



2023 SUMMARY REPORT

expanding

opportunities



Partner • People • Perform
2023
Plan

POWERING OUR COMMUNITIES

ATC moves energy along the regional electric grid for more than 5 million electric consumers in parts of Wisconsin, Michigan, Minnesota and Illinois. We own, operate and maintain over 10,000 miles of electric power lines and approximately 585 substations. We provide a vital link in the energy transition, ensuring the transfer of all forms of generated power to the places where it's most required.

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Board of Directors

Expanding your opportunities for success.



Every day, we provide the power to take your opportunities to another level.

ATC plans, maintains and protects the electric grid so you can flip on a light switch, do your schoolwork, see your patients, meet with your colleagues and clients, and operate your business. ATC has operated for over two decades as a transmission-only utility, ensuring the power is there for customers and communities. We continue to find innovative ways to serve you in a rapidly changing world that provides greater challenges and opportunities. As power generation sources across the Upper Midwest transition to cleaner energy, we are taking the right steps to keep the electric grid robust, stable, and efficient as we also deploy new resources and technologies. Our fast-paced, flexible and innovative environment offers our people and future team members vibrant options for growth in their careers. ATC employees are focused on delivering sustained value to all our stakeholders. We also are continuing our commitment to supporting STEM education through K-12 partnerships and college internships. And we're getting the next generation excited about opportunities like cybersecurity, electrical engineering, vegetation management and accounting.



In August 2023, I returned to ATC, where I spent seven years during the company's startup and initial operations. Many things have changed since then, but the ATC team's passion for energy and community has endured. The critical infrastructure we build, own and operate in Wisconsin, Michigan, Minnesota and Illinois supports local, state and regional economies. As a public utility, we exist to serve.



Teresa Mogensen
Chair, President and
Chief Executive Officer

At ATC, we're focused on delivering sustained value to our customers, stakeholders and the communities we serve. We measure our success not by our own achievements, but by the positive impact we make as a critical infrastructure partner. By expanding opportunities for growth and development, we aim to deliver sustained value to others and contribute to the long-term success of the regions we serve.

We deliver energy from where it is generated to where it is used. Our customers are at the heart of everything we do. Along with our utility customers, more than 5 million electric consumers depend on us to deliver the energy they need. In 2023, we had an exceptional year for reliability performance, with record numbers in uptime, outage response times and electric grid stability.

One way we're supporting our customers' future needs is by working to implement

In 2023, we had an exceptional year for reliability performance, with record numbers in



Midcontinent Independent System Operator's Long Range Transmission Plan. The Grid Forward - Central Wisconsin Project is ATC's MISO LRTP Tranche 1 project. We have defined two buildable routes and are doing public outreach.

Timeliness and foresight are critical to our work, as new electric infrastructure projects often span years from conception to completion. While we actively seek ways to streamline this process, we remain committed to collaborating closely to ensure that our facilities align with local perspectives and plans. By staying true to our mission and proactively engaging with stakeholders, we navigate regulatory and supply chain challenges to deliver the infrastructure our stakeholders need when they need it.

With the increasing demand for electricity, we're taking actions to prepare for the expanding opportunities of our communities.

We're ramping up our capabilities in all our functional areas to be able to deliver the infrastructure and operations to meet those needs.

At ATC, we're in it with you for the long haul. We aim to maximize value for our customers and stakeholders by forging partnerships that produce mutually beneficial outcomes and support the communities we serve. We approach our work with an implementation mindset, seeking the best solutions while maintaining a steady pace of progress.

We're not just powering homes and businesses; we're powering the dreams of the communities we serve. That's what motivates us every single day.

Teresa Mogensen
Chair, President and
Chief Executive Officer



WE'RE POWERING THE DREAMS

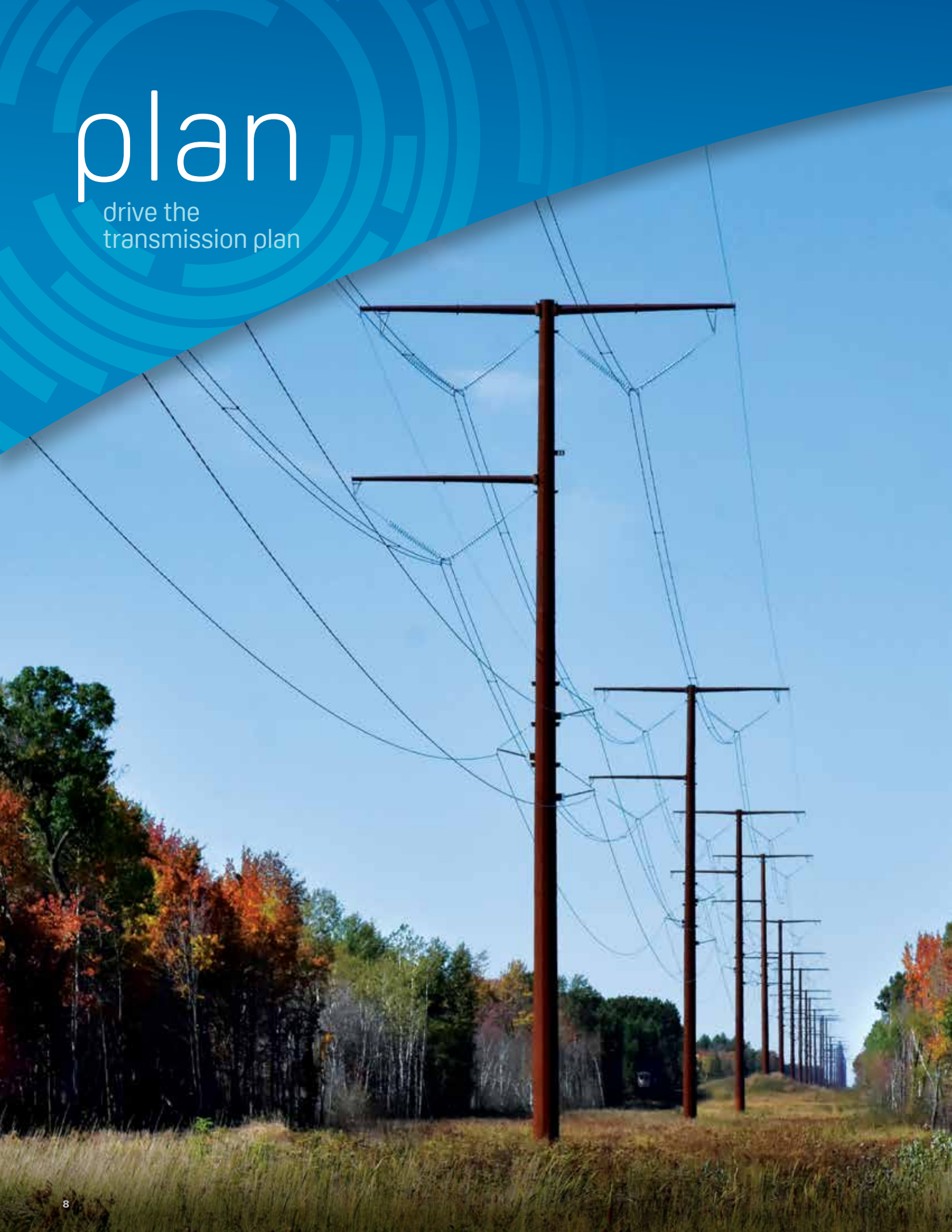


OF THE COMMUNITIES WE SERVE.



plan

drive the transmission plan



A top priority with our strategy is ensuring an executable plan that maximizes value for ATC customers and stakeholders. Proactively driving the transmission plan is the key to ATC’s continued growth through strong relationships. We continue to balance diverse needs during project execution and financing.

