLLC shall perform such studies or assessments of its Network requirements employing the models or assessment tools set forth in Appendix \_\_\_\_ to this Attachment K as ATCLLC determines are appropriate or necessary, given the information supplied by the entities interconnected to its Transmission Facilities. ATCLLC reserves the right to verify the information supplied by others, or to make such additional assessments of the needs, systems or utilization of ATCLLC's Transmission Facilities as ATCLLC determines are appropriate in order to assure itself that the information utilized in any such model or assessment tool is as accurate and complete as necessary to permit ATCLLC to perform an appropriate assessment of its Network requirements. Further, ATCLLC shall, to the extent necessary, obtain from the Midwest ISO any information that the Midwest ISO may have, or employ any models



developed by the Midwest ISO which will facilitate or otherwise permit ATCLLC to make an appropriate evaluation or assessment of the Network requirements for its Transmission Facilities.

**6. Network Assessment Study Results.** Upon the completion of its assessment of its Network requirements, ATCLLC shall publish and distribute to all parties wishing to receive a copy, its TYA. The TYA shall set forth the information obtained, the assumptions used in making such evaluation of its Network requirements and shall identify the Transmission Facilities construction projects, including all Distribution Interconnections, Generation Interconnections, and other construction projects that ATCLLC has determined will meet the needs of its Interconnection Customers, Transmission Customers and the owners of the Distribution Systems interconnected to ATCLLC's Transmission Facilities over the next ten (10) year period. The Transmission Facilities construction projects shall be identified as provisional, proposed, and planned, as defined in the TYA and this Attachment K.

**7. TYA Distribution.** ATCLLC shall provide a copy of its TYA to all entities that are interconnected to its Transmission Facilities, all state utility regulators in the states in which ATCLLC's owns Transmission Facilities, and shall post the availability of the TYA on its external Web site within not less than five (5) days following the mailing of the TYA to the parties identified in this provision of Attachment K. Thereafter, any customer or stakeholder may request the TYA. Upon receipt of such request, ATCLLC shall provide the requesting party the TYA.

**8. TYA Evaluation.** Following the publication of the TYA and its dissemination to interconnected parties and other stakeholders, ATCLLC shall hold one or more meeting(s) with customers and stakeholders to discuss the conclusions set forth in the TYA, and the

Transmission Facilities identified as provisional, proposed or planned solutions to meet the needs of ATCLLC's transmission system as a whole. The meeting or meetings to discuss the TYA shall be held by ATCLLC at such locations and at such times as may be convenient for customers and other stakeholders. ATCLLC shall establish the date, time, place for such meeting or meetings following the publication and dissemination of the TYA and shall post notice of such meeting or meetings on its external Web site to provide notice to all parties. Any Interconnection Customer, Transmission Customer, owner of Distribution Facilities or Transmission Facilities, as well as any other stakeholder, including state regulators, local, state and federal governmental officials, and members of interested community organizations shall be entitled to participate in such meeting or meetings held to discuss and distribute the TYA. Participants in such meetings, or thereafter, shall be entitled to comment on, provide additional information associated with, or otherwise offer suggested revisions, changes, modifications or additions to the conclusions reached in the TYA, and the identification of Transmission Facilities construction projects as set forth in the TYA. Such comments, provided they are predicated on relevant facts, information not available during the study or evaluation of the Network requirements shall be considered, and to the extent appropriate, included in the next evaluation of the Network requirements, and may be included in succeeding TYA.

**9. Customer Evaluation Committee.** In accordance with the Settlement entered into in Docket No. ER04-108-000, as approved by the FERC, ATCLLC shall, by October 1 of each year, provide information to its Interconnection and Transmission Customers concerning the Transmission Facilities construction projects that it intends to engage in during the next succeeding year, together with the estimated costs associated with such Transmission Facilities

construction projects. ATCLLC shall post its proposed Revenue Requirement, including its forecasted costs to be recovered for any Transmission Facilities construction project to be engaged in during the succeeding year on its external Web site. Thereafter, Interconnection and Transmission Customers shall be entitled to comment on the planned construction projects and such Revenue Requirement and costs associated with any or all planned Transmission Facilities construction project to be engaged in by ATCLLC during the succeeding year.

