



Line Relocation Cost Allocation

BUSINESS PRACTICE

ATC will allow for the relocation of its transmission lines along with the associated structures and facilities at the request of interested third parties (Requestor) provided that the relocation does not diminish or otherwise jeopardize the continued safe and reliable operation of the ATC's electric transmission system. This relocation policy specifically excludes the relocation of substations. A Requestor must execute a Line Relocation Study Agreement (LRSA) and agree to pay all costs associated with ATC evaluating the line relocation. In turn, ATC will provide the Requestor with an evaluation and a cost estimate. The Requestor can decide whether to proceed with the relocation at that point at their expense. This business practice does not apply to line relocations, which ATC is required to make due to the action of governmental authorities or other entities.

SCOPE AND/OR APPLICABILITY

The Requestor applying for a line relocation that is not planned in the normal course of ATC's business is responsible for all of the costs related to that relocation. This includes, without limitation, all actual costs of conducting a preliminary assessment, all actual costs to relocate the line and the associated facilities and coverage of any gross up necessary to cover any tax implication.

When the Requestor approaches the ATC regarding line relocation, ATC will provide a preliminary screening cost estimate to the Requestor. This preliminary estimate is intended to allow the Requestor to make a decision as to whether they wish to proceed with the relocation. At that point, the Requestor may opt to proceed by entering into a Line Relocation Study Agreement (LRSA). The LRSA will provide the terms and conditions under which the Company will evaluate the feasibility of relocating the line and assignment of the cost associated with the evaluation process. The Requestor may then opt to proceed by entering into a Line Relocation Agreement that will delineate the terms and conditions under which the Company will actually perform the line relocation. That agreement will also outline the associated cost responsibility for the relocation.

Under limited least cost circumstances and at the Company's sole discretion, the Company may pay for some (or all) of the actual costs associated with line relocation. These circumstances are dealt with on a case-by-case basis and must receive approval in writing by an authorized ATC Officer before the Company can make any commitment concerning the cost sharing responsibility for the relocation of the line. Some of the considerations to be taken into account may include, but are not limited to:

- a. If the line relocation or construction is anticipated in the near future and has already been identified in the Company's Ten Year Assessment, the Company may consider seeking reimbursement only for the acceleration of the expenditures, and not for the construction costs.
- b. If the Requestor is able to provide some benefit to the Company associated with the line relocation, i.e., improved land rights or some economy that benefits the Company's operations or reduces Company revenue requirements to the ultimate benefit of all ATC customers.

SUPPORTING INFORMATION

All correspondence concerning line relocation should be directed to ATC's Real Estate Department. ATC's Real Estate Department coordinates all line relocation requests both externally (in communication with the requestor) and internally (in consultation with other ATC departments). The Real Estate Department also coordinates the preparation of necessary documents and agreements such as the LRSA and the Line Relocation Agreement. The ATC Real Estate department is also responsible for any necessary revisions to existing real estate documents such as easements and releases of easements associated with line relocation.

Once an ATC Real Estate Representative has been assigned to the relocation, that person will provide the Requestor with a copy of the Company's LRSA. The Requestor must submit a deposit to compensate the Company for the cost of evaluating the line relocation and preparing an estimate of the costs to proceed. The Requestor must also submit all the necessary information concerning the relocation, including, but not limited to:

1. A description of the line to be relocated;
2. The reason for the relocation request
3. The time frame in which the Requestor would like the relocation to be completed;

4. The full name, address, telephone number and motivation of the Requestor seeking the relocation;
5. The completed LRSA;
6. The deposit (as determined by ATC)

Within forty five (45) days of the receipt the deposit due from the Requestor, ATC will perform the evaluation or study of the existing facilities in accordance with the Requestors evaluation request and provide the Requestor with a written report (Evaluation Report) regarding their request. In the event that both ATC and the requestor determine that it is in their mutual interest to make such a change or modification to the existing ATC facilities, the Requestor will enter into an agreement (Line Relocation Agreement) with ATC setting forth the specific terms, conditions and limitations associated with such reconstruction, relocation, change or modification to the ATC existing facilities.