Regional Projects

SUPPORTING MISO’S REGIONAL LONG-RANGE TRANSMISSION PLAN

Our energy landscape is rapidly evolving as renewable energy replaces fossil-fuel power plants. A regional approach provides for future energy needs and enables utilities to move power reliably and cost-effectively from where it is generated to where it is used.

Over the past several years, MISO has worked with its members on a Long Range Transmission Planning effort to strengthen the electric grid by identifying and including in the regional plan new groups of projects that will boost electric reliability for communities and consumers.

plans to file an application with the Public Service Commission of Wisconsin for the Grid Forward - Central Wisconsin Project in the summer of 2024. The LRTP projects approved by MISO are cost-shared across the North and Central regions. Between 13 to 16 percent of the overall cost of these projects are expected to be paid by Wisconsin energy consumers.

**Project cost estimates by MISO in 2022 dollars*

TRANCHE 2

The second phase of the LRTP portfolios, called Tranche 2, is currently underway. Our company has participated in the identification of potential projects that will reinforce our system to address current and anticipated needs and benefit energy consumers regionally and in our service area. Tranche 2 projects are being studied and refined during the first half of 2024. We anticipate MISO’s board of directors will approve Tranche 2 in the second half of 2024.

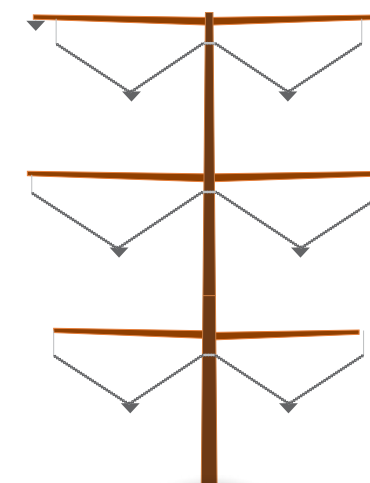
GRIDForward

TRANCHE 1

The first of several LRTP portfolios, called Tranche 1, was approved by MISO’s board of directors in July 2022. Tranche 1 includes 18 projects in the MISO North and Central regions – an investment totaling \$10.3 billion that will offer broad benefits to energy consumers in those areas, including ATC’s footprint.

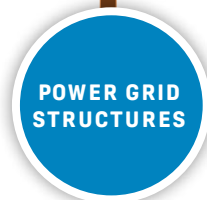
As part of this portfolio, ATC will be collaborating with Xcel Energy on multiple projects that will include a total ATC investment of approximately \$915 million. ATC is taking the lead in building LRTP Tranche 1 Project 6, which we call the Grid Forward - Central Wisconsin Project.

This project includes a rebuild of approximately 160 miles of existing power line to add a new, approximately 200-mile, 345,000-volt power line and a substation expansion near Arpin, Wis. ATC



GENERAL SPECIFICATIONS*

- 345,000 volt
- Brown/weathering steel structures often on a concrete base
- Combination of single, double or parallel circuit options (depending on existing line conditions)
- Typically 135 to 155 feet tall (depending upon site conditions and number of wires)
- Typically a 150-foot utility corridor/easement area
- 600 to 1,000 foot spacing between poles



** Example only - structure and corridor design may vary by location.*

Clean Energy Projects

MOVING TO CLEAN ENERGY

ATC's proactive transmission planning drives continued growth amidst the accelerated energy transition. The move to clean energy continues to reduce carbon and other environmental impacts, and our company serves as the critical connection between clean energy and consumers.



Growing clean energy -
Looking ahead



Our growth is increasingly driven by a more dynamic mix of new distribution, generation interconnections, asset renewals, network upgrades, and new regional LRTP projects. We are proactively ramping up our construction investment planning to meet the needs of our customers. This includes developing a resource strategy, implementing enhanced project portfolio management practices and enhancing our systems and technology.

TRANSITIONING TO CLEAN ENERGY

Since 2018, more than 2,200 megawatts of coal generation have been retired within our service area. In the past three years, utilities we serve have announced plans to retire or convert an additional 2,700 MW by 2026.

In its place is a growing portfolio of renewable generation sources and the need to connect those resources to the electric grid and help reduce carbon emissions. Since 2018, utilities within our footprint added approximately 966 MW of renewable generation. They have also announced plans for an additional 1,800 MW of renewable generation within our service area.

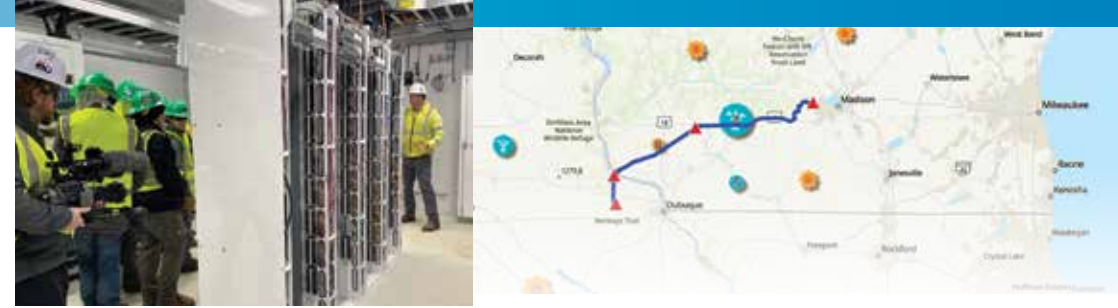
In 2023, the energy used by consumers in ATC's service area that came from renewable resources was less than 10%. MISO expects that to increase to nearly 50% by 2042.*

ADVANCING CLEAN ENERGY

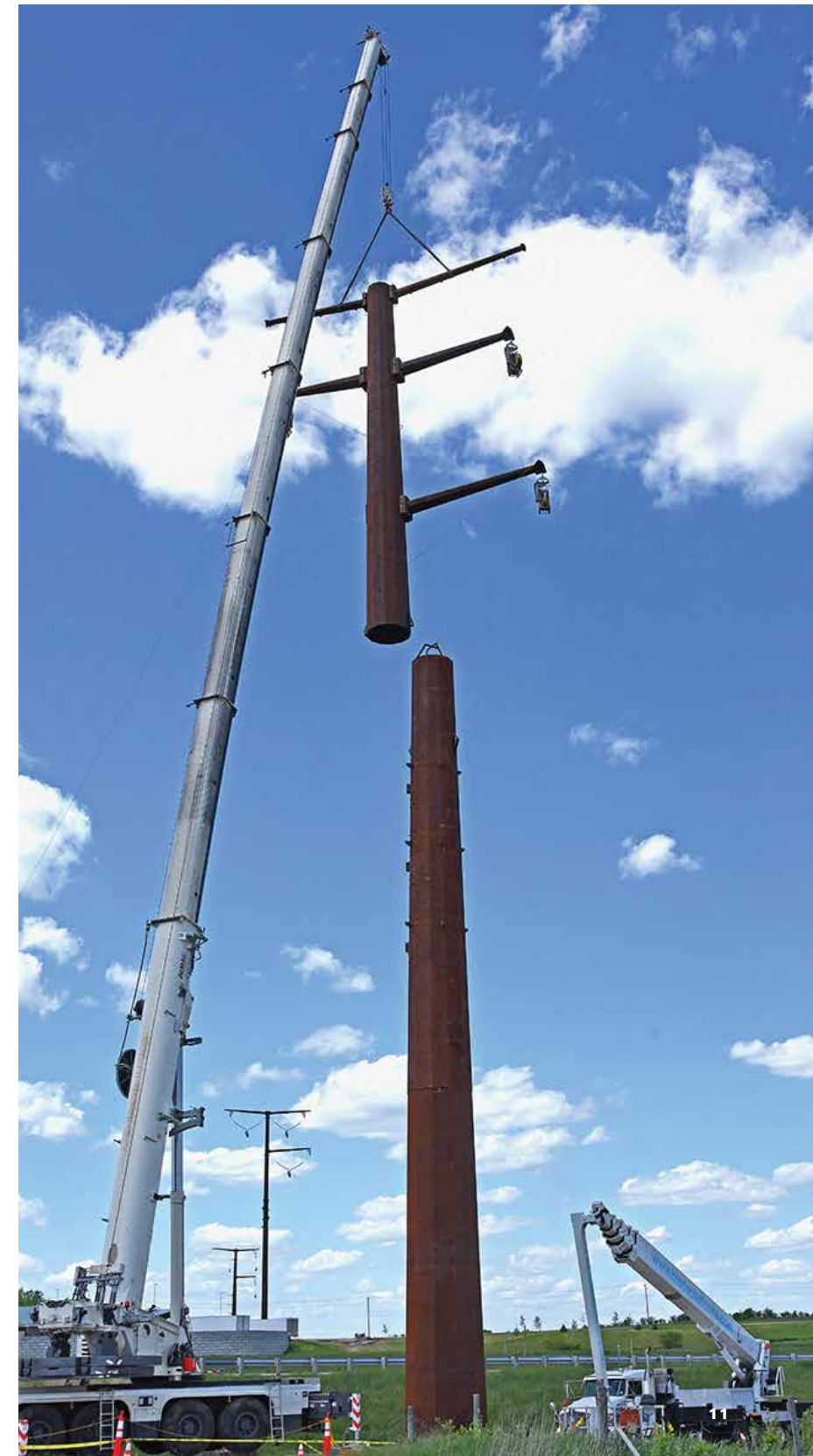
Construction on the 345-kV Cardinal-Hickory Creek Transmission Line Project is nearly complete. Following more than two years of construction by the co-owners – ATC, ITC Midwest and Dairyland Power Cooperative – the eastern half of the 102-mile Cardinal-Hickory Creek project was placed in service in Dec. 2023.

