



Helping to keep the lights on,
businesses running
and communities strong®

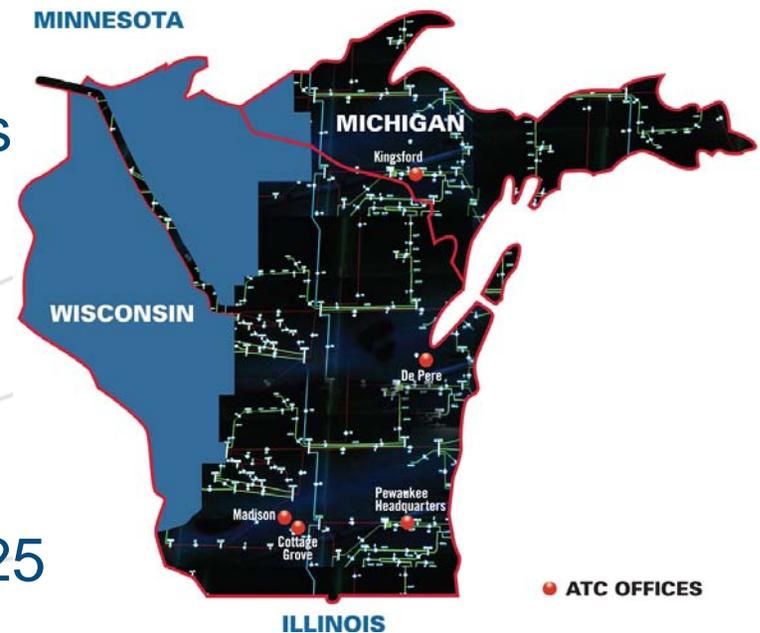
Building on what we do best

ATC's track record for building and operating transmission

Tom Finco, Vice President – External Relations

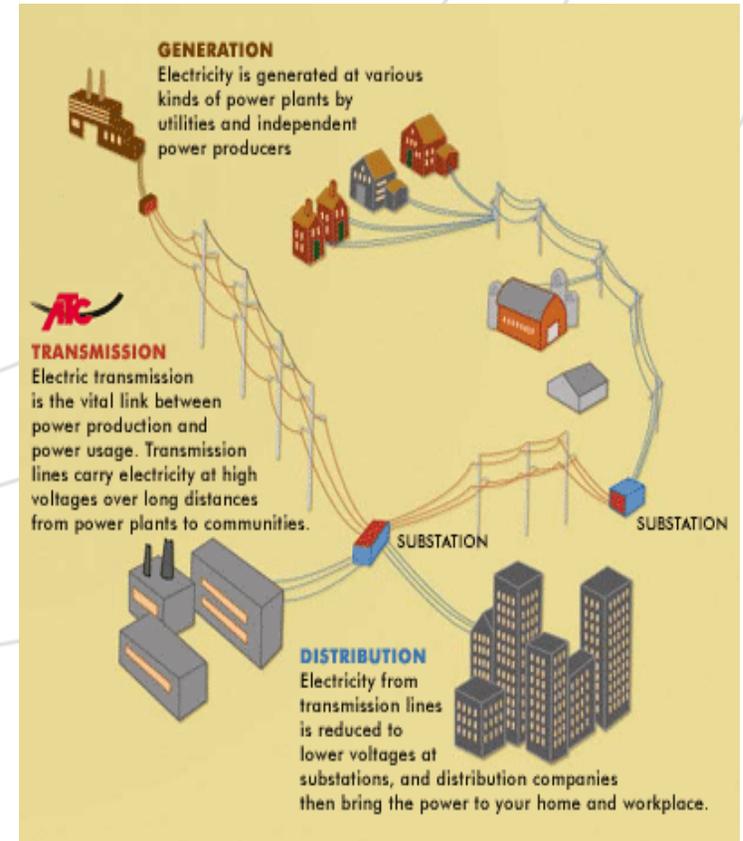
Introducing ATC

- Began operations in 2001 as first multi-state, transmission-only utility in U.S.
- Diverse ownership base that includes investor-owned utilities and public power
- Grew from \$550 million in assets in 2001 to \$3.1 billion today
- Operating 9,440 miles of lines and 525 substations in Wisconsin, Michigan, Minnesota, Illinois



The link between resources and customers

- \$381M invested to date (Michigan), \$300M-\$400M next 10 years
- Transmission costs are about 10% of a retail customer's electric bill

