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Brian C. Drumm ■ 262-832-8737 ■ [bdrumm@atcllc.com](mailto:bdrumm@atcllc.com)

June 15, 2016

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: Midcontinent Independent System Operator, Inc., Docket No. ER16-\_\_\_-000**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure,<sup>2</sup> the Midcontinent Independent System Operator, Inc. (“MISO”) on behalf of American Transmission Company LLC, by its corporate manager, ATC Management Inc. (collectively, “ATCLLC”) hereby tenders for filing an Agreement for Engineering Design and Procurement of Material for a Portion of the Required Network Upgrades (“Agreement”) entered into between ATCLLC and Quilt Block Wind LLC (“Quilt Block”) on June 9, 2016.

This Agreement is being filed as Original Service Agreement No. 2923 under MISO’s FERC Electric Tariff, Vol. No. 1 Fifth Revised (“Tariff”). MISO, acting on behalf of ATC, respectfully requests an effective date for the Agreement of June 16, 2016, or one day after filing, as further detailed herein.<sup>3</sup>

ATCLLC has discussed this matter with Quilt Block and Quilt Block has reviewed this filing in advance of submittal to the Commission. Quilt Block has expressly authorized ATCLLC to state that it concurs with and supports this filing and respectfully requests that the Commission grant the relief requested herein, specifically including but not limited to the requested effective date.

<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Part 35 (2014).

<sup>3</sup> As administrator of the MISO Tariff on file with the Commission, MISO joins in this filing, but takes no position on the substance of this filing.

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## **I. Background**

### **A. ATCLLC**

ATCLLC is a Wisconsin limited liability company created as a single-purpose, for-profit transmission company.<sup>4</sup> ATCLLC began operations under the terms of its own open access transmission tariff on January 1, 2001, and currently owns and operates over 9,500 miles of jurisdictional transmission facilities in the states of Wisconsin, Illinois, Minnesota and Michigan. Most of ATCLLC's facilities were acquired, with Commission approval, from a number of previously vertically-integrated companies, municipalities, and electric cooperatives.<sup>5</sup> On February 1, 2002, ATCLLC transferred operational control of its facilities to MISO.<sup>6</sup> Since that time, MISO has provided transmission service over ATCLLC's transmission facilities pursuant to the terms of the MISO Tariff,<sup>7</sup> with ATCLLC operating its transmission facilities in accordance with the direction of the MISO.

### **B. Quilt Block Wind LLC**

Quilt Block Wind LLC is a limited liability company organized and existing under the laws of the State of Delaware. Quilt Block currently plans to own and construct an electric-generating wind farm in Lafayette County, Wisconsin. Quilt Block's wind farm is expected to interconnect to the transmission system owned by ATC and operated by MISO in accordance with MISO Tariff.

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<sup>4</sup> *Wis. Stats.* § 196.485(3m) established the framework for the formation of ATCLLC as a single-purpose transmission company to own and operate the electric transmission facilities as a single transmission grid in the areas in which facilities are contributed, and authorized ATCLLC to plan, construct, operate, maintain, and expand the transmission facilities to provide adequate and reliable transmission service.

<sup>5</sup> Prior Section 203 approvals include the following dockets: EC10-39, EC05-34, EC04-130, EC04-111, EC04-55, EC04-37, EC03-73, EC01-87, EC00-136, EC00-131, EC00-120, EC00-105, EC00-45, and EC00-33. These utilities included Wisconsin Power and Light Company, Wisconsin Electric Power Company, Edison Sault Electric Company, South Beloit Water, Gas and Electric Company, Madison Gas and Electric Company and Wisconsin Public Service Corp. Wisconsin Public Power Inc. is also a contributor to ATC, contributing cash. See *Wisconsin Electric Power Co.*, 90 FERC ¶ 61,346 (2000); *Wisconsin Power & Light Co.*, 90 FERC ¶ 61,347 (2000); *Wisconsin Public Service Co. and Madison Gas and Electric Co.*, 93 FERC ¶ 61,215 (2000), *order on clarification*, 93 FERC ¶ 62,201 (2000); *Edison Sault Electric Co.*, 93 FERC ¶ 61,146 (2000); and *South Beloit Water, Gas and Electric Co.*, 92 FERC ¶ 62,266 (2000).

<sup>6</sup> Transfer of operational control authorized in *American Transmission Company LLC*, 97 FERC ¶ 62,182 (2001).

<sup>7</sup> MISO's existing tariff is titled "Open Access Transmission, Energy and Operating Reserve Markets Tariff" ("MISO Tariff").

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## **II. Description of Filing**

### **A. The Agreement**

ATCLLC, Quilt Block, and MISO are currently jointly coordinating to comply with the various provisions of MISO Tariff Attachment X regarding generator interconnection, and relevant studies are currently underway. Quilt Block's Attachment X Generator Interconnection Agreement (GIA) has not yet been completed, but ATCLLC, Quilt Block, and MISO expect to execute a GIA in the near future.

In the interim, Quilt Block, MISO, and ATCLLC have determined that, should certain interconnection and network upgrade facilities be installed, Wind Block's generating facility may be able to operate pursuant to a provisional GIA and provisional interconnection service, subject to certain operating limitations. Quilt Block is interested in interconnecting its generating facility to operate on a limited basis, as described above, as soon as possible. Quilt Block has thus requested that ATCLLC complete certain work prior to completion of the studies required by the GIA and the execution of a three-party GIA by and between ATCLLC, Quilt Block, and MISO. The attached Agreement sets forth the terms and conditions pursuant to which ATCLLC will assist Quilt Block in this regard.