This segment of the line in Wisconsin was built and is operated by ATC from the new Hill Valley Substation near Montfort, Wis., to the Cardinal Substation near Middleton, Wis. Its operation provides a vital link to support renewable generation in our region, reduces energy costs and improves the reliability and flexibility of the regional electric grid.

In November 2023, ATC completed construction of the \$14 million Barneveld-Military Ridge Interconnection Project, located near Mount Horeb, Wis. Two new substations will be constructed to serve area load needs: the Barneveld Substation (owned by Alliant Energy) and the Military Ridge Substation (owned by Mount Horeb Utilities). In addition, a new 69-kV electric line will run just west of the village of Barneveld, Wis., to just south of the village of Mount Horeb, Wis. This portion of the line will share the utility corridor and structures with the Cardinal-Hickory Creek line.

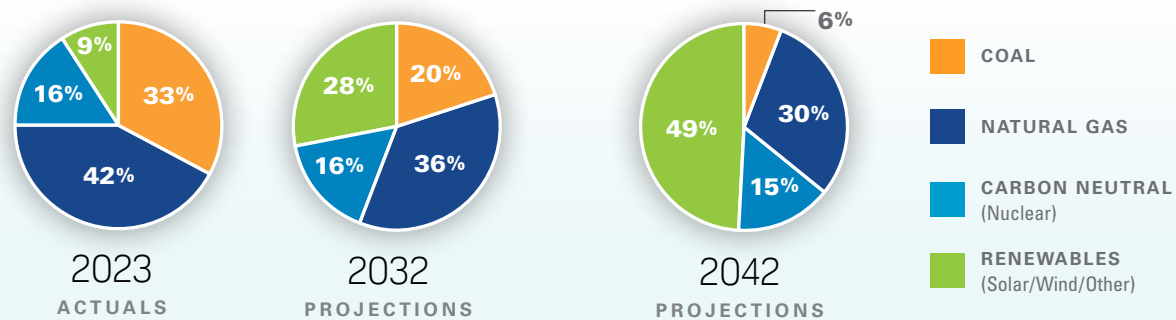


Cardinal-Hickory Creek Transmission Line Project



ATC SERVICE AREA:

DELIVERED ENERGY SOURCES



*Source: MISO Midwest Transmission Expansion Plan 2023 Future 2A

Interconnection Requests

Requests to interconnect new generation sources to ATC's system are at an all-time high and continue to increase. Generation developers and local utilities are driving this increase as they work to meet renewable energy goals and accommodate new load growth. This shift is increasing demand of two types of interconnection projects for ATC: generation-to-transmission and distribution-to-transmission.

GENERATION-TO-TRANSMISSION INTERCONNECTIONS

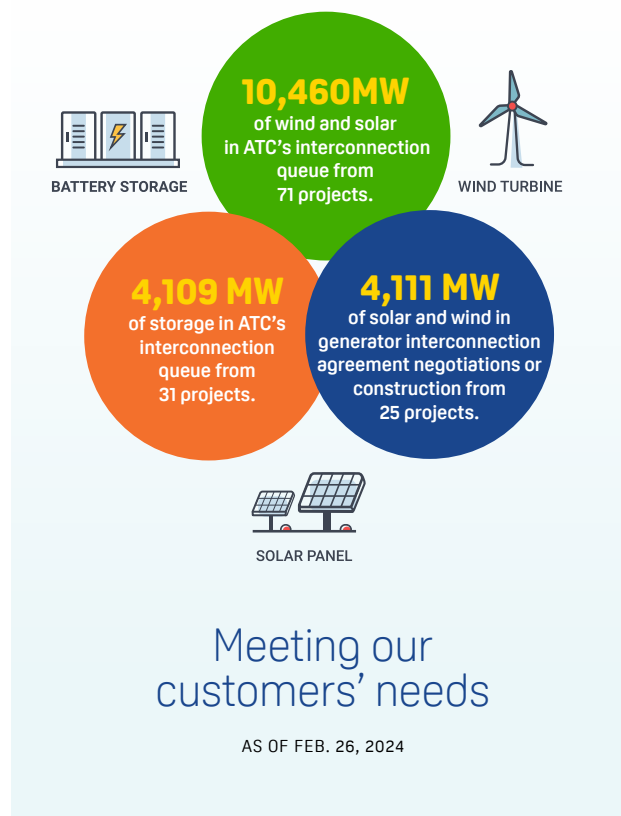
ATC begins formal engineering, design and construction after a generator interconnection agreement is executed by MISO for all network upgrades associated with generator interconnections. Generation developers complete a MISO application and study process prior to a generator interconnection execution.

In late 2022 ATC received 33 new generation-to-transmission project requests, bringing the total of active generator projects to 118. Five projects went into commercial operation last year, and together, they will generate over 524 MW of solar, wind and gas power.

DISTRIBUTION-TO-TRANSMISSION INTERCONNECTIONS

In 2023, ATC received a record 118 distribution-to-transmission project requests, and we currently have over 220 active distribution-to-transmission projects in the queue.

The increase is driven by continual growth in distributed energy resource projects (small to medium-sized renewable energy installations) and support of load growth related to economic development. ATC sees continued growth in economic development and in 2023, we received 14 economic development load interconnection requests, compared to two requests in 2022 and three requests in 2021.



In the past three years, ATC has supported over 40 DER interconnections, resulting in over 140 MWs of renewable energy being added to our system. We have over 78 active DER projects in the queue with the potential to add nearly 450 MWs of renewable energy over the next few years.

Reliability Projects

We regularly work on a wide number of power line, substation and related infrastructure projects. However, some projects have a greater impact on our stakeholders. Below are a few examples of projects that support a robust, stable and reliable electric grid.

HOWARDS GROVE-ERDMAN PROJECT

In July 2023, ATC completed construction on the Howards Grove-Erdman Project, which included construction of a new 6.6-mile, 138-kV line to ensure electric reliability in Sheboygan County and the surrounding area. The \$28 million project included an expansion of the [Howards Grove Substation](#) to improve electric reliability performance and operational flexibility.

