



Reinhart Boerner Van Deuren s.c.  
P.O. Box 2018  
Madison, WI 53701-2018

22 East Mifflin Street  
Suite 600  
Madison, WI 53703

Telephone: 608-229-2200  
Facsimile: 608-229-2100  
reinhartlaw.com

November 2, 2012

Peter L. Gardon  
Direct Dial: 608-229-2203  
pgardon@reinhartlaw.com

John C. Procaro  
Chairman, President and Chief Executive  
Officer  
American Transmission Company  
PO Box 47  
Waukesha, WI 53187-0047

Dear Mr. Procaro:

Re: Town of Middleton  
Transmission Line Issues

Badger-Coulee Project  
Docket No. 137-CE-160

We represent the Town of Middleton regarding these matters and this correspondence is provided on its behalf.

The Town of Middleton is the site of the Cardinal substation, a major component of the electric transmission grid in western Wisconsin. We understand that the Cardinal substation, and therefore the Town of Middleton, have been and will be affected by a number of major transmission projects proposed by ATC. The Cardinal substation is the end point or proposed end point for (1) the Rockdale-Middleton transmission line; (2) the Badger-Coulee transmission line; (3) the Dubuque-Spring Green transmission line; and (4) the transmission line from Illinois, which is in the preliminary planning stages.

Because the Town and its residents would experience the impacts of these multiple transmission lines, the Town is required to review the Badger-Coulee transmission line being proposed by ATC in the context of these multiple transmission projects as a whole. It is unwise and unfair to the residents of the Town of Middleton to consider the impacts of these projects only on a transmission line by transmission line basis. Some understanding of the population and economy of the Town should assist ATC in comprehending the concerns of the Town related to transmission line development and the need for ATC to work with the Town to address the impacts from these transmission line proposals.

The Town of Middleton is located in Dane County and is bounded to the north by the Town of Springfield, to the south by the Town of Verona, to the east by the City of Madison and

the City of Middleton, and to the west by the Town of Cross Plains. Between 2000 and 2010, the Town's population grew by an estimated 1,283 residents, or 27.9 percent. This growth rate was by far the highest among neighboring municipalities and Dane County as a whole. The Wisconsin Department of Administration (DOA) anticipates that by the year 2025, the Town will have an estimated population of 7,027. Based on the DOA projected rates of increase for the Town population between 2010 and 2025, the Town will grow to a total of 7,500 residents by 2030.

Housing units and housing values continue to increase in the Town of Middleton. The median value for owner-occupied housing in the Town for the year 2000 was \$255,100. By the year 2012, the median value for housing in the Town has increased to an estimated \$436,100. This figure is higher than the median values of housing in the neighboring towns of Cross Plains, Springfield, and Verona, and is nearly twice that of Dane County and the state.

Town representatives have continued to monitor the route selection process undertaken by ATC concerning the Badger-Coulee transmission line. They remain deeply concerned that ATC has identified two routes, whose segments within the Town of Middleton are located very close to one another and provide no real choice for the Town or its residents. Based on these circumstances, it is difficult for the Town to form any conclusion other than that ATC made the decision concerning the location of these routes in an effort to limit the Town's ability to indicate a preference for one route over the other. As ATC is required to include alternative routes in a CPCN application, it would seem sensible that the routes are truly different from each other and provide the Town and its residents a real choice. We note that with respect to the Rockdale-Middleton transmission line, ATC identified two entirely different routes arriving at the Middleton substation from different directions and affecting different local governments. In addition, ATC did not indicate a preferred route. Accordingly, the Town's concerns increased when it learned recently that ATC has now indicated a preferred route for this project.

ATC has made numerous assertions to the Town in the past that it wishes to be cooperative with the Town regarding these transmission line projects because of the importance of the Cardinal substation and the fact that multiple transmission projects would be affecting the Town. Those assertions ring hollow in light of ATC's routing decisions to date. For example, the Town's efforts at obtaining information to assist in the development of its position regarding the transmission line have been complicated by ATC's refusal to provide the Town with the documents from the Federal Aviation Administration purportedly relied upon by ATC in its route selection process.

The Town believes that ATC could have, and still should, identify routes that are significantly different from the proposed routes A143 and N1280 in the Town of Middleton. ATC can perform that action prior to the filing of a CPCN application which would treat the Town of Middleton in a similar way to ATC's actions in other transmission proceedings instead

of attempting to silence the Town with respect to the existing route alternatives. Under these circumstances, the Town has no choice but to oppose ATC's existing route proposals.

The Town will experience cumulative significant and permanent impacts from the interconnection of four transmission lines at the Cardinal substation. The existing mechanisms under state law for compensating local governments for transmission line impacts, such as the shared revenue utility payment and impact fees under section 16.969, Stats., and ch. Adm. 46, will not adequately compensate the Town of Middleton for the cumulative impacts the Town will experience in these circumstances. Transmission lines coming from the east, the west, the north, and the south will in effect divide the Town and significantly affect future development of this residential community.

The impact on the Town from four transmission lines is a unique circumstance in the state of Wisconsin. There are very few, if any, other sites in the state which include the number of transmission lines as could exist in the Town. Certainly, to the extent that there are other sites which have a similar number of transmission lines, none of them have the population density existing in the Town of Middleton. This unique circumstance requires ATC to recognize that additional route selection, compensation and mitigation measures are due to the Town. If ATC is unwilling to address these unique circumstances, the Town will have no option but to ensure that the Commission does.

In order to address the cumulative impacts likely to be experienced by the Town resulting from the multiple transmission projects, the Town requests the following from ATC:

1. Direct discussions with Town representatives concerning alternate routes to the preferred and alternate routes A143 and N1280 announced by ATC regarding the Badger-Coulee transmission line.
2. Early and direct discussions with Town representatives regarding the siting of the Dubuque-Spring Green transmission line and any other future transmission line to address and mitigate any concerns by the Town regarding the transmission line routes.
3. Construction of a noise suppressing wall around the Cardinal substation to address the noise created through the interconnection of multiple transmission lines.
4. Construction of a road to connect Highway 14 near the substation to Airport Road to facilitate flow of traffic away from the substation and to bypass the substation in the event of a security issue or other problem experienced by the substation.

5. Payments to the Town to address any repairs to roads required as a result of the transmission line siting and construction.
6. An annual payment equal to \$1,000 per household for the 2,100 households in the Town, updated annually, for the useful life of the transmission lines connected to the Cardinal substation.
7. An annual payment for the useful life of the transmission lines to facilitate beautification efforts in the Town to mitigate the impacts of the transmission lines.
8. A payment to the Town to allow the Town to study EMF levels for schools and households that are closest to the transmission lines and the provision of EMF filters to such locations.

This request is driven by the unique circumstances facing the Town and its residents. We ask that ATC schedule an initial meeting with representatives of the Town as promptly as possible, but not later than November 15, 2012 to discuss its request. The Town believes it would be appropriate to conclude these discussions prior to the filing of ATC's CPCN application.

Yours very truly,



Peter L. Gardon

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cc Dan L. Sanford, Deputy General Counsel  
Town Clerk, Town of Middleton