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Title: ASSET ACQUISITION AND DISPOSITION		Issue Date:	02-05-2016
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CAUTION: Any hard copy reproductions of this Business Practice should be verified against the on-line system for current revisions.

1 PURPOSE

The purpose of this Business Practice is to provide an overview of how ATC performs acquisitions or dispositions of facilities that support the ATC transmission system (a "Transaction").

ATC welcomes the opportunity to acquire additional assets that complement our existing transmission network. ATC may also wish to dispose of certain assets from time to time. The process of transferring assets to ATC begins with a proposal of transfer, written by the current facility owner, and received by ATC. Once received, ATC delineates the additional information needed to evaluate the proposed transfer. At the conclusion of the Execution Team Review ATC shall decide whether to accept the proposal and will communicate its decision with the prospective Transaction counter-party by letter. (Assets meeting certain net book value criteria may be requested for transfer in exchange for membership units in ATC LLC. All acquisitions involving ATC membership units require approval by the ATC Board of Directors.)¹

2 SCOPE AND APPLICABILITY

This Business Practice applies to acquisitions, transfers and sales or other dispositions of facilities² between ATC and any third-party entity.

An Execution Team Review is performed for assets proposed to be transferred. This review may include, but is not limited to, the following activities: engineering review of facilities, financial analysis of property units; physical inspection of facilities, environmental review and assessment of associated land rights. Supporting documentation is required from the prospective transferor.

Required documentation can include:

- Physical and electrical drawings to demonstrate the current facility configuration and capability
- An inventory, including plant accounting records, to determine the current facility Net Book Value
- Historical operational and maintenance documentation
- Documented proof of land rights to be transferred
- Proof of all required certificates or authorizations provided by state or local government authorities to be transferred (e.g., Certificate of Public Convenience and Necessity (CPCN), DNR permits, etc.).

3 ROLES AND RESPONSIBILITIES

The External Affairs department of ATC leads the Transaction process which is further described in the Asset Acquisition or Disposition Procedure PR12-04. Additional functional areas of ATC participate on the Execution Team as appropriate. ATC Legal must be consulted regarding FERC Federal Power Act section 203 issues and any necessary state approvals. ATC Legal obtains any authorizations required for acquisitions or dispositions of relevant facilities.

¹ To confirm, Federal Power Act section 203 and related regulations require, with respect to acquisition by ATC of assets subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") of any value (*i.e.*, \$0 or higher), ATC must apply for and receive specific authorization from the FERC prior to closing any such transaction. In addition, Federal Power Act section 203 and related regulations require, with respect to disposition by ATC of assets subject to the jurisdiction of the FERC with a value of \$10,000,000 or greater, that ATC must apply for and receive specific authorization from FERC prior to closing any such transaction. There may also be state approvals required for the transfer.

² Assets subject to the jurisdiction of the FERC generally include, but are not limited to, all or any portion of transmission lines, substations, transformers, switches, etc. \$25,000,000 is the current authorization level threshold for the CEO. Confirm with the ATC Expenditure Authorization & Invoice Approval Policy for the current threshold level.

4 ADDITIONAL INFORMATION

Facilities proposed for transfer are evaluated upon information supplied by the prospective transferor as well as ATC generated data. The ATC asset transfer process is fully described in the ATC Asset Acquisition or Disposition procedure Document PR-1204. As a first step in the process with the transferor, ATC provides an *Asset Acquisition Customer Checklist* (FM-1202) and *Key Questions for Asset Acquisition* (FM-0472), as needed, which are described in detail in the information requested.

ATC intends to complete the review process within two (2) months of receipt of the necessary information. Upon the conclusion of the review, written notification is provided and, if approved, ATC proposes transactional documents appropriate for the transaction. Such a transaction may require approval from applicable regulatory agencies (specifically including but not limited review and approval by FERC pursuant to section 203 of the Federal Power Act, as discussed above), and any such required authorizations must be received before any transaction can be finalized. It is anticipated the entire transfer process may be completed in approximately eight (8) months following receipt of all the information needed for ATC's review and pending necessary federal and state approvals.

All questions, written proposals, informational documents and correspondence can be directed to the following contact person at ATC:

Manager – Customer Relations and Interconnection Services
 5303 Fen Oak Drive
 Madison, WI 53718
 (608) 877-3664 telephone
 (608) 877-3602 facsimile

5 DOCUMENT REVIEW

This Business Practice will be reviewed and revised as necessary no less than every three years.

6 RECORDS RETENTION

The records retention schedule for any and all records originated through the process (es) described in this business practice will conform to the ATC Records Management Policy.

Previously published versions of this template will be retained permanently

7 REVISION INFORMATION

Version	Author	Date	Section	Description
2.0	Danielle Hall	02-05-2016	All	Modified Business Practice to reference FPA section 203 authorizations.
1.0	John Raisler	10-24-2012	New format	Added to the required documentation list. Added explanation of \$10 million limit. Added procedure reference. Changed contact address.
0.0		05-17-2004	All	New