WINONA-ATLANTIC PROJECT

In June 2023, ATC started construction on the Winona-Atlantic 69-kV Rebuild Project in Michigan's Upper Peninsula. The project consists of rebuilding 22.9-miles of 69-kV power line between the Winona Substation and Atlantic Substation, and adding optical ground wire and replacing switches at the Winona Substation. The \$33.4 million project will address reliability issues and provide greater operational flexibility in the Keweenaw Peninsula area in the Upper Peninsula. The project is expected to be in service by end of 2024.

ROCK COUNTY PROJECT

ATC received regulatory approval from the Public Service Commission of Wisconsin for the Rock County Reliability Project in August 2023 to build and construct necessary upgrades that support system reliability improvements in Rock County.

The \$54 million project includes an expansion of the Kittyhawk Substation, a new 0.47-mile 138-kV line from the Kittyhawk Substation to the Town Line Road Substation and rebuilding a portion of another 138-kV line between two substations. The project also will support Alliant's West Riverside Energy Center, an advanced technology, highly efficient natural gas facility near Beloit, Wis. The project is expected to be in service by the end of 2024.

PLYMOUTH RELIABILITY PROJECT

In January 2024, ATC submitted an application with the PSCW for the [Plymouth Reliability Project](#) to construct a new, approximately 7 to 8-mile,



double-circuit 138-kV line to energize a new local distribution substation proposed by Plymouth Utilities. The Plymouth Utilities substation and ATC power line will relieve constraints on the current electric delivery system, improve reliability and support local energy demand. We expect the \$33.5 million power line project to be in service by the end of 2026.

Innovation

ADVANCING INNOVATION

ATC has long been a place for innovators and innovation. We continue to tap technology to enhance safety, improve efficiency and protect the electric grid.

IMPLEMENTING TEMPERATURE-BASED RATINGS

We are implementing temperature-based ratings on our equipment. This allows us to make use of additional system capacity when temperatures are cooler, and it keeps equipment safe from overheating.

BUILDING SYSTEM MODELING SOFTWARE

Our ongoing research includes investigating several technologies that will help us better control and route power flows across our electric system. As these select technologies are put into place, they will help us to better manage the integration of clean energy generation and storage, we are actively developing expertise in how these resources interact with our electric system. To that end, ATC has built internal, industry-leading capabilities by using new system modeling software to help protect customers and consumers against unintended interactions that, if unaddressed, could lead to outages.



to learn
more about
our projects,
go to:

atc-projects.com



Risk Management

MANAGING RISKS

ATC maintains an enterprise risk management program to enable informed decision-making through comprehensive risk identification, assessment and mitigation. ATC’s audit and risk management team is accountable for providing objective assurance and advisory services to stakeholders, focusing on enhancing ATC’s internal control environment and risk mitigation practices.



ENSURING READINESS

Emergency preparedness is woven into our culture. Through our ATC Ready program, we continue focusing on five key areas across the organization:

1. Business continuity management
2. Incident response
3. Exercise planning
4. Personal preparedness planning
5. Public-private partnerships and relationships

Last year, we reviewed, updated and consolidated 26 business continuity plans. These documents help ensure ATC is resilient in the face of

disruption and can continue to operate effectively even in the most challenging circumstances.

PARTICIPATING IN NATIONAL THREAT SIMULATIONS

ATC maintains partnerships with other utilities and government entities to exercise coordinated responses to simulated cyber and physical security attacks, strengthen crisis communications relationships, and provide input for lessons learned. In November 2023, nearly 70 ATC employees joined the electric utilities and related groups across the nation to participate in GridEx VII.

This two-day security exercise, coordinated by the North American Electric Reliability Corporation every two years, simulates physical and cybersecurity threats to the electrical infrastructure. The initiative supports ATC’s commitment to continually develop and implement a comprehensive incident management program that uses industry leading practices.

ADVANCING CYBER AND PHYSICAL SECURITY

As cyber and physical threats continue to grow, ATC remains focused on the security, reliability and resiliency of the electric grid and our data systems. We routinely review and update our programs to improve performance, with results reported to the board of directors.

Our cybersecurity team regularly assesses our processes and procedures against industry standards like the National Institute of Standards and Technology Cybersecurity Framework. We annually review technology investments to improve our cybersecurity and ensure our team has the appropriate level of education. Additionally, employee recognition of potential cyber risks is tied to our short-term incentive goals.

2023 saw significant progress in both cyber and physical security, with advancements in technology, collaboration and awareness leading to stronger defenses against evolving threats.



“One of the reasons I joined cybersecurity and information security was I saw value in it. It was more than just IT. It was understanding how to protect an organization and how to build its security posture to prevent operational disruptions, to prevent financial loss. I found the whole theory of it just fascinating.”

– Corey Y.
Security Risk Management Lead

Here’s a summary of some key achievements:

- Improved vulnerability management practices to mitigate vulnerabilities across priority and high-risk assets
- Enhanced threat intelligence by increasing collaboration with joint security organizations and by sharing insights on threats like ransomware
- Focused on security-by-design by identifying risks throughout the development of systems and infrastructure
- Invested in workforce and skill development by onboarding additional resources and enabling training through recognized organizations such as ISACA, SANS and ASIS
- Increased the adoption of passwordless authentication through early testing of biometrics and token-based authentication methods
- Advanced physical security technologies by updating perimeter detection systems
- Strengthened ATC’s preparedness and response through performing tabletop exercise to evaluate resilience to physical and cyber threats, natural disasters, and other disruptions
- Expanded our application of mobile physical security monitoring units

SECURITY & RESPONSE PROGRAM

The Security & Response program is partnering to advance risk transparency to energize the culture and execute security, response and resumption capabilities with excellence. As we move through 2024, the vision for Security & Response continues to mature.

VISION :

Prepare ATC to be resilient to business disruption by:

- Safeguarding people, property and process
- Delivering safe, secure and reliable operations
- Ensuring timely and sufficient response and resumption

MANAGING THROUGH SUPPLY CHAIN CHALLENGES

Both domestically and globally, ATC and many organizations continue to experience long project lead times, inflationary pressures, increased scale of point load additions, high demand with limited availability, and impacts from natural disasters (such as hurricanes and storms), along with other shipping disruptions.

To address these issues, ATC continues to refine our material sourcing strategy to ensure materials and equipment are available when needed for capital projects and maintenance needs. We also continue to use capital prioritization tools to accommodate the highest priority projects. Our industry-leading efforts have us well-positioned to meet future supply chain challenges.

**MEETING
CUSTOMER
NEEDS**

**NATURAL DISASTERS
HIGH DEMAND
SHIPPING DISRUPTIONS
INCREASED LOADS
INFLATION
LONG LEAD TIMES**

**SOURCING STRATEGIES
CAPITAL PRIORITIZATION**

partner

partnering to advance



Milwaukee Bucks player Andre Jackson Jr. played Math Hoops with students from the Boys & Girls Clubs of Greater Milwaukee.

Our success in expanding, maintaining and operating the electric grid is not accomplished alone. We focus on the mutual benefit that comes from collaboration with our partners. Our work with other electric companies, our customers and the community helps us use all available resources to achieve our goals and support the people in our service area.

National

MUTUAL ASSISTANCE

In 2023, ATC joined the Great Lakes Mutual Assistance Group, one of seven regional mutual assistance groups nationwide that assist in coordinating restoration efforts as well as locating and sending equipment, materials and specialized workers. This voluntary partnership of electric companies across the country helps restore energy service whenever and wherever assistance is needed.

Regional

ECONOMIC DEVELOPMENT

For more than 20 years, ATC's efforts in building and expanding power lines and related facilities have increased the reliability and resiliency of the electric grid, created jobs and helped attract businesses. The electric grid continues to be a direct enabler of economic development and is key to future economic growth.

In late 2023, we kicked off a proactive, multi-year initiative to expand our focus on economic development and partnerships to support even more growth across our service area. We will provide more updates as this exciting work moves forward.

