Attachment 4

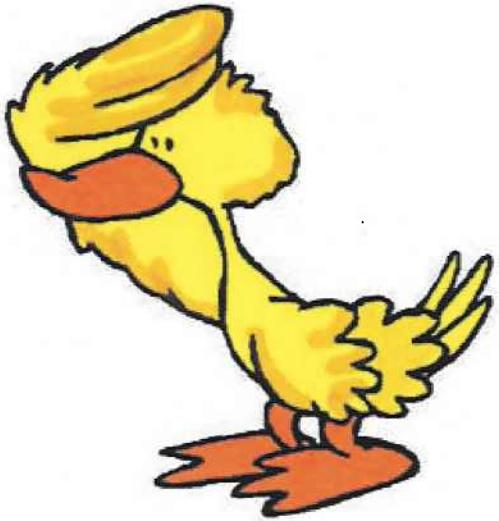
American Transmission Company

Description of ATC's Environmental Management System, Fred

(Attach Fred documentation on Powerline)

Fred

The ATC Environmental Management System



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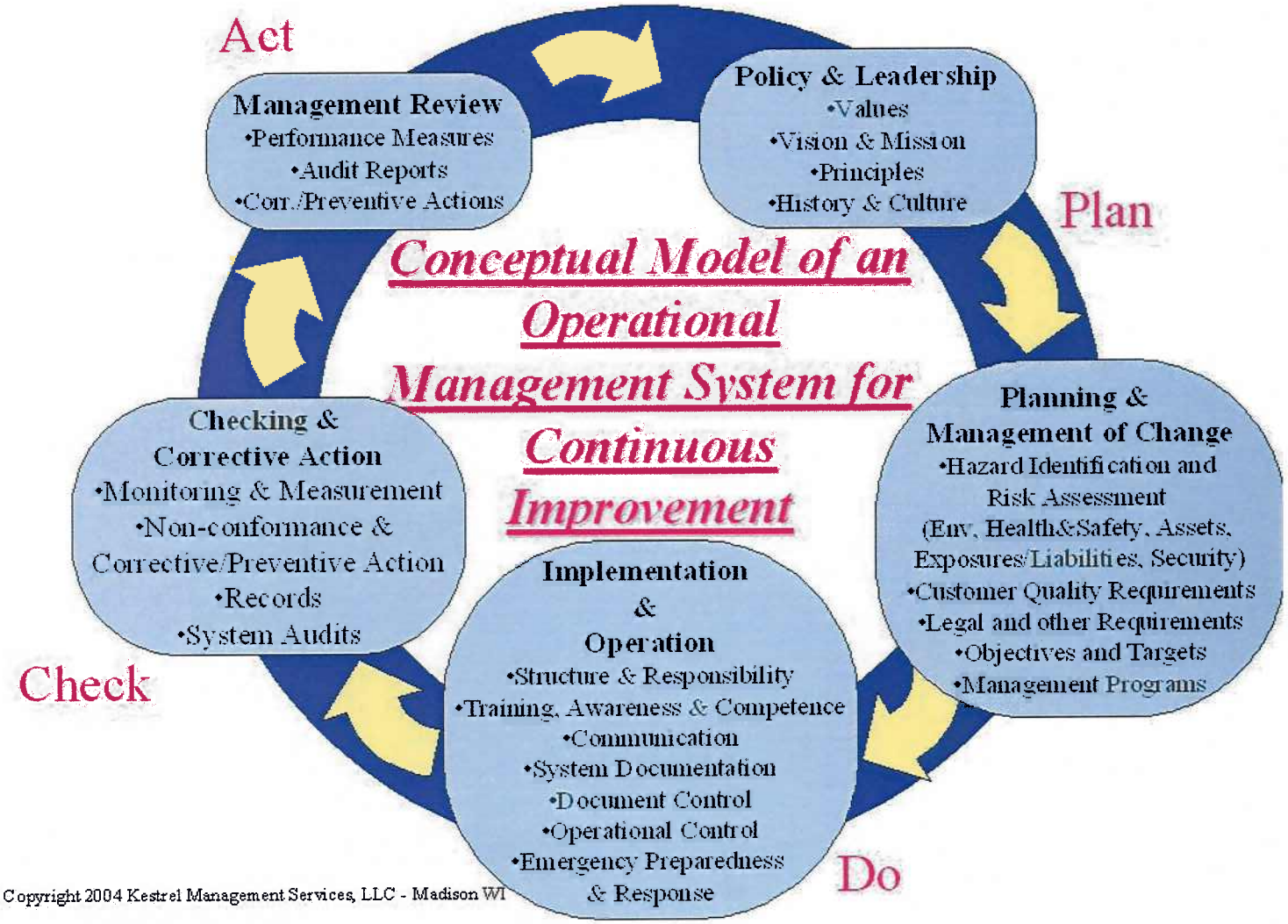
This document is meant to describe the elements of ATCs environmental management system (Fred) and provide a guide to and explanation of the system. Fred is dynamic and all documents or illustrations that are included must be verified against the source to ensure that the information is the most current available.

