Elective Load Interconnection Facilities

BUSINESS PRACTICE

ATC is committed to planning and installing transmission facilities that are necessary to meet its adequacy obligation to its interconnected customers. In meeting this obligation, ATC will treat the needs of its customers in a comparable and nondiscriminatory manner.

Under circumstances in which ATC's proposed design for satisfying this obligation is different than a customer's requested design, Elective Interconnection Facilities may apply. ATC and the requesting Local Distribution Company (LDC) will jointly perform Best-Value Planning (BVP) with respect to the review and applicability of the Standard Facilities design. If the Requested Facilities design results in higher costs than that associated with the BVP Standard Facilities design, the LDC may pursue the Requested Facilities design at their cost for the incremental difference between Standard Facilities and the Requested Facilities; or Elective Interconnection Facilities.

DEFINITIONS

Best-Value Planning (BVP): Through the use of the coordinated joint planning process, the selection of an electrical solution that meets performance criteria, while minimizing overall rate impact to end-use customers, in a manner that addresses the concerns of the impacted stakeholders.

Elective Interconnection Facilities: The difference in the design between Standard Facilities and Requested Facilities.

Elective Interconnection Facilities Cost: The cost associated with an Elective Interconnection Facilities design. This cost will include gross-up for income taxes incurred by ATC, and will be directly assigned to the requesting LDC. The tax gross-up will be calculated based on the weighted average of ATC's owners' tax rates and ATC's customer discount rate.

Local Distribution Company (LDC): A utility that owns, operates, and maintains an electric distribution system that provides power to an end-use customer, and/or whose tariff governs the power tendered to an end-use customer via an interconnection to ATC's transmission system.

Requested Facilities: The interconnection facilities design requested by an LDC and determined to be operationally and functionally feasible by ATC.

Standard Facilities: The interconnection facilities design that 1) ATC proposes as consistent with its design standards and policies, 2) ATC and the customer determine to be consistent with Best-Value Planning, and/or 3) is comparable to treatment of other customers in similar circumstances.

SCOPE AND APPLICABILITY

In fulfilling its transmission interconnection adequacy obligation, ATC and the LDC will employ joint BVP. BVP will apply to the development of a Standard Facilities design that addresses the customer's planned demand load growth and reliability improvement needs. However, possible drivers or factors for Elective Interconnection Facilities include, but are not limited to the following:

- Underground interconnection facilities.
- Higher levels of reliability, including, but not limited to:
    - Extra circuit breaker installations.
    - Motor-operated disconnect switches with remote control.
    - Looped interconnections above and beyond load interconnection standard.
    - Designs not included as part of the BVP determined Standard Facilities.
- Modifications to existing interconnection substations in order to satisfy distribution load bridging needs.
- Individual customer power quality needs.
- Mitigation of adverse power quality effects on the transmission system from a single customer.
- Multiple points of service to an end-use customer.

If the customer's Requested Facilities differ from ATC's Standard Facilities, ATC will provide the LDC with an estimate of the incremental cost difference as the Elective Interconnection Facilities Cost. If the LDC elects to proceed with the Requested Facilities, the following requirements must be met prior to final design, procurement and construction:

1. Execution of a Project Commitment Agreement (PCA),
2. Execution of a Facilities Construction Agreement for the Elective Interconnection Facilities Cost payment transaction,
3. Public Service Commission of Wisconsin approval of the Facilities Construction Agreement and the associated cost payment transaction with an ATC affiliate, if applicable, and
4. Deposit of the Elective Interconnection Facilities Cost with the execution of the PCA.

Should the Requested Facilities cost be less than that for the Standard Facilities, ATC will not provide any credit to the LDC for the incremental difference. A PCA will still be required under these circumstances.

Upon completed construction of the Requested Facilities, ATC will reconcile the project charges and review with the LDC the estimated versus actual Elective Interconnection Facilities Cost. Based on the outcome of the reconciliation, ATC will refund or invoice the LDC accordingly. Once this reconciliation is complete, ATC will book/record the net value of the Requested Facilities to reflect the contribution received in aid of construction (CIAC).

ATC will own and be responsible for any of the on-going maintenance or operational expenses of the Requested Facilities. This will include any replacement costs that may be incurred once the useful life has expired or in the event of equipment failure.

SUPPORTING INFORMATION

It is ATC's intent to meet its duty as a public utility by planning, constructing, operating and maintaining its transmission system in such a manner that all customers receive reliable, cost-effective, and nondiscriminatory service. The following documents provide support and direction as to ATC's obligations, practices, procedures and design standards:

1. Distribution – Transmission Interconnection Agreement
2. Forming Party Agreement Regarding System Operating Procedures
3. Load Interconnection Business Practice
4. Load Interconnection Design Guide
5. Elective Undergrounding Business Practice
6. Distribution Bridging for Transmission Related Work Business Practice
7. Project Commitment Agreement