



CONNECTED

2014 ENVIRONMENTAL ANNUAL REPORT

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Connected to the environment

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At American Transmission Co., our environmental commitment is woven through everything we do – all day, every day. Whether it’s our transmission line projects, our community involvement, or right-of-way maintenance activities, protecting the environment is a priority that is aligned closely with the way we conduct our business.

We continually work to balance our responsibility to ensure electric reliability for more than 5 million consumers with our environmental stewardship. Throughout the planning, route evaluation and construction phases of a project, we seek and identify solutions for potential environmental impacts.

Long before our work starts, we communicate and collaborate with regulatory agencies, landowners, and communities to identify and understand possible areas of concern. We believe the involvement of a diverse group early on results in more appropriate consideration for environmental impact avoidance and protection.

We also review maintenance plans to ensure that any potential impacts are identified and minimized prior to starting work.

Our environmental management system, robust contractor training program, invasive species management, site access planning and Avian Protection Program are a few of the many tools that we use to ensure that we help protect and preserve the environment.



Greg Levesque,
Manager of environmental
and local relations



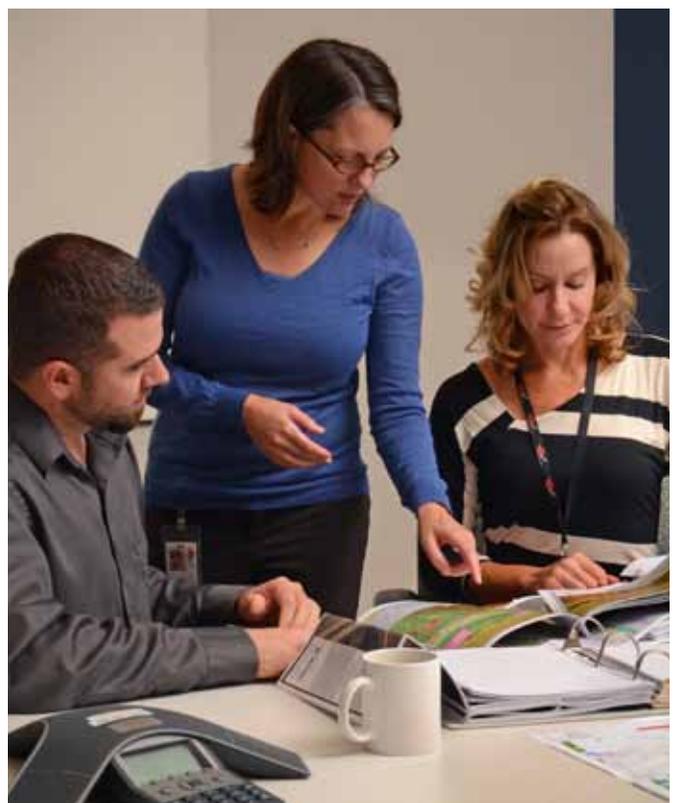
Policy and designations

ATC's environmental commitment is built upon our core values – service to customers, honesty, social responsibility, stakeholder inclusion, financial and environmental sustainability, and respect for communities, customers and employees.

ATC is committed to environmental leadership in all aspects of our business. We seek to demonstrate this commitment through the following actions:

- **Compliance** – Comply with all applicable laws, regulations and orders.
- **Impact reduction** – Reduce environmental impacts of construction, operation and maintenance through the use of innovative practices, cost-effective technologies and, where appropriate, environmental mitigation and enhancement.
- **Employee involvement** – Involve employees in environmental stewardship through job responsibilities and encouraging volunteerism.
- **Training** – Provide employees and contractors with the tools to participate in environmental stewardship through education and training.

- **Proactive partnerships** – Address transmission-related environmental issues proactively with regulators and other stakeholders through partnerships and collaborative working relationships.
- **Environmental management system** – Develop, implement and maintain an environmental management system to ensure we continue to meet our environmental goals.





CONNECT. COMMUNICATE. COLLABORATE.

Partnerships with the Wisconsin Department of Natural Resources and Michigan's Department of Environmental Quality allow us to demonstrate our superior environmental performance.

