



Business Practice

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1 PURPOSE

This business practice outlines practices for allocating costs related to developing transmission facilities when a Local Distribution Company (LDC) that takes Network Integration Transmission Service (Network) – i.e., a Network service customer – has submitted a Load Interconnection Request Form (LIRF) for a given new/expanded end-use customer's large load, as defined below.

This practice establishes the Construction Work in Progress (CWIP) Charge or (CWIP Charge), which includes both the return on CWIP and the associated taxes. Monthly, the Network service customer will be assessed the CWIP Charge until the transmission facilities are completed. The charge covers the cost of ATC's use of CWIP for these facilities as they are developed and will be reflected in a Large Load Project Commitment Agreement (LLPCA) that the Network service customer will be required to execute with ATC, per ATC's Load Interconnection Guide.

This practice establishes the Minimum Transmission Charge (MTC), which ensures the customer covers the costs of Network service for the amount of requested transmission capacity for the new/expanded load for which ATC built the transmission facilities to provide. The Network service customer each month after the transmission facilities are completed will be assessed a Minimum Transmission Charge (MTC) in accordance with a Minimum Transmission Charge Agreement (MTCA).

The purpose of the CWIP Charge and MTC is to ensure that the costs to serve new/expanded large loads of one Network service customer are not borne by others. This addresses the timing difference between when CWIP is included in ATC's formula rates and when loads are reflected in Network service customers' load ratio shares used by ATC annually to calculate their Network charges. It also accounts for the risk that new/expanded loads do not materialize as projected or decline over time.

2 SCOPE AND APPLICABILITY

Network service customer will be assessed the CWIP Charge reflected in the LLPCA and the MTC reflected in the MTCA for new/expanded loads that are: 1) 100 MW or larger or that reach 100 MW in phases at one location, or 2) that require \$100M or more in transmission facilities to serve them.

For loads that meet these requirements, once the transmission facilities required to provide the Requested Transmission Capacity are identified and estimated costs are finalized, ATC will work with the Network service customer to simultaneously develop an LLPCA and MTCA. These agreements will address cost recovery as described above. The LLPCA and MTCA will be filed together with the Federal Energy Regulatory Commission (FERC) and, if applicable, with the Public Service Commission of Wisconsin or other state regulators for approval. Prior to the transmission facilities being identified and estimated costs finalized, the Network service customer and ATC may choose to enter into an LLPCA initially to cover costs related to engineering and other pre-certification activities and procurement of long lead-time equipment.

An overview of the CWIP Charge and MTC is provided below and additional details and definitions for capitalized terms are reflected in the LLPCA and MTCA, respectively. Templates of the LLPCA and MTCA are accessible on ATC's website: <https://www.atcllc.com/customer-engagement/> – see Distribution Interconnections section.

CWIP Charge

As part of ATC's FERC-approved formula rate, CWIP is included in rate base for purposes of calculating ATC's annual Network revenue requirement in Attachment O of the MISO tariff. The CWIP Charge through the LLPCA commits the Network service customer to financing costs and associated taxes for the transmission facilities needed to serve large loads as soon as construction begins on the projects and until those facilities are completed.



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Once ATC starts construction of a project and begins recording a CWIP balance for a project, ATC will calculate the monthly CWIP Charge by first determining the current month's average CWIP balance. The Network service customer will be charged ATC's FERC-approved rate of return for the current month's average CWIP balance and the associated taxes. The CWIP Charge will be invoiced monthly to Network service customers and will be assessed until the month that all transmission facilities required to serve the load are completed.

Here is an example of how the CWIP charge would work for the second half of a year in which a project is completed in November of that year:

(All amounts are \$Ms)	July	August	September	October	November	December
Average Project CWIP Balance	\$220.0	\$240.0	\$245.0	\$250.0	\$260.0	\$0.0
Return on CWIP	\$1.4	\$1.5	\$1.6	\$1.6	\$1.7	\$0.0
Related Taxes	\$0.3	\$0.3	\$0.3	\$0.4	\$0.4	\$0.0
Monthly CWIP Charge	\$1.7	\$1.8	\$1.9	\$2.0	\$2.1	\$0.0

In this example, each month ATC would calculate the CWIP Charge, which would be the sum of the return on CWIP for the project using ATC's weighted average cost of capital (7.69% in this example) and related taxes using ATC's weighted average tax rate (21.97% in this example). Given that the project to serve the load in this example would be in service in November, the Network service customer would no longer be assessed the CWIP Charge through the LLPCA in December.