### **B. Rates Under the Agreement**

Pursuant to Paragraph 2 of the Agreement, Quilt Block is to pay ATCLLC's for "all of its actual costs incurred prior to the execution of the provisional GIA . . . ." Quilt Block and ATCLLC have agreed to a payment schedule that provides for periodic advance payment by Quilt Block to ensure that ATCLLC is not operating "at risk" in providing the above-referenced services to Quilt Block. ATCLLC estimates that the aggregate cost of services it is to provide to Quilt Block under the Agreement will total \$1,632,035.00.

### **C. Information Required Under 18 C.F.R. § 35.13**

#### **1. Proposed Effective Date and Request for Waiver of Notice**

MISO, on behalf of ATC, respectfully requests an effective date for the Agreement of June 16, 2016, one day after this filing. MISO, on behalf of ATC, respectfully requests, pursuant to Section 35.15 (18 C.F.R. § 35.15 (2015)) of the Commission's regulations, waiver of the 60-day prior notice requirements specified in Section 35.15, and requests that the Commission accept the Agreement for filing effective as of June 16, 2016 for good cause shown.

Specifically, Quilt Block and ATCLLC have agreed to the terms of the Agreement and agree that it should be effective as soon as possible to permit ATCLLC to provide relevant services to Quilt Block and to attempt to meet Quilt Block's request for an accelerated provisional interconnection date.

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## 2. Correspondence and Service

Correspondence and service regarding this filing should be sent to the following individuals, who should be placed on the official service list in this proceeding:

J. Matt Harnish (mharnish@misoenergy.org)\*

Sally L. Clore (sclore@misoenergy.org)\*

David J. Wieczorek

(dwieczorek@misoenergy.org)

Midcontinent Independent System Operator, Inc.

P.O. Box 4202

Carmel, IN 46082-4202

Telephone: 317-249-5400

Brian Drumm\*

Associate General Counsel

American Transmission Company

W234 N2000 Ridgeview Pkwy. Ct.

Waukesha, WI 53188-1022

(262) 832-8737

[bdrumm@atcllc.com](mailto:bdrumm@atcllc.com)

## 3. Service

MISO has served a copy of this filing on Quilt Block and the Wisconsin Public Service Commission.

## 4. Documents Submitted With This Filing; Request for Waiver

In accordance with the Commission's regulations, MISO submits an eTariff XML filing package containing the following materials:

- This Transmittal Letter; and
- Tab A - Agreement for Engineering Design and Procurement of Material for a Portion of the Required Network Updates with Quilt Block in eTariff format in accordance with the requirements of Order No. 714;<sup>8</sup>

To the extent necessary, MISO respectfully requests waiver of any applicable requirement of Part 35 which is found not to be completely satisfied by this filing.

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<sup>8</sup> *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008) ("Order No. 714").

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**IV. CONCLUSION**

WHEREFORE, MISO respectfully requests that the Commission accept the Agreement attached hereto for filing with the effective date of June 16, 2016.

Respectfully submitted

/s/ Brian C. Drumm

Attorney for ATCLLC

Tab A

SA 2923 ATC-QUILT BLOCK WIND E&P VERSION 31.0.0

EFFECTIVE 06/16/2016

ORIGINAL SERVICE AGREEMENT NO. 2923

Project No. J395

**AGREEMENT FOR ENGINEERING DESIGN AND PROCUREMENT OF MATERIAL  
FOR A PORTION OF THE REQUIRED NETWORK UPGRADES**

among

Quilt Block Wind Farm LLC

and

American Transmission Company LLC

and

Midcontinent Independent System Operator, Inc.

**Agreement for Engineering Design and Procurement of Material  
for a Portion of the Required Network Upgrades**

**MISO Project J395**

**Between**

**Quilt Block Wind Farm LLC**

**and**

**American Transmission Company LLC**

**and**

**Acknowledged by**

**Midcontinent Independent System Operator, Inc.**

Dated the 9<sup>TH</sup> day of JUNE, 2016



**Agreement for Engineering Design and Procurement of Material  
for a Portion of the Required Network Upgrades - MISO Project J395**

This Letter Agreement (Agreement) is entered into as of the 9<sup>TH</sup> day of JUNE, 2016 (the “Effective Date”), among **Quilt Block Wind Farm LLC** (Interconnection Customer) and **American Transmission Company LLC** (Transmission Owner, collectively, with Interconnection Customer, the “Parties”, each, a “Party”) and sets forth the agreement between the Parties concerning a portion of the work to be engaged in by Transmission Owner in connection with the request made by Interconnection Customer to interconnect certain generating facilities to the transmission system owned by Transmission Owner and operated by the Midcontinent Independent Transmission System Operator, Inc. (“MISO” or “Transmission Provider”). The Transmission Provider is a signatory to this Agreement for acknowledgement purposes only.

A. Interconnection Customer currently plans to own and construct a Generating Facility located in Lafayette County, Wisconsin, which will consist of forty nine (49) Vesta 2.0MW wind turbine generators, a collection system, an interconnection substation, and associated facilities, with a total output of 98 MW (gross). The Generating Facility is presently expected to interconnect to the 138kV X-14 Darlington Substation and Hillman Line and transmission system owned by Transmission Owner (Transmission Owner’s System) and operated by MISO in accordance with MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (the “Tariff”). Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the Tariff.