Local

COLLABORATING WITH CUSTOMERS

ATC continues to work closely with customers to deliver exceptional service. ATC and Cloverland Electric Cooperative collaborated to initiate a plan to improve electric reliability

on a vital 69-kV transmission line in their Upper Peninsula of Michigan footprint, targeting a significant increase in reliability. Through targeted maintenance, extensive vegetation management activities, and ATC capital projects that included the addition of motor-operated devices to support fault locating and facilitate more efficient response and restoration of power, the effort is tracking to meet the established targets.

During 2023, ATC partnered with Alliant Energy in providing interconnection facilities to the electric grid for six new Alliant Energy solar generation projects in Wisconsin, totaling 514 MW of renewable energy.

PROMOTING STEM EDUCATION

ATC has supported STEM education for several years through K-12 partnerships and college internships. Our partner schools offer STEM education in areas where ATC hires employees, such as cybersecurity, electrical engineering and accounting. These partnerships allow ATC to widen our career net and empower our future workforce with the skills necessary to succeed.

- Beginning in 2023, ATC partnered with the Milwaukee Bucks to bring the NBA Math Hoops to Wisconsin. Math Hoops powered by ATC is a fast-paced, basketball-based educational board game and mobile app that follows a 10 to 16-week curriculum designed to engage fourth-to-eighth grade students while developing fundamental math skills through the game of basketball. In December 2023, ATC Chair, President and CEO Teresa Mogensen, students from the Boys & Girls Clubs of Greater Milwaukee, and Bucks players AJ Green and Andre Jackson Jr. came together for a [live version of Math Hoops](#).

Alliant Energy solar generation projects in WI, totaled

514 MW

of renewable energy.



Math Hoops



STEM education



UW-Milwaukee School Day



STEM at Maydm



Milwaukee Academy of Science



Woodland Elementary STEM night

- ATC engaged in a fun STEM activity with elementary and middle schoolers at the University of Wisconsin-Milwaukee Panthers women's basketball 'School Day' game at the university's Klotsche Center in January 2023.
- Nearly 20 ATC employees built solar oven kits for 200 Fairview Elementary School students as a summer STEM activity. The kits included instructions and food to make s'mores.
- Over 250 students attended and participated in a wide variety of hands-on learning stations, including six STEM focused stations ATC sponsored during the 4-H Summer Academy Makerspace event.
- ATC employees participated in the Woodland Elementary STEM Night in Kingsford, Mich. About 300 kindergarten through fourth grade students and 500 parents attended the event and received an electric grid education in the guise of fun activities. atcllc.com/community
- Employees on ATC's information technology team collaborated to create STEM projects for three ATC partner organizations: Fairview School, Maydm and Milwaukee Academy of Science. [video available](#)
- ATC provided funding for 15 youth across four Boys & Girls Clubs in Wisconsin to participate in DIY STEM's Energy and Electricity module. DIY STEM provides youth who might otherwise not have access to STEM experiences with simple, fun, hands-on activities. Exposure to science, technology, engineering and math is critical during the tween years, when young people's natural curiosity drives interest and builds capacity for success in these disciplines.
- As part of ATC's sponsorship of the Milwaukee County Zoo's Wild Lights, 14 ATC volunteers engaged children of all ages in fun STEM activities over three nights including Snap Circuits® electric circuit kits, a plasma ball, a Bucks Math Hoops powered by ATC board game, and zoo animal crafts.

Michigan Technological University's Summer Youth Program



ENCOURAGING CAREERS IN ENERGY

We are empowering the next generation of utility professionals through our support of STEM education. This support promotes interest in STEM careers throughout our community including among those who are traditionally underrepresented in the energy industry.

atcllc.com/community

We are active members of the Center for Energy Workforce Development and the Wisconsin Energy Workforce Consortium, which are focused on strategies to create awareness of the incredible and diverse opportunities for careers in the utility industry.

PARTNERING WITH SCHOOLS

We have been supporting educational institutions for several years through K-12 partnerships and college internships.

- In the summer of 2023, ATC provided tuition scholarships for seven high school students from underrepresented groups to attend the Engineering Scholars Program at Michigan Technological University's Summer Youth Program. The students ATC sponsored came from Green Bay West High School, the Maydm STEM program in Madison, and Milwaukee Academy of Science.
- For the sixth year, we employed work-study students from Milwaukee's Cristo Rey Jesuit High School to enable them to earn a portion of their educational costs and gain work experience. ATC employees also attended a career fair for school alumni to talk about career options at our company, review resumes and reconnect with former ATC interns.
- A partnership between ATC's vegetation management team and the UW-Stevens Point is providing real-world utility arboriculture education and training to College of Natural Resources students. Each year, ATC's team talks to students about the roles and responsibilities of different utility vegetation management careers, ATC vegetation management goals, and how the electric industry



Southwest Wisconsin Technical College students touring the Cardinal-Hickory Creek project

works. UW-Stevens Point offers one of the few professional utility vegetation management certificate programs in North America thanks, in part, to the vegetation management team at ATC.

- ATC welcomed 17 college interns in 2023 from 10 different colleges and universities. By working alongside our full-time employees, the students learned about our industry, company and corporate culture. In 2023, ATC also hired 10 former interns for roles within the company.
- Southwest Wisconsin Technical College students enrolled in the school's Electric Power Distribution program toured the Cardinal-Hickory Creek project in early 2023. ATC alliance contractors, M.J. Electric and MP Systems, have given many SWTC students an apprenticeship in the past, which sometimes leads to an individual working on an ATC project. atcllc.com/community
- During the 2023 spring semester, ATC employees helped eighth grade students at Milwaukee Public Schools' Curtin Leadership Academy to design and build a garden box for the school grounds. [video available](#)
- When a middle school student from Pilgrim Park Middle School in Elm Grove, Wis., reached out to ATC to ask for a speaker to help with her First LEGO team project, several employees enthusiastically volunteered. The First Lego team, B.U.I.L.D 44199, was tasked with exploring energy sources, storage, distribution and usage, a perfect subject for our ATC experts. The team was chosen as the top team in Wisconsin and traveled to Houston in April to compete in the FIRST LEGO League Challenge World Festival.



Curtin Leadership Academy



Visit our STEM page for more information and to watch our related videos.



Bird diverter



Environmental

CARING FOR THE ENVIRONMENT

We care about the environment we all share. We strive to reduce the impact that building, operating and maintaining our facilities has on the environment and pursue opportunities to support sustainable, healthy ecosystems.

REDUCING EMISSIONS

As a transmission-only utility, we do not generate electricity that produces CO₂ emissions. However, we do use sulfur hexafluoride as an insulator in some of our equipment. One of the most potent greenhouse gases, SF₆ gas, is a synthetic, odorless, non-toxic gas used in the electric industry to keep networks running safely and reliably.

According to the U.S. Environmental Protection Agency, the electric industry accounts for roughly 80% of the SF₆ gas used globally. Some medium- and high-voltage electrical equipment contains SF₆ gas to insulate the live electrical parts and to switch the flow of electrical current on and off. ATC has been diligently and carefully managing the fleet of equipment with SF₆ gas to minimize

any emissions. While there are SF₆ alternatives, none are currently adequate for use across all of ATC's system, and we continue to explore options to replace SF₆ in the future.

USING DRONE TECHNOLOGY FOR BIRD PROTECTION

ATC continues to explore new technologies and new applications of existing technologies. In 2023, ATC used a drone to install bird flight diverters for the first time. A company contractor used a robot that was connected to a heavy lifting drone to install over 450 bird diverters on the wires of three power lines in Marinette, Ozaukee and Winnebago counties. Bird flight diverters increase visibility of the wires and help protect birds from contacting the power lines while in flight. Using a drone increases safety and decreases installation cost. atcllc.com/community

SUPPORTING THE MONARCH BUTTERFLY POPULATION

ATC joined a new nationwide effort to restore and increase the monarch butterfly population. One of Wisconsin's first utilities to join the National Monarch Butterfly Candidate Conservation Agreement with Assurances for Energy and Transportation Lands, ATC also was one of 45 energy companies and transportation companies who worked with the University of Illinois-Chicago and the Rights-of-Way as Habitat Working Group to develop the voluntary conservation agreement.



