

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-27951)

Filings Under the Public Utility Holding Company Act of 1935, as amended (“Act”)

March 11, 2005

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by **April 4, 2005**, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After **April 4, 2005**, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

American Transmission Company LLC, et al. (70-10289)

American Transmission Company LLC (“ATC”), an electric transmission public-utility company under the Act, ATC Management Inc. (“ATCMI”), a public-utility

company and a public-utility holding company exempt from registration under section 3(a)(1) of the Act by rule 2, both located at N19 W23993 Ridgeview Parkway West, Waukesha, WI 53188, and Alliant Energy Corporation (“Alliant”), a registered public-utility holding company and an indirect, partial owner of ATC and ATCMI, located at 4902 N. Biltmore Lane, Madison, WI 53707 (together, “Applicants”), have filed and application-declaration , as amended (“Application”), with the Commission under sections 6(a) and 7of the Act and rule 54.

Applicants seek up to \$100 million in additional financing authority for ATC to refinance or redeem short-term debt securities previously issued and other general corporate purposes, in addition to Applicants’ current financing authority under the Commission’s July 1, 2004 order (“Omnibus Financing Order”),¹ in an aggregate amount not to exceed \$810 million at any one time outstanding, provided that the aggregate amount of short-term debt issued will not exceed \$200 million at any one time outstanding.

I. Background

ATC is an electric transmission company, organized as limited liability company under Wisconsin law, with its sole purpose to plan, construct, operate, maintain and expand transmission facilities, to provide adequate and reliable transmission services and to support effective competition in energy markets. ATC was formed after the State of Wisconsin enacted legislation in 1999, encouraging, among other things, formation of

¹ American Transmission Company, et al., Holding Co. Act Release No. 27871.

for-profit transmission companies (“Transco Legislation”).² ATC is operated and managed by ATCMI, a Wisconsin corporation that also owns a nominal interest in ATC.³

ATC was formed, in January 2001, by five public-utility holding companies (or certain of their subsidiaries)⁴ with service areas in Wisconsin and adjacent areas in Illinois and Michigan. The five initial members were (1) Alliant (through its subsidiaries Wisconsin Power and Light Company (“WPL”) and South Beloit Water, Gas and Electric Company (“South Beloit”)),⁵ (2) Wisconsin Energy Corp. (through its subsidiaries Wisconsin Electric Power Company and Edison Sault Electric Company),⁶ (3) Madison

² See generally, Alliant Energy Corporation, et al., Holding Co. Act Release No. 27331 (Dec. 29, 2000). Applicants state that ATC is obliged, under the Transco Legislation, to construct, operate, maintain and expand its transmission facilities to provide adequate, reliable transmission service under an open-access transmission tariff. Applicants further state that ATC offers certain key benefits to its owners, *i.e.*, the elimination of rate “pancaking” among ATC members’ transmission systems; one-stop shopping for transmission and wholesale distribution service over multiple transmission systems; the reduction of operational barriers within the ATC service area; and the transfer of ownership of the transmission assets from vertically integrated utilities that will facilitate functional unbundling, among other things. Applicants state also that, effective February 1, 2002, ATC transferred operational control of its facilities to the Midwest Independent Transmission System Operator, Inc.

³ ATC, as a Wisconsin limited liability company, may elect to be “member-managed” or “manager-managed” and ATC elected to be managed by ATCMI. Applicants state that ATCMI is structured as a corporation, rather than a limited liability company, to facilitate access to the public markets, including any potential public offering of ATCMI.

⁴ Of the five companies, four are investor-owned companies and they (either directly or through subsidiaries) transferred ownership and operation of their transmission assets to ATC in exchange for an ownership interest. The fifth, Wisconsin Public Power Inc. (“WPPI”), a Wisconsin municipal electric company, contributed cash in exchange for an equity interest in ATC proportional to its members’ load ratio share in Wisconsin.

⁵ See Alliant Energy Corp., note 2 above. WPL and South Beloit are both subsidiary companies of Alliant. WPL contributed transmission assets to ATC, but member units were issued for the assets to WPL’s subsidiary, WPL Transco LLC.

⁶ Wisconsin Energy Corp., Holding Co. Act Release No. 27329 (Dec. 28, 2000). Wisconsin Energy Corp., dba We Energies, is an exempt holding company under the Act.

