

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the “Agreement”), dated as of December 1, 2015, is by and among American Transmission Company LLC, a Wisconsin limited liability company (the “Company”), ATC Management Inc., a Wisconsin corporation (“ATC Manager”), ATC Holdco LLC, a Delaware limited liability company (“Holdco”), ATC Development Manager Inc., a Delaware corporation (“Holdco Manager”), and those parties listed on Schedule A hereto.

RECITALS:

A. The Company was organized pursuant to Articles of Organization filed with the Wisconsin Department of Financial Institutions on May 12, 2000, and commenced operations on January 1, 2001.

B. The Company has issued membership units (“ATC Units”) to a number of electric utilities and utility affiliates, electric cooperatives, municipal electric organizations and municipalities (collectively, the “Owners”).

C. The Company is primarily engaged in the business of providing electric transmission service in Wisconsin and adjacent states.

D. Some of the Owners desire to expand the Company’s business outside the Transmission Area (collectively, the “Exchanging Owners”), while other Owners do not wish to participate in the expansion of the Company’s business (“Non-Exchanging Owners”).

E. To effect the foregoing, the Exchanging Owners have caused Holdco and Holdco Manager to be established to conduct the expanded business, and to exchange their ATC Units for membership interests in Holdco (“Holdco Units”), all in accordance with the terms herein set forth.

NOW, THEREFORE, for and in consideration of the premises and the agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Except as otherwise specified in this Agreement or as the context may otherwise require, the following terms have the respective meanings set forth below for all purposes of this Agreement (including in the recitals hereto).

“Agreement” has the meaning set forth in the preamble.

“Amended and Restated Bylaws” means the Fourth Amended and Restated Bylaws of ATC Manager in substantially the form of Exhibit E hereto.

Exhibit 1

“Amended and Restated Operating Agreement” means the Amended and Restated Operating Agreement of the Company in substantially the form of Exhibit A hereto.

“Amended and Restated Shareholders Agreement” means the Third Amended and Restated Shareholders Agreement in substantially the form of Exhibit H hereto.

“ATC Development” means ATC Development Company LLC, a Delaware limited liability company.

“ATC Development Operating Agreement” means the Operating Agreement of ATC Development in substantially the form of Exhibit C hereto.

“ATC Manager” has the meaning set forth in the preamble.

“ATC Manager Common Shares” means the common stock of ATC Manager.

“ATC Units” has the meaning set forth in the recitals.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) a legal holiday in the state of Wisconsin or (iv) any day on which commercial banks and the Federal Reserve Bank are authorized or required to be closed in Wisconsin.

“Bylaws” means the Bylaws of Holdco Manager in substantially the form of Exhibit G hereto.

“Certificate of Incorporation” means the Certificate of Incorporation of Holdco Manager in substantially the form of Exhibit F hereto.

“Closing Date” means the First Closing Date, Second Closing Date or Final Closing Date, or any other date on which ATC Units are exchanged for Holdco Units in accordance with this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” has the meaning set forth in the preamble.

“Company Operating Agreement” means the Operating Agreement of the Company, as amended to the date hereof.

“DATC” means Duke-American Transmission Company LLC, a Delaware limited liability company.

“Exchanging Owner” has the meaning set forth in the recitals.

“FERC” means the Federal Energy Regulatory Commission.

“First Closing Date” has the meaning set forth in Section 3.2.

“First Exchange” has the meaning set forth in Section 2.3(a).

Exhibit 1

“Final Closing Date” has the meaning set forth in Section 2.3(c).

“Final Exchange” has the meaning set forth in Section 2.3(c).

“Holdco” has the meaning set forth in the preamble.

“Holdco Manager” has the meaning set forth in the preamble.

“Holdco Manager Common Shares” means the common stock of Holdco Manager.

“Holdco Operating Agreement” means the Operating Agreement of Holdco in substantially the form of Exhibit B hereto.

“Holdco Units” has the meaning set forth in the recitals.

“ICC” means the Illinois Commerce Commission.

“Non-Exchanging Owner” has the meaning set forth in the recitals.

“Owners” has the meaning set forth in the recitals.

“Overhead Sharing Agreement” means the Overhead Sharing Agreement in substantially the form of Exhibit K hereto.

“Party” means all the signatories to this Agreement, including the Company.

“Percentage Interest” means “Percentage Interest,” as defined in the Company Operating Agreement.

“Person” means an individual, corporation, general or limited partnership, joint venture, trust, unincorporated association, limited liability company or any other legal or commercial entity.

“PSCW” means the Public Service Commission of Wisconsin.

“Second Amended and Restated Articles of Incorporation” means the Second Amended and Restated Articles of Incorporation of ATC Manager in substantially the form of Exhibit D hereto.

“Second Closing Date” has the meaning set forth in Section 2.3(b).

“Second Exchange” has the meaning set forth in Section 2.3(b).

“Securities Act” means the Securities Act of 1933, as amended.

“Shareholders Agreement” means the Shareholders Agreement in substantially the form of Exhibit I hereto.

Exhibit 1

“Subscription Agreement” means a Subscription Agreement in substantially the form of Exhibit J hereto.

“Transmission Area” has the meaning set forth in the Amended and Restated Operating Agreement unless otherwise noted.

Section 1.2 Rules of Construction. Unless the context otherwise requires:

- (a) “or” is not exclusive;
- (b) “including” shall mean including without limitation;
- (c) words in the singular include the plural and words in the plural include the singular;
- (d) all references to “\$” are to United States dollars;
- (e) any agreement, instrument or statute defined or referred to in this Agreement or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns; and
- (f) the words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

ARTICLE II

ORGANIZATION OF HOLDCO AND HOLDCO MANAGER AND MEMBERSHIP UNIT EXCHANGE

Section 2.1 Organization of Holdco Entities and Purchase of Interests Therein.

(a) The incorporator of Holdco Manager has elected a board of directors, which has adopted certain resolutions approving this Agreement and the transactions contemplated hereby, subject to the receipt of required regulatory approvals.