 **GREEN TIER**

Recognized by Wisconsin DNR for superior environmental performance

In 2005, ATC became the first utility to join Wisconsin's Green Tier program, which now has more than 80 participants throughout the state. The program, administered by the Wisconsin Department of Natural Resources, recognizes businesses and organizations that demonstrate superior environmental performance and dedication to continual improvement, and strives to encourage responsible environmental decision making to protect and restore natural resources.

To be admitted into Green Tier, companies must demonstrate a strong environmental compliance record, implement a formal system for including environmental issues in business decision making, participate in external oversight of environmental performance, and show continual, measurable improvement.



Acceptance and participation in Green Tier provides ATC with a means of demonstrating internal controls, a systematic method of improving relationships with the DNR and a productive way to change how the company and the DNR approach environmental resource conservation. The Green Tier designation also recognizes our environmental leadership through a progressive and proactive approach to environmental issues, and acknowledges our reputation as an innovative and forward-thinking organization among regulators and environmental organizations. As a participant in the program, ATC is committed to incorporating environmental sensitivity, protection and restoration into the design, construction and maintenance of electric transmission lines.

Demonstrating environmental stewardship in Michigan

ATC earned the designation as a member of Michigan's Clean Corporate Citizen (C3) Program in December 2012. The C3 Program is a voluntary Michigan Department of Environmental Quality program for regulated companies that have demonstrated strong environmental performance



and a commitment to continual environmental improvement. Candidates demonstrate facility-specific environmental management systems, active pollution prevention initiatives, and a consistent record of compliance with state and federal environmental requirements.

The C3 program is built on the concept that Michigan businesses that consistently demonstrate environmental stewardship and pollution prevention can be relied upon to carry out their environmental protection responsibilities. C3 companies enjoy greater regulatory flexibility than those that have not been recognized for the same level of environmental awareness.



Wild lupine



Protection in action

Holmes-Old Mead Road recreational trail

ATC received approval for the 138-kilovolt Holmes-Old Mead Road project in Michigan in early 2014. The project consists of the construction of a new electric transmission line between the Holmes Substation in Menominee County, Mich., and the Old Mead Road Substation near Escanaba, Mich.

Approximately 20 miles of the new transmission line will be co-located with a planned multi-purpose recreational trail upon an existing abandoned railroad grade between Hermansville and Escanaba. ATC worked collaboratively with the state to develop a co-location plan that ensures the electrical needs of the area are reliably met while enhancing recreational opportunities throughout the region. The project will greatly improve four existing stream and river crossings, and mitigates various environmental impacts attributable to the abandoned railroad corridor. Construction is expected to be finished in 2016.

Protecting the Hiawatha National Forest

In August, ATC energized transmission lines between St. Ignace and Rudyard in the eastern Upper Peninsula of Michigan, completing a rebuild project that kicked off in early 2009. Approximately half of the project occurred on public land in the Hiawatha National Forest.

There were a number of significant environmental challenges on this project, chief among them the presence of several federally protected species on the project right-of-way within the forest. ATC coordinated with the Hiawatha National Forest staff to complete an extensive public review process required under the National Environmental Policy Act for projects on federal property. Finally, much of the project right-of-way is composed of wetlands, which presented a challenging work environment. Through diligent planning and detailed environmental construction practices, ATC successfully completed the project without a single environmental non-compliance or permit violation. Environmental highlights of the project included:

- Successful implementation of Hine's emerald dragonfly (*Somatochlora hineana*), Houghton's goldenrod (*Solidago houghtonii*), and several other species-specific design criteria and



Protected species fencing



Bird flight diverter

construction mitigation practices. Habitat for these species was field-delineated during the NEPA review process, and marked for avoidance during construction with pennant flagging and bright orange safety fencing.

- More than 430 tons of construction waste (scrap metal, copper, aluminum, glass, wood and bottles) was recycled over the course of the project, allowing ATC to recover more than \$327,000 in project costs.

Pitching in for prairie restoration

In conjunction with the Western Milwaukee County Electric Reliability Project, ATC worked with a local group on prairie restoration in a 4-acre area along the Milwaukee County Oak Leaf Trail. The work consisted of removing the invasive teasel plant and restoring the area with native prairie species. The teasel removal started in the summer, and the prairie restoration will start in spring 2015.

