
	<h1>Procedure</h1>	Department:	External Affairs
		Document No:	PR-1503 v2.0
Title: 3 RD PARTY CLAIMS RESOLUTION PROCESS		Issue Date:	07/02/2020
		Previous Date:	12/09/2015

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1. Overview

The objective of this procedure is to provide a repeatable process for handling of 3rd party damage claims at ATC.

1.1 Purpose

If an LDC receives a damage claim from a retail customer or customers, and the LDC believes that the damage claim results from action taken by ATC or an agent of ATC, the LDC will delegate the damage claim to ATC for resolution. This process describes ATC's process for resolving those claims.

1.2 Scope

This procedure covers activities from the time that a third party claim is received by ATC to the time that ATC notifies the LDC of the disposition of the claim.

2. Applicability

This procedure applies to any 3rd party damage claim received by ATC.

2.1 Regulatory Applicability

This activity described in this procedure is not bound by regulatory requirements therefore there is no regulatory impact or applicability.

2.2 Affected Assets

This procedure applies to any asset, transmission or otherwise, the failure of which could cause damage to a claimant's property.

2.3 Affected Personnel

This procedure affects Legal, Customer Relations, Asset Performance, and select members of the Executive team

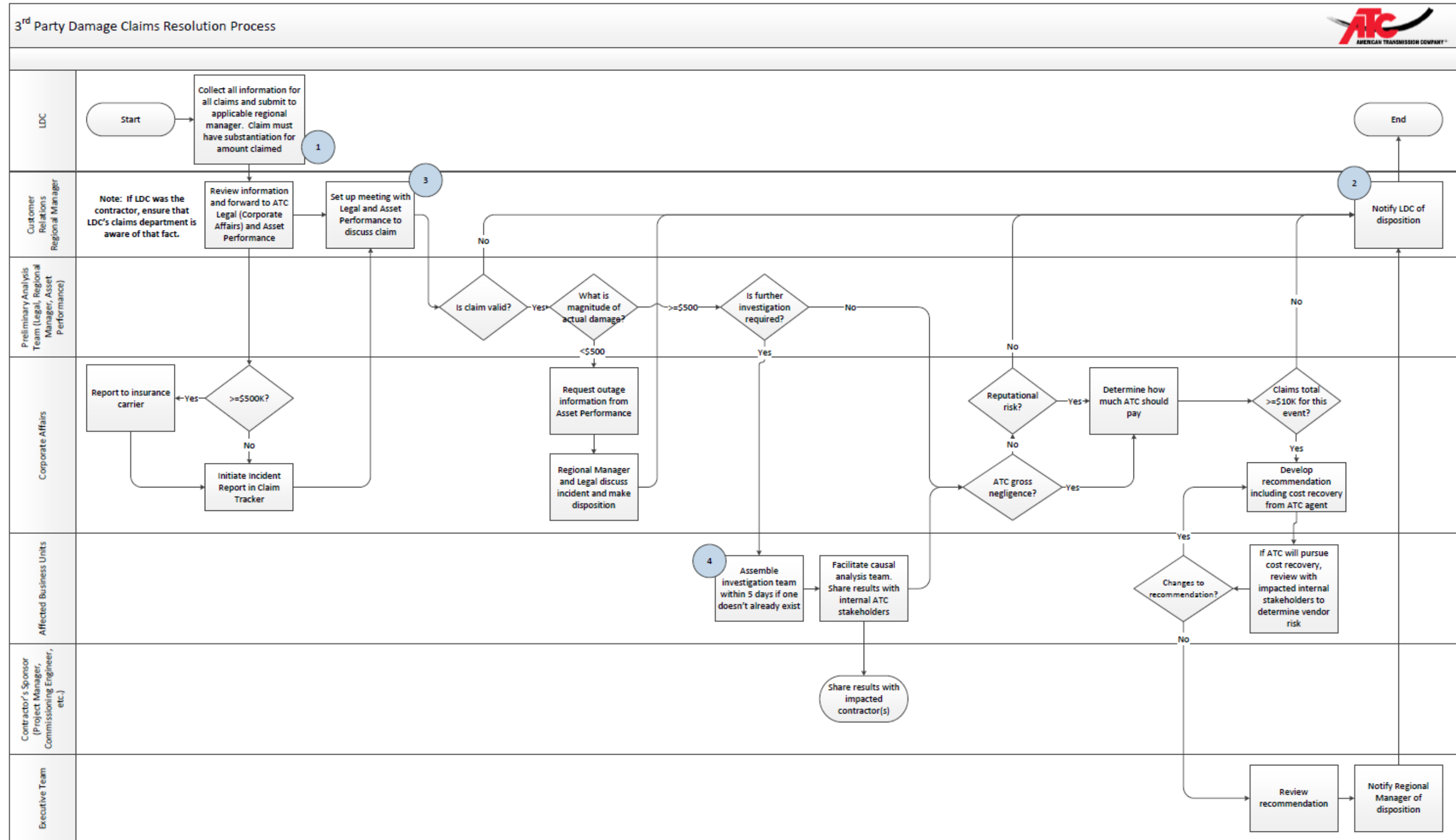
3. Actions

Sections 3.1 and 3.2 provide a visual representation of the overall process associated with this procedure. Section 3.3 provides the actual steps to be followed in processing of external claims at ATC.