(b) Upon receipt of the last required approval pursuant to Section 3.1(a)(ii), the Exchanging Owners will (i) make capital contributions to Holdco in exchange for Holdco Units and (ii) subscribe for Holdco Manager Common Shares pursuant to the several Subscription Agreements. The purchase price for each Holdco Unit and each Holdco Manager Common Share will equal the net book value of an ATC Unit as of the end of the month preceding the month in which the capital contributions and stock purchases are to be made. Each Exchanging Owner will purchase that number of Holdco Units and Holdco Manager Common Shares equal to the product of its expected percentage interest in Holdco as of the Final

Exhibit 1

Exchange (expressed as a fraction) and 10,000 (with respect to Holdco) and 100 (with respect to Holdco Manager).

(c) Upon receipt of the last required approval pursuant to Section 3.1(a)(ii), each Exchanging Owner will execute the Holdco Operating Agreement, a Subscription Agreement for Holdco Manager Common Shares, and the Shareholders Agreement.

(d) Notwithstanding its organization and funding, Holdco shall not commence operations until the PSCW has approved the Overhead Sharing Agreement to the extent required under applicable Wisconsin laws governing transactions with affiliates.

Section 2.2 ATC Development.

(a) Holdco Manager has caused the formation of ATC Development, and shall execute and deliver the ATC Development Operating Agreement on behalf of Holdco.

(b) Upon the completion of the activities set forth in Section 2.1, ATC Manager shall cause the Company to make, and the Company shall make, a transfer of 98% of the Company's membership interests in DATC (which represents a 49% membership interest in DATC), together with any other assets and liabilities of the Company devoted to the Company's activities outside of the Transmission Area, to Holdco. The transfer shall be treated for federal income tax purposes as a deemed distribution of 98% of the DATC equity and such other assets and liabilities to the Exchanging Owners, followed by a deemed contribution of such membership interests and other assets and liabilities to Holdco. Holdco shall thereupon assign and contribute the DATC membership interests and such other assets and liabilities to ATC Development. The Company shall make a corresponding cash distribution to the Non-Exchanging Owners, as determined in Section 2.2(d).

(c) One year and one week following the transfer referenced in Section 2.2(b), ATC Manager shall cause the Company to make, and the Company shall make, a transfer of its remaining membership interests in DATC (which represents a 1% membership interest in DATC), together with any other assets and liabilities of the Company devoted to the Company's activities outside of the Transmission Area, to Holdco. The transfer shall be treated for federal income tax purposes as a deemed distribution of the Company's remaining membership interest in DATC and such other assets and liabilities to Holdco and the Exchanging Owners, followed by a deemed contribution of such membership interests and other assets and liabilities to Holdco by the Exchanging Owners. Holdco shall thereupon assign and contribute the remaining DATC membership interests and such other assets and liabilities to ATC Development. The Company shall make a corresponding cash distribution to the Non-Exchanging Owners, as determined in Section 2.2(d).

(d) The amount of cash distributed to the Non-Exchanging Owners in connection with the distributions pursuant to Sections 2.2(b) and (c) shall be equal to (i) the fair market value of the Company's equity interest in DATC plus the net value of other assets and liabilities of the Company devoted to the Company's activities outside of the Transmission Area (if applicable) that are being transferred to Holdco (or its members) (ii) divided by the aggregate Percentage Interests of the Exchanging Owners in the Company, with such quotient multiplied

Exhibit 1

by the aggregate Percentage Interests of the Non-Exchanging Owners in the Company. The fair market value shall be as agreed by ATC Manager and the Non-Exchanging Owners, or failing such agreement, as determined by a reputable investment bank or other valuation firm proposed by ATC Manager and consented to by WPPI Energy, such consent not to be unreasonably withheld, conditioned or delayed. If the value is to be determined by a bank or other firm, unless otherwise agreed, (i) the determination shall be made as of a date within 90 days of the transfer of membership interests in DATC; (ii) ATC Manager shall instruct the bank or firm to establish an equity value for the membership interests applying a valuation methodology that is consistent with valuation analyses then prevalent in the industry, without applying any discount for minority ownership or lack of liquidity; and (iii) the Company shall bear the cost of such determination of fair market value.

(e) Within 30 days following the initial transfer of DATC by ATCLLC, Holdco shall file Form FERC-65-Notification of Holding Company Status pursuant to Section 366.4(a) of the Public Utility Holding Company Act. ATC Manager shall also file Form FERC-65B within 30 days following such initial distribution to report a material change in the FERC-65B previously filed by ATC Manager.

Section 2.3 Membership Unit Exchange.

(a) On the First Closing Date, each Exchanging Owner agrees to exchange a portion of its ATC Units for an equal number of Holdco Units. The number of ATC Units exchanged for Holdco Units by each Exchanging Owner on the First Closing Date will be set so that (i) the aggregate number of ATC Units participating in the exchange on the First Closing Date (the “First Exchange”), together with any ATC Units transferred within the preceding twelve months, does not exceed 49.00% of the total outstanding ATC Units for purposes of Internal Revenue Code Section 708(b)(1)(B), and (ii) each Exchanging Owner will exchange the same percentage of its ATC Units; provided that where two or more Exchanging Owners have the same ultimate parent, the commonly-owned Exchanging Owners can agree to designate, by notice to ATC Manager at least 21 days prior to the First Closing Date, one or the other as exchanging all or a portion of its ATC Units first as long as any ATC Units that have been transferred within the twelve months preceding the First Closing Date are designated to be exchanged before any ATC Units that have not been transferred within the twelve months preceding the First Closing Date are exchanged. ATC Manager is not, and will not be, an Exchanging Owner. If an Owner does not elect to exchange any ATC Units on the First Closing Date, it shall not be entitled to effect any exchange of its ATC Units absent agreement of all the Exchanging Owners. The ATC Units that the Parties anticipate will be transferred on the First Closing Date are designated in Schedule B hereto.