Protecting birds in flight

In May, ATC completed construction of a new 138-kV, double-circuit transmission line between the Chandler and Old Mead Road substations in Delta County, Mich. The new line included an 850-foot crossing of the Escanaba River, located approximately four miles upstream of where the river empties into Lake Michigan. Recognizing the value of the Escanaba River as a flyway connected to the Little Bay de Noc

Important Bird Area, ATC installed bird flight diverters on the shield wire crossing the river to mitigate potential impacts to avian species using the river corridor. Bird flight diverters help make wires more visible, which helps birds avoid them.

Construction crews also hung bird flight diverters on a line connecting the Doylestown and Rio substations in Wisconsin. ATC also is an active member of the Avian Power Line Interaction Committee, which leads the electric utility industry in protecting avian resources.

Save the killdeer

Summer is the time killdeer build nesting sites and lay eggs, preferring to nest in open areas with minimal to no vegetation. They make shallow depressions in the ground, often in gravel areas, with well-camouflaged eggs. While working in the Plains Substation near Iron Mountain, Mich., an alert M.J. Electric crew spotted a killdeer acting wounded in the gravel. Upon closer inspection, the crew found the nest and roped off the area with safety cones to keep away individuals and vehicles. Their actions allowed the eggs to hatch and the baby killdeer to safely leave the nest.





CONNECTED TO COMMUNITIES

This year we awarded \$55,000 for community planting programs, volunteered to teach about native species and pitched in to clean up a wildlife sanctuary.

Practicing our environmental ethic

Buzzing about native bees

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Teaming with the New Jersey Institute of Technology, ATC co-funded research presented in a technical report for the Electric Power Research Institute regarding the management of transmission line corridors for the benefit of native bees. Many crops worldwide are pollinated by honey bees, but colony collapse disorder is affecting their use in agriculture. Native bees are not affected by the disorder and are playing an increasingly important role in pollination. Transmission line corridors provide the type of habitat bees prefer. The research report shows that native bee productivity is not negatively impacted by the operation of transmission lines and that our rights-of-way can help provide good habitat for the species to proliferate.

Helping communities Grow Smart with Community Planting Program

ATC's Community Planting Program is paying educational benefits in one Wisconsin community. The Village of DeForest earned a \$5,000 grant to grow fruit trees and other vegetation in a community dog park. Students



at DeForest High School are learning to grow and maintain 15 apple and five pear trees. Students will do the bulk of pruning, watering and harvesting fruit when the trees mature.

The Community Planting Program, in its second year, helps to beautify communities by promoting plantings located outside transmission line rights-of-way. ATC awarded \$55,000 to 33 communities in its service area to plant trees and other vegetation in 2014.

Municipalities and counties received funding ranging from \$500 to \$4,000 for planting projects on public property where ATC facilities exist. To qualify, community recipients commit to complying with ATC's maintenance standards for all current and future planting plans and urban forestry activities near high-voltage electric transmission lines.

The Community Planting Program is part of ATC's Grow Smart initiative – a program that promotes planting native, low-growing vegetation near transmission line rights-of-way. Trees and other vegetation purchased by communities through the Community Planting Program reinforces this initiative by encouraging the safe planting of tall-growing trees and other vegetation outside of transmission line rights-of-way.



Blue-spotted salamander

A hopping second life for retired wood poles

ATC is continually seeking alternatives to landfill disposal by identifying local individuals and businesses that can give retired treated wood poles new life. Some current uses of poles include wood decking, composite wood, farm structures and trellises for growing produce.

Hops grow on vines and require trellis systems. This year, members of the ATC environmental team analyzed the feasibility of donating wood poles for growing hops in Wisconsin and created a work plan with area hops farmers to help give their plantings structure.

Electronics recycling in honor of Earth Day

ATC is committed to helping its employees keep TVs, computers and cell phones out of landfills. To support environmental stewardship and help employees with some spring cleaning, Enterprise Information Management team members organized an electronics recycling drive throughout the company. In total, ATC recycled 5,401 pounds of employee and company electronics.

Leading a search for salamanders

An ATC environmental project manager led two field trips for the Natural Resources Foundation in 2014. The “Searching for Salamanders” trips were aimed at getting families outdoors to discover these secretive creatures, learning about their unique life cycles and habits along the way. He also led two similar indoor programs at local libraries, giving participants an up-close, hands-on look at four of Wisconsin’s seven salamander species.

