



2. Customer needs

Our customers provide us with input on their needs and suggestions about areas on which we should focus. Some of the most prevalent issues are described below.

- **Improved access** – Virtually all of our customers have indicated a desire to have better transmission access for importing and exporting to out-of-state markets as well as fewer constraints in transacting with their neighboring utilities within the ATC footprint. In response, we launched an Economic Planning Initiative, taking a comprehensive look at the technical feasibility and economic impacts of constructing new transmission lines within ATC and/or to neighboring states.
- **Transmission-distribution interconnection process** – In response to the relatively large number of proposed T-D interconnections, we have developed a process that provides guidelines for our joint Best Value Planning (BVP) efforts. Four BVP levels have been identified to help ATC and its customers identify the appropriate effort to develop potential interconnections. BVP levels are determined based on the assumed scope of work for ATC according to the most likely option for interconnecting the customer facility(ies). A level one BVP assumes that ATC has virtually no capital costs to interconnect the customer. A level four BVP assumes that ATC has to develop a project that requires PSCW regulatory approval (CA or CPCN). Please refer to [ATC's D-T Interconnection Business Practice](#) for details.
- **Control of transmission construction costs** –Our customers desire reliable access to the transmission system as cost-effectively as possible. To accomplish the, ATC has implemented project delivery methodologies based on best in class construction industry practices. These practices include front end planning to identify and lock in scope, partnerships with key suppliers to provide for additional expertise, constructability reviews to improve safety performance and drive costs out utilizing risk management to improve predictability of schedules and costs. We have used these processes and procedures to successfully deliver projects on budget and on schedule.
- **Integration of transmission and generation planning** – Our transmission systems transmission capacity fluctuates with generation installation, retirements and dispatch. As a consequence, generation interconnections cannot be effectively pre-analyzed on a generic basis. Further complicating the issue, construction of generation facilities can occur through regulated or unregulated entities, subject to varying levels of state regulatory requirements. Federal regulations require that we be responsive to all requests for generation interconnection in a consistent and non-discriminatory manner. EPA regulations including the recently passed clean air act has caused uncertainty with how generation will be affected within the reliability



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analysis assumptions. Some units will install equipment to satisfy the new requirements, some will retire, some will convert to gas affecting existing output and current assumed order of dispatch.

We continue to explore potential methods to allow more effective integration of generation and transmission planning in a way that recognizes the limitations of generic analysis and is consistent with federal regulatory obligations while considering the recent uncertainties described above. In addition, we continue to work concurrently with our customers to balance market-sensitive long-range plans, confidential market-sensitive information, and the desire to better integrate these plans.