(b) One year and one week following the First Closing Date, or the next succeeding Business Day if such day is not a Business Day (the “Second Closing Date”), each Exchanging Owner agrees to exchange its remaining ATC Units for an equal number of Holdco Units; provided, however, that if exchanging all remaining ATC Units held by Exchanging Owners, together with any ATC Units transferred within the twelve months preceding the Second Closing Date, would result in the exchange of more than 49.00% of the total outstanding ATC Units on the Second Closing Date for purposes of Internal Revenue Code Section 708(b)(1)(B), the number of ATC Units exchanged for Holdco Units by each Exchanging Owner

Exhibit 1

on the Second Closing Date will be set so that (i) the aggregate number of ATC Units participating in the exchange on the Second Closing Date (the “Second Exchange”), together with any ATC Units transferred within the twelve months preceding the Second Closing Date, does not exceed 49.00% of the total outstanding ATC Units, and (ii) the percentage of each Exchanging Owner’s ATC Units that participate in the Second Exchange is the same for each participating Exchanging Owner; provided that where two or more Exchanging Owners have the same ultimate parent, the commonly-owned Exchanging Owners can agree to designate, by notice to ATC Manager at least 21 days prior to the Second Closing Date, one or the other as exchanging all or a portion of its ATC Units first as long as any ATC Units that have been transferred within the twelve months preceding the Second Closing Date are designated to be exchanged before any ATC Units that have not been transferred within the twelve months preceding the Second Closing Date are exchanged. Notwithstanding the preceding sentence, each Exchanging Owner shall have the right to opt out of participation in the Second Exchange until one year and one day after the First Closing Date by giving notice to ATC Manager on or before such date. ATC Manager shall so notify all the other Exchanging Owners. If this opt-out right is exercised by an Exchanging Owner, such Exchanging Owner shall continue to own its remaining ATC Units after the Second Closing Date, and shall not be entitled to effect any further exchange of its ATC Units absent agreement of all the Exchanging Owners.

(c) If Exchanging Owners that have participated in the First Exchange and Second Exchange still own ATC Units following the Second Closing Date, each Exchanging Owner agrees to exchange all of its remaining ATC Units for an equal number of Holdco Units (the “Final Exchange”) one year and one week following the Second Closing Date, or the next succeeding Business Day if such day is not a Business Day (the “Final Closing Date”). Notwithstanding the preceding sentence, each Exchanging Owner shall have the right to opt out of participation in the Final Exchange until one year and one day after the Second Closing Date by giving notice to ATC Manager on or before such date. ATC Manager shall so notify all the other Exchanging Owners. If this opt-out right is exercised by an Exchanging Owner, such Exchanging Owner shall continue to own its remaining ATC Units after the Final Closing Date, and shall not be entitled to effect any further exchange of its ATC Units absent agreement of all the Exchanging Owners.

(d) Each of the foregoing transfers is subject to the restriction set forth in Section 9.2(b)(iii) of the Company Operating Agreement, as amended to date. If the contemplated transfer set forth in Section 2.3(a), (b) or (c) would effect a termination of the Company within the meaning of Internal Revenue Code Section 708(b)(1)(B), then the number of ATC Units otherwise to be exchanged shall be reduced proportionately to avoid such a tax termination, and the number of ATC Units exchanged on the subsequent Closing Dates shall be increased to the extent that the increase would not effect such a tax termination. To the extent that any Exchanging Owner that participated in the First Exchange, Second Exchange and Final Exchange still owns ATC Units after the Final Closing Date, such Exchanging Owner shall exchange such ATC Units at such time as the Company indicates that such exchange would not cause a termination of the Company within the meaning of Internal Revenue Code Section 708(b)(1)(B), as determined in the Company’s reasonable opinion based upon advice from its tax counsel). Notwithstanding the preceding sentence, each Exchanging Owner shall have the right to opt out of participation in such exchange until one year and one day after the Final Closing Date. If this opt-out right is exercised by an Exchanging Owner, such Exchanging Owner shall

Exhibit 1

continue to own its remaining ATC Units, and shall not be entitled to effect any further exchange of its ATC Units absent agreement of all the Exchanging Owners.

(e) Each Owner of ATC Units hereby waives any requirement that notice of the transfers set forth in Section 2.3(a), (b), (c), or (d) be provided to ATC Manager, or by ATC Manager to all Owners as set forth in Section 9.2(d) of the Company Operating Agreement, and the provisions of such Section shall be inapplicable to such transfers.

(f) The Holdco Units issued in exchange for the ATC Units will be (a) duly authorized, validly issued and fully paid and (b) issued to the Exchanging Owners free and clear of all liens, claims and encumbrances of every kind and character, other than restrictions on transfer under the Holdco Operating Agreement.

Section 2.4 Evidence of Exchange. The Company shall be authorized to effect each of the exchanges set forth in Section 2.3(a), (b), (c), or (d) as a book-entry transfer upon its books and records, without further direction from each of the Exchanging Owners, but as to the First Exchange, only upon satisfaction of the conditions precedent set forth in Article III. The Company shall be authorized to substitute a new Schedule A to the Amended and Restated Operating Agreement and the Holdco Operating Agreement reflecting the exchanges.

Section 2.5 Tax Treatment of Exchange. The Company and the Exchanging Owners intend that the exchange of ATC Units for Holdco Units by the Exchanging Owners be treated for federal income tax purposes as a tax-deferred contribution of the ATC Units to Holdco by the Exchanging Owners pursuant to section 721(a) of the Internal Revenue Code of 1986, as amended.

Section 2.6 Opinions of Counsel. Upon the execution and delivery of this Agreement:

(i) The Company shall receive from counsel to each Exchanging Owner an opinion as to various matters relating to such Exchanging Owner's legal status, authority, due execution and delivery, requisite consents, no conflicts and enforceability.

(ii) The Exchanging Owners shall have received from counsel to Holdco Manager an opinion as to various matters relating to Holdco and Holdco Manager, and the tax treatment of the transactions contemplated hereby. Specifically, counsel shall opine (i) as to the status and authority of Holdco and Holdco Manager; (ii) as to the due authorization, execution and delivery of the agreements to which Holdco or Holdco Manager is a party; (iii) that Holdco will be treated as a partnership for federal income tax purposes; and (iv) that the profit and loss allocations in Article VI of the Holdco Operating Agreement will be respected under Section 704(b) of the Code and the regulations thereunder; (v) that the exchange of ATC Units for Holdco Units by the Exchanging Owners pursuant to this Agreement will qualify for tax-deferred treatment under Section 721 of the Code; and (vi) that the exchange of ATC Units for Holdco Units by the Exchanging Owners pursuant to this Agreement will not cause a partnership termination of the Company within the meaning of Section 708(b)(1)(B) of the Code and the regulations thereunder.