"Fred" is an environmental management system that ATC has designed and developed, modeled on the specification standard put forth by the International Organization for Standardization for environmental management systems, ISO 14001:1996. In addition, ATC has added emphasis and consideration of regulatory compliance, stakeholder outreach, and "transparency" to outside organizations and individuals.

The basic premise of an environmental management system is drawn from the classic plan-do-check-act cycle of continual improvement. Within the context of Fred we identify the aspects of ATC operations and any associated impacts to the environment. We take these aspects and impacts into consideration when developing goals and objectives. We then measure our progress toward achieving those goals and check on our performance to ensure continual improvement.

Fred consists of various interrelated management practices in the form of written procedures, work instructions and standards. All of these practices are designed to translate our Statement of Environmental Commitment into the daily operations of ATC, its employees, and contractors. Fred includes audit and training programs as well as the resources necessary to meet our environmental goals.

The remainder of this document provides a tour of the core elements of Fred and how they interact. This tour includes a description of the different elements and associated documentation and records and provides a visual depiction of where the documents are located. ATC does not maintain an "Environmental Manual" per say but uses an online web page to control and distribute appropriate documentation. This document identifies all the elements of Fred and is intended to be our EMS documentation in accordance with the reference to ISO 14001:1996, Section 4.4.4.


Act
Management Review
•Performance Measures
•Audit Reports
•Corr./Preventive Actions
Policy & Leadership
•Values
•Vision & Mission
•Principles
•History & Culture
Plan
Conceptual Model of an Operational Management System for Continuous Improvement
Planning & Management of Change
•Hazard Identification and Risk Assessment
(Env, Health&Safety, Assets, Exposures/Liabilities, Security)
•Customer Quality Requirements
•Legal and other Requirements
•Objectives and Targets
•Management Programs
Do
Implementation & Operation
•Structure & Responsibility
•Training, Awareness & Competence
•Communication
•System Documentation
•Document Control
•Operational Control
•Emergency Preparedness & Response
Check
Checking & Corrective Action
•Monitoring & Measurement
•Non-conformance & Corrective/Preventive Action
•Records
•System Audits
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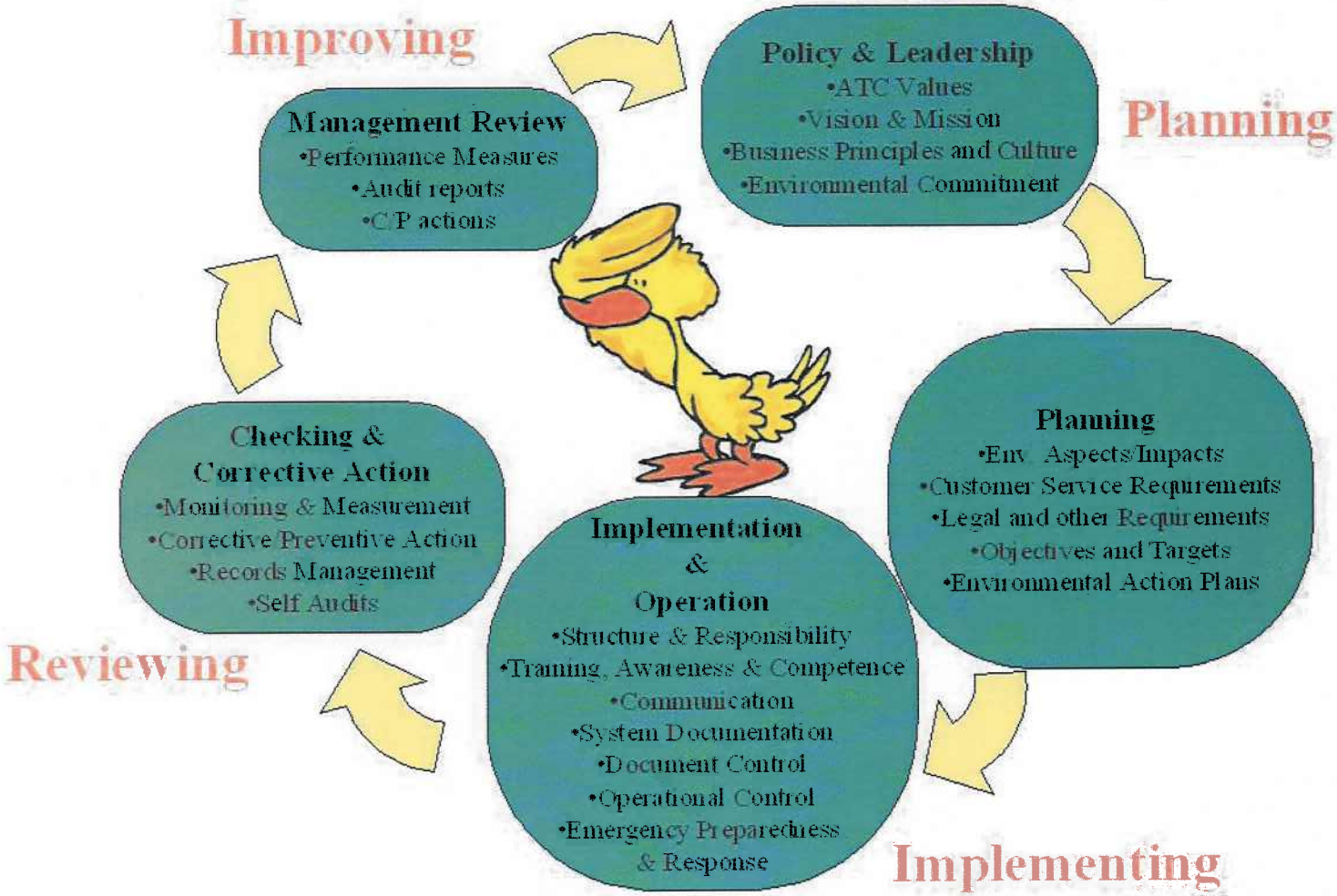