**10. Inclusion in the Midwest ISO Transmission Expansion Plan.** ATCLLC shall, consistent with Appendix B of the Transmission Owners' Agreement and in accordance with the provisions of the Midwest ISO EMT Attachment FF, upon completion of the analysis of any proposed Transmission Facilities project, or upon the completion of the evaluation of its Network Adequacy, identify to the Midwest ISO those provisional, proposed or planned projects that ATCLLC, in its judgment, has determined should be constructed to meet the needs of its Interconnection and Transmission Customers in order to fulfill ATCLLC's obligation to provide interconnection service and open access transmission service for the benefit of all users of its Transmission Facilities.

**E. Transmission – Transmission Interconnection Planning**

**1. Transmission – Transmission Interconnection and System Coordination.**

ATCLLC shall coordinate its Transmission Facilities assessment and any proposed Transmission Facilities construction with the owners of Transmission Facilities that are interconnected to ATCLLC's Transmission Facilities. The purpose of such coordination is to develop a coordinated assessment of the respective Transmission Facilities of the participating entities in order to identify any alternatives to any provisional, proposed or planned Transmission Facilities

construction project identified in ATCLLC's TYA, or which may have been identified by one or more of the owners of those interconnected Transmission Facilities as a Transmission Facilities construction project to be engaged in by such other Transmission Facilities owner for which one or more provisional, proposed or planned Transmission Facilities construction projects identified by ATCLLC could be an alternative.

**2. Transmission Coordination Meetings.** Meetings of the owners of Transmission Facilities that are interconnected to ATCLLC's Transmission Facilities shall be held no less frequently than annually, and may be held more frequently as the circumstances may require or as the needs of the respective Transmission systems may warrant. The meetings shall include ATCLLC and the representatives of at least one entity that owns Transmission Facilities that are interconnected to ATCLLC's Transmission Facilities. The meetings may be held in such locations, and at such time and place as ATCLLC and such owner or owners that intend to participate shall determine.

**3. Information Exchange.** ATCLLC and the owners of interconnected Transmission Facilities, in advance of such meeting or meetings, shall provide each other with the following information:

A. Any current Network assessment for the owners' respective Transmission Facilities.

B. The transmission or distribution construction plans of any owner of Distribution Facilities or other combined Transmission and Distribution Facilities that are interconnected to their respective systems, to the extent that such information can be provided consistent with the confidential nature of such information, and subject to the FERC's Standards

of Conduct; such other information as is necessary or appropriate in order to determine the proposed Transmission Facilities Construction plans proposed by such other entity and the information used to arrive at such conclusion or assessment.

**4. Purpose.** The purpose of such regional coordination of the assessment of the needs of the respective Transmission Facilities is to:

A. Identify Transmission System constraints or constrained interfaces between the respective Transmission systems.

B. Identify the problems of any load serving entity interconnected to the respective Transmission Facilities based upon the NERC mandatory Planning requirements, Regional requirements of the MRO or RFC, or the identified planning criteria of the respective owners of the Transmission Facilities, whichever is more conservative or restrictive.

C. Compare the respective needs of their Transmission systems and assess the provisional, proposed or planned Transmission Facilities construction projects of ATCLLC and such proposed projects identified by others to meet their respective needs, and develop such studies or assessments that will assist in determining whether there are other alternatives that could be considered that could achieve the same or greater electrical result either by alleviating one or more constraints on the respective Transmission systems or by providing greater Physical Capacity or Operating Capability or enhanced reliability at the same or lesser cost than the provisional, proposed or planned Transmission Facilities construction projects of ATCLLC or the proposed projects of such Transmission Facilities' owner or owners.