B. Interconnect Customer is in the February 2015 MISO Definitive Planning Phase (DPP) cycle. The studies required by Attachment X of the Tariff and performed by

Transmission Provider are underway. If MISO approves the studies, Interconnection Customer and Transmission Owner intend on constructing permanent Interconnection Facilities and Network Upgrades necessary to interconnect the Generating Facility. Interconnection Customer's provisional Generator Interconnection Agreement (GIA) has not been completed, but the Parties anticipate negotiating and entering into such a GIA upon completion and approval of the studies. The Parties anticipate that the provisional GIA will be in effect until the DPP cycle concludes and then Transmission Owner, Interconnection Customer, and MISO will enter into an unconditional GIA, as prescribed by the Tariff, with respect to the proposed Generating Facility.

C. The Parties have determined that to meet the Interconnection Customer's schedule, certain permanent Interconnection Facilities and Network Upgrades, when installed prior to the completion of all permanent Interconnection Facilities and Network Upgrades, may permit Interconnection Customer's Generating Facility to commence provisional Interconnection Service under the provisional GIA, under certain operating limitations. Commencement of provisional interconnection service in the interim is conditioned upon completion of (1) execution of a provisional or unconditional GIA, and (2) construction of required Transmission Owner Interconnection Facilities and Network Upgrades, if any, prior to the completion of all Transmission Owner Network Upgrades that are required for the Generating Facility to operate in a stable and reliable manner.

D. Interconnection Customer is interested in interconnecting the Generating Facility as soon as is reasonably possible, and desires to have certain work completed prior to completion of the required studies and entering into the provisional or unconditional GIA in order to expedite the completion of the required Transmission Owner Interconnection Facilities and Network

Upgrades that are necessary to safely and reliably interconnect the Generating Facility as proposed by the Interconnection Customer to the Transmission Owner's System.

E. Transmission Owner is interested in assisting Interconnection Customer upon certain terms, conditions, and limitations as set forth below.

**Now, Therefore, in consideration of the promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Interconnection Customer and Transmission Owner agree as follows:**

1. The purpose of this Agreement is to expedite the interconnection process of the Interconnection Customer's Generating Facility with the Transmission Owner's System in a safe and reliable manner, while the required terms of the provisional GIA are being finalized.

2. In accordance with the terms below, Interconnection Customer agrees to pay Transmission Owner for all of Transmission Owner's actual costs incurred prior to the execution of the provisional GIA for the Generating Facility proposed by the Interconnection Customer for the work described in Sections 4 and 5 below (the "Work").

3. Upon receipt of the Payments set forth in Section 7 below, Transmission Owner agrees to use Reasonable Efforts to complete the Work to support the anticipated backfeed date of December 1, 2017 and Commercial Operation Date of December 31, 2017. The Parties acknowledge that such backfeed date and Commercial Operation Date may be accelerated based upon the progress made with respect to the Work and execution of provisional and unconditional GIAs.

4. The Work to be performed by Transmission Owner shall be comprised of certain permanent Interconnection Facilities and Network Upgrades (as more particularly described in

Section 5 below) that are required to interconnect Interconnection Customer's proposed Generating Facility with the Transmission Owner's System on an interim basis. The Parties acknowledge and agree that the permanent Interconnection Facilities and Network Upgrades subject to this Agreement are only those limited permanent Interconnection Facilities and Network Upgrades that will enable Transmission Owner to receive the output from the Generating Facility on an interim basis under certain limited operating conditions until such time as other permanent Interconnection Facilities and Network Upgrades to be identified in the unconditional GIA are constructed. The Parties further acknowledge that if the Work provided for under this Agreement is not undertaken, Transmission Owner will not be able to design, engineer and thereafter construct the permanent Interconnection Facilities and Network Upgrades covered by this Agreement in a timely manner.

5. Upon receipt of Payment Number 1, Transmission Owner shall design and engineer the modifications to its Transmission Facilities set forth below on an expedited schedule. Upon receipt of Payment Number 2, Transmission Owner shall begin procuring the equipment set forth in Section 7 on an expedited schedule. Transmission Owner's obligations under this Agreement are contingent upon timely receipt of all Payments from Interconnection Customer in accordance with Section 7 of this Agreement. Failure by Interconnection Customer to timely deliver all Payments to Transmission Owner will permit Transmission Owner to stop all Work and cancel any equipment orders. Construction of any permanent Interconnection Facilities and Network Upgrades cannot commence until after either (1) execution of a provisional or unconditional GIA among the Parties, or (2) the filing of an unexecuted GIA among the Parties that is accepted by the Federal Energy Regulatory Commission (FERC).

### Facilities to be Engineered by Transmission Owner

	Type	Description
1	<b>Stand-Alone Network Upgrade</b>	J-395, Switching Station known as Falcon (FLC) Substation. This network upgrade will consist of a new three breaker ring bus with one generator position and two line positions.
2	<b>Non-Stand-Alone Network Upgrade</b>	X-14 Line, Transmission line upgrades will consist of two transmission line dead-end structures, up to two tangent pole replacements, and jumpers into the Interconnection Facility.
3	<b>Transmission Owner Interconnection Facilities</b>	J-395 Switchyard to Interconnection Customer Facility. Interconnection equipment will consist of equipment between the Point of Interconnection and Point of Change of Ownership in the Transmission Owner switchyard.
4	<b>Non-Stand-Alone Network Upgrade</b>	Remote end work required at ATC-owned Darlington (DAR) and Hillman (HLM) Substations.