Exhibit 1

Section 2.7 Holdco Manager Common Shares. On each Closing Date, Holdco Manager will issue additional Holdco Manager Common Shares to each Exchanging Owner in proportion to the number of Holdco Units transferred to such Exchanging Owner on such Closing Date (exclusive of the Holdco Units owned by Holdco Manager); provided, however, that if after giving effect to the transfer of all Holdco Units on a Closing Date, the percentage ownership of Holdco Units held by each Exchanging Member is the same as it was immediately prior to such Closing Date, Holdco Manager will not issue any additional Holdco Manager Common Shares to any Exchanging Owner on such Closing Date; and provided further, that Holdco Manager will issue additional Holdco Manager Common Shares in connection with the Final Closing Date (or the Second Closing Date, if there are no more ATC Units to exchange) such that each Exchanging Owner will own that percentage of 10,000 Holdco Manager Common Shares equal to its percentage ownership of Holdco following the Final Closing Date (or Second Closing Date), exclusive of the Holdco Units owned by Holdco Manager. The purchase price for a Holdco Manager Common Share as of the First Closing Date will be equal to the net book value of an ATC Unit as of the end of the month preceding the month in which the First Closing Date occurs. The purchase price for a Holdco Manager Common Share as of the Second Closing Date or Final Closing Date shall be equal to the net book value of a Holdco Unit as of the end of the month preceding the month in which occurs the Second Closing Date or Final Closing Date, as applicable.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to DATC Transfer. The initial transfer by the Company of 98% of its membership interests in DATC shall be subject to the last to occur of the following conditions precedent.

- (a) *PSCW.*
 - (i) Approval of the Overhead Sharing Agreement;
 - (ii) Approval for the Exchanging Owners, as necessary, to invest in entities other than the Company and ATC Manager;
- (b) *FERC.* Approval of a change in upstream ownership of DATC's public utility subsidiaries by FERC.
- (c) *Holdco and ATC Development.*
 - (i) ATC Development shall have been formed and their operating agreements shall have been executed by the parties thereto;
 - (ii) Holdco and ATC Development shall have issued member units to the Exchanging Owners and Holdco, respectively.
- (d) *Holdco Manager.*

Exhibit 1

(i) The directors designated by the incorporator shall convene and adopt Bylaws and resolutions authorizing the execution, delivery and performance of this Agreement by Holdco Manager and Holdco;

(ii) The Exchanging Owners shall have subscribed for, and shall have purchased, Holdco Manager Common Shares in proportion to their ownership of Holdco Units, and Holdco Manager shall have issued such shares;

(iii) The Holdco Manager shall have contributed the proceeds from the sale of Holdco Manager Common Shares to Holdco in exchange for a number of Holdco Units equal to the number of Holdco Manager Common Shares sold;

(iv) The Holdco Manager and Exchanging Owners shall have executed the Shareholders Agreement.

(e) *Overhead Sharing Agreement.* ATC Manager and Holdco Manager shall enter into an Overhead Sharing Agreement in substantially the form of Exhibit K, together with any changes therein as may be required by the PSCW as a condition to its approval.

(f) *Regulatory Approvals.* Unless otherwise waived by the Party or Parties affected thereby, any federal or state regulatory approvals required herein shall be without material conditions or material changes to the proposed agreements.

Section 3.2 Conditions Precedent to First Closing Date. The first closing date (“First Closing Date”), at which the First Exchange shall be effected, shall occur at 10:00 A.M., local time, at the offices of the Company, upon at least two Business Days’ notice, on or about the fifth Business Day following satisfaction of the last to occur of the following conditions precedent:

(a) *The Company.*

(i) Approval of the Amended and Restated Operating Agreement of the Company by the PSCW and the ICC;

(ii) The Owners (including ATC Manager) and Holdco shall have executed and delivered the Amended and Restated Operating Agreement, as approved by the relevant state utility commissions.

(b) *Exchanging Owners.* Approval by the PSCW for the Exchanging Owners, as necessary, to invest in entities other than the Company and ATC Manager.

(c) *ATC Manager.*

(i) Approval of the Second Amended and Restated Articles of Incorporation by the PSCW and ICC;

Exhibit 1

(ii) The Board of Directors of ATC Manager shall have approved, by the requisite vote, ATC Manager's Second Amended and Restated Articles of Incorporation, and directed that they be submitted to ATC Manager's shareholders for a vote;

(iii) Approval of ATC Manager's Second Amended and Restated Articles of Incorporation by shareholders of ATC Manager holding at least a majority of the outstanding stock of ATC Manager;

(iv) ATC Manager shall file with the Wisconsin Department of Financial Institutions the Second Amended and Restated Articles of Incorporation;

(v) Approval of the ATC Manager's Amended and Restated Bylaws by shareholders of ATC Manager holding at least two-thirds of the outstanding stock of ATC Manager, and such Amended and Restated Bylaws shall have become effective;

(vi) The existing parties to the Second Amended and Restated Shareholders Agreement shall have executed the Amended and Restated Shareholders Agreement.

(d) *FERC Approval.* The Company and Holdco shall have applied to, and received approval from, FERC under Federal Power Act Section 203(a)(1) for (i) approval of a change in upstream ownership of the Company's public utility subsidiaries, and (ii) approval of holding company acquisitions of public utility securities under Federal Power Act Section 203(a)(2).

(e) *Contractual Approvals.* The Company shall have obtained the consent of each counterparty to a material contract that would otherwise restrict the transactions contemplated by this Agreement.

(f) *Regulatory Approvals.* Unless otherwise waived by the Party or Parties affected thereby, any federal or state regulatory approvals required herein shall be without material conditions or material changes to the proposed agreements.

