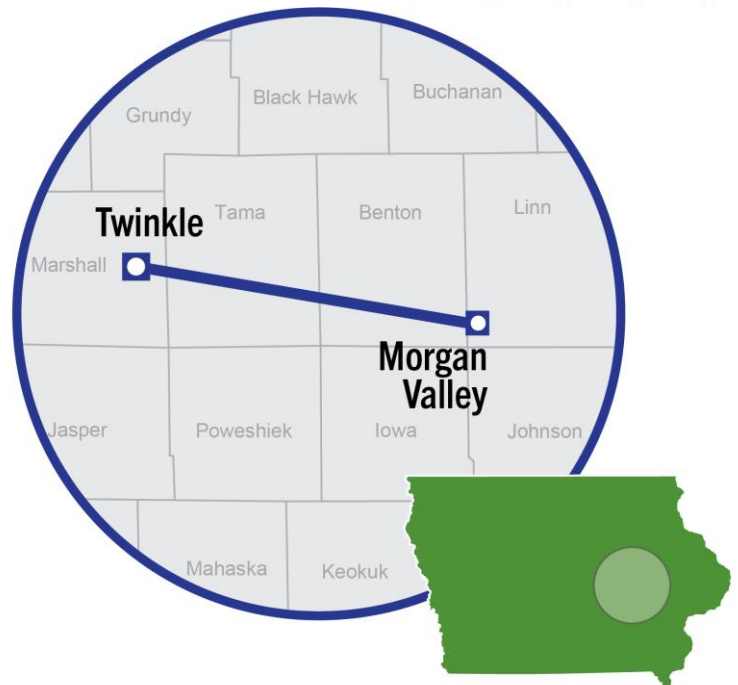


ITC Midwest Morgan Valley – Twinkle Electric Transmission Line Project

Background

Responding to the needs of the changing energy landscape, the Midcontinent Independent System Operator – MISO – the grid planning organization for our region, has devoted several years of intensive, collaborative effort to develop a Long-Range Transmission Plan – known as LRTP – to build needed high-voltage transmission infrastructure across the region. ITC was actively involved with this process and advocated for the LRTP projects.

The LRTP projects planned for Iowa represent approximately 447 miles of new 345,000 volt (345 kV) transmission lines, which will be divided between ITC Midwest and MidAmerican Energy. These new transmission lines are slated to be built by 2030.



Note: Map is for illustrative purposes and is not indicative of a proposed or suggested route.

Morgan Valley – Twinkle project

One segment of the LRTP portfolio is the proposed Morgan Valley – Twinkle project, between the Morgan Valley Substation near Fairfax and the planned Twinkle Substation near Marshalltown. This electric transmission line will be constructed and operated by ITC Midwest.

The Morgan Valley-Twinkle project will provide numerous benefits and drive value for electric consumers locally and regionally, including:

- Increase transmission infrastructure to **improve system reliability**
- Enhance grid resilience to better **withstand extreme weather**
- **Expand access to generation resources** for electric consumers by reducing transmission system congestion
- Improve distribution of **lower-cost energy resources**, including renewables

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Questions and Answers regarding the ITC Midwest Iowa LRTP projects:

Q: *Are these projects cost effective?*

A: Analyses conducted as part of the LRTP initiative indicate the benefits for Cost Allocation Zone 3 – which closely mirrors the ITC Midwest footprint – are well in excess of costs, with a benefit-to-cost ratio ranging from 3.2 to 4.4. That means for every dollar invested in the LRTP projects, electric consumers are expected to realize benefits of \$3.20 to \$4.40 as compared to a scenario where these projects are not built. Zone 3 is expected to provide the greatest economic benefits for ratepayers when compared with other Cost Allocation Zones.

Q: *Whose approval is required to build these transmission lines?*

A: The Iowa Utilities Board (IUB) grants regulatory approvals, called franchises, to Iowa utilities seeking to build transmission lines outside of incorporated city limits in the state. As part of its review process, the IUB reviews many aspects of each project such as the need for the line and the proposed route. The IUB has very clear criteria and a clear process for utilities to follow when requesting a franchise. ITC Midwest will also need to acquire various federal, state and local approvals and permits prior to construction.

Q: *What are the next steps?*

A: ITC Midwest will move forward with evaluating and proposing specific route options and begin to move the projects through the Iowa Utilities Board regulatory process. ITC Midwest will work closely with an engineering consultant to take statutory factors, engineering requirements and environmental considerations into account to develop siting proposals.

Q: *How will the final line routes be chosen?*

A: ITC Midwest must carefully consider the factors mandated by Iowa Code and the Iowa Administrative Code in order to minimize the impact of each line on landowners when considering the development of each line route corridor. Each final line route requires Iowa Utilities Board approval.

Q: *How will ITC Midwest work with landowners?*

A: These projects would not be possible without the cooperation of landowners. We understand and appreciate the impact that new line construction has on landowners and pledge to treat all landowners with the utmost respect during this important process.

Under Iowa law, ITC Midwest cannot negotiate for easements until after the Iowa Utilities Board holds a public information meeting for each project. All landowners in each proposed line route corridor will be notified and invited to these public information meetings on dates and at locations to be determined.

Our team seeks to secure voluntary easements from landowners who agree to have a line placed on their property in return for compensation. ITC Midwest views the use of eminent domain as a last resort, and we have a track record of success in working with landowners, with 98% voluntary easements obtained for transmission line projects.

In constructing the transmission lines, ITC Midwest will make all reasonable efforts to ensure normal uses of land along the line routes for property owners. The company is committed to protecting the environment and will fully compensate landowners for any damages that occur during the construction process.