



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Jana Steinmetz, Administrator

May 1, 2022

Re: Impact Fees for Construction of the Cardinal/Hickory Creek Transmission Line Project

Dear Village of Ridgeway Treasurer:

American Transmission Co LLC (ATC) has begun construction of the Cardinal-Hickory Creek Transmission Line Project and has paid to the Department of Administration (Department) required impact fees. The fees include a one-time environmental impact fee in the amount of 5% of the cost of the high-voltage transmission line, as determined by the Public Service Commission of Wisconsin (Commission) under s. 196.491(3) (gm), Stats., and an annual impact fee in an amount equal to 0.3% of the cost of the high-voltage transmission line, prorated in the initial year of construction based upon the proportion of the year remaining after the date construction began. The Department is now distributing the one-time environmental impact fee, the prorated 2021 annual impact fee and 2022 annual impact fee to local units of government affected by construction activities within their municipal boundaries.

The amount of fees distributed to each eligible municipality is based on a total cost of construction of \$281,644,000 and a distance factor prorating the distance in the affected municipality compared to the total length of the transmission line. Additionally, for the one-time environmental impact fee, the amount distributed to eligible towns, villages and cities is 50% of the total fee paid, and for the annual impact fee, the amount is prorated by two-twelfths for 2021, which is the fraction of the year during which the construction occurred. The Village of Ridgeway's one-time environmental impact fee is \$100314.41, its 2021 prorated annual fee is \$2006.29, and its 2022 annual fee is \$12037.73, for a total amount of \$114358.43.

Restricted

Wisconsin Statutes, s. 16.969 (4), direct that these funds are to be used for environmental programs unless a written request is made and a different use is approved by the Commission. Examples of environmental programs directed at reducing environmental impacts of transmission line construction projects are enclosed for your reference. The annual fee is not restricted and may be used for general expenditures.

High-voltage transmission line impact fees are collected and distributed in accordance with Wisconsin Statutes. These fees are not considered grants, but rather pass-through monies collected and distributed under s. 16.969, Stats. Accordingly, these funds are not subject to the State Single Audit Guidelines issued by the Department of Administration, and do not need to be reported in a municipality's annual Schedule of Expenditures of Federal and State Awards.

If you have any questions about the payment, please contact Cindy Frankiewicz in the Bureau of Financial Management at cindy.frankiewicz@wisconsin.gov. If you have questions about eligible uses of the one-time environmental impact fee, please contact the Public Service Commission of Wisconsin at PSCDLDERAGeneral@wisconsin.gov.

Sincerely,

Colleen Holtan, Director
Bureau of Financial Management