Each year, ATC will treat amounts charged through the CWIP Charge as a revenue credit in Attachment O to effectively remove the CWIP Charge from ATC's Network revenue requirement used to establish that year's Network rate and Network service customer's billings.

MTC

Under the MTCA, the Network service customer commits to pay for the amount of Requested Transmission Capacity that it requests as part of the Best Value Planning process for an eligible new/expanded load of an end-use customer according to its Requested Transmission Capacity Schedule the month following when the transmission facilities are complete and the system is capable of serving the load or tranches of the load. The Network service customer will be charged by ATC for 100% of the amount of Requested Transmission Capacity – the Requested Transmission Capacity Charge – on the month following when the transmission system is capable of serving the load.

No later than October 1 of each year, ATC will calculate the Requested Transmission Capacity Charge for each month in the upcoming year following when the transmission facilities are complete by multiplying the Schedule 9 Network rate and 100% of the MW value of the requested transmission capacity on the Requested Transmission Capacity Schedule for that year. The monthly Requested Transmission Capacity Charge will equal the sum of the Customer Load Project Schedule 9 Charge and the Minimum Transmission Charge (MTC).

Regarding the Customer Load Project Schedule 9 Charge, no later than October 1 each year, the Network service customer will communicate to ATC how much of the large load is reflected in the load ratio share (LRS) that is used to calculate the Network service customer's charge for the following year. ATC will then calculate the monthly Customer Load Project Schedule 9 Charge for the following year using that load and



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the Network rate applicable to the following calendar year. The Network service customer will then be invoiced the Customer Load Project Schedule 9 Charge each month.

Regarding the MTC, no later than October 1 of each year, ATC for the following year will determine for each month whether the Customer Load Project Schedule 9 Charge equals the Requested Transmission Capacity Charge. In the event that the Customer Load Project Schedule 9 Charge is less than the Requested Transmission Capacity Charge in any month, the Customer will pay an MTC, which is an amount equal to the difference between the Requested Transmission Capacity Charge and the Customer Load Project Schedule 9 Charge.

Here is an example of how the MTC would work for a 1,000 MW new load:

(All amounts are MWs)	Period 1		Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8
	During Construction	In-Service							
Requested Load	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Actual Load	-	200	500	1,000	1,000	800	500	500	500
Load Included in Load Ratio Share	-	-	200	500	1,000	1,000	800	500	500
Load Commitment per MTCA	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Billed through Network Rates	-	-	200	500	1,000	1,000	800	500	500
Billed through MTCA	-	1,000	800	500	-	-	200	500	500

- Annually, no later than October 1, the Network service customer will provide in writing to ATC the monthly amount of transmission service taken by the large load customer covering the time period beginning September 1 of the prior calendar year through August 31 of the current year. This will identify the load included in the load ratio share. In this example, the large load is not included in the load ratio share until Period 3.
- The requested load to be served is set by the finalized Requested Transmission Capacity Schedule provided by the Network service customer in the MTCA and the Network service customer will only be charged for the amount of transmission service that the transmission system is capable of serving. In this example, all facilities required to serve 1,000 MW are completed starting in Period 2.
- In Period 1, where the transmission facilities are still under construction, the Network service customer would not be charged the MTC. In Period 2, the project is now complete, so the MTCA commitment would begin the month after the transmission facilities are in service. Because none of the end-use customer's load has been captured yet in the load ratio share calculation, no amounts would have been reflected in a Customer Load Project Schedule 9 Charge and the full 1,000 MW load amount would be billed to the Network service customer through the MTC at the current Network rate.
- In Periods 3 and 4, a portion of the load – 200 MW and 500 MW, respectively – has been captured in the load ratio share calculation and would therefore be covered in the Customer Load Project Schedule 9 Charge during that time. The remaining load – 800 MW and 500 MW, respectively – would be billed through the MTC.
- In Periods 5 and 6, the full 1,000 MW is included in the LRS, so the entire load is reflected in the Customer Load Project Schedule 9 Charge and nothing will be billed through the MTC.
- In Periods 7 and 8, the end-use customer's load was reduced below the load levels in the Requested Transmission Capacity Schedule and the Network service customer would be billed through the MTC similar to Periods 3 and 4.

Each year, ATC will treat amounts charged through the MTC as a revenue credit in Attachment O to offset the projected revenue requirement used to establish that year's Network rate and Network service customer billings.