ARTICLE IV REPRESENTATIONS OF THE COMPANY AND ATC MANAGER

The Company and ATC Manager hereby represent and warrant to the other Parties as of the date of this Agreement and as of each Closing Date as follows:

Section 4.1 Company Organization and Authorization. The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Wisconsin, with the requisite limited liability company power and authority to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly authorized by ATC Manager on behalf of the Company.

Exhibit 1

Section 4.2 ATC Manager Organization and Authorization. ATC Manager has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Wisconsin, with the requisite corporate power and authority to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement. The execution and delivery by ATC Manager of this Agreement and the consummation by ATC Manager of the transactions contemplated hereby have been duly authorized by all requisite corporate action of the part of ATC Manager.

Section 4.3 Enforceability. This Agreement has been duly executed and delivered by each of the Company and ATC Manager, and when executed by the other Parties hereto, constitutes the legal, valid and binding obligations of each of the Company and ATC Manager, enforceable against each of the Company and ATC Manager in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity, including principles of materiality, commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

ARTICLE V REPRESENTATIONS OF HOLDCO AND HOLDCO MANAGER

Holdco and Holdco Manager hereby represent and warrant to the Exchanging Owners as of the date this Agreement is executed and as of each Closing Date as follows:

Section 5.1 Holdco Organization and Authorization. Holdco has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with the requisite limited liability company power and authority to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement. The execution and delivery by Holdco of this Agreement and the consummation by Holdco of the transactions contemplated hereby have been duly authorized by Holdco Manager on behalf of Holdco.

Section 5.2 Holdco Manager Organization and Authorization. Holdco Manager has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with the requisite corporate power and authority to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement and the Holdco Operating Agreement. The execution and delivery by Holdco Manager of this Agreement and the consummation by Holdco Manager of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Holdco Manager.

Section 5.3 Enforceability. This Agreement has been duly executed and delivered by Holdco and Holdco Manager, and when executed by the other Parties hereto, constitutes the legal, valid and binding obligations of Holdco and Holdco Manager, enforceable against Holdco and Holdco Manager in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity, including principles

Exhibit 1

of materiality, commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.4 Issuance of Holdco Units. Holdco is authorized to issue the Holdco Units to the Exchanging Owners and to Holdco Manager. Upon delivery of the ATC Units in exchange therefor, the Holdco Units issued in exchange therefor will be duly authorized by all necessary action, validly issued and fully paid, and Exchanging Owners will have no liability for Holdco's obligations except to the extent provided in the Delaware Limited Liability Company Act. The Holdco Units issued to the Exchanging Owners and Holdco Manager will be free and clear of all liens, claims and encumbrances of every kind and character, other than restrictions on transfer under the Holdco Operating Agreement.

Section 5.5 Issuance of Holdco Manager Common Shares. Holdco Manager is authorized to issue its Holdco Manager Common Shares to the Exchanging Owners in proportion to their ownership of Holdco Units (other than those held by Holdco Manager). Upon delivery of the purchase price therefor, the Holdco Manager Common Shares issued to the Exchanging Owners will be duly authorized by all necessary action, validly issued, fully paid, and nonassessable.

Section 5.6 Securities Laws Exemption. Based on the representations and warranties of the Exchanging Owners contained herein, the offer and sale of the Holdco Units and Holdco Manager Common Shares will be exempt from the registration provisions of the Securities Act.

ARTICLE VI REPRESENTATIONS OF THE OWNERS

Each Owner hereby represents and warrants as to itself only to the other Parties as of the date this Agreement is executed and as of each Closing Date as follows:

Section 6.1 Organization and Authorization. Such Owner is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite entity power and authority to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement. The execution and delivery by such Owner of this Agreement and consummation by such Owner of the transactions contemplated hereby have been duly authorized by all necessary corporate or, if such Owner is not a corporation, such partnership, limited liability company or other applicable like action, on the part of such Owner.

Section 6.2 Enforceability. This Agreement has been duly executed and delivered by such Owner, and when executed by the other Parties hereto, constitutes the legal, valid and binding obligations of such Owner enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity, including principles of materiality, commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

ARTICLE VII

REPRESENTATIONS OF THE EXCHANGING OWNERS

Each Exchanging Owner hereby represents and warrants as to itself only to the other Parties as of the date this Agreement is executed and as of each Closing Date as follows:

Section 7.1 Ownership of ATC Units; Delivery of Good Title. Such Exchanging Owner has good title to the ATC Units and, on the applicable Closing Date, shall have the absolute right to assign, transfer and exchange the ATC Units being exchanged by it on such Closing Date, free and clear of all liens, pledges, security interests, encumbrances, buy-sell agreements, preemptive rights or adverse claims of any kind or character, other than restrictions on transfer under the Company Operating Agreement or Amended and Restated Operating Agreement, as applicable. Such Exchanging Owner shall deliver good title to the ATC Units, free and clear of any and all liens, pledges, security interests, encumbrances, buy-sell agreements, preemptive rights or adverse claims of any kind or character, other than restrictions on transfer under the Company Operating Agreement. There are no claims pending or threatened that could affect such Exchanging Owner's ownership of the ATC Units.

Section 7.2 Securities Act Exemption. Such Exchanging Owner is acquiring the Holdco Units and Holdco Manager Common Shares for its own account as an investment without the present intent to sell, transfer or otherwise distribute the same to any other Person in violation of any state or federal securities laws. Such Exchanging Owner acknowledges that the Holdco Units and Holdco Manager Common Shares are not registered pursuant to the Securities Act of 1933, as amended (the "1933 Act") and may not be transferred except pursuant to an effective registration statement or an applicable exemption from registration under the 1933 Act and applicable state law. Such Exchanging Owner is an "accredited investor" as defined under Rule 501 promulgated under the 1933 Act.

Section 7.3 Access to Information; Knowledge and Experience. Such Exchanging Owner (i) has been furnished with or has had access to the information it has requested from the Company, ATC Manager, the Holdco Manager and Holdco, (ii) has had an opportunity to discuss with management of the Company the business and financial affairs of the Company, ATC Manager, the Holdco Manager and Holdco, (iii) has such knowledge and experience in business and financial matters and with respect to investments in securities similar to the Holdco Units that it is capable of evaluating the risks and merits of this investment, (iv) is acquiring the Holdco Units for its own account, and (v) is acquiring the Holdco Units with a full understanding of all of the terms, conditions and risks thereof (economic and otherwise), and is capable of assuming and willing to assume (financially and otherwise) these risks. Specifically, such Exchanging Owner acknowledges that Holdco will own all the outstanding membership interests of ATC Development, which will have as its primary purpose the development, construction, acquisition, operation, lease and sale of electric transmission facilities outside the Transmission Area.

