



ATC: P.O. BOX 47 ■ WAUKESHA, WI 53187-0047  
PHONE: 262-506-6700 ■ TOLL FREE: 866-899-3204 ■ FAX: 262-506-6124 ■ [www.atcllc.com](http://www.atcllc.com)

DPC: P.O. Box 817 ■ La Crosse, Wisconsin 54602  
PHONE: 608-788-4000 ■ [www.dairylandpower.com](http://www.dairylandpower.com)

ITC Midwest: 123 5<sup>th</sup> Street SE, Cedar Rapids Iowa 52401  
PHONE: 515-282-5300 ■ [www.itc-holdings.com](http://www.itc-holdings.com)

July 30, 2024

Mr. Cru Stublely  
Secretary to the Commission  
Public Service Commission of Wisconsin  
4822 Madison Yards Way  
Madison, WI 53705-9100

**Cardinal-Hickory Creek Transmission Line Project  
PSCW Docket No. 05-CE-146  
Quarterly Progress Report for 2nd Quarter of 2024**

Dear Mr. Stublely:

In accordance with Condition 39 of the Commission's *Final Decision and Order* in this docket, served September 26, 2019 (the Order), American Transmission Company (ATC) and ITC Midwest LLC (ITC Midwest), as the project's construction managers, on behalf of themselves and co-permittee, Dairyland Power Cooperative (Dairyland), collectively, the Co-Owners, submit this progress report for the period April 1, 2024, through June 30, 2024.

ATC managed the construction of the Hill Valley Substation, and the transmission line between the Hill Valley and Cardinal substations. Construction segments are designated E-1, Hill Valley Substation to Dodgeville; E-2, Dodgeville to Mt. Horeb; and E-3, Mt. Horeb to the Cardinal Substation.

ITC Midwest is managing the transmission line construction between the Hickory Creek Substation in Iowa and the Hill Valley Substation. Construction segments in Wisconsin are designated W-1, Nelson Dewey to Lancaster, and W-2, Lancaster to the Hill Valley Substation.

## **Schedule**

### Substation

At the Hill Valley substation restoration is completed. Mowing and herbicide application occurred in select areas to support establishment of pollinator and native grassland habitat.

At Nelson Dewey Substation, ATC will complete the 161kV jumper work and fiber optic connections after ITC Midwest's portion of the project crossing the Mississippi River is completed. ATC currently expects this work to be completed in late quarter 3 or early quarter 4 of 2024.

### Transmission Line

On Segments E-1 and E-3, ATC has completed construction and restoration activities and is monitoring revegetation progress.

On Segment E-2, re-vegetation was achieved at the end of the 2023 growing season and monitoring ceased in January 2024 when the WDNR Erosion Control Permit was terminated.

On Segment W-1, ITC Midwest has completed all construction and restoration related activities. On Segment W-1, re-vegetation was achieved at the end of the 2023 growing season and monitoring ceased in May 2024 when the WDNR Erosion Control Permit was terminated. Invasive species monitoring will be completed during the 2024, 2025, and 2026 growing seasons with the results submitted to the WDNR and PSCW.

On Segment W-2, ITC Midwest has completed all construction and restoration related activities. On Segment W-2, re-vegetation was achieved in May 2024 and monitoring was also ceased at the same time. The WDNR Erosion Control Permit was terminated May 2024. Invasive species monitoring will be completed during the 2024, 2025, and 2026 growing seasons with the results submitted to the WDNR and PSCW.

ITC Midwest's Iowa Segment 2 also includes installing foundations and setting three structures on the Wisconsin side of the Mississippi River at the Nelson Dewey Substation; this work is 100% complete. Also included with the Iowa Segment 2 scope of work is stringing conductor across the Mississippi River. ITC Midwest anticipates completing this work in the third quarter of 2024 assuming no further litigation related delays.

## **Real Estate Activities**

ATC has secured land rights for construction on 100% of parcels in Segment E-1, Segment E-2, and Segment E-3.

ATC has acquired land rights from 15 out of 15 landowners to remove hazard trees. This will not affect construction or energization of the transmission line.

ITC Midwest has made easement offers on 100% of the parcels. ITC Midwest has secured easements on 100% of the parcels on Segment W-1 and has secured easements on 100% of Segment W-2.

ITC Midwest has received all requisite State, County, and Township permitting.

## **Engineering and Construction**

### Substation

Hill Valley Substation:

Completed. ATC fully energized the Hill Valley Substation on December 7, 2023.

Nelson Dewey Substation:

Completed, with the exception of the 161kV jumpers and fiber optic connections related to ITC's scope of work with the Mississippi River Crossing.