Fred: ATC's Environmental Management System



Purpose and Scope

The ATC environmental management system has given the informal title of "Fred" for ease of reference – especially in light of the use of the term "EMS" in ATC as a reference to the energy management system of software and computer controls by which the company operates the electrical transmission assets on a real-time basis.

This name, Fred, refers to ATC's structured environmental management system – comprised of policies, procedures, and practices, which govern and direct all significant environmental-related activities, operations, facilities, employees, contractors, and consultants of ATC. The purpose of this system is to assure that ATC meets its environmental obligations and policy directions on a continuing basis, with sustained and improving performance.

The Management System is composed of documented procedures. What are they?

Procedure name	What is this?
Statement of Environmental Commitment	ATC's Policy on the Environment
Environmental Aspects and Impacts	A method of risk assessment and control
Legal and Other Requirements	A way of knowing what is required of us by the laws, regulations, and other expectations
Environmental Objectives and Targets	A method of setting our goals, and determining when we have achieved them
Environmental Action Plans	A method of achieving the goals
Structure and Responsibility	Our way of knowing roles and responsibilities
Training	Our way of being sure we have the training everyone needs, on order to do their part for ATC's environmental performance
Communication	Our way of knowing how environmental communication will occur
Fred Documentation	A description of the management system
Document Control	Our way of knowing we have the right instructions for doing Ro work
Operational Control	Our way of being sure everyone in ATC knows how to do their jobs right with respect to the environment
Environmental Emergency Preparedness	A Plan so we are ready to handle emergencies
Monitoring and Measurement	How we know about our progress and problems
Corrective and Preventive Action	How we find and fix problems
Records	How we keep important records
Environmental Self-Audit	Our way of checking on ourselves so we keep getting better
Management Review	Our way of informing top management and getting their guidance
Environmental Standards and Work instructions	The specific information that guides our daily actions, and provides consistency and continuity in our performance

The management system elements, noted in the above table, are described below. For more detail, the reader may review the specific procedures themselves on the ATC intranet system, also characterized in the following sections.