Earth Day Conference

Earth Day provided opportunities to support community events involved with environmental stewardship. ATC helped sponsor the 8th Annual Nelson Institute Earth Day Conference in Madison, Wis. The conference explored challenges and opportunities presented by rapid, large-scale changes in the global environment, including implications for energy and climate, human health, natural resources, the economy, urban development, the demographics of the environmental movement, and more.



Common Goldeneye



Raking it in at Bay Beach Wildlife Sanctuary

Employees did a lot of raking during a fall clean up at Bay Beach Wildlife Sanctuary in Green Bay, Wis. Everyone enjoyed the opportunity to give back to the community while they worked in the fresh air.

The sanctuary is a beautiful 700-acre urban wildlife refuge featuring live animal exhibits, educational displays, miles of hiking/skiing trails and various wildlife viewing opportunities. It is home to the second largest wildlife rehabilitation program in Wisconsin, caring for more than 4,500 orphaned and injured animals annually.

Giving back throughout the year

ATC's Corporate Giving Council was pleased to support a number of environmental organizations and events throughout our service area in 2014, including: Clean Lakes Alliance, The Mosquito Hill Nature Center, Wisconsin Wetlands Conference, Milwaukee Riverkeeper Spring River Cleanup, Aldo Leopold Nature Center Run Wild in the Woods, Woodland Dunes Nature Preserve and the Raptor Education Group.

CONNECTED WITH EXCELLENCE

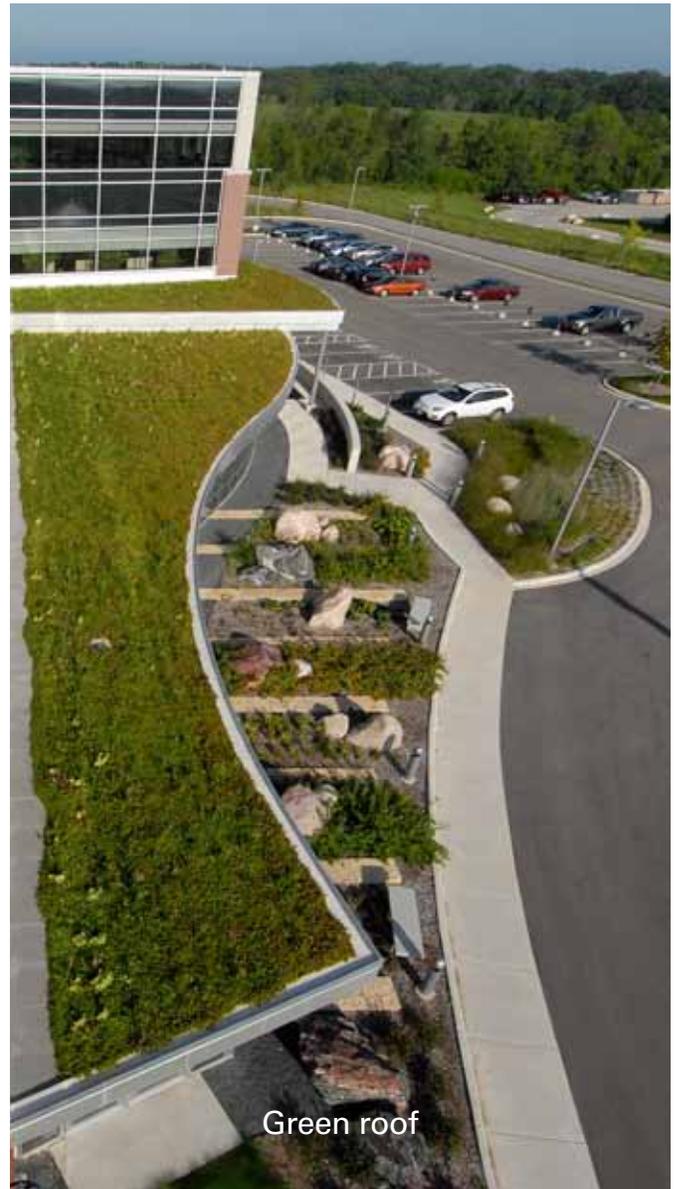
Our commitment to environmental management and continuous improvement has helped us gain recognition from national, state and local organizations for superior performance.