Gas and Electric Company,⁷ (4) WPS Resources Corporation (through its subsidiary Wisconsin Public Service Corp.),⁸ and (5) WPPI.⁹ By December 31, 2003, ATC had 21 additional investors.¹⁰

Applicants' proposal, as noted above, is for certain financing authority of up to \$100 million in addition to a previous authorization given by the Omnibus Financing Order, in which the Commission authorized, generally, the following financing transactions through June 30, 2005 ("Authorization Period"):¹¹

- (i) ATC to issue debt securities in an aggregate amount not to exceed \$710 million at any one time outstanding during the Authorization Period, provided that the aggregate amount of short-term debt issued pursuant to the requested authority will not exceed \$200 million at any one time outstanding during the Authorization Period;
- (ii) ATC to issue member interests and ATCMI to issue equity interests and preferred securities in an aggregate amount of \$500 million at any one time outstanding during the Authorization Period, provided that the aggregate amount of member interests and Class A and Class B shares outstanding at any one time during the Authorization Period will not exceed \$393 million plus the value at that time of the member interests and Class A and Class B shares outstanding as of the date of the Omnibus Financing Order;

⁷ Madison Gas and Electric Co., Holding Co. Act Release No. 27326 (Dec. 28, 2000). Madison Gas and Electric Company is a public-utility company and an exempt holding company under the Act.

⁸ WPS Resources Corporation, Holding Co. Act Release No. 27330 (Dec. 28, 2000). Wisconsin Public Service Corporation ("WPS") is an exempt public-utility company under the Act and a subsidiary of WPS Resources Corporation, an exempt holding company under the Act. WPS contributed transmission assets to ATC, but member units were issued for the assets to WPS Investments, LLC.

⁹ Wisconsin Public Power Inc. is not subject to regulation by reason of section 2(c) of the Act.

¹⁰ Eighteen more contributors invested transmission assets and/or cash in ATC (including twelve municipal utilities, four cooperatives, one public power entity and one investor-owned utility) in June 2001. Two members joined ATC on December 31, 2002, and a third member joined on December 31, 2003.

¹¹ See note 1 above.

- (iii) ATC and ATCMI to provide guarantees and other credit support in an aggregate amount not to exceed \$125 million outstanding at any one time during the Authorization Period;
- (iv) ATC and ATCMI to enter into various interest rate hedging transactions; and
- (v) ATC and ATCMI to undertake transactions to extend the terms of or replace, refund or refinance existing obligations, as well as the issuance of new obligations in exchange for existing obligations.

II. The Current Financing Proposal

Applicants now seek up to \$100 million in additional authority for ATC in an aggregate amount not to exceed \$810 million in long-term debt securities at any one time outstanding, provided that the aggregate amount of short-term debt issued will not exceed \$200 million at any one time outstanding. Applicants state that the proceeds from the sale of securities in the proposed external financing transactions will be used for the refinancing or redemption of short-term debt securities previously issued by ATC and other general corporate purposes.

Applicants also propose that this additional authorization will be subject to the restrictions specified in the Omnibus Financing Order.¹² Applicants state, among other things, (i) the maturity of long-term debt will not exceed fifty years; (ii) any debt security issued will have the designation, aggregate principal amount, interest rate(s) (or methods of determining interest rates), terms of payment of interest, collateral, redemption provisions, non-refunding provisions, sinking fund terms, conversion or put terms and other terms and conditions as ATC might determine at the time of issuance, provided

¹² See note 1 above.

that, in no event, however, will the interest rate on long-term debt exceed 500 basis points over the yield-to-maturity of a U.S. Treasury security having a remaining term approximately equal to the average life of the debt; and (iii) the underwriting fees, commissions or other similar remuneration paid in connection with the non-competitive issue, sale or distribution of securities under this Application will not exceed 7% of the principal or total amount of the securities being issued.

Applicants also represent that ATCMI and ATC each has and will maintain common equity of at least 30% of its consolidated capitalization (common equity, preferred stock, long-term and short-term debt). Applicants further represent that no security may be issued in reliance upon the requested order, unless: (i) the security to be issued, if rated, is rated investment grade; (ii) all outstanding rated securities of the issuer are rated investment grade; and (iii) all outstanding rated securities of ATCMI are rated investment grade. Applicants state that ATC will notify the Commission within five (5) business days of becoming aware of any downgrade in the securities of any registered holding company in the Alliant system and that the notice shall include a statement of whether the downgrade will affect ATC's access to capital markets. ATC is not a wholly-owned subsidiary of Alliant. Applicants state that, unlike other subsidiaries of registered holding companies, ATC is only partially owned by Alliant and has a number of other equity investors that each hold over 10% of ATC and ATCMI. Applicants further state that ATC finances on its own balance sheet without credit support from Alliant or any other upstream owners and that ATC maintains an arm's length relationship with Alliant and is not privy to any "inside" information. All information regarding Alliant in this Application comes from Alliant's public filings. For purposes of

this condition, a security will be considered rated investment grade if it is rated investment grade by at least one nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of rule 15c3-1 under the Securities Exchange Act of 1934. Applicants request that the Commission reserve jurisdiction over the issuance by ATC LLC of any securities that are rated below investment grade. Applicants further request that the Commission reserve jurisdiction over the issuance of any guarantee or other securities at any time that the conditions set forth in clauses (i) through (iii) above are not satisfied.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jill M. Peterson
Assistant Secretary