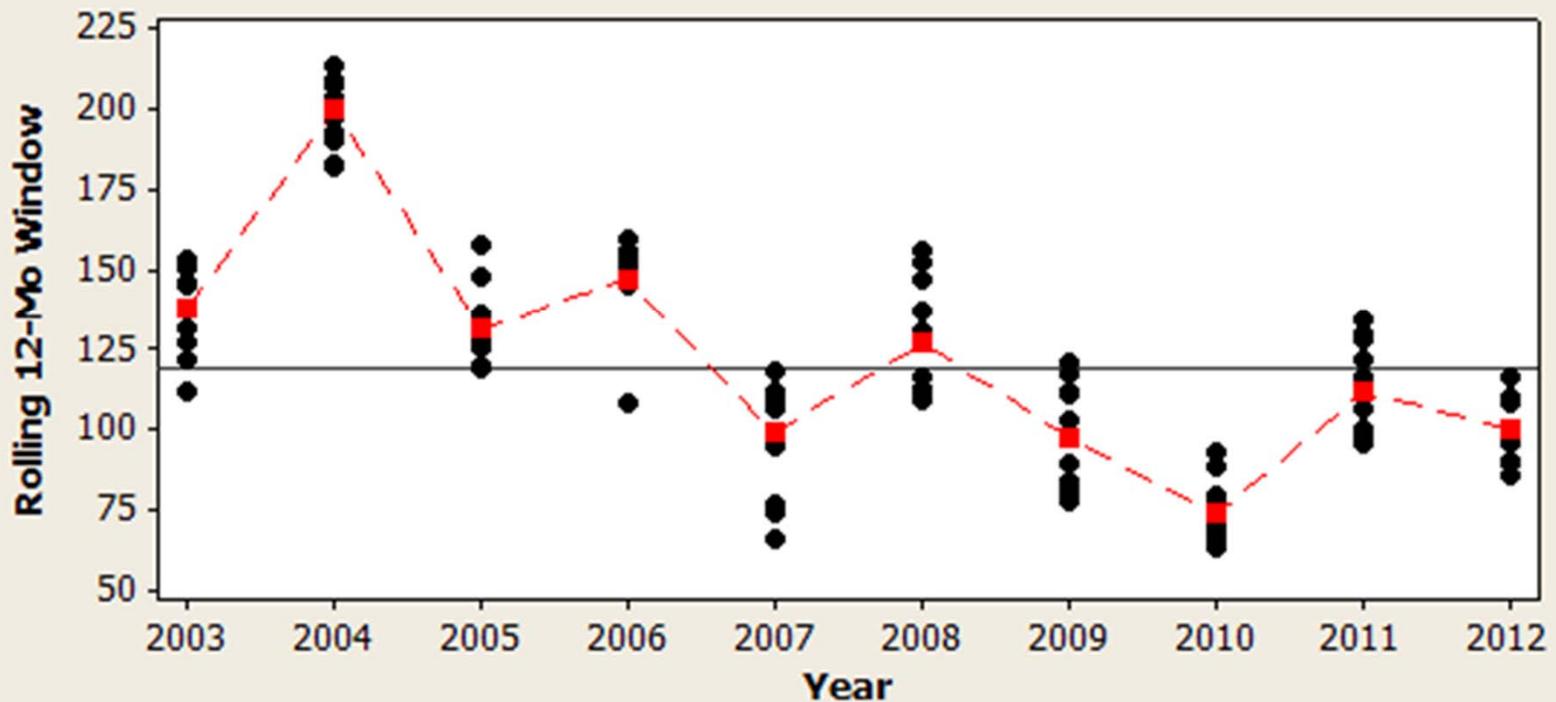


Upper Peninsula is different

- Geography
- Land use
- Transmission connections
 - Predominately north-south with Wisconsin
- Energy use characteristics
 - Mix of industrial, commercial and residential
- Energy production

Investing in our customers' success – reliability

ATC Planning Zone 2: 12-Month Rolling Outage Window (Jan '02- Sep '12)



Investing in our customers' success - economic

- Improved access to the wholesale energy market
 - Increased import capability
 - Reduction in losses
 - Prices (market average), ATC service area
 - 20% higher per MWh in 2005
 - <1% difference today

Bringing people into the process

- Business practice – engaging stakeholders in transmission discussions
- 10-Year Assessment issued to interested stakeholders (www.atc10yearplan.com)
- Public outreach to identify local concerns, invite stakeholder input
- Project collaborative with various stakeholders to find best solutions
- Regional planning studies to achieve mutual goals
- Involved in industry groups and benchmarking to improve operations, maintenance, safety

Environmental practices have become second nature

- ATC is committed to environmental leadership in all aspects of our business by:
 - Compliance and impact reduction
 - Employee involvement and training
 - Proactive partnerships and systems
- Michigan DEQ recently recognized ATC's environmental stewardship activities with its C3 Designation (Clean Corporate Citizen)
- Green Tier designation reflects Wisconsin DNR confidence in ATC business practices of transparency, accountability

Policy questions: renewable energy

- 1. How much renewable energy will be operational in Michigan by the end of 2015? What is the total dollar amount of Michigan renewables investment to date and expected when the 10% goal is reached in 2015?
 - Currently, 28 MWs of new wind renewable energy resources connected to ATC's system in Michigan
 - » \$4.9 million of transmission interconnection investment
 - 200 MW of potential renewable generation in ATC's queue

Policy questions: additional areas

- 1. What are possible definitions of “reliability” that have been used or proposed for use by policymakers? What studies exist regarding the economic and environmental benefits of baseline or “additional” reliability?
 - NERC standards provide baseline expectations
 - ATC participation in the SGS Transmission System Reliability study
 - Discussion expected as part of Michigan CPCN filing for Bay Lake Project

Policy questions: additional areas

- 7. What policies does Michigan have regarding siting of transmission, and how does that compare to and/or coordinate with policies regarding siting of generation?
 - ATC has considerable experience and success with routing and siting
 - Bay Lake Project will be ATC's first use of the provisions of P.A. 30, from 1995
 - ATC continues to engage landowners and local units of government, prior to the CPCN application with MPSC
 - Reality: implementation timelines are different

Policy questions: additional areas

- 13. What steps have been taken and could be taken to ensure the availability and reliability of electricity delivery in the Upper Peninsula?
 - Significant ongoing transmission system planning analysis performed by ATC, including in Michigan's Upper Peninsula
 - Expectation of shifts in generation output and customer loads across this portion of the service area

Policy questions: electric choice

- 17. What have been the impacts of structurally separating transmission and distribution in Michigan?
 - Considerable investments made in transmission infrastructure; improving reliability, increasing available transfer capacity and supporting retail choice in Michigan
 - Non-market participant owner/operator
 - Enable wholesale market effectiveness
 - Non-discriminatory access to available capacity

More information

www.atcllc.com

www.atc10yearplan.com

www.atc-projects.com