Cardinal Substation:

ATC completed upgrades at the Cardinal Substation and energized the transmission line on December 7, 2023.

Eden and other related substations:

Completed.

Dairyland has completed engineering analysis of the Stoneman Substation. The scope of construction work is being completed.

### Transmission Line

Mississippi River Crossing to Hill Valley:

Physical construction of this transmission line segment is 100% complete.<sup>1</sup>

Hill Valley to Cardinal:

The physical construction of this portion of the transmission line is 100% complete.

The 345kV portion of the line was energized on December 7, 2023.

Mississippi River Crossing – 30% complete.

## **Project Expenditures**

Project costs through June 30, 2024, are provided in the attached table and total \$674,694,077.

The Co-Owners previously notified the Commission in a May 20, 2022, letter (PSC REF#:438410)

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<sup>1</sup> ITC Midwest still needs to string conductor across the Mississippi River into Wisconsin.

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that the cost for the Project may exceed the estimated costs by more than 10%. In this May 20, 2022 letter, as well as in the Progress Report for 1st Quarter of 2024 filed on April 29, 2024 (PSC REF#:499572) and in response to PSCW Data Request PSC Glass (PSC REF#502734), the Co-Owners provided the primary causes for the increases in Project costs as compared to the cost estimates prepared in the first quarter of 2018. The Co-Owners explained that cost increases are due in large part to inflationary cost increases, more extensive matting requirements, and on-going legal expenses commenced by the Driftless Area Land Conservancy and the Wisconsin Wildlife Federation. That litigation is ongoing and, as such, presents additional risk for delay and increased costs.

In terms of litigation updates, on May 2, 2024, the 7th Circuit granted a stay of the preliminary injunction pending appeal, and on May 9, 2024, ITC Midwest and Dairyland closed on the land exchange with the U.S. Fish and Wildlife Service. On May 13, 2024, construction work on the acquired land and adjacent Refuge land commenced. Construction has been on-going since May 13, 2024, weather permitting. Although significant flooding of the Mississippi River led to the temporary suspension of construction during most of July, the Project team is still anticipating the Project will be completed in the Third Quarter of 2024 assuming no further litigation related delays. The litigation filed earlier this year will also result in increased Project costs, including attorneys' fees. The next court hearing is scheduled for August 8, 2024.

The Co-Owners will continue to provide further information regarding any updates to the Project's in-service date and costs in future quarterly progress reports.

If you have any questions concerning this report, please contact me at (262) 506-6169, or ctanchester@atcllc.com.

Sincerely,

*/s/ Carolyn Tanchester*

Carolyn Tanchester  
Senior Regulatory Project Manager  
ATC Management Inc., corporate manager of American Transmission Company LLC

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 Attachment

PROJECT COST CATEGORY	Approved	Actual Costs through June 30, 2024
<b>Transmission Lines</b>		
Mississippi River Crossing to Hill Valley Substation	\$133,697,000	\$186,649,676
Hill Valley Substation to Cardinal Substation	\$191,851,000	\$244,090,958
<b>TRANSMISSION LINES TOTAL</b>	<b>\$325,548,000</b>	<b>\$430,740,634</b>
<b>Substations</b>		
All Substation Costs	\$38,274,000	\$34,979,754
<b>SUBSTATIONS TOTAL</b>	<b>\$38,274,000</b>	<b>\$34,979,754</b>
<b>Other Project Costs</b>		
One-time Environmental Impact Fee <sup>2</sup>	\$14,082,000	\$14,082,000
Annual Impact Fee (during construction)	\$1,914,000	\$2,291,174
Pre-certification Costs – ATC	\$16,000,000	\$18,627,987
Pre-WI Order Costs – ITC	\$10,490,000	\$4,059,400
Pre-WI Order Costs – DPC	\$1,577,000	\$1,864,808
AFUDC-ITC	\$18,779,000	\$43,171,053
AFUDC-DPC	\$626,000	\$2,244,915
Post-WI Order Costs – DPC	\$2,035,000	\$4,421,095
<b>OTHER PROJECT COSTS TOTAL</b>	<b>\$65,503,000</b>	<b>\$90,762,602</b>
<b>PROJECT COST - WISCONSIN</b>	<b>\$429,325,000</b>	<b>\$556,482,990</b>
<b>PROJECT COST - IOWA</b>	<b>\$62,891,000</b>	<b>\$118,211,087</b>
<b>TOTAL PROJECT COST</b>	<b>\$492,216,000</b>	<b>\$674,694,077</b>

<sup>2</sup> One-time Environmental Impact Fee will be recalculated after all Project costs are final.