Prior to the commencement of the work, the Requestor must pay ATC in advance for all costs and expenses estimated by ATC to perform the relocation as determined by ATC including a tax gross up to cover any tax implication. After the work is completed, ATC will calculate its actual expenses incurred in performing the work, and render its final statement to the Requestor for costs incurred within ninety (90) days of completion of the work. In the event that the advance payment for all costs and expenses to perform the relocation exceeds the actual costs incurred by ATC, ATC will reimburse the Requestor for the overpayment within thirty (30) days of the date of the final statement. In the event that ATC's actual costs and expenses incurred in performing the work exceed the initial estimated deposit, the Requestor shall reimburse the additional costs and expenses incurred by ATC in performing the work within thirty (30) days after the date of ATC's final statement.

Attachments:

- Line Relocation Study Agreement (attachment 1)
- Line Relocation Agreement (attachment 2)

Business Practice Number: 0401		Revision: 0
Effective Date: 1/15/04		
TITLE:	<i>Business Practice for the Allocation of Line Relocation Costs</i> <i>Approved by: W. Woelfle</i>	Page 3 of 3

Exhibit 1

Transmission Facility Relocation Agreement

THIS AGREEMENT is entered into as of _____, 2003 between American Transmission Company LLC (hereinafter "ATC"), whose principal place of business is N19 W23993 Ridgeview Parkway W., Waukesha, Wisconsin 53188, and _____ whose principal place of business is _____ (hereinafter "Company"). ATC and Company may jointly be referred to herein as the "Parties."

WHEREAS:

- A.** ATC is the owner and operator of electric transmission facilities located and further described in the attached Exhibit A, attached hereto and incorporated by reference herein (hereinafter the "Existing Facility"), and
- B.** Company has requested that ATC relocate the Existing Facility to the location and as described and depicted in Exhibit A. The relocated facility shall hereinafter be referred to as the "New Facility", and
- C.** ATC does not have a transmission system related justification for relocating or replacing the Existing Facility, and
- D.** Company is willing to pay for the costs of relocating the Existing Facility and will grant or procure all necessary temporary and permanent easement rights for the relocation, operation and future maintenance of the New Facility, and [or "The relocation and replacement of the Existing Facility to the new location requires no additional easement rights." – If this option is used delete Article II]
- E.** ATC is willing to relocate the Existing Facility at Company's expense to accommodate Company's needs on the following terms and conditions.

NOW THEREFORE, the Parties agree the relocation shall be accomplished on the following terms and conditions:

Article I

Re-location and Payment

1.1 Relocation. ATC shall dismantle and remove the Existing Facility and all appurtenances, and perform all design, material procurement, construction, installation and operation of the New Facility to the locations and in the configuration as set forth and further described in Exhibit A.

1.2. Payment. Company shall pay to ATC, ATC's actual costs for re-locating the Existing Facility. Exhibit B, attached hereto and incorporated by reference herein, sets forth ATC's best estimate of the costs to relocate the Existing Facility, and the projected construction schedule therefore. ATC shall proceed to re-locate the Existing Facility after: (a) execution of this Agreement, (b) receipt of all required permits and regulatory approvals, (c) payment of all amounts due prior to construction and (d) receipt of satisfactory access rights for construction. In the event that unforeseen circumstances beyond the Parties reasonable control and contemplation arise that will have the effect of increasing the cost of the relocation, or delaying the relocation, ATC shall stop work on the relocation until the Parties are able to meet and agree to any modifications in Exhibit B required to respond to the circumstances.

1.3. Construction Schedule Estimate. ATC shall use all reasonable commercial effort to re-locate the Existing Facility in accordance with Exhibit B. ATC makes no warranty of any kind or character that the Existing Facility will be relocated in accordance with the schedule in Attachment B.

Article II

Easements and Access

2.1 Construction Access. Company shall provide ATC's contractors, consultants, officers, directors, agents and employees reasonable access necessary for ATC to perform under this Agreement. Company shall grant, or procure for ATC, and any of its contractors, consultants, officers, directors, agents and employees, at all times, the right of free ingress and egress to the property where the Existing Facility is located and the New Facility will be located for the purpose of design, study, evaluation, construction, installing, testing, reading, inspecting, repairing, operating, altering, or removing any of ATC's property.

