Section I

ATC's PUBLIC PLANNING PROCESS

Introduction

ATC's public planning process is a very important part of its overall operations. As discussed in more detail below, ATC performs extensive planning activities that take into account input provided through a wide variety of small and large meetings and interactions with utility customers, generators, state and federal regulators, and other interested stakeholders.

ATC has held Planning Zone meetings each year beginning in 2001 to describe its planning process and the information presented in the latest system assessment reports, and to solicit input on the process, needs, potential projects and associated right-of-way needs identified. The following Planning Zone meetings were held during 2003:

Zone 1	North-central Wisconsin	October 8	Wausau, Wis.
Zone 2	Upper Peninsula of Michigan and northern Wisconsin	September 24	Marquette, Mich.
Zone 3	South-central/southwest Wisconsin and South Beloit Illinois	October 9	Wisconsin Dells, Wis.
Zone 4	Northeast Wisconsin	September 25	Manitowoc, Wis.
Zone 5	Southeast Wisconsin	October 1	Port Washington, Wis.
All Zones		October 16	Oshkosh, Wis

At these meetings, stakeholders provided comments and expressed a wide range of opinions regarding the 2003 10-Year Assessment Report and information presented by ATC. This input has been summarized in this 2003 Update (see Section II) and is being taken into account in the development of 2004 activities.

While specific new transmission facilities are identified in this report to address certain needs and/or limitations, ATC will continue to solicit input on such proposed facilities from all interested parties before determining the ultimate solution for which ATC would pursue regulatory or other approvals. While several projects planned for the next few years are considered preferred alternatives by ATC, many projects planned beyond 2008, in general, should be considered as proxy solutions for resolving identified needs and as a basis for additional discussion and refinement.

The needs and limitations identified in this update are based on a current set of operational conditions, growth forecasts, proposed new generation and load interconnections, technical analyses, and customer and stakeholder inputs. Over time, new needs will be identified and other needs may change. Transmission system

conditions are fluid, and it is recognized that the transmission planning process must be able to respond to and incorporate changing needs and conditions. This process is iterative by nature, and with this assessment the ongoing cycle of needs identification, analysis, public input and solution development continues.

Transmission Planning Approach

The fundamental underpinnings of ATC's approach to transmission planning are customer need and public input. ATC intends to propose transmission options to resolve customer needs as expressed through:

- Load growth forecasts
- New load interconnection requests
- Long-term transmission service requests
- Generation interconnection requests
- Need for improved operational reliability
- Need for resolution of local and regional congestion and access to regional energy markets
- Need for replacement of old facilities
- Need for increased operational efficiency

To facilitate acceptance and implementation of any proposed plans, ATC believes the public, including all stakeholders, must be invited to participate in an open, iterative, and interactive public planning process.

To design the most efficient and effective ways of meeting customer needs, ATC has developed a process encompassing four levels of planning:

- Base – Localized Issue
- Second – ATC Planning Zone
- Third – ATC System
- Fourth – Regional/National

Needs and potential solutions are developed at each level and then vetted against those at the next level, until the most effective overall plans addressing the combined needs are developed. ATC performs the first three levels of planning for its area, and then works with Midwest Independent System Operator (MISO) to incorporate resolution of fourth-level issues identified through the broader regional planning process led by MISO. ATC is also an active participant in Mid-America Interconnected Network (MAIN) and North American Electric Reliability Council (NERC) reliability assessments of regional and eastern interconnection transmission systems.