Organizations enrolling in the CCAA also commit to implementing conservation measures that address the key threats under their control and to promote breeding and foraging habitat for the monarch butterfly. These measures include activities ATC is already undertaking like seeding and planting with pollinator mixes, targeted herbicide application and brush mowing activities to support habitat for the monarch butterfly.

PROMOTING POLLINATOR HABITAT

ATC's rights-of-way management practices help support pollinator habitat within our footprint. Roughly 40% of the over 10,000 miles of utility corridors we manage may currently serve as suitable habitat for pollinators. We continued to nurture over 20 acres of healthy pollinator habitat we seeded previously at our Hill Valley Substation in Wisconsin's Grant County.

Reducing competition from invasive species and weeds helps native plants to put down deep root systems and flourish. It generally takes three to five years to establish native vegetation, with most of the work focused on maintenance like weed control (e.g., mowing and selective herbicide applications).

Utility corridor management practices support pollinator habitat



YOUNG CAREERS TAKE FLIGHT



College student interns traversed hundreds of miles of utility corridors in summer 2023 to collect data to support our compliance with both the Monarch CCAA and Karner blue butterfly habitat conservation plans.

people

energizing our culture



Our passionate and agile employees work to deliver value to our customers and stakeholders. Our proactive people are what moves us forward and gives ATC the energy to support our communities and electric consumers. We take care of our people as we maintain a strong, positive culture.

Communities

STRENGTHENING OUR COMMUNITIES

ATC follows through on our commitment to our communities in tangible ways. In 2023, we donated \$635,000 to approximately 280 organizations, many of which further youth STEM education programs. ATC employees raised over \$200,000 for United Way, and ATC donated an additional \$70,000 to support vital community programs.

We also provided more than \$40,000 in matching gifts to support over 80 community organizations. Additionally, our employees logged nearly 500 hours of volunteer service with community organizations. We also awarded \$7,500 in Arbor Day sponsorships to 17 communities. We've given over \$100,000 in Arbor Day celebration funding support to more than 330 Tree City USA communities since 2019.

CONTRIBUTING TO OUR COMMUNITIES

In communities where ATC owns and operates electric grid facilities, we provide substantial financial support through property taxes and fees. In 2023, that totaled approximately \$27 million. Additionally, we made cash earnings distributions of \$18 million to our public power owners. These municipalities, municipal electric companies and electric cooperatives rely on ATC to provide safe and reliable electricity. Distributions from their investment in ATC also help them manage their customers' and members' rates.



our employees logged nearly **500 hours** of volunteer services for community organizations

AWARDS & RECOGNITIONS



- Great Place to Work® Certified
- 2023 Great Place to Work® Best Workplaces in Manufacturing & Production (No.5)
- Tree Line USA Utility
- Wildlife Habitat Council Conservation Certification

Employees

CARING FOR OUR EMPLOYEES

We work hard to maintain a positive culture to keep employees engaged, and we were again recognized as a Best Workplace in Manufacturing & Production by Great Place to Work.®



Bay Beach Nature Center volunteers





CAREERS

Launching an engineer development program

We have launched a Strategic Engineering Experience and Development program to address some of the challenges ATC expects to face in recruiting and maintaining top engineering talent. The SEED program kicked off with three associate engineers who will gain hands-on experience across several departments over the course of about a year. They will be guided by mentors and supported by coordinators and subject matter experts who will educate the participants during daily sessions.



Growing and developing careers

We strive to provide opportunities that help our people grow professionally. ATC employees receive annual performance reviews and regular coaching from their supervisors. They also may advance their careers through a variety of opportunities, including leadership development, technical development, skills development, mentoring, tuition reimbursement, knowledge sharing and industry participation. More than 90% of employees said they were offered training or development to further themselves professionally in 2023.

Providing new opportunities

We also have an internal job posting process for employees who may be interested in new opportunities within the company. Of the 129 positions that were filled in 2023, nearly 50% overall were filled internally, and nearly 65% of leadership roles were filled by internal applicants.



Renovation at our Pewaukee, Wis., office will begin in 2024

WORK ENVIRONMENT AND CULTURE

Committing to diversity, equity and inclusion

At ATC, we want every employee to feel empowered to bring their authentic selves to work and contribute to their fullest potential. That is why we are undertaking an effort to advance diversity, equity and inclusion at ATC.



While diversity and inclusion has always been important at ATC, this is an evolution of our past efforts that will focus on DE&I more consistently. Our DE&I initiative is a long-term mindset shift and transition plan with the goal of continually striving to make ATC a better performing organization that provides equitable opportunities.

Evolving how and where we work

During the pandemic, we learned that our employees are productive whether they are working in the office or remotely. To support those efforts, ATC formed a team of employees to reimagine our approach to the workplace. This team led to new guidance for employees called Flex for Your Day.

It empowers employees to choose how and where they work to serve the needs of the business and our customers most effectively. Flex for Your Day has changed how we view the workplace, and along with this reimagined approach, ATC decided to incorporate elements in our facilities that support the way employees want to work.

Reimagining our Pewaukee office workspace

With the lease of our existing Pewaukee facility ending in 2026, we purchased the building in December 2023 because it was a better value in the long term for our customers. This acquisition aligns with our people and culture strategy by providing an environment where employees can do their best work and bolstering talent retention and attraction. Over the next year, we will be renovating the workspace to better align with our hybrid work environment as well as investing in critical building systems.



Safety Vision Days

WELL-BEING, REWARDS AND SAFETY



Promoting well-being

We believe in creating, nurturing and maintaining a supportive, healthy work environment that enables our employees to integrate work and personal responsibilities. We offer paid time for community service, flexible work arrangements and generous paid time off programs. We also continue to put added focus on mental health awareness and physical fitness, providing support through our benefit programs.

Our comprehensive wellness program provides tools, resources and incentives to help our employees and their families lead healthy, productive and balanced lives. Over the last five years, the average employee participation rate in our wellness program has exceeded 90%.

Rewarding our employees

Our comprehensive Total Rewards strategy supports the needs of our employees' career development, health and wellness, compensation, rewards and recognition, and more. Our market-competitive total rewards package includes base salary, short-term incentive bonuses, contributions to individual pension plan accounts, a matching gifts program, and comprehensive health, well-being and retirement benefits. When surveyed, 90% of employees agreed they are encouraged to balance their work and personal lives.

Safety Vision Day

In June, we held an all-employee event to discuss the importance of safety at ATC. During the session, employees learned about ATC's safety initiative focused on serious injury and fatality prevention, the role of our safety liaisons, and how all employees contribute to safe systems and practices at ATC. At the end of the session, employees broke into smaller groups and discussed how they believe their role contributes to keeping workers safe.

NEW ATC WEBSITE

In late 2023, we launched a new website. Visit atc.com to learn more about ATC, our role in the grid and what makes us a great place to work as told through the voices of our employees.



perform

executing with excellence

We build our business on a foundation of skilled employees and high expectations. To support those aims, we look for the best solution while we continually make progress. As our industry evolves to include new challenges and new opportunities, our focus on executing with excellence will lead us to continued success.

Financials

REMAINING STABLE AND PREDICTABLE

ATC offers stability for financial investors. We have always maintained a conservative financial profile and have provided high predictability of earnings and cash flow. We are a FERC rate-regulated provider of transmission services and our customers are financially sound, rate-regulated utilities that own generation and distribution facilities.