6. Interconnection Customer shall have the right to terminate this Agreement prior to execution of the provisional or unconditional GIA after providing MISO and Transmission Owner with thirty (30) days' written notice. Subject to any and all necessary regulatory or governmental approvals, notice of termination shall be effective on the 30<sup>th</sup> day following receipt by MISO and Transmission Owner of the notice of termination. Upon termination by Interconnection Customer, Interconnection Customer shall be responsible for the prompt payment of all actual costs incurred by Transmission Owner prior to the effective date of termination and such reasonable termination expenses including, but not limited to, any incurred reasonable operating expenses, previously incurred reasonable capital costs, and reasonable penalties for early termination. Upon receipt of such termination notice from Interconnection Customer, MISO and Transmission Owner shall use all commercially reasonable efforts to mitigate any termination expenses and/or cancellation costs.

7. In accordance with the payment schedule set forth below, Interconnection Customer shall pay Transmission Owner for the estimated expenditures Transmission Owner will reasonably incur in connection with the Work. These costs are associated with design,

engineering and equipment procurement necessary to permit Transmission Owner to construct the permanent Interconnection Facilities and Network Upgrades. The total cost for procurement of long lead equipment is currently reasonably estimated by Transmission Owner as follows:

**Long Lead Equipment to be Procured by Transmission Owner**

QTY	VOLTAGE	EQUIPMENT TYPE	EQUIPMENT DESCRIPTION	COST PER ITEM	TOTAL COST
3	138 kV	Gas Circuit Breaker	3 cycle, 3000 A continuous current, 40kA short circuit current	\$68,870	\$206,610
8	138 kV	Disconnect Switch	2000A continuous current, 6 vertical break/2 center break	V.B.=\$11,000 C.B.=\$10,000	\$86,000
2	138 kV	CCVT	Line Trap and Line Tuner will also be ordered with each CCVT	\$28,000	\$56,000
1	138 kV	SSVT	50 kVA rating	\$43,500	\$43,500
9	138 kV	Voltage Transformer		\$14,000	\$126,000
1	NA	Control Building	RTU panel, relay panels, battery, charger, and AC/DC panels will be ordered at same time as control building.	\$600,000	\$600,000
					<b>\$1,118,110.00</b>

The total cost for design, engineering and equipment procurement activities is currently reasonably estimated by Transmission Owner as follows:

Total Estimated Cost for Engineering and Long Lead Equipment Procurement	
Engineering	\$365,872.00
Long Lead Equipment Procurement	\$1,118,110.00
Owner/Agent Oversight	\$148,053.00
<b>Total:</b>	<b>\$1,632,035.00</b>

Additionally, Transmission Owner shall collect from Interconnection Customer a tax gross-up amount on the Payments, as defined below, made to Transmission Owner using the Transmission Owner's rate in effect at the time a Payment is received from Interconnection Customer. The

current Transmission Owner tax gross-up rate is 15.974%. The tax gross-up amount on the Payments set forth below is \$260,701.27.

The payment schedule is as follows:

### Payment Schedule

Payment Number	Design, Engineering and Equipment Procurement Amount	Tax Gross Up Amount	Total Payment Due (individually, a "Payment" and collectively, the "Payments")	Due Date
1	\$513,925.00	\$82,094.38	<b>\$596,019.38</b>	Within ten (10) days of the Effective Date
2	\$139,300.00	\$22,251.78	<b>\$161,551.78</b>	July 8, 2016
3	\$240,000.00	\$38,337.60	<b>\$278,337.60</b>	October 21, 2016
4	\$738,810.00	\$118,017.51	<b>\$856,827.51</b>	December 15, 2016
<b>Total</b>	\$1,632,035.00	\$260,701.27	<b>\$1,892,736.27</b>	

The Parties shall provide a Single Line Diagram exhibit and detailed list of permanent Interconnection Facilities and Network Upgrades. The Interconnection Customer is solely responsible to fund with tax gross up applied and without refund for any permanent Interconnection Facilities covered hereunder that are not required in the provisional or unconditional GIA.

Transmission Owner shall invoice Interconnection Customer monthly by the fifteenth (15<sup>th</sup>) day of the following month for the Work performed under this Agreement in the preceding month. Transmission Owner shall deduct from the Payments received, in accordance with the payment schedule, the amount of each such invoice. Transmission Owner shall provide prompt written notice to Interconnection Customer at any time that it reasonably determines that the actual cost for the Work to be paid for by Interconnection Customer under this Agreement will exceed \$1,632,035.00, with reasonable detail describing such determination. Thereafter, if Transmission Owner incurs actual costs for the Work that exceeds \$1,632,035.00 (Additional Amounts),

Transmission Owner shall invoice Interconnection Customer for such Additional Amounts in accordance with this Agreement. Transmission Owner shall also collect from Interconnection Customer a tax gross-up amount on the Additional Amounts using the Transmission Owner's rate in effect at the time Additional Amounts are received from Interconnection Customer.

Additional Amounts and associated tax gross up amounts due from Interconnection Customer are payable within thirty (30) days following receipt of an invoice from Transmission Owner. If Interconnection Customer fails to pay any invoiced Additional Amounts and associated tax gross up amounts within thirty (30) days following the receipt of such invoice, and Interconnection Customer does not dispute such amounts within the thirty (30) days following receipt of such invoice, then Transmission Owner's obligations under this Agreement shall cease.