Statement of Environmental Commitment *ref. ISO 14001 4.2*

The environmental policy that ATC adopts takes the form of our corporate Statement of Environmental Commitment. This commitment is built upon the core values of ATC and addresses our commitment to compliance, sustainability, stewardship, honesty, accountability, responsibility, inclusion, prevention of pollution, and continual improvement. This commitment is translated into all the elements of Fred and lived out through actions made by ATC employees and contractors. All of our procedures, work instructions, and standards support this commitment.

The Statement of Environmental Commitment is communicated to stakeholders, regulators, employees, contractors, and the general public through many media.

Environmental Aspects and Impacts *ref. ISO 14001 4.3.1*

"Aspects" and "Impacts" may be thought of as the environmental causes and effects (respectively) of ATC activities. The Environmental Aspects and Impacts Procedure details how ATC identifies the environmental aspects of its activities, decisions, and operations that can have an impact on the environment. The procedure describes how the impacts are rated and ranked according to significance. These aspects are considered in the setting of environmental department and personal goals.

Referenced Documents and/or Records:

- Aspects/Impacts Table ENV FR 41
- Rating and Ranking Instruction ENV EI 09
- Objectives and Targets ENV FR 14

Legal and Other Requirements *ref. ISO 14001 4.3.2*

The Legal and Other Requirements Procedure provides a document process for identifying regulatory requirements and when they apply to ATC activities. The procedure references a current list of requirements and how this is reviewed to determine the requirements of specific projects or activities. This list is used

when conducting compliance audits, training employees and contractors, informing project teams of environmental requirements, and in developing work instructions and standards necessary to ensure ATC is in full compliance with all regulatory requirements.

Referenced Documents and/or Records:

- Legal and Other Requirements List ENV EF 43
- Project Environmental Requirements Form ENV EF 42

Environmental Objectives and Targets ref ISO 14001 4.3.3

The Environmental Objectives and Targets establishes a process for developing objectives based on the significant environmental aspects and describes how environmental goals are set and documented. This procedure describes how the statement of environmental commitment, environmental aspects and impacts, legal and other requirements, business considerations, and audit results are used in determining environmental goals and objectives. This procedure also describes management review of these goals and how they are communicated to the company. The procedure allows for environmental action plans to be created and how the management review team will take action if a goal is not met or new or modified goals need to be made as a result of emerging issues, events, or legal concerns.

Referenced Documents and/or Records:

Environmental Action Plan Template ENV EF 23
Management Review Procedure ENV Fr 28
Environmental Department and Staff Goals

Environmental Action Plans *ref. ISO 14001 4.3.4*

Environmental actions plans are developed for appropriate environmental goals and objectives per the Objectives and Targets Procedure. The template that is used to document these action plans includes responsibility begin and finish dates, milestones, due dates, and approval. These action plans describe the principle action to be taken, who's responsible for undertaking those actions, and the timeline for completion. The environmental manager approves environmental action plans.

Referenced Documents and/or Records:

- Environmental Objectives and Targets Procedure ENV FR 14

Structure and Responsibility *ref. ISO 14001 4.4.1*

The Environmental Structure and Responsibility Procedure ensures that environmental roles, responsibilities, and authorities are defined, documented, and communicated to all employees, customers, and regulators. This procedure describes the existing corporate structure and determines how management will provide resources to ensure effective implementation and control of environmental processes, including Fred. Employee and contractor responsibility related to environmental management is defined, as is the role of the executive management team and the Environmental Management Representative.