ATC's revenue is similar to a fixed capacity charge, and ATC does not have weather or volume sensitivity. ATC's conservative risk profile, and predictable earnings and cash flow have contributed to consistently strong investment profile.



Moody's A2/P1



The McGraw-Hill Companies

Standard & Poor's
A+/A-1

FORECASTING 10-YEAR CAPITAL EXPENDITURES

We annually produce a 10-Year Transmission System Assessment based on engineering studies of the transmission system looking for potential problems that may affect the future performance of the system. Our studies identify and prioritize future projects needed to improve the adequacy and reliability of the electric transmission system for our customers and all electricity users in the region we serve. Our 10-year forecast calls for

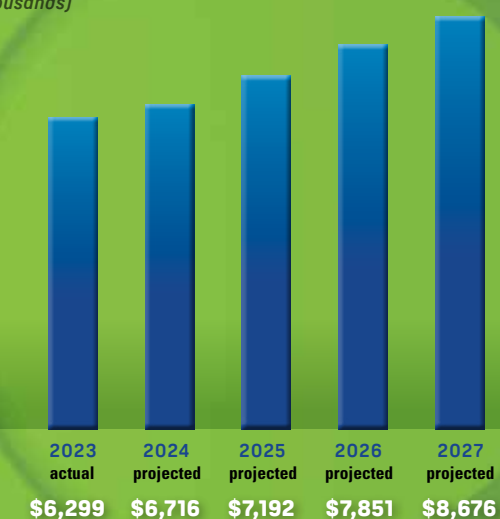
capital expenditures of \$6.6 to \$8.1 billion in system improvements to address needs that are driven primarily by an increase in renewable generation projects and necessary asset maintenance improvements. atc10yearplan.com

This year we continued to see growth in renewable generation added on our system along with significant distribution interconnection requests, which reflect Wisconsin's increasing economic growth. In response, our system planning efforts are rapidly evolving, transforming today's network to connect you with a sustainable energy future.

We are working to keep electricity a great value by strengthening the grid to enable our customers to participate in and reap the benefits of the wholesale energy market. While we're investing in a grid that aligns with new technologies and generation resources, we are also connecting new customer projects to energize the future.

Net property, plant and equipment

(\$ thousands)





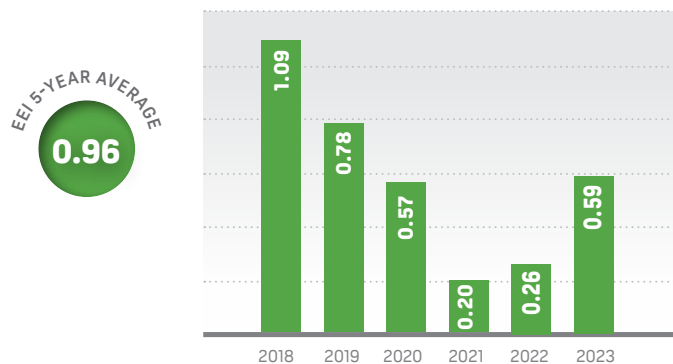
Safety

COMMITTING TO SAFETY

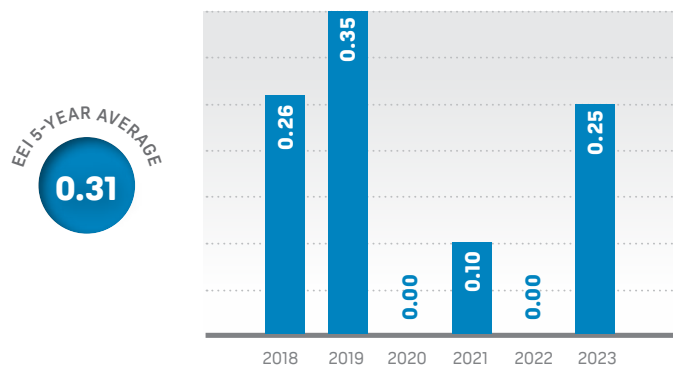
Last year, ATC and our contractors worked over 2.3 million hours with zero fatalities and seven recordable injuries. This led to a combined OSHA Recordable Injury Frequency Rate of 0.59 and ATC achieving five years in a row below EEI's top quartile five-year average. We recognize safety must continue to be at the core of all we do, and we must continue to focus on preventing serious injuries and fatalities.

Working closely with our contractor partners, ATC added two additional safety liaisons to focus on substations and ROW pre- and post-construction activities along with transitioning to safety conversations that incorporate high-energy control assessments. These activities encourage us to identify unsafe situations and trends, preventing harmful events and promoting a culture of safety.

OSHA Recordable Injury Frequency Rate*



OSHA Lost Time Injury Frequency Rate*



*Compared to Edison Electric Institute's 5-year average

Reliability

LEADING IN RELIABILITY

Reliability is essential for ensuring a consistent and uninterrupted supply of electricity, supporting economic activities, safeguarding public safety and maintaining the stability of the energy infrastructure. 2023 was an exceptional year for ATC's reliability performance, with record numbers in uptime, outage response times and electric grid stability.

ATC has earned the reputation of being one of the most reliable utilities in North America based on data collected by the North American Transmission Forum that is used in NATF studies.

OUTAGES

In 2023, we had 241 Total Forced Outages – 75 less than our 5-year average of 316, a record low that broke our previous record of 256 set in 2020. In addition, our number of Bulk Power Outages last year was 5; 6 less than our 5-year average of 11, ranking ATC among the best in the industry. Finally, our number of Fair Weather Outages last year was 75; 6 less than our 5-year average of 81.

SYSTEM INTERRUPTIONS

ATC achieved a record-breaking low average interruption time in transmission system average interruption duration index (T-SAIDI), with customers experiencing an average outage of just over four minutes (4.07 minutes). This surpasses our previous record of 4.90 minutes set in 2016.

Similarly, ATC achieved a record-low transmission system average interruption frequency index (T-SAIFI) score of 0.041, meaning customers experienced fewer outages than ever before. This surpasses our previous record of 0.046 set in 2015.

Compliance and Ethics

MAINTAINING SOLID ETHICS AND COMPLIANCE

We've earned a strong reputation with our stakeholders based on trust, expertise and honesty. This is reflected in the exceptional work performed by our employees and contractors on behalf of ATC. Our strong compliance program includes required annual business ethics disclosures, and employee engagement during our annual compliance week events.

ATC CODE OF CONDUCT

Our Code of Conduct helps us make business decisions that align with our corporate values. We expect our employees to comply with our Code, raise questions and concerns and cooperate during investigations. Employees must complete an annual Code of Conduct training and attest to their understanding.

We take ethics and compliance violations seriously.

ATC employees are responsible for promptly reporting known or suspected violations of ATC's Code of Conduct or corporate policies, potential non-compliance with laws and regulations, suspected retaliation and other matters that put ATC at risk, and elevating their concerns if they feel that appropriate action is not taken.

SUPPLIER CODE OF CONDUCT

We reinforce the importance of ethics and our Code of Conduct with suppliers annually. ATC requires suppliers to adhere to our Supplier Code



of Conduct, which is consistent with our Code of Conduct. The suppliers attest they have shared the Code of Conduct with their staff who work with ATC. Based on perceived risk, select contractors are required to complete an annual ethics questionnaire. In 2023, 433 contractors completed the questionnaire. Non-compliance with the Supplier Code of Conduct may result in the supplier being removed from a competitive bidding process or termination of an existing assignment or contract.

OPEN DOOR POLICY

Our Open Door Policy provides employees with options on how to best address known or suspected misconduct. Resources include the employee's direct supervisor, Human Resources, the Policy & Ethics Committee or our Ethics and Compliance Helpline. The Helpline is available to employees, contractors and suppliers. It is administered by an outside service provider and allows for anonymous reporting and follow up on concerns.