ARTICLE VIII

COVENANTS

Section 8.1 Exchanging Owners. Each Exchanging Owner agrees that it will execute and deliver signature pages to the Amended and Restated Operating Agreement within two Business Days following notice of the First Closing Date. Each Exchanging Owner agrees that it will, in response to a solicitation by ATC Manager's Board of Directors, vote its ATC Manager Common Shares in favor of the Second Amended and Restated Articles of Incorporation and Amended and Restated Bylaws; provided, however, that the Dominant Shareholder (as defined in the Second Amended and Restated Articles of Incorporation) will vote any shares in excess of 34.07% of the outstanding shares of ATC Common Stock in proportion to the way in which shareholders that are not affiliated with it vote their shares of Common Stock). Further, each Owner that will be a party to the Amended and Restated Shareholders Agreement agrees that it will deliver to ATC Manager the certificates evidencing its shares in ATC Manager, duly endorsed for transfer, in exchange for new certificates evidencing its ATC Manager Common Shares.

Section 8.2 Non-Exchanging Owners. Each Non-Exchanging Owner agrees that it will execute and deliver signature pages to the Amended and Restated Operating Agreement within two Business Days following notice of the First Closing Date. Each Non-Exchanging Owner agrees that it will, in response to a solicitation by ATC Manager's Board of Directors, vote its ATC Manager Common Shares in favor of the Second Amended and Restated Articles of Incorporation.

Section 8.3 Transmission Area. Each Party (i) agrees that the Company will be bound by the limitations on its activities set forth in Section 2.3(c) of the Amended and Restated Operating Agreement, and that Holdco will be bound by the limitations on its activities set forth in Section 2.3(d) of the Amended and Restated Operating Agreement, in each case whether or not such Amended and Restated Operating Agreement is executed and delivered; and (ii) waives any claims based upon corporate or business opportunity as a result of the operation of the agreements contained in clause (i).

Section 8.4 ATC Manager. ATC Manager shall use its best commercial efforts to satisfy all conditions precedent to the DATC transfer and the First Closing Date.

Section 8.5 Further Assurances. Each Party agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that ATC Manager may reasonably request, in order to effect the transactions contemplated by this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Notices. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given

Exhibit 1

when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if given after normal business hours for the recipient, shall be deemed to have been given on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in Section 9.1(a) below shall be effective as provided therein.

(a) Electronic Communications. Notices and other communications hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites).

(i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); and

(ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor;

provided that, for both clauses (i) and (ii), if such notice, email or other communication is sent after the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent on the next Business Day for the recipient.

(b) Change of Address, Etc. Each Party may change its address, facsimile, telephone number or e-mail address for notices and other communications hereunder by notice to ATC Manager.

Section 9.2 Multiple Counterparts. This Agreement may be executed in separate or multiple counterparts by the Parties, and all of such counterparts will be considered as one and the same instrument notwithstanding the fact that various counterparts are signed by only one or more of the Parties hereto, and all of such agreements will be deemed but one and the same agreement. A teletype, facsimile, or other electronic transmission of a signed counterpart of this Agreement shall be sufficient to bind the Party or Parties whose signature(s) appear thereon.

Section 9.3 Headings. Articles, sections and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.4 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF WISCONSIN (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF).**

Section 9.5 Amendments. The terms of this Agreement may not be amended, modified or extended, nor may any of its terms be waived, except by written instruments signed by the Parties hereto.

Section 9.6 Termination. Any Party may terminate its participation in the First Exchange, Second Exchange and Final Exchange if the conditions precedent set forth in Section 3.1 have not been satisfied or waived on or before December 31, 2016; provided, however, that if state or FERC regulatory approvals remain unsatisfied as of such date, ATC Manager may unilaterally extend the termination date by an additional three months, if it expects, in good faith, that the remaining regulatory approvals will be forthcoming during such extension, and no Party may terminate its participation until the end of such extension period. The organization and activities of Holdco, Holdco Manager and ATC Development shall not be affected by any such termination.

Section 9.7 Severability. If any provision of this Agreement, or the application thereof, will for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties hereto. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision.

Section 9.8 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by the respective Parties hereto without the prior written consent of the other Parties.

Section 9.9 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.9

Section 9.10 ENTIRE AGREEMENT. THIS AGREEMENT, INCLUDING THE SCHEDULES AND EXHIBITS HERETO, REPRESENTS THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[SIGNATURE PAGES FOLLOW]

Exhibit 1

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

**AMERICAN TRANSMISSION COMPANY
LLC**

BY: ATC MANAGEMENT INC., ITS MANAGER

BY: Michael B. Rowe

NAME: MICHAEL B. ROWE

TITLE: PRESIDENT & CHIEF EXECUTIVE OFFICER

ATC MANAGEMENT INC.

BY: Michael B. Rowe

NAME: MICHAEL B. ROWE

TITLE: PRESIDENT & CHIEF EXECUTIVE OFFICER

ATC HOLDCO LLC

**BY: ATC DEVELOPMENT MANAGER INC.,
ITS MANAGER**

BY: Michael B. Rowe

NAME: MICHAEL B. ROWE

TITLE: PRESIDENT & CHIEF EXECUTIVE OFFICER

ATC DEVELOPMENT MANAGER INC.

BY: Michael B. Rowe

NAME: MICHAEL B. ROWE

TITLE: PRESIDENT & CHIEF EXECUTIVE OFFICER

Exhibit 1

**ADAMS-COLUMBIA ELECTRIC
COOPERATIVE**

By: 

Name: Martin A. Hillert, Jr.