A Network service customer's aggregate, cumulative MTC and Customer Load Project Schedule 9 payment obligation will be capped at the aggregate incremental revenue requirement for the transmission facilities reflected in the LLPCA to serve the load over their useful life. The revenue requirement will be calculated utilizing ATC's formula rate in Attachment O of the MISO Tariff). Once this cap is reached, the Network service customer will no longer pay an MTC and will continue to pay the Customer Load Project Schedule 9 Charge.

The Requested Transmission Capacity Schedule provided by the Network service customer will be used to determine the transmission facilities construction schedule and the amount and timing of the Requested Transmission Capacity Charge. The customer will utilize the ATC Requested Transmission Service Template published to ATC's website – <https://www.atcllc.com/customer-engagement/> – see Distribution Interconnections section.

During the Best Value Planning Process, ATC and the Network service customer may mutually agree to a material change or modification to the Requested Transmission Capacity Schedule. Upon completion of the ATC Best Value Planning Process, ATC and the Network service customer will execute the Best Value Plan (BVP) and the Requested Transmission Capacity Schedule will become final. However, the Network service customer may notify ATC of requested material change or modification to Requested Transmission Capacity Schedule. Changes to (a) connect any load prior to the first date listed on the Requested Transmission Capacity Schedule or (b) seek to change the total amount of Requested Transmission Capacity will not be allowed. ATC and the Network service customer will confer to determine whether the requested change to the Requested Transmission Capacity Schedule, or a mutually agreeable alternative, is feasible, and, if so, the change will be made. If ATC and the Network service customer are unable to mutually agree upon the change the finalized Requested Transmission Capacity Schedule will govern.

The MTCA will be in effect for a period of 15 years, beginning when all transmission facilities required to serve the load that are reflected in corresponding LLPCA for the facilities are in service.

The Network service customer may terminate the MTCA prior to the expiration of the agreement's term, including a portion of the Requested Transmission Capacity, by providing 15 days' notice to ATC and paying an Early Termination Fee. The early termination may be due to such reasons as the Network service customer will not accept transmission capacity within 120 days after the in-service date of the transmission facilities, the customer ceases operations, and force majeure. The Early Termination Fee will equal the current Network rate for the cumulative monthly total Requested Transmission Capacity for the remainder of the term of the MTCA. Note that the MTC cap applies to the early termination fee.

As alternative to terminating the MTCA, the Network service customer has the discretion to add other new/expanded loads in the location of the initial large load that triggered the MTCA to offset load that doesn't materialize or that declines over time – if that replacement load does not require additional transmission facilities. Note that the Network service customer would be required to follow the Load Interconnection Guide for interconnecting the replacement load, including submitting a LIRF and a system impact study being conducted by ATC.

3 ROLES AND RESPONSIBILITIES

Interconnection Solutions: Communicate with the Network service customer about the need for a LLPCA and MTCA and address questions during development and execution of the agreements, participate in working with the Network service customer to lock in the Requested Transmission Capacity, and continue to be the main point of contact between the Network service customer and ATC as transmission facilities are developed, including receiving requests to change the Requested Transmission Capacity Schedule.

Manage the LLPCA and MTCA from execution to termination of the agreements and ensure that ATC internal functions align with this Business Practice.

Legal and Regulatory: Prepare an LLPCA and MTCA for execution with the Network service customer and develop and submit filings for the agreements for approval by FERC and, if applicable, PSCW.

Finance and Accounting: Annually, calculate the monthly CWIP Charges, Customer Load Project Schedule 9 Charges and MTCs related to transmission facilities developed to provide the Requested Transmission Capacity. Also, work with the Network service customer to identify the amount of the large load that is reflected in the Network service customer's load ratio share used to calculate its overall Network charged that year.

Operations: Prior to transmission facilities going into service and charging the Network service customer a Customer Load Project Schedule 9 Charge and/or MTC, verify that the constructed transmission facilities are capable of serving the Requested Transmission Capacity.

Planning: Complete the system impact study through the BVP process to identify transmission facilities required to provide the Requested Transmission Capacity, including changes to the Requested Transmission Capacity from the Network service customer.

4 INSTRUCTION

4.1 PRECAUTIONS/LIMITATIONS

Ensure ATC and Network service customer execute an LLPCA and MTCA related to the costs of transmission facilities required to provide the Requested Transmission Capacity to serve all applicable new/expanded loads and that all regulatory requirements applicable to ATC are met.