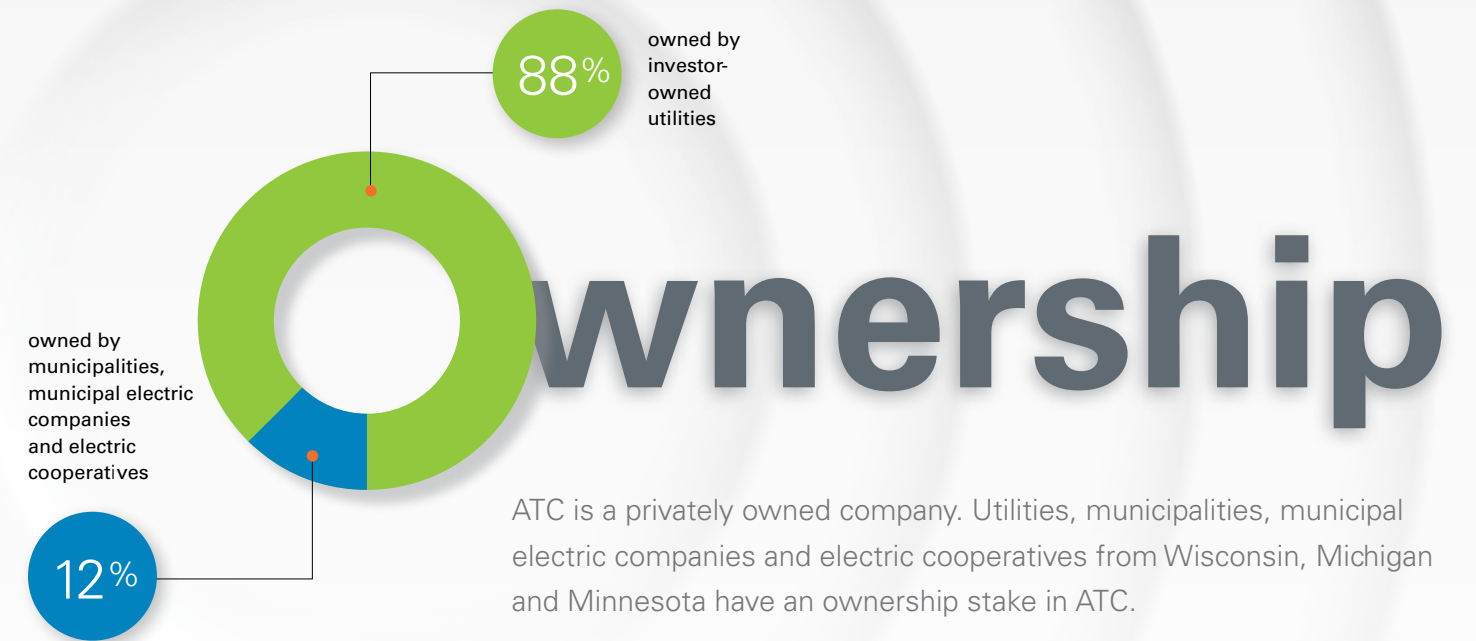
FINANCIAL POSITION AND RESULTS

(\$ thousands)

	2023	2022
Operating Revenues	\$ 818,921	\$ 751,158
Operating Expenses	(407,643)	(381,528)
Operating Income	411,278	369,630
Other Income, Net	2,452	1,171
Net Interest Expense	(134,107)	(124,091)
Earnings Before Members' Income Taxes	\$ 279,623	\$ 246,710
Distributions to Members (at 80%)	\$ 223,698	\$ 196,227
Net Property, Plant and Equipment	\$6,298,859	\$5,964,305
Current Assets	115,236	89,606
Regulatory and Other Assets	38,095	33,475
Total Assets	\$6,452,190	\$6,087,386
Members' Equity	\$2,635,113	\$2,476,666
Short-term Debt	213,321	261,487
Long-term Debt (including current portion)	2,812,913	2,613,409
Total Capitalization	\$5,661,347	\$5,351,133
Other Current Liabilities	205,670	250,029
Other Long-term Liabilities	585,173	485,795
Total Capitalization and Liabilities	\$ 6,452,190	\$ 6,087,386

CAPITALIZATION - GAAP BASIS

	2023	2022
Debt	53.5%	53.9%
Equity	46.5%	46.1%
Total Capitalization	100.0%	100.0%
Commercial Paper Program	\$ 400,000	\$ 400,000



Adams-Columbia Electric Cooperative

AE Transco Investments LLC
(owned by Alliant Energy)

Alger Delta Cooperative
Electric Association

City of Algoma

ALLETE Transmission Holdings Inc.

ATC Holding LLC
(owned by WEC Energy Group)

ATC Management Inc.

Badger Power Marketing Authority

Central Wisconsin Electric Cooperative

Cloverland Electric Cooperative

City of Columbus

City of Kaukauna

Manitowoc Public Utilities

Marshfield Electric and Water
Department of the City of Marshfield

MGE Transco Investment LLC

City of Oconto Falls

Ontonagon County Rural
Electrification Association

City of Plymouth

City of Reedsburg

Rock Energy Cooperative

City of Sheboygan Falls

Stoughton Utilities

City of Sturgeon Bay

City of Sun Prairie

Upper Peninsula Public Power Agency

City of Wisconsin Rapids

WPPI Energy

Leading with Integrity

In June 2023, Michael Niggli, the retired president and chief operating officer of San Diego Gas & Electric, retired from ATC's board of directors.

In August 2023, ATC's board of directors elected Teresa Mogensen the new chief executive officer and president of ATC and Mike Rowe as executive chair of ATC's board of directors. In December 2023, ATC's board of directors elected Mogensen chair of ATC's board of directors, and Tom Finco and Jared Winters were promoted to senior vice presidents and became members of ATC's executive committee.

In January 2024, both executive chairman and former ATC president and chief executive officer Mike Rowe and executive vice president and chief operating officer Mark Davis retired from ATC.

ATC has five independent directors on our board of directors. ATC's independent directors bring an important outside perspective to the board, as well as specialized knowledge and subject matter expertise in business, finance, regulatory affairs, business development, information technology and corporate strategy.

Executive Committee



TERESA MOGENSEN
Chair, President and Chief Executive Officer



TOM FINCO
Senior Vice President, Systems and Security Integration



MIKE HOFBAUER
Executive Vice President and Chief Financial Officer



LORI LORENZ
Executive Vice President and Chief People, Culture and Customer Officer



BILL MARSAN
Executive Vice President and General Counsel



JARED WINTERS
Senior Vice President, Construction and Maintenance

Board Of Directors



TERESA MOGENSEN
Chair, President and Chief Executive Officer, ATC



SUZANNE ALLEN*
President, Allen CFO Services LLC



JOHN JAMAR*
Chief Executive Officer, CCI Systems



JEFFREY KEEBLER
President and Chief Executive Officer, MGE Energy and Madison Gas and Electric Company



JOHN LARSEN
Executive Chairman and Chairman of the Board, Alliant Energy Corporation



SCOTT LAUBER
President and Chief Executive Officer, WEC Energy Group



SCOTT MAIR*
Retired President, AT&T Network Engineering and Operations



GALE NORTON*
President, Norton Regulatory Strategies



MICHAEL PETERS
President and Chief Executive Officer, WPPI Energy



STEPHEN YANISCH*
Retired Managing Director, Public Finance Department, RBC Capital Markets

*Independent directors

guiding our future

ATC has refreshed its mission and strategy statements to pave the way for continued growth. We are preparing for the next level as we take on more opportunities and face new challenges in our transitioning industry.

Our refreshed mission is more outwardly focused and more fully incorporates the needs of our customers and stakeholders. It accounts for external parties and demonstrates a long-term commitment to taking action and yielding positive results.

OUR MISSION IS:

to deliver sustained value to our customers and stakeholders.

Our strategy
which will guide us into the
future can be summarized
in four words

Plan • Partner • People • Perform



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