Title: CEO

Exhibit 1

**ALGER DELTA COOPERATIVE
ELECTRIC ASSOCIATION**

By: Tom Harrell

Name: Tom Harrell

Title: CEO

Exhibit 1

**BADGER POWER MARKETING
AUTHORITY**

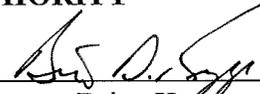
By:  _____
Name: Brian Krapp
Title: General Manager

Exhibit 1

**CENTRAL WISCONSIN ELECTRIC
COOPERATIVE**

By: Michael L. Wade

Name: Michael L. Wade

Title: President and CEO

Exhibit 1

CITY OF ALGOMA

By: Pete Haack

Name: Peter Haack

Title: General Manager

Exhibit 1

CITY OF COLUMBUS

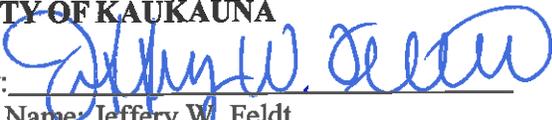
By: _____

Name: Eric M. Anthon
Title: Superintendent

[Exchange Agreement Signature Page]

Exhibit 1

CITY OF KAUKAUNA

By: 

Name: Jeffery W. Feldt

Title: General Manger

Exhibit 1

CITY OF OCONTO FALLS

By: 
Name: James H. Kardoskee
Title: Utility Commission President

Exhibit 1

CITY OF PLYMOUTH

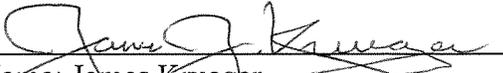
By: _____

Name: Brian E. Yerges

Title: City Administrator/Utilities Manager

Exhibit 1

CITY OF REEDSBURG

By: 

Name: James Krueger

Title: Chair of the Reedsburg Utility
Commission

Exhibit 1

CITY OF SHEBOYGAN FALLS

By  _____
Name: Joel Schoneman
Title: Field Supervisor

CITY OF STURGEON BAY

By: James M. Stawicki

Name: James M. Stawicki

Title: General Manager

Exhibit 1

CITY OF SUN PRAIRIE

By: 

Name: Rick Wicklund

Title: General Manager

[Exchange Agreement Signature Page]

CITY OF WISCONSIN RAPIDS

By:  _____

Name: Jem Brown

Title: General Manager

Exhibit 1

CLOVERLAND ELECTRIC COOPERATIVE

By: 

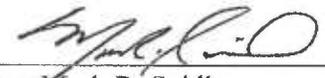
Name: Dan Dasho

Title: President and CEO

[Exchange Agreement Signature Page]

Exhibit 1

MANITOWOC PUBLIC UTILITIES

By: 
Name: Mark R. Seidl
Title: President

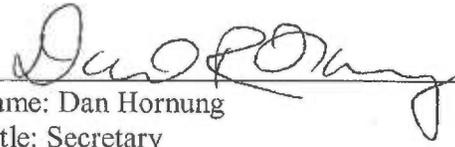
By: 
Name: Dan Hornung
Title: Secretary

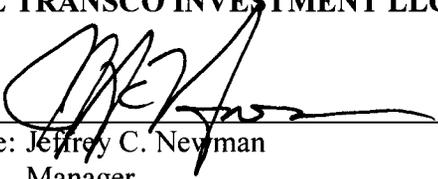
Exhibit 1

**MARSHFIELD ELECTRIC AND WATER
DEPARTMENT OF THE CITY OF
MARSHFIELD**

By: 
Name: Robert J. Trussoni
Title: General Manager

Exhibit 1

MGE TRANSCO INVESTMENT LLC

By: 

Name: Jeffrey C. Newman

Title: Manager

Exhibit 1

**ONTONAGON COUNTY RURAL
ELECTRIFICATION ASSOCIATION**

By: Deborah Miles

Name: Deborah Miles

Title: General Manager

Exhibit 1

**ALLETE TRANSMISSION HOLDINGS, INC.
(FORMERLY RAINY RIVER ENERGY
CORPORATION- WISCONSIN)**

By: 

Name: Deborah Amberg

Title: *Vice President, General Counsel
+ Secretary*

Exhibit 1

ROCK ENERGY COOPERATIVE

By: 

Name: Shane Larson

Title: CEO

[Exchange Agreement Signature Page]

Exhibit 1

STOUGHTON UTILITIES

By: Robert P. Kardasz
Name: Robert P. Kardasz, P.E.
Title: Stoughton Utilities Director

Exhibit 1

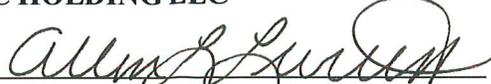
**UPPER PENINSULA PUBLIC POWER
AGENCY**

By: Thomas R Carpenter
Name: Thomas R Carpenter
Title: General Manager

[Exchange Agreement Signature Page]

Exhibit 1

ATC HOLDING LLC

By: 
Name: Allen L. Leverett
Title: President

**WISCONSIN ELECTRIC POWER
COMPANY**

By: 
Name: Allen L. Leverett
Title: President

**WPS INVESTMENTS, LLC
By: INTEGRYS HOLDING, INC.,
MANAGER**

By: 
Name: Allen L. Leverett
Title: President

Exhibit 1

WPL TRANSCO LLC

By: _____

Name: James H. Gallegos

Title: Senior Vice President, General Counsel
& Secretary

Exhibit 1

WPPI ENERGY

By: _____



Name: Michael W. Peters

Title: President and CEO

Exhibit 1

SCHEDULE A

**PARTIES TO EXCHANGE AGREEMENT,
ADDRESSES, ATC UNITS AND
PERCENTAGE INTERESTS AS OF OCTOBER 31, 2015**

MEMBER	% OWNERSHIP
Adams-Columbia Electric Cooperative 401 East Lake Street Friendship, WI 53934-8050	0.62%
Alger Delta Cooperative Electric Association 426 North Ninth Street Gladstone, MI 49837-1120	0.07%
ALLETE Transmission Holdings, Inc. 30 West Superior Street Duluth, MN 55802-2191	7.77%
City of Algoma 1407 Flora Avenue Algoma, WI 54201-1767	0.03%
WPL Transco LLC 4902 N. Biltmore Lane Madison, WI 53718-2148	16.38%
Badger Power Marketing Authority 122 North Sawyer Street Shawano, WI 54166-2452	0.24%
Central Wisconsin Electric Cooperative 10401 Lystul Road Rosholt, WI 54473-8975	0.14%
Cloverland Electric Cooperative 2916 West M-28 Dafer, MI 49724-9501	0.61%
City of Columbus 950 Maple Avenue Columbus, WI 53925-1064	0.02%
ATC Holding LLC 231 West Michigan Street, P330 Milwaukee, WI 53203-2918	3.20%