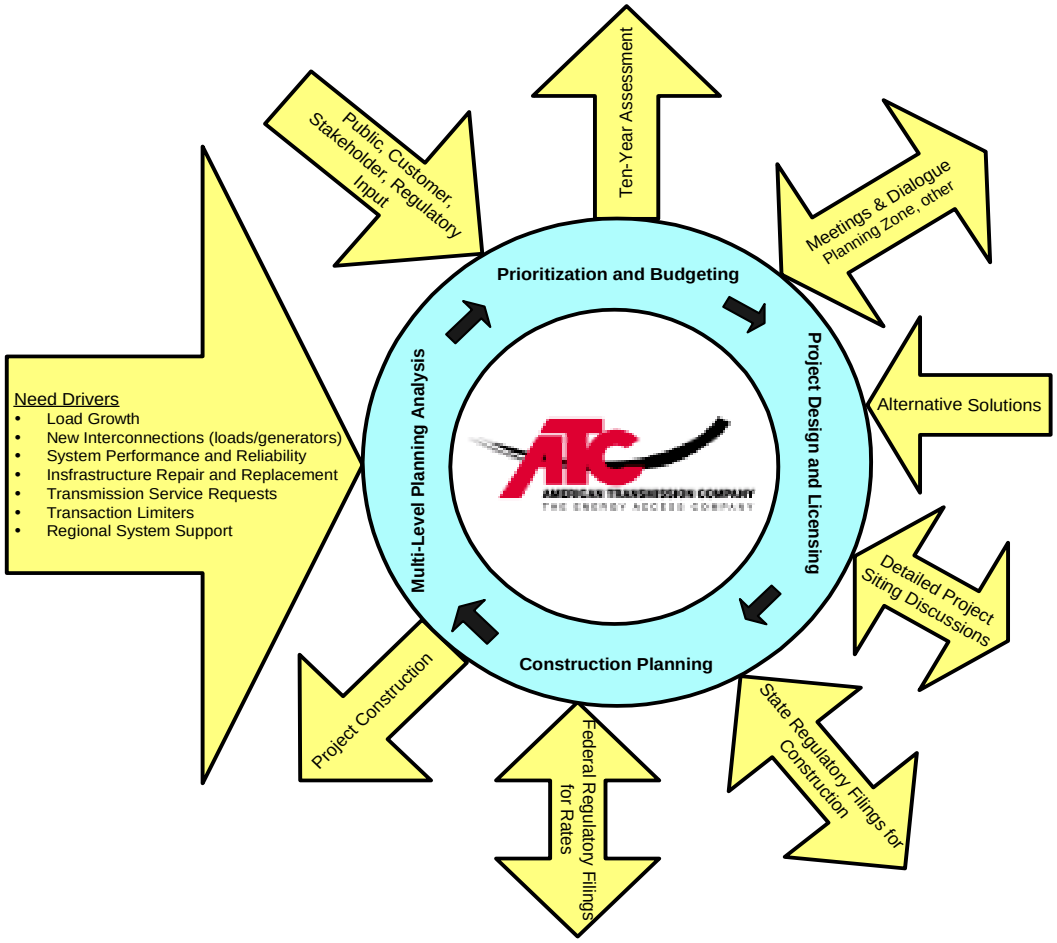
The results of ATC's ongoing planning activities are presented in its 10-Year Transmission System Assessment reports, issued approximately every six months to respond to the most current mix of needs and issues. The purpose of these reports is to illustrate identified needs and potential solutions and provide the foundation for public discussion and participation in shaping the ultimate plans to be proposed. ATC then holds public meetings and other communication activities to inform and interact with interested stakeholders, including customers, public officials, regulators, environmental groups and other members of the public. The purpose of these meetings is to present identified needs and justification for projects in each area, facilitate identification of the most acceptable

routes for any new transmission lines, allow for development and consideration of any additional alternatives that interested entities may want to propose to address identified needs, and receive public input to incorporate into future revisions of proposed plans. Communications activities are ongoing as the overall planning process continues through subsequent iterations.

The planning, permitting and construction cycle for transmission solutions require more time than what is required for most other alternative solutions. If identified needs are addressed effectively through alternative solutions, ATC will defer or cancel proposed transmission projects. If the needs remain, ATC will proceed with its projects, which have been effectively tailored through this iterative public input process. Public communication and discussion related to specific projects become more focused and targeted as necessary regulatory filing dates approach.

ATC strives to achieve its objectives of providing reliable service and an adequate transmission infrastructure to meet its customers' needs. This planning approach will make this achievement possible by facilitating development of the most effective mix of projects to meet those needs in a timely fashion. Public participation in this process is vital to its success, as the best plans provide no value or benefit unless they can actually be implemented, and implemented in time. Communicating openly, early and often is the best way to achieve public awareness and acceptance of needs and solutions, and to illustrate responsiveness to public concerns, which may otherwise prevent or delay necessary projects.

The figure below depicts ATC's planning process. The blue circle represents ongoing, continuous core ATC activities. Against that backdrop, there are constantly changing inputs and outputs that affect and shape the core activities, and ensure that ultimate project construction is responsive to the current mix of needs and influences.



ATC Planning Zones

ATC utilizes the concept of planning zones in its Assessments of the transmission system within its service territory. Five planning zones have been defined representing distinct areas where needs are compiled and assessed. As described on page 5, zone level planning is one of four levels at which transmission system needs are assessed.

Figure I-1
ATC Planning Zones