Interconnection Customer may request Dispute Resolution under the dispute resolution provisions of the Tariff to dispute the amount of any invoice. All amounts paid under this Agreement by Interconnection Customer, including but not limited to the Payments and any and all Additional Amounts, shall be included in the total cost of Transmission Owner Interconnection Facilities and Network Upgrades included under the provisional and unconditional GIA, and the amounts incurred and paid for by Interconnection Customer under this Agreement shall be treated as costs for Interconnection Facilities and Network Upgrades under the provisional and unconditional GIA and the Tariff. Interconnection Customer's failure to pay Transmission Owner as provided for in this Agreement may delay Transmission Owner's completion of the Interconnection Facilities and Network Upgrades in a timely manner.

8. Transmission Owner shall perform the Work only after receipt of the Payments in accordance with the payment schedule set forth in Section 7 of this Agreement and shall use reasonable commercial efforts to complete the Work as necessary to support construction of the



Interconnection Facilities and Network Upgrades under the GIA on an expedited schedule as requested by Interconnection Customer. If, prior to December 30, 2016, (1) MISO, Transmission Owner and Interconnection Customer have not executed the provisional or unconditional GIA, (2) MISO is not in receipt of Interconnection Customer's request directing MISO to file the GIA in unexecuted form, or (3) the Interconnection Customer has not instituted Dispute Resolution Procedures pursuant to Attachment X, then Transmission Owner shall be under no further obligation to complete the Work. If the Parties have entered into a GIA, or if Interconnection Customer has requested either Dispute Resolution or the filing of a GIA on an unexecuted basis, then the Work shall be incorporated into the work to be performed under the terms of the GIA, which shall replace and supersede this Agreement and shall govern the performance or obligations arising out of or related to this Work or this Agreement, and this Agreement shall terminate, except to the extent that amounts due under this Agreement have not been invoiced or paid. This Agreement shall continue in full force and effect until such time as all amounts due shall have been paid.

9. Interconnection Customer shall provide to Transmission Owner all information necessary to perform the activities specified under this Agreement. Interconnection Customer further agrees to cooperate and coordinate with Transmission Owner in seeking any and all necessary regulatory or governmental approvals associated with this Agreement, specifically including but not limited to approvals by FERC required under Section 205 of the Federal Power Act.

10. This Agreement constitutes the entire agreement among the Parties regarding the subject matter of this Agreement. No modification to any of the provisions of this Agreement

shall be binding unless reduced to writing and approved by the duly authorized representatives of Interconnection Customer, Transmission Owner and MISO.

11. This Agreement is executed pursuant to Section 9 of the Generator Interconnection Procedures provided in Attachment X of the Tariff. In the event of a conflict between this Agreement and the Tariff, the Tariff shall control. Each Party represents and warrants that it has full power and authority to enter into this Agreement. The person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement.

12. The Parties acknowledge and understand that the signature of the authorized officer of MISO on this Agreement is for the limited purpose of acknowledging that the representative of MISO has read the terms of this Agreement. The Parties and MISO further state that they understand that FERC desires that the Parties keep MISO fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the officer of MISO shall not in any way be deemed to imply that MISO is taking responsibility for the actions of either Party, that MISO has any affirmative duties under this Agreement or that MISO is liable in any way under this Agreement.

THIS AGREEMENT IS ENTERED INTO BY THE AUTHORIZED REPRESENTATIVES OF THE PARTIES WHOSE SIGNATURES ARE SET FORTH BELOW.

**THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

**Quilt Block Wind Farm LLC**

By: [Signature]

Name: Steve Irvin  
Executive Vice President, Central Region

Title: \_\_\_\_\_

[Signature]

Brian Hayes  
Executive Vice President,  
Asset Operations

TS

**American Transmission Company LLC,  
by its corporate manager, ATC Management Inc.**

By: [Signature]

Name: TOM FINCO

Title: Vice President - External Affairs

The signature below of the authorized officer of MISO is for the limited purpose of acknowledging that an authorized officer of MISO has read this Agreement.

**Midcontinent Independent Transmission System Operator, Inc.**

By: Jennifer Curran

Name: \_\_\_\_\_

Title: **JENNIFER CURRAN**  
**Vice President**  
**System Planning & Seams Coordination**

6/9/16  
DW

FERC rendition of the electronically filed tariff records in Docket No. ER16-01929-000  
Filing Data:  
CID: C001344  
Filing Title: 2016-06-15\_SA 2923 ATC-Quilt Block Wind Farm E&P (J395)  
Company Filing Identifier: 10962  
Type of Filing Code: 10  
Associated Filing Identifier:  
Tariff Title: Midwest ISO Agreements  
Tariff ID: 13  
Payment Confirmation:  
Suspension Motion:

Tariff Record Data:  
Record Content Description, Tariff Record Title, Record Version Number, Option Code:  
SA 2923, ATC-Quilt Block Wind Farm E&P (J395), 31.0.0, A  
Record Narrative Name:  
Tariff Record ID: 10593  
Tariff Record Collation Value: 293898240      Tariff Record Parent Identifier: 4507  
Proposed Date: 2016-06-16  
Priority Order: 1000000000  
Record Change Type: NEW  
Record Content Type: 1  
Associated Filing Identifier:

**SA 2923 ATC-QUILT BLOCK WIND E&P VERSION 31.0.0**

**EFFECTIVE 06/16/2016**

**ORIGINAL SERVICE AGREEMENT NO. 2923**

Project No. J395

**AGREEMENT FOR ENGINEERING DESIGN AND PROCUREMENT OF MATERIAL  
FOR A PORTION OF THE REQUIRED NETWORK UPGRADES**

among

Quilt Block Wind Farm LLC

and

American Transmission Company LLC

and

Midcontinent Independent System Operator, Inc.