D. To the extent that the parties have made assessments of their respective Transmission Facilities and have determined that there are one or more provisional,

proposed or planned Transmission Facilities construction projects that warrants further study to determine whether a coordinated solution may be more appropriate, the parties shall agree upon the model or assessment tool to be used, and shall supply sufficient information to permit both parties to perform the evaluation or assessment of their respective systems in order to determine whether there is a coordinated Transmission Facilities construction project, or one or more alternatives to one or more provisional, proposed or planned Transmission Facilities construction projects proposed in such Transmission Facilities assessment that could be constructed, either by one or the other, or jointly, that would provide the same or greater Transmission system benefit at a lower cost, or a greater benefit to both Transmission systems.

E. In connection with any assessment performed, the parties shall agree upon the criteria to be employed or otherwise incorporated in the evaluation, study or other assessment to be performed. In no event shall the criteria to be used be contrary to the mandatory reliability requirements of NERC, MRO, or RFC, but such criteria may be more restrictive or more conservative than the reliability requirements of NERC, MRO or RFC.

**5. Study Results.** The results of each party's assessment, or the output of any model or assessment tool shall be shared with the other party or parties participating in such coordinated regional planning. To the extent that each party has performed the same or similar assessment, evaluation or analysis and have arrived at different results or different conclusions, the parties shall:

A. Determine if the results are a result of differing model characteristics, input information, assumptions or criteria used. To the extent possible, such differences shall be removed, or minimized, and to the greatest extent possible, the differences in

such information, assumptions, model characteristics or criteria shall be eliminated. The comparative results of such evaluations, assessments or analyses shall be shared with all parties participating in the Transmission – Transmission coordination.

B. The results of such comparative analyses, joint evaluations or assessment of the respective Transmission system requirements shall be included by ATCLLC in the next succeeding TYA following the conclusion of the study, assessment or other analysis performed the results of which have been jointly concurred in by all parties participating in such evaluation, assessment or analysis, and shall be incorporated, to the extent appropriate, in the Regional Plan of the Midwest ISO or PJM.

**6. Transmission Facilities Construction and Cost Allocation.** The costs associated with any Transmission Facilities construction project determined by such Transmission – Transmission Planning to be reasonably necessary shall be allocated in accordance with the requirements of any applicable state regulatory authority having jurisdiction over the siting of some or all of the construction, and, to the extent governed by the Midwest ISO or PJM transmission tariffs, in accordance with the provisions of the respective tariffs, or as otherwise may be agreed to by the Transmission Owners proposing the construction of such Transmission Facilities construction project.

**F. Economic Project Planning.**

**1. Economic Evaluations.** ATCLLC, at the request of one or more interconnected parties, or upon its own determination, may make an assessment of its Transmission Facilities to determine whether the construction, modification, addition or extension of ATCLLC's Transmission Facilities can provide economic benefits to its

interconnected parties when compared to the cost of constructing the proposed Transmission Facilities.

**2. Request for Economic Evaluations.** Any interconnected party, Interconnection Customer or Transmission Customer may, by March 1 of any year, request that ATCLLC perform such study, assessment or analysis for any proposed Economic Project. By no later than April 15 of each year, ATCLLC shall determine the two proposed Economic Projects that, based on a preliminary assessment, could provide an economic benefit greater than the costs of constructing any required Transmission Facilities.

**3. Economic Project Information.** In order for ATCLLC to consider any proposed Economic Project, the party requesting that such evaluation, study or analysis be done, shall provide the following information:

A. Identification of the constrained element of ATCLLC's Transmission Facilities, or the designation of the node within the Midwest ISO region in which a constraint may exist.

