

Attachment 1

1. If the PSC does not approve the CapX2020 project, will ATC still move forward with its application for the Badger Coulee project?

The Hampton-Rochester-La Crosse portion of the CapX2020 project was approved by the PSC at its open meeting on May 10, 2012. If the project had not been approved, the Badger Coulee project would not have been able to provide as many benefits to electric ratepayers and utilities, and ATC would have needed to further evaluate the project.

2. Why has ATC decided to pursue the Badger Coulee line when the CapX2020 line has not yet been approved by the PSC?

Numerous studies, including ATC's planning studies, MISO's 2010 and 2011 Midwest Transmission Expansion Plan, the Organization of MISO States Upper Midwest Transmission Development Initiative, the Strategic Midwest Area Renewable Transmission Study and the MISO Regional Generation Outlet Study, show a need for the Badger Coulee project by 2018. We began public outreach for this project in 2010 to allow sufficient time for public involvement in a detailed and thorough routing and siting process, the required regulatory review, which includes an environmental impact study, and a lengthy design and construction period.

3. How will the Badger Coulee line provide usage, service or increased regional reliability benefits to wholesale and retail customers in western Wisconsin that are reasonable in relation to its cost?

Our studies are based on a range of plausible futures (e.g. low economic growth, moderate to high economic growth, potential carbon constraints) in an effort to identify the economic benefits of the project.

As you may know, Badger Coulee also has been approved as a MISO Multi-Value Project (MVP). The MISO MVP designation allows for regional cost sharing in recognition that the project provides significant regional benefits. This cost sharing reduces the estimated \$425 million Badger Coulee project costs for ATC ratepayers by approximately 85 percent by distributing the costs across a multi-state region. The net economic savings, combined with improved reliability and access to renewable energy sources are among the many benefits of the Badger Coulee project.

A preliminary 50-year net economic benefit analysis of the project is shown on the next page. The savings represented in the table are net savings, meaning they are above and beyond the project cost. This information was made available to the public in June 2011 and also is available online at: <http://www.atc-projects.com/BCplanning.shtml>.

Preliminary 50-Year Net Economic Benefit of the Badger Coulee Transmission Line Project to ATC Ratepayers

Future Scenario	With MISO MVP Cost Sharing [\$ - Millions - 2010]
Robust Economy	\$962
Green Economy	\$829
Regional Wind	\$762
Carbon Constrained	\$626
Limited Investment	\$496
Slow Growth	\$230

I've included a copy of ATC's Badger Coulee planning presentation (Attachment 2) which also is on our website and has been shown at open houses since 2010. The presentation details the net savings and illustrates the reliability and economic benefits of this project.

4. To what extent will ATC's proposed routes take into consideration the use of existing utility, highway, and railroad corridors, instead of using family farms and other private property?

The process of identifying potential routes for new electric transmission lines is a sensitive one. We follow the process outlined in the Wisconsin state energy policy statutes which provide a framework for siting transmission lines. Please see s. 1.12 (6), Wis. Stats., as enacted in 2003 Wisconsin Act 89. The statute requires that we study route options according to the following prioritized criteria:

Primary opportunities – utility corridors:

- Existing transmission and other electric lines
- Pipelines

Secondary opportunities – transportation corridors:

- State and federal highways
- Railroads

Tertiary opportunities:

- Recreational trails

New corridors:

- Establish new corridors using section lines and/or property boundaries when feasible

Within this context, ATC looks for routes that balance community and landowner input

with environmental impacts, constructability, current and future land use, project cost and specific electric system needs.

Please note that while portions of proposed routes may follow existing utility, highway and railroad corridors, these corridors often are located in close proximity to private property. As such, while a portion of a proposed or approved route may follow existing corridors, it is often necessary to acquire easements from private landowners due to the transmission line's proximity to the adjacent privately-owned lands on the corridor. Our need to acquire easements on private lands is also influenced by our company's need to access the right-of-way for construction and ongoing maintenance needs, and to ensure safe and reliable line operations. Vegetation management of trees is a common right-of-way maintenance activity.