3.1 Hi-Level Process Diagram



3.2 Diagram or visual representation of the overall process associated with this procedure.



Key Performance Indicators:

- Duration between date that LDC sends claim to ATC and the notification to the LDC of the disposition: ≤ 20 business days. (2-1) ≤ 20 Days
- Duration between date that LDC sends claim to ATC and the date that the Regional Manager convenes Preliminary Analysis Team: ≤ 5 days (3-1) ≤ 5 days
- Duration between date that Regional Manager / Legal / Asset Performance meet until the root cause analysis team is convened: ≤ 5 days. (4-3) ≤ 5 days

3.3 Process Steps

- 3.3.1 LDC issues a claim or multiple claims for a transmission-related event that has caused damage to a retail customer's property to their respective ATC Regional Manager. See ATC BP **Claims Communication Protocol BP-0503** on how claims are to be submitted to ATC.
- 3.3.2 If the LDC was the provider of the labor that caused the damage, the Regional Manager will notify the LDC claims department that the LDC was the labor provider.
- 3.3.3 If the LDC wishes to pursue the claim, the Regional Manager will send claims information to Asset Performance and Corporate Affairs.
 1. If the dollar amount for all claims for the given event is for greater than \$500K, Legal (Casualty Insurance Manger) will notify ATC's insurance carrier that ATC has received a claim.
- 3.3.4 Casualty Insurance Manager will create an Incident Report
 1. The Regional Manager will coordinate a meeting with representatives from ATC's Legal department and Asset Performance (the Preliminary Analysis Team) to discuss the claims within five days of receipt of the claim(s).
- 3.3.5 The Preliminary Analysis Team will determine if the claim is valid.
 1. If the claim has been determined to **not** be valid, the Regional Manager will notify the LDC that ATC has denied the claim
 2. If the claim has been determined to be valid and the amount of the claims resulting from the event is less than \$500,
 1. Asset Performance will provide information on the event to Legal.
 2. The Regional Manager and Legal will make a disposition of the claim
 3. The Regional Manager will notify the LDC of the disposition of the claim
- 3.3.6 If the claim has been determined to be valid and the amount of the claims resulting from the event is greater than or equal to \$500,
- 3.3.7 The Preliminary Analysis Team will determine if further analysis of the event is required.
 1. If further analysis is required
 1. Asset Performance will convene an investigation team within 5 days from the meeting described in #4 above.
 2. Asset Performance will facilitate a causal analysis
 3. Asset Performance will share the results of the causal analysis with internal ATC stakeholders
 4. The contractor's ATC sponsor will share the results with the respective contractor

- 3.3.8 Legal will apply the MISO Tariff standards to the results of the causal analysis, if the results of the causal analysis indicate that:
1. ATC or ATC's agents' contribution to the cause of the event does **NOT** exceed the Tariff standard
 1. Legal, working with the General Counsel, the VP of External Affairs, and the executive sponsor for the affected LDC, as appropriate, will determine if the event exposes ATC to reputational risk
 2. If the event does **NOT** expose ATC to reputational risk, the Regional Manager will notify the LDC that ATC has denied the claim
 3. If the event does expose ATC to reputational risk, proceed to 2 below
 2. ATC or ATC's agents have not contributed to the cause of the event but Corporate Affairs has determined that reputational risk exists or ATC or ATC's agents have contributed to the cause of the event,
 1. Legal will determine how much ATC should pay and will take steps to process the payment.

4. Supporting Information

4.1 Definitions

LDC: Local Distribution Company.

ATC Transmission System: the facilities owned by ATC subject to the administration of the MISO that are used to provide energy market, transmission, energy, and ancillary reserves market, interconnection services or Wholesale Distribution Service under the MISO FERC Electric Tariff.

ATC Legal: ATC Legal Department.

Incident Report: A report put together that documents an unwanted sequence of actions that leads to a condition that is unsafe, or is below expected quality or that violates any regulation, company standard or good operating practice.

Interconnecting Entities: any applicant that has entered into an interconnection agreement with ATC to interconnect a generator facility or substation to ATC's system.

MISO: the Midwest Independent Transmission System Operator, Inc. ("MISO"), is the Regional Transmission Organization that administers the MISO FERC Transmission Tariff and provides transmission and energy market services over the transmission facilities of its transmission-owning members (including ATC) in interstate commerce.

MISO Tariff: the FERC-approved transmission tariff setting forth terms and conditions with which ATC must comply. This includes a limitation of liability found in section 10.3 of the Tariff.

NERC: the North American Electric Reliability Corporation or its successor organization.

Transmission System: the facilities owned by ATC subject to the administration of the Midwest ISO that are used to provide energy market, transmission service or wholesale distribution service under the Tariff.

ATC Investigation Team: Members may include ATC Legal, ATC Customer Relations, ATC Asset Performance and others as necessary based on the nature of the claim to be investigated. Personnel assigned to investigate the cause of discrepant conditions and determine the apparent or root cause of the claim.

Root Cause: Root causes are the causal factors that if corrected, would prevent recurrence of the incident. Root causes can include system deficiencies, management failures, inadequate competencies, performance errors, omissions, non-adherence to procedures and inadequate organizational communication.

4.2 Training

The Legal Department is responsible for arranging training and/or training materials regarding this procedure to affected ATC departments.

4.3 Related Procedures (ATC or External)

BP-0503 (current version) Claims Communication Protocol

5. Administration

5.1 Review

The Customer Relations Department is responsible for ensuring that this procedure is reviewed and updated as applicable. This review shall include collaboration with affected ATC departments.

5.2 Retention

All LDC Claims and the associated resolution and or dispensation, should be retained by the Legal Department for audit and historical purposes.

6. Approvals/Revision History

Version	Author	Date	Section	Description
1.0	Rick Czajka	12-09-2015	Original	Process Created
2.0	Matt Waldron	07-02-2020	Various	Updated to reflect the ATC Legal Department role and resolution process flowchart