B. A list of the elements of ATCLLC's Transmission Facilities that would be affected by such constraint.

**4. Economic Project Posting.** ATCLLC, by April 15 of each year, shall post on its external Web site all proposed Economic Projects, and shall post on its Web site which two Economic Projects that ATCLLC has determined to perform. By no later than April 30 of each year, any Interconnection or Transmission Customer or other stakeholder, may comment on the proposed Economic Projects and on the two identified by ATCLLC for further study or evaluation. ATCLLC shall post all comments received relating to the proposed



Economic Projects. In the event that ATCLLC receives comments on the two Economic Projects that it proposes to study, ATCLLC may revise its determination on the Economic Projects to be evaluated. If ATCLLC changes its determination, ATCLLC shall, by no later than May 15, post the revised Economic Projects to be studied or evaluated.

**5. Economic Project Selection Criteria.** Annually, ATCLLC shall select the two Economic Projects for study based on the preliminary determination that the proposed Economic Projects have the potential to provide the greatest economic value by reducing the delivered cost of energy or reducing Congestion Costs, for Interconnection and Transmission Customers, and interconnected parties when compared to the preliminarily estimated Transmission Facilities construction cost.

**6. Economic Project Selection.** ATCLLC shall set forth its reasons for selecting the Economic Projects that it intends to evaluate, study or otherwise analyze in sufficient detail to permit interested parties to determine the basis upon which the selections were made.

**7. Economic Project Assessment Costs.** The evaluation, assessment or analysis associated with the two Economic Projects selected by ATCLLC shall be performed at no cost to the party recommending that such Economic Project be evaluated, studied or assessed.

**8. Time To Perform Such Economic Assessment, Study or Analysis.** To the extent possible, ATCLLC shall perform the necessary evaluation, assessment or study of such proposed Economic Projects within One Hundred and Eighty (180) days of the posting of the selection of the Economic Projects. However, ATCLLC expressly reserves the right to delay the completion of any Economic Project analysis in order to permit ATCLLC to conduct an

appropriate analysis, evaluation or assessment. If ATCLLC is unable to provide the results of its evaluation, assessment or analysis of the Economic Projects within the 180-day period, ATCLLC shall post on its Web site an interim report indicating the nature of the evaluation, analysis or assessment completed, and the amount of such evaluation, analysis or assessment remaining, together with an estimated date when such Economic Project evaluation, analysis or assessment is to be completed.

**9. Economic Project Study Models and Assessment Tools.** The Party recommending the Economic Project may suggest the study assumptions, study models or assessment tools to be used by ATCLLC. ATCLLC by April 15 shall post the assumptions, study models and assessment tools on its Web site and customers and stakeholders shall have until April 30, to comment on the assumptions, study models and assessment tools. However, ATCLLC reserves the right to employ such models or assessment tools as it deems appropriate to evaluate, analyze or assess such proposed Economic Project. The Party or other stakeholders recommending the Economic Project may suggest assumptions to be used by ATCLLC in the analysis; however, ATCLLC reserves the right to employ such assumptions as it deems appropriate to evaluate, analyze or assess such proposed Economic Project.

**10. Additional Economic Projects.** To the extent that ATCLLC has the ability to do so, ATCLLC may conduct such other Economic Project evaluation, analysis or assessment as possible, given the planning resources available to perform such evaluation, analysis or assessment. Any party requesting that ATCLLC perform the evaluation, analysis or assessment of any other Economic Project other than those identified by ATCLLC that it will perform must agree to pay the costs associated with such evaluation, analysis or assessment,