**Agreement for Engineering Design and Procurement of Material  
for a Portion of the Required Network Upgrades**

**MISO Project J395**

**Between**

**Quilt Block Wind Farm LLC**

**and**

**American Transmission Company LLC**

**and**

**Acknowledged by**

**Midcontinent Independent System Operator, Inc.**

**Date the 9<sup>th</sup> day of June, 2016**

**Agreement for Engineering Design and Procurement of Material  
for a Portion of the Required Network Upgrades - MISO Project J395**

This Letter Agreement (Agreement) is entered into as of the 9<sup>th</sup> day of June, 2016 (the “Effective Date”), among **Quilt Block Wind Farm LLC** (Interconnection Customer) and **American Transmission Company LLC** (Transmission Owner, collectively, with Interconnection Customer, the “Parties”, each, a “Party”) and sets forth the agreement between the Parties concerning a portion of the work to be engaged in by Transmission Owner in connection with the request made by Interconnection Customer to interconnect certain generating facilities to the transmission system owned by Transmission Owner and operated by the Midcontinent Independent Transmission System Operator, Inc. (“MISO” or “Transmission Provider”). The Transmission Provider is a signatory to this Agreement for acknowledgement purposes only.

A. Interconnection Customer currently plans to own and construct a Generating Facility located in Lafayette County, Wisconsin, which will consist of forty nine (49) Vesta 2.0MW wind turbine generators, a collection system, an interconnection substation, and associated facilities, with a total output of 98 MW (gross). The Generating Facility is presently expected to interconnect to the 138kV X-14 Darlington Substation and Hillman Line and transmission system owned by Transmission Owner (Transmission Owner’s System) and operated by MISO in accordance with MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (the “Tariff”). Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the Tariff.

B. Interconnect Customer is in the February 2015 MISO Definitive Planning Phase (DPP) cycle. The studies required by Attachment X of the Tariff and performed by

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C. The Parties have determined that to meet the Interconnection Customer's schedule, certain permanent Interconnection Facilities and Network Upgrades, when installed prior to the completion of all permanent Interconnection Facilities and Network Upgrades, may permit Interconnection Customer's Generating Facility to commence provisional Interconnection Service under the provisional GIA, under certain operating limitations. Commencement of provisional interconnection service in the interim is conditioned upon completion of (1) execution of a provisional or unconditional GIA, and (2) construction of required Transmission Owner Interconnection Facilities and Network Upgrades, if any, prior to the completion of all Transmission Owner Network Upgrades that are required for the Generating Facility to operate in a stable and reliable manner.

D. Interconnection Customer is interested in interconnecting the Generating Facility as soon as is reasonably possible, and desires to have certain work completed prior to completion of the required studies and entering into the provisional or unconditional GIA in order to expedite the completion of the required Transmission Owner Interconnection Facilities and Network Upgrades that are necessary to safely and reliably interconnect the Generating Facility as

proposed by the Interconnection Customer to the Transmission Owner's System.

E. Transmission Owner is interested in assisting Interconnection Customer upon certain terms, conditions, and limitations as set forth below.

**Now, Therefore, in consideration of the promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Interconnection Customer and Transmission Owner agree as follows:**

1. The purpose of this Agreement is to expedite the interconnection process of the Interconnection Customer's Generating Facility with the Transmission Owner's System in a safe and reliable manner, while the required terms of the provisional GIA are being finalized.

2. In accordance with the terms below, Interconnection Customer agrees to pay Transmission Owner for all of Transmission Owner's actual costs incurred prior to the execution of the provisional GIA for the Generating Facility proposed by the Interconnection Customer for the work described in Sections 4 and 5 below (the "Work").

3. Upon receipt of the Payments set forth in Section 7 below, Transmission Owner agrees to use Reasonable Efforts to complete the Work to support the anticipated backfeed date of December 1, 2017 and Commercial Operation Date of December 31, 2017. The Parties acknowledge that such backfeed date and Commercial Operation Date may be accelerated based upon the progress made with respect to the Work and execution of provisional and unconditional GIAs.

4. The Work to be performed by Transmission Owner shall be comprised of certain permanent Interconnection Facilities and Network Upgrades (as more particularly described in Section 5 below) that are required to interconnect Interconnection Customer's proposed



Generating Facility with the Transmission Owner's System on an interim basis. The Parties acknowledge and agree that the permanent Interconnection Facilities and Network Upgrades subject to this Agreement are only those limited permanent Interconnection Facilities and Network Upgrades that will enable Transmission Owner to receive the output from the Generating Facility on an interim basis under certain limited operating conditions until such time as other permanent Interconnection Facilities and Network Upgrades to be identified in the unconditional GIA are constructed. The Parties further acknowledge that if the Work provided for under this Agreement is not undertaken, Transmission Owner will not be able to design, engineer and thereafter construct the permanent Interconnection Facilities and Network Upgrades covered by this Agreement in a timely manner.