Exhibit 1

MEMBER	% OWNERSHIP
City of Kaukauna 777 Island Street Kaukauna, WI 54130-2559	0.17%
Manitowoc Public Utilities 1303 South Eighth Street Manitowoc, WI 54220-5313	0.64%
Marshfield Electric and Water Department of the City of Marshfield 2000 South Central Avenue Marshfield, WI 54449-4921	0.57%
MGE Transco Investment LLC 133 South Blair Street Madison, WI 53788-0001	3.55%
City of Oconto Falls 500 N. Chestnut Avenue Oconto Falls, WI 54154-1111	0.04%
Ontonagon County Rural Electrification Association 500 James K. Paul Street Ontonagon, MI 49953-1428	0.03%
City of Plymouth 128 Smith Street Plymouth, WI 53073-1742	0.31%
City of Reedsburg 501 Utility Court Reedsburg, WI 53959-2701	0.14%
Rock Energy Cooperative 2815 Kennedy Road Janesville, WI 53545-0475	0.12%
City of Sheboygan Falls 375 Buffalo Street Sheboygan Falls, WI 53085-1321	0.05%
Stoughton Utilities 600 South Fourth Street Stoughton, WI 53589-2465	0.02%
City of Sturgeon Bay 230 East Vine Street Sturgeon Bay, WI 54235-1972	0.12%

Exhibit 1

MEMBER	% OWNERSHIP
City of Sun Prairie 125 West Main Street Sun Prairie, WI 53590-2905	0.53%
Upper Peninsula Public Power Agency c/o Marquette Board of Light and Power 2200 Wright Street Marquette, MI 49855-1366	0.46%
Wisconsin Electric Power Company 231 West Michigan Street, P330 Milwaukee, WI 53203-2918	23.04%
City of Wisconsin Rapids 221 - 16 th Street South Wisconsin Rapids, WI 54494-4679	0.38%
WPPI Energy 1425 Corporate Center Drive Sun Prairie, WI 53590-9109	6.69%
WPS Investments, LLC c/o WEC Energy Group 231 West Michigan Street, P330 Milwaukee, WI 53203-2918	34.07%
ATC Management Inc. W234N2000 Ridgeview Parkway Court Waukesha, WI 53188-1022	0.02%
	<hr/> 100.00%

Exhibit 1

SCHEDULE B

**ATC UNITS PROPOSED TO BE
TRANSFERRED ON THE
FIRST CLOSING DATE**

**ATC Holdco LLC
Schedule of Member Unit Exchanges**

Member	First Exchange	Member Units after First Exchange	%	Second Exchange	Member Units after Second Exchange		Third Exchange	Member Units after Third Exchange	
WPL Transco	7,266,104	7,266,104	18.60%	7,266,104	14,532,208	18.61%	-	14,532,208	18.61%
ATC Holding LLC	-	-	0.00%	2,840,020	2,840,020	3.64%	-	2,840,020	3.64%
MGE Transco Investment LLC	1,575,229	1,575,229	4.03%	1,575,228	3,150,457	4.03%	-	3,150,457	4.03%
Rainy River Energy Corporation - Wisconsin	3,445,578	3,445,578	8.82%	3,445,578	6,891,156	8.82%	-	6,891,156	8.82%
Wisconsin Electric Power Company	-	-	0.00%	20,441,997	20,441,997	26.17%	-	20,441,997	26.17%
WPS Investments LLC	26,758,315	26,758,315	68.51%	3,476,298	30,234,613	38.71%	-	30,234,613	38.71%
ATC Development Manager Inc.	10,000	10,000	0.03%	-	10,000	0.01%	-	10,000	0.01%
	<u>39,055,226</u>	<u>39,055,226</u>	<u>100.00%</u>	<u>39,045,225</u>	<u>78,100,451</u>	<u>100.00%</u>	<u>-</u>	<u>78,100,451</u>	<u>100.00%</u>

Tentative, subject to change based upon the timing of the First Exchange and any additional Unit transfers in the interim.

Exhibit 1

EXHIBIT A

**FORM OF AMENDED AND RESTATED
OPERATING AGREEMENT OF
AMERICAN TRANSMISSION COMPANY LLC**

Exhibit 1

EXHIBIT B

FORM OF

OPERATING AGREEMENT OF

ATC HOLDCO LLC

Exhibit 1

EXHIBIT C

FORM OF

OPERATING AGREEMENT OF

ATC DEVELOPMENT LLC

Exhibit 1

EXHIBIT D

FORM OF

SECOND AMENDED AND RESTATED

ARTICLES OF INCORPORATION OF

ATC MANAGEMENT INC.

Exhibit 1

EXHIBIT E

FORM OF

BYLAWS OF

ATC MANAGEMENT INC.

Exhibit 1

EXHIBIT F

FORM OF

**CERTIFICATE OF INCORPORATION OF
ATC DEVELOPMENT MANAGER INC.**

Exhibit 1

EXHIBIT G
FORM OF
BYLAWS OF
ATC DEVELOPMENT MANAGER INC.

Exhibit 1

EXHIBIT H

FORM OF

**AMENDED AND RESTATED
SHAREHOLDERS AGREEMENT**

Exhibit 1

EXHIBIT I

FORM OF

SHAREHOLDERS AGREEMENT

Exhibit 1

EXHIBIT J

FORM OF

SUBSCRIPTION AGREEMENT

FOR SHARES OF

ATC DEVELOPMENT MANAGER INC.

Exhibit 1

EXHIBIT K
FORM OF
OVERHEAD SHARING
AGREEMENT