4.2 PREREQUISITES

- New/expanded load must meet aforementioned applicability criteria.
- A Network service customer that requested interconnection of an applicable new/expanded load and Requested Transmission Capacity must be willing to enter into a LLPCA and MTCA.
- FERC and, if applicable, the PSCW, must approve a LLPCA and MTCA for a given project.

4.3 ENTRY CONDITIONS

The Network service customer through a Load Interconnection Request Form (LIRF) requests to interconnect a new/expanded load that meets eligibility requirements and Requested Transmission Capacity, as described in ATC's Load Interconnection Guide.

4.4 IMMEDIATE ACTIONS

The Network service customer and ATC collaborate to contemporaneously develop an LLPCA and MTCA reflecting the Requested Transmission Capacity.

4.5 MAJOR STEPS

- For a given LIRF for a new/expanded load and Requested Transmission Capacity, determine whether it is eligible for the CWIP Charge and MTC and whether an LLPCA and MTCA are required.
- The Network service customer, utilizing the ATC Requested Transmission Service Template, provides a large load customer's Requested Transmission Capacity to ATC for use in the system impact study indicating the Requested Transmission Capacity Schedule. The Requested Transmission Capacity and needed in-service dates for the transmission facilities are considered final after ATC and Network service customer executes the BVP Report and the Network service customer commits to proceeding with ATC developing the transmission facilities. There is some

ability to change the finalized Requested Transmission Capacity Schedule and that process is highlighted above and further described in the MTCA.

- ATC and the Network service customer collaborate to develop and execute an LLPCA for the full project cost and an MTCA reflecting the large load's Requested Transmission Capacity and the required transmission facilities and estimated in-service dates.
- ATC will develop and submit filings to FERC, and, if applicable, the PSCW, seeking approval of the LLPCA for the full project cost and MTCA.
- Upon regulatory approval of and in accordance with the MTCA, the Network service customer will provide ATC with the required financial security.
- ATC will communicate to the Network service customer when it starts construction of the transmission facilities and begin recording CWIP. Each month thereafter and until the transmission facilities required to serve the load are complete, ATC will calculate the CWIP Charge based on actual CWIP-related expenses for a given month and invoice the Network service customer.
- The LLPCA will terminate when all transmission facilities required to serve the load are in service. ATC will inform FERC and, if applicable, the PSCW when the LLPCA is terminated.
- Until all the required transmission facilities are in service, ATC on an ongoing basis will communicate with the Network service customer about the status of construction of the required transmission facilities to meet the Requested Transmission Capacity Schedule and will confirm when the transmission facilities will be in service and that they are capable of serving the Requested Transmission Capacity.
- Starting in the year prior to when the transmission facilities required to serve the load are expected to go into service and every year for the term of the MTCA thereafter, ATC, no later than October 1 each year, will calculate the Requested Transmission Capacity Charge for each month in the upcoming calendar year and the portions that will be covered by the Customer Load Project Schedule 9 Charge and the Minimum Transmission Charge.
- The Network service customer, no later than October 1 each year, will provide in writing to ATC the monthly amount of transmission service taken by the large load customer covering the time period beginning September 1 of the prior calendar year through August 31 of the current year. This will be used to identify the amount of the large load is reflected in the Network service customers' load ratio share and to calculate the Project Schedule 9 Charge and the Minimum Transmission Charge for the following year.
- Each month the Network service customer is eligible to be charged for the overall Requested Transmission Capacity Charge for the load, ATC will charge the Customer Load Project Schedule 9 Charge for the large load as part of the Network service customer's overall billings for Network Service and separately invoice the Minimum Transmission Charge to the degree it is applicable.
- The Network service customer per the MTCA has the ability to terminate the agreement early for various reasons, subject to payment of an Early Termination Fee.
- The MTCA will terminate after 15 years following the month that all transmission facilities required provide the Requested Transmission Capacity are in service. ATC will inform FERC and, if applicable, the PSCW, when the MTCA is terminated.

5 DOCUMENT REVIEW

This business practice will be reviewed and revised as necessary no less than every five years.

6 RECORD RETENTION

Documents are maintained per the Records Retention Schedule.

ATC's Archive Center SharePoint Site

Enterprise Information Management Policy

7 REVISION INFORMATION



Version	Author	Date	Section	Description
1.0	Brad Vosters	06/30/26	All	Original

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