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## 1 PURPOSE

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 from a customer's requested design, Elective Interconnection Facilities may apply.

## 2 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 difference between the Requested Facilities and the Standard Facilities 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 Interconnecting Entity. 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.

**Interconnecting Entity:** A company interconnected to ATC electrical transmission system and managed through an Interconnection Agreement.

**Requested Facilities:** The interconnection facilities design requested by an Interconnecting Entity 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 3) is comparable to treatment of other customers in similar circumstances.

## 3 SCOPE AND APPLICABILITY

In fulfilling its transmission interconnection adequacy obligation, ATC and the requesting Interconnecting Entity 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 Interconnecting Entity may pursue the Requested Facilities design at their cost for the incremental difference between Standard Facilities and the Requested Facilities; or Elective Interconnection Facilities.

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:

- Elective transmission line (overhead or underground) 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 Standard Facilities design
  - Designs not included as part of the BVP determined Standard Facilities
- Modifications to existing interconnection substations in order to satisfy distribution load bridging needs, i.e., LDC requests ATC to design and construct transmission facilities to connect a spare, de-energized transformer
- 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

## 4 ROLES AND RESPONSIBILITIES

The following departments and positions will have the associated responsibility listed below:

### 4.1 EXTERNAL AFFAIRS

Interconnection Specialists are responsible to ensure that the procedure is applied consistently amongst the ATC Customers. They will also be responsible for reviewing and updating this procedure.

Regional Account Managers are responsible to communicate and facilitate with the Interconnecting Entity on agreements needed to commit, design and construct the Elective Interconnection Facilities.

Executive Assistants are responsible for filing agreements included with this Business Practice.

### 4.2 RELIABILITY PLANNING

Interconnections and Special Studies Planners are responsible for developing the BVP in coordination with the Interconnecting Entity to determine the best value solution and Standard Facilities.

### 4.3 PROJECT CONTROLS OFFICE (PCO)

The PCO is responsible to create the estimates for the Standard Facilities and Requested Facilities.

### 4.4 PROJECT MANAGEMENT AND ENGINEERING

The respective Project Managers and Engineers are responsible to develop the scope of work and review the Standard and Requested Facilities scopes and estimates for area specific concerns and scope additions.

## 5 PROCEDURE

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

- Execution of a Project Commitment Agreement (PCA), if applicable
- Execution of a Facilities Construction Agreement for the Elective Interconnection Facilities Cost payment transaction
- Public Service Commission of Wisconsin approval of the Facilities Construction Agreement and the associated cost payment transaction with an ATC affiliate, if applicable
- Federal Energy Regulatory Commission approval of the Facilities Construction Agreement and the associated cost payment transaction, if applicable per FPA section 205, must be received prior to the commencement of any services and/or receipt of any payment from the Interconnected Entity.
- 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 Interconnecting Entity for the incremental difference. A PCA may still be required under these circumstances.

Upon completed construction of the Requested Facilities, ATC will reconcile the project charges and review with the Interconnecting Entity the estimated versus actual Requested Facilities Cost. Based on the outcome of the reconciliation, ATC will refund or invoice the Interconnecting Entity 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). All Elective Interconnection Facilities Costs will include a tax gross-up component which will be estimated during project development but finalized at the time the project goes in-service during reconciliation.

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.

A flowchart detailing this procedure can be found in Appendix A.

## 6 ADDITIONAL 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:

- Transmission – Transmission Interconnection Agreement
- Distribution – Transmission Interconnection Agreement
- Forming Party Agreement Regarding System Operating Procedures
- Load Interconnection Guide
- Transmission Interconnection Guide
- Distribution Bridging for Transmission Related Work Business Practice

## 7 DOCUMENT REVIEW

This template will be reviewed and revised as necessary, but no less than every five years.

## 8 RECORDS RETENTION

Records will be retained per the Records Retention schedule.

## 9 REVISION INFORMATION

In this “Revision Information” section, provide a timeline summary of all documents revisions, with the most recent revision shown first.

Revision	Role	Name and/or Title	Summary of Changes	Last Revised
03	Author(s)	Heather Andrew	New document Changed from Elective Load Interconnection Guide to Elective Interconnection Facilities Guide	12-15-2017
04	Author	Kaylin Schueler	Further guidance on modifications related to load bridging Minor updates to PCA need and job titles	01-31-2023
05	Author	Trevor Stiles	New logo	11-28-2023

### Revision Approval

### APPENDIX A –ELECTIVE FACILITIES COST ESTIMATING FLOW CHART