5. Upon receipt of Payment Number 1, Transmission Owner shall design and engineer the modifications to its Transmission Facilities set forth below on an expedited schedule. Upon receipt of Payment Number 2, Transmission Owner shall begin procuring the equipment set forth in Section 7 on an expedited schedule. Transmission Owner's obligations under this Agreement are contingent upon timely receipt of all Payments from Interconnection Customer in accordance with Section 7 of this Agreement. Failure by Interconnection Customer to timely deliver all Payments to Transmission Owner will permit Transmission Owner to stop all Work and cancel any equipment orders. Construction of any permanent Interconnection Facilities and Network Upgrades cannot commence until after either (1) execution of a provisional or unconditional GIA among the Parties, or (2) the filing of an unexecuted GIA among the Parties that is accepted by the Federal Energy Regulatory Commission (FERC).

### Facilities to be Engineered by Transmission Owner

	Type	Description
1	<b>Stand-Alone Network Upgrade</b>	J-395, Switching Station known as Falcon (FLC) Substation. This network upgrade will consist of a new three breaker ring bus with one generator position and two line positions.
2	<b>Non-Stand-Alone Network Upgrade</b>	X-14 Line, Transmission line upgrades will consist of two transmission line dead-end structures, up to two tangent pole replacements, and jumpers into the Interconnection Facility.
3	<b>Transmission Owner Interconnection Facilities</b>	J-395 Switchyard to Interconnection Customer Facility. Interconnection equipment will consist of equipment between the Point of Interconnection and Point of Change of Ownership in the Transmission Owner switchyard.
4	<b>Non-Stand-Alone Network Upgrade</b>	Remote end work required at ATC-owned Darlington (DAR) and Hillman (HLM) Substations.

6. Interconnection Customer shall have the right to terminate this Agreement prior to execution of the provisional or unconditional GIA after providing MISO and Transmission Owner with thirty (30) days' written notice. Subject to any and all necessary regulatory or governmental approvals, notice of termination shall be effective on the 30<sup>th</sup> day following receipt by MISO and Transmission Owner of the notice of termination. Upon termination by Interconnection Customer, Interconnection Customer shall be responsible for the prompt payment of all actual costs incurred by Transmission Owner prior to the effective date of termination and such reasonable termination expenses including, but not limited to, any incurred reasonable operating expenses, previously incurred reasonable capital costs, and reasonable penalties for early termination. Upon receipt of such termination notice from Interconnection Customer, MISO and Transmission Owner shall use all commercially reasonable efforts to mitigate any termination expenses and/or cancellation costs.

7. In accordance with the payment schedule set forth below, Interconnection Customer shall pay Transmission Owner for the estimated expenditures Transmission Owner will reasonably incur in connection with the Work. These costs are associated with design,

engineering and equipment procurement necessary to permit Transmission Owner to construct the permanent Interconnection Facilities and Network Upgrades. The total cost for procurement of long lead equipment is currently reasonably estimated by Transmission Owner as follows:

**Long Lead Equipment to be Procured by Transmission Owner**

QTY	VOLTAGE	EQUIPMENT TYPE	EQUIPMENT DESCRIPTION	COST PER ITEM	TOTAL COST
3	138 kV	Gas Circuit Breaker	3 cycle, 3000 A continuous current, 40kA short circuit current	\$68,870	\$206,610
8	138 kV	Disconnect Switch	2000A continuous current, 6 vertical break/2 center break	V.B.= \$11,000 C.B.= \$10,000	\$86,000
2	138 kV	CCVT	Line Trap and Line Tuner will also be ordered with each CCVT	\$28,000	\$56,000
1	138 kV	SSVT	50 kVA rating	\$43,500	\$43,500
9	138 kV	Voltage Transformer		\$14,000	\$126,000
1	NA	Control Building	RTU panel, relay panels, battery, charger, and AC/DC panels will be ordered at same time as control building.	\$600,000	\$600,000
					<b>\$1,118,110.00</b>

The total cost for design, engineering and equipment procurement activities is currently reasonably estimated by Transmission Owner as follows:

Total Estimated Cost for Engineering and Long Lead Equipment Procurement	
Engineering	\$365,872.00
Long Lead Equipment Procurement	\$1,118,110.00
Owner/Agent Oversight	\$148,053.00
<b>Total:</b>	<b>\$1,632,035.00</b>

Additionally, Transmission Owner shall collect from Interconnection Customer a tax gross-up amount on the Payments, as defined below, made to Transmission Owner using the Transmission Owner's rate in effect at the time a Payment is received from Interconnection Customer. The

current Transmission Owner tax gross-up rate is 15.974%. The tax gross-up amount on the Payments set forth below is \$260,701.27.

The payment schedule is as follows:

### Payment Schedule

<b>Payment Number</b>	<b>Design, Engineering and Equipment Procurement Amount</b>	<b>Tax Gross Up Amount</b>	<b>Total Payment Due</b> (individually, a "Payment" and collectively, the "Payments")	<b>Due Date</b>
<b>1</b>	\$513,925.00	\$82,094.38	<b>\$596,019.38</b>	Within ten (10) days of the Effective Date
<b>2</b>	\$139,300.00	\$22,251.78	<b>\$161,551.78</b>	July 8, 2016
<b>3</b>	\$240,000.00	\$38,337.60	<b>\$278,337.60</b>	October 21, 2016
<b>4</b>	\$738,810.00	\$118,017.51	<b>\$856,827.51</b>	December 15, 2016
<b>Total</b>	\$1,632,035.00	\$260,701.27	<b>\$1,892,736.27</b>	

The Parties shall provide a Single Line Diagram exhibit and detailed list of permanent Interconnection Facilities and Network Upgrades. The Interconnection Customer is solely responsible to fund with tax gross up applied and without refund for any permanent Interconnection Facilities covered hereunder that are not required in the provisional or unconditional GIA.