2.2. Creation of New Easements. In addition, Company shall grant to, procure for and record on ATC's behalf all necessary easement rights, satisfactory to ATC, for the operation, and maintenance of the New Facility and any appurtenances, in substantially the form of Exhibit C, attached hereto and incorporated by reference herein.

2.3. Release of Existing Easement or other Rights. Once the New Facility is completed, and satisfactory easements under this Article are recorded, ATC shall execute a quitclaim deed releasing any easements related solely to the Existing Facility and no longer required to operate or maintain the New Facility.

Article III

General Provisions

3.1. Waiver and Amendment. No waiver, change, amendment or modification of this Agreement shall be valid or binding upon the Parties unless such waiver, change, amendment or modification shall be in writing and duly executed by the Parties.

3.2. Severability. If any provision of this Agreement is deemed void or unenforceable, then to the maximum extent permitted by law, the remainder of this Agreement shall not be affected and the remaining terms shall be construed as broadly as possible to affect the Agreement reached between the Parties.

3.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin

3.4. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all other prior understandings, correspondence and agreements, oral or written, between the Parties.

3.5. Notices. All notices and communications under this Agreement shall be delivered to the Parties at the addresses set forth below:

<u>To ATC:</u>	<u>To Company:</u>
_____, Project Manager	
Phone:	Phone:
Fax:	Fax:

Either Party may change the address set forth above by providing written notice of such change to the other Party at the then effective address for such Party.

A notice required under this Agreement shall be deemed delivered (i) upon delivery, when personally delivered; (ii) 48 hours after mailing, when sent via certified mail RRR; (iii) the next business day, when sent via overnight courier; and (iv) upon transmittal, when sent via facsimile.

THIS AGREEMENT IS ENTERED INTO AS OF THE DATE SET FORTH ABOVE BY THE AUTHORIZED REPRESENTATIVES OF THE PARTIES WHOSE SIGNATURES ARE SET FORTH BELOW.

Company

By: _____

Title: _____

**American Transmission Company LLC
By its corporate manager, ATC Management Inc.**

Title: _____

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Exhibit 2

Transmission Line Relocation Evaluation Agreement

THIS AGREEMENT (Agreement) is entered into as of this ____ day of _____, 200____, between _____ (Owner), whose address is _____, and American Transmission Company LLC, by its corporate manager, ATC Management Inc. (Collective referred to as "ATC"), whose business address is N19 W23993 Ridgeview Parkway, Waukesha, Wisconsin 53187. Owner and ATC may be referred to as "Party " or "Parties" as the context may require.

Representations:

- A.** Owner owns, or has an interest in a certain parcel of real property (Property) more fully described on Exhibit A to this Agreement, along or across which ATC owns or is the assignee of certain rights (Easement) entitling ATC to construct, own, operate and maintain electric transmission facilities (Existing Facilities).
- B.** Owner desires to construct, relocate, change or otherwise modify the existing structures owned by Owner on the Property or to otherwise change or modify the activities carried out by Owner on the Property and is interested in determining whether ATC's Existing Facilities can be relocated, repositioned, reconstructed or otherwise changed or modified to permit Owner to engage in such activity.
- C.** ATC is willing to perform the analysis, study or evaluation of the relocation, repositioning, reconstruction or other change or modification to the Existing Facilities, but only upon certain terms, conditions and limitations.

Therefore, the Parties agree, as follows:

- 1. Evaluation Study.** Upon payment by Owner to ATC of the amount set forth below, ATC hereby agrees to perform the analysis, study or other evaluation of its Existing Facilities to determine the nature and extent of the change, modification or addition that would be required to accommodate the construction, relocation or modification of Owner's existing structures or facilities, or to accommodate the change Owner wishes to make to the use of the Property. ATC shall provide Owner with a good faith estimate of the costs associated with the relocation, reconstruction, modification or change to its Existing Facilities, including the costs associated with redirecting the transmission of energy on its system associated with Owner's request. ATC agrees to perform the study using Good Utility Practice, as that term is generally accepted and understood in the electric utility industry. Owner acknowledges and agrees that the evaluation of the relocation, reconstruction, modification or other change to the Existing Facilities may include an environmental assessment of the Property to assure ATC that the reconstruction, relocation, change or modification of its Existing Facilities to a new location, or new configuration, conforms to the environmental requirements imposed upon ATC in the conduct of its business.
- 2. Evaluation Study Costs and Payment.** Owner hereby agrees to pay ATC its actual fully allocated direct labor, including payments made to third parties, incurred in