Leadership in action

ATC lives its environmental values. The corporate headquarters building earned a LEED Gold designation from the U.S. Green Building Council for its many special features including a green roof, solar panels and natural lighting. Preferred parking for employees with eco-friendly vehicles and electric vehicle charging stations are featured at company locations. ATC also has been recognized with several environmental designations and awards including:

- Recognized for environmental innovation on the Rockdale-West Middleton Transmission Line Project by Wisconsin Manufacturers & Commerce. An independent panel of judges included representatives from the Wisconsin Department of Natural Resources, the University of Wisconsin and environmental groups.
- Earned the Tree Line USA Company designation for the fourth time for best practices in utility arboriculture.
- Recognized by the Wisconsin Urban Forestry Council with its annual Innovations in Urban Forestry Award. The award was presented to ATC for its Grow Smart Community Planting Program, which over the past two years has awarded \$130,000 to more than 90 communities for planting projects.



Measuring our 2014 performance

88% of construction materials (3,950 tons) recycled, with a total savings of approximately **\$807,000**

More than **1 million pounds** of substation equipment was removed from service in 2014 with **87% recycled**.

175 tons of office waste recycled

261 site-specific environmental training sessions, reaching 2,753 individuals.

3,570 pounds of hazardous waste removed during construction and maintenance projects

About ATC

- Formed in 2001 as the nation's first multi-state, transmission-only utility
- Owner and operator of more than 9,530 miles of transmission lines and 530 substations
- Meeting the electric needs of more than five million people in 72 counties in Wisconsin, Michigan, Minnesota and Illinois
- \$3.8 billion in total assets

GREEN TIER

ATC is a Green Tier company, selected by the Wisconsin DNR for demonstrating superior environmental performance and continual improvement.

ATC is a C3 company, recognized by the Michigan Department of Environmental Quality as a Clean Corporate Citizen for its strong environmental performance and commitment to continual environmental improvement.



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

www.atcllc.com

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**WISCONSIN DNR GREEN TIER
SUSTAINABILITY METRICS**

Period Covered: 2014

Company Name:	American Transmission Company
Facility Name:	
Address:	W234 N2000 Ridgeview Parkway Court
City, State, Zip:	Waukesha, WI 53187-0047
Environmental Coordinator:	Greg Levesque
Coordinator Phone:	608-877-3649
Coordinator E-Mail:	glevesque@atcllc.com

Metric	Not Collected/ Not Available	Quantity	Units	Period - if not Calendar Year
DEMOGRAPHICS				
Sales	X			
Money saved because of material or process improvements			\$	
Profit or Loss	X		%	
Employees		621	Each	
Multiple between highest paid and lowest paid employee	X		%	
Alternative Transportation Support	X		\$ or ?	
Total Purchases		285,803,522	\$	
In-State Purchases		101,255,328	\$	
% of Purchases Made from Companies that participate in Green Tier or Green Masters:			%	
LAND				
Total Land	X		Acres	
Paved/Covered Land	X		Acres or sq ft	
ENERGY				
Electricity			kWh	
	X		% reduction	
Natural Gas	X		btu	
Renewable Energy			%	
WATER				
Total Water Used	X		gallons/year	
	x		% reduction	
Water Recycled/Reused	X		gallons/year	
	X		% reduction	
Regulated Pollutants Discharged	X		lbs/ year	
	X		% reduction	
AIR				
Total Air Emissions	X		lbs/ year	
	X		% reduction	
Ozone-Depleting Substances	X		lbs/ year	
			% reduction	
Greenhouse Gas Emissions	X		lbs/ year	
	X		% reduction	
WASTE				
Hazardous Waste Disposal		13,600	lbs/ year	2014

Hazardous Waste Disposal		71	% reduction	
Non-Hazardous Waste Disposal		1,070,000	lbs/ year	2014
			% reduction	
Material Recycled/ Reused		8,600,000	lbs/ year	2014
			% increase	
Recycled/ Reused Content		87	% of product	
TRANSPORTATION				
Hybrid Vehicles	X		Each	
Gasoline Used	X		Gallons	
Diesel Used	X		Gallons	
Alternative Fuels Used	X			
ADDITIONAL METRICS				
Please list all other certifications (for example: LEED, Energy Star, ISO 14001):			PWK Building -Platinum Leed	