which may be performed by others, but which must be performed under the control of, and at the direction of ATCLLC in order to incorporate such evaluation, analysis or assessment in ATCLLC's TYA. Any party requesting that ATCLLC perform the evaluation, analysis or assessment of any other Economic Project other than those identified by ATCLLC that it will perform must agree to publicly post the results of the study if ATCLLC determines this is appropriate to meet FERC Standards of Conduct or CEII regulations. For those economic studies requested by one or more Parties to be paid for by such party requesting such study or studies, ATCLLC shall estimate the time necessary to perform such study or studies and the costs associated with performing such study or studies, and shall provide the estimated time and costs to the party or parties requesting such study or studies. The costs estimated shall be paid to ATCLLC prior to ATCLLC commencing such study or studies. Upon receipt of the estimated amount, ATCLLC shall commence performance of the study or studies. In the event that the estimated time or costs are determined by ATCLLC to be insufficient to complete the study or studies, ATCLLC shall provide written notification of such additional time or increased costs to the party or parties responsible for paying for such study or studies. Within thirty (30) days following receipt of such notice, such party or parties shall acknowledge in writing the increased time and shall, to the extent applicable, pay the revised estimated amount. However, if a party or parties dispute the revised amount of time or estimated costs, then such dispute shall be resolved in accordance with Section VI. B. below. In the event that the actual cost incurred by ATCLLC in performing any economic study or studies is (are) less than the amount estimated by ATCLLC, then ATCLLC shall refund to such party or parties any excess amount received by ATCLLC within thirty (30) days following the posting of such economic study or studies.

**11. Economic Project Study Results.** The results of such Economic Project evaluation, analysis or assessment shall be posted on ATCLLC's Web site upon completion and shall be included in ATCLLC's Transmission Facilities Network Assessment and its TYA.

**12. Transmission Facilities Construction Cost.** To the extent that any Economic Project evaluation, analysis or assessment concludes that modifications, additions, expansions or extensions to ATCLLC's Transmission Facilities are appropriate and should be constructed, the costs once constructed shall be recovered pursuant to the provisions of Attachment FF of the Midwest ISO EMT provided such meet the definition of "Regionally Beneficial Project" under the provisions of Attachment FF of the Midwest ISO EMT. However, ATCLLC acknowledges that all Transmission Facilities construction projects that are Economic Projects, and which may produce appropriate economic benefits when compared to the cost of constructing such Transmission Facilities may not be entitled to treatment as Regionally Beneficial Projects under the provisions of Attachment FF of the Midwest ISO EMT. In such event, ATCLLC, if such Transmission Facilities are constructed and are not treated as a Regionally Beneficial Project under Attachment FF, shall collect the costs associated with the construction of such Transmission Facilities pursuant to Attachment O of the Midwest ISO EMT.

## **VI. Dispute Resolution.**

In the event that a dispute arises between ATCLLC and the owner of any Distribution Facilities, Transmission Facilities, or an Interconnection Customer or Transmission Customer in connection with any planning process set forth above, the following dispute resolution provisions shall apply:

**A. Disputes Arising Under Any Generation Interconnection Request or Transmission Service Request.** All disputes arising under any Generation Interconnection Request or Transmission Service Request shall be handled in accordance with Article 12 and Attachment HH of the Midwest ISO EMT, provided however, that to the extent that such Generation Interconnection dispute arises in connection with any Generation Interconnection planning associated with a Generation Interconnection request that does not involve a new generating facility or the increase in the capacity of any existing generating capacity, then such dispute shall be handled under the provisions of the applicable Generation – Transmission Interconnection Agreement.

**B. Disputes Arising in Connection with the Network Assessment or Evaluation of Economic Projects.** All disputes arising between ATCLLC and any interconnected entity, Interconnection Customer or Transmission Customer in connection with ATCLLC's Network Assessment or its TYA, shall be handled in accordance with the provisions of Appendix B of the ATCLLC Operating Agreement.

**C. Disputes Arising in Connection with Distribution Interconnection Requests.** Any dispute arising between ATCLLC and any party making a Distribution Interconnection request shall be handled in accordance with the provisions of the Distribution – Transmission Interconnection Agreement entered into between ATCLLC and such party. If no Distribution – Transmission Interconnection Agreement has been entered into, then any dispute shall be resolved as if the parties had entered into a Distribution – Transmission Interconnection Agreement.