performing the evaluation of the relocation, reconstruction, change or modification of the Existing Facilities. ATC hereby estimates that the total cost of the evaluation is in the amount of \$_____. Notwithstanding the estimated amount, however, Owner agrees to pay ATC the actual amount incurred by ATC in performing the evaluation study. Upon execution of this Agreement, Owner shall pay ATC one half (1/2) of the estimated costs. Until such time as ATC shall have received the amount due at the time of execution of this Agreement, ATC shall have no obligation to perform any evaluation or study of the relocation, reconstruction, change or modification of the Existing Facilities.

3. Evaluation Performance. Upon receipt by ATC of the amount due from Owner, ATC shall, within forty five (45) days of the receipt of such payment, perform the evaluation or study of the Existing Facilities in accordance with Owner's evaluation request. If ATC is unable, with the exercise of due diligence, to perform the evaluation within the forty five- (45) day period, ATC shall inform Owner in writing concerning the delay, and shall provide Owner with a good faith estimate of when the evaluation shall be completed.

4. Evaluation Report. Following the evaluation, ATC shall provide Owner with a written report (Evaluation Report) regarding the evaluation of Owner's request to relocate, reconstruct, modify or otherwise change the Existing Facilities to accommodate Owner's change or modification to Owner's existing structures or other use of the Property. Owner acknowledges and agrees that ATC is not obligated in any manner, even after performing the evaluation, to reconstruct, relocate, change or otherwise modify its Existing Facilities, if to do so increases ATC's liability to its customers, to others, or increase ATC's costs of operating its Existing Facilities or other elements of its electric transmission facilities.

5. Relocation Agreement. Owner and ATC acknowledge and agree that nothing in this Agreement obligates either Owner or ATC to relocate, reconstruct, change or modify any Existing Facility of ATC or any existing structure or use of the Property by Owner. In the event that the Parties determine that it is in their mutual interest to make such change or modification to the Existing Facilities, or to Owner's structures or uses, the Parties shall enter into an agreement setting forth the specific terms, conditions and limitations associated with such reconstruction, relocation, change or modification to the Existing Facilities, Owner's structures or uses.

6. Invoice and Payment. At the time ATC provides Owner with the Evaluation Report, ATC shall provide Owner with an invoice for the total amount of the direct, fully allocated labor costs, including all amounts paid to third parties in performing the evaluation. ATC shall credit the amount paid with the execution of this Agreement. All amounts due for Owner shall be payable within twenty (20) days following receipt of the invoice. Any amounts remaining unpaid thereafter, shall incur interest at the rate of twelve (12) per cent per annum, compounded daily until paid in full.

7. General Provisions. The following general provisions apply to this Agreement:

a. This Agreement contains the entire understanding between the Parties concerning the evaluation requested by Owner, and all other prior arrangements, whether oral or written are merged into this Agreement. This Agreement may be modified only by another instrument in writing endorsed by both Parties.

b. This Agreement is subject to the laws of the State of Wisconsin and may be enforced in any court of competent jurisdiction having jurisdiction over the Parties. Each Party, to the extent permitted by law, waives the right to a trial by jury.

c. This Agreement is not intended to create any relationship between the Parties other than a contractual relationship, and no partnership, joint venture or principal and agent relationship is created or intended.

d. The Parties intend that the terms of this Agreement be broadly construed to effectuate the Parties intent. If any provision of this Agreement is found to be invalid or unenforceable, then the remaining provisions are to be construed broadly, to the greatest extent possible.

e. This Agreement is binding upon the heirs, successor and assigns, and may not be transferred, assigned or otherwise conveyed to any party without the written consent of the other Party, which shall not be unreasonably withheld or delayed.

THIS AGREEMENT IS ENTERED INTO AS OF THE DATE SET FORTH ABOVE BY THE AUTHORIZED REPRESENTATIVES OF THE PARTIES.

OWNER

NAME

AMERICAN TRANSMISSION COMPANY LLC
A Wisconsin Limited Liability Company
By: ATC Management Inc., its Corporate Manager

Thomas M. Finco
Manager Real Estate