Transmission Owner shall invoice Interconnection Customer monthly by the fifteenth (15<sup>th</sup>) day of the following month for the Work performed under this Agreement in the preceding month.

Transmission Owner shall deduct from the Payments received, in accordance with the payment schedule, the amount of each such invoice. Transmission Owner shall provide prompt written notice to Interconnection Customer at any time that it reasonably determines that the actual cost for the Work to be paid for by Interconnection Customer under this Agreement will exceed \$1,632,035.00, with reasonable detail describing such determination. Thereafter, if

Transmission Owner incurs actual costs for the Work that exceeds \$1,632,035.00 (Additional

Amounts), Transmission Owner shall invoice Interconnection Customer for such Additional Amounts in accordance with this Agreement. Transmission Owner shall also collect from Interconnection Customer a tax gross-up amount on the Additional Amounts using the Transmission Owner's rate in effect at the time Additional Amounts are received from Interconnection Customer. Additional Amounts and associated tax gross up amounts due from Interconnection Customer are payable within thirty (30) days following receipt of an invoice from Transmission Owner. If Interconnection Customer fails to pay any invoiced Additional Amounts and associated tax gross up amounts within thirty (30) days following the receipt of such invoice, and Interconnection Customer does not dispute such amounts within the thirty (30) days following receipt of such invoice, then Transmission Owner's obligations under this Agreement shall cease. Interconnection Customer may request Dispute Resolution under the dispute resolution provisions of the Tariff to dispute the amount of any invoice. All amounts paid under this Agreement by Interconnection Customer, including but not limited to the Payments and any and all Additional Amounts, shall be included in the total cost of Transmission Owner Interconnection Facilities and Network Upgrades included under the provisional and unconditional GIA, and the amounts incurred and paid for by Interconnection Customer under this Agreement shall be treated as costs for Interconnection Facilities and Network Upgrades under the provisional and unconditional GIA and the Tariff. Interconnection Customer's failure to pay Transmission Owner as provided for in this Agreement may delay Transmission Owner's completion of the Interconnection Facilities and Network Upgrades in a timely manner.

8. Transmission Owner shall perform the Work only after receipt of the Payments in accordance with the payment schedule set forth in Section 7 of this Agreement and shall use

reasonable commercial efforts to complete the Work as necessary to support construction of the Interconnection Facilities and Network Upgrades under the GIA on an expedited schedule as requested by Interconnection Customer. If, prior to December 30, 2016, (1) MISO, Transmission Owner and Interconnection Customer have not executed the provisional or unconditional GIA, (2) MISO is not in receipt of Interconnection Customer's request directing MISO to file the GIA in unexecuted form, or (3) the Interconnection Customer has not instituted Dispute Resolution Procedures pursuant to Attachment X, then Transmission Owner shall be under no further obligation to complete the Work. If the Parties have entered into a GIA, or if Interconnection Customer has requested either Dispute Resolution or the filing of a GIA on an unexecuted basis, then the Work shall be incorporated into the work to be performed under the terms of the GIA, which shall replace and supersede this Agreement and shall govern the performance or obligations arising out of or related to this Work or this Agreement, and this Agreement shall terminate, except to the extent that amounts due under this Agreement have not been invoiced or paid. This Agreement shall continue in full force and effect until such time as all amounts due shall have been paid.

9. Interconnection Customer shall provide to Transmission Owner all information necessary to perform the activities specified under this Agreement. Interconnection Customer further agrees to cooperate and coordinate with Transmission Owner in seeking any and all necessary regulatory or governmental approvals associated with this Agreement, specifically including but not limited to approvals by FERC required under Section 205 of the Federal Power Act.

10. This Agreement constitutes the entire agreement among the Parties regarding the subject matter of this Agreement. No modification to any of the provisions of this Agreement

shall be binding unless reduced to writing and approved by the duly authorized representatives of Interconnection Customer, Transmission Owner and MISO.

11. This Agreement is executed pursuant to Section 9 of the Generator Interconnection Procedures provided in Attachment X of the Tariff. In the event of a conflict between this Agreement and the Tariff, the Tariff shall control. Each Party represents and warrants that it has full power and authority to enter into this Agreement. The person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement.

12. The Parties acknowledge and understand that the signature of the authorized officer of MISO on this Agreement is for the limited purpose of acknowledging that the representative of MISO has read the terms of this Agreement. The Parties and MISO further state that they understand that FERC desires that the Parties keep MISO fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the officer of MISO shall not in any way be deemed to imply that MISO is taking responsibility for the actions of either Party, that MISO has any affirmative duties under this Agreement or that MISO is liable in any way under this Agreement.

THIS AGREEMENT IS ENTERED INTO BY THE AUTHORIZED REPRESENTATIVES OF THE PARTIES WHOSE SIGNATURES ARE SET FORTH BELOW.

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**Quilt Block Wind Farm LLC**

By: /s/ Steve Irvin

Name: Steve Irvin

Title: Executive Vice President, Central Region

**American Transmission Company LLC,  
by its corporate manager, ATC Management Inc.**

By: /s/ Tom Finco

Name: Tom Finco

Title: Vice President – External Affairs

The signature below of the authorized officer of MISO is for the limited purpose of acknowledging that an authorized officer of MISO has read this Agreement.

**Midcontinent Independent Transmission System Operator, Inc.**

By: /s/ Jennifer Curran

Name: Jennifer Curran

Title: Vice President, System Planning & Seams Coordination



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