Referenced Documents and/or Records:

ATC Organizational Chart
Environmental Staff Responsibilities and Descriptions

Environmental Training *ref. ISO 14001 4.4.2*

The Environmental Training Procedure describes the process for identifying training needs and requirements for ATC employees. This is meant to ensure employees are aware of ATCs environmental commitment, the significant aspects and associated impacts within their responsibility, emergency preparedness, and the overall functioning of the environmental management system. Training is provided by outside contractors and the environmental staff to ensure employees are competent to carry out their environmental responsibilities.

Referenced Documents and/or Records:

- Training Matrix

Communication *ref ISO 14001 4.4.3*

The communications procedure outlines the methods by which environmental communication is managed, including inquiries and information from stakeholders and interested parties; new information about legal and other requirements; information about capital projects, maintenance, emergency incidents, outreach information, press communications, and non-routine information or events; and internal ATC communications.

Referenced Documents and/or Records:

- Environmental External Contact Form
- Environmental Master Requirements List
- External Communications Procedure
- Legal and other requirements procedure

Document Control *ref ISO 14001 4.4.5*

The Environmental Document Control Procedure establishes and maintains a procedure for creation, control, maintenance, and disposition of all environmental procedures, work instructions, forms, templates, and standards. The procedure ensures that environmental management system documents can be located, are periodically reviewed and revised when necessary, and to ensure that current versions are available to those that need to use them. The records associated with the environmental department are managed according to the ATC corporate records management program.

A current version of all controlled documents, and the master list of controlled documents are available on the environmental intranet site.

Referenced Documents and/or Records:

- Environmental Document Master List ENV EF 10
- Records Management Indexing System (RMIS)
- Corporate Records policy and procedures

Operational Control *ref ISO 14001 4.4.6*

The Manager of the Environmental Department and all Environmental Staff are responsible for identifying operations and activities associate with environmental aspects that may have an impact on the environment. Some of these aspects require specific work instructions or standards. When these are identified standards and work instructions are developed using a cross-functional team of individuals, both ATC employees and outside stakeholders and contractors.

Environmental Emergency Preparedness *ref ISO 14001 4.4.7*

This procedure establishes ways to identify and respond to environmental emergencies. This procedure relies on the structure and responsibility procedure as well as the aspect and impact procedure to determine responsibility for and to identify the potential for environmental emergencies. When specific emergency

situations are identified that could result in significant impacts to the environment emergency instructions specific to those situations.

Referenced Documents and/or Records:
(reserved)

Monitoring and Measurement *ref ISO 14001 4.5.1*

Being able to monitor and measure environmental performance is one of the most important tools for continual improvement. This procedure describes how metrics are identified to monitor and measure environmental activities including or progress toward environmental goals and objectives, compliance with legal requirements, prevention of pollution, outreach and stewardship activities and the overall function of Fred. These metrics are communicated to internal audit, executive management and stakeholders.

Referenced Documents and/or Records:
- Environmental Management Review ENV FR 28
- Environmental Monitoring and Management Table

Corrective and Preventive Action *ref ISO 14001 4.5.2*

The Environmental Corrective and Preventive Action Procedure establish responsibility for investigating non-conformances and initiating any corrective actions. The procedures describe some of the ways in which the non-conformances can be identified and defines the process for creating environmental action plans for correcting any non-conformances. The procedure also describes how these non-conformances are communicated to Management.

Referenced Documents and/or Records:
- Environmental Action Plan Template ENV EF 23

Records *ref ISO 14001 4.5.3*

The corporate records management program identifies the ATC policy on records management and the associated procedures. ATC maintains and electronic indexing system to reference all corporate records. ATC has also developed procedures for protecting and maintaining vital records.

Referenced Documents and/or Records:

- RMIS
- Record policy and procedures
- Environmental Records Instruction ENV EI 29

Environmental Self-Audit *ref ISO 14001 4.5.4*

The Environmental Department maintains this procedure to define how the audit program is established and implemented. It describes how self-audit teams are created and how they function. This procedure is implemented in close consultation with ATC Internal Audit Department. Annual schedules of self-audits are created and the results are communicated to the management review team.

Referenced Documents and/or Records:

- Environmental Management Review Procedure ENV FR 28
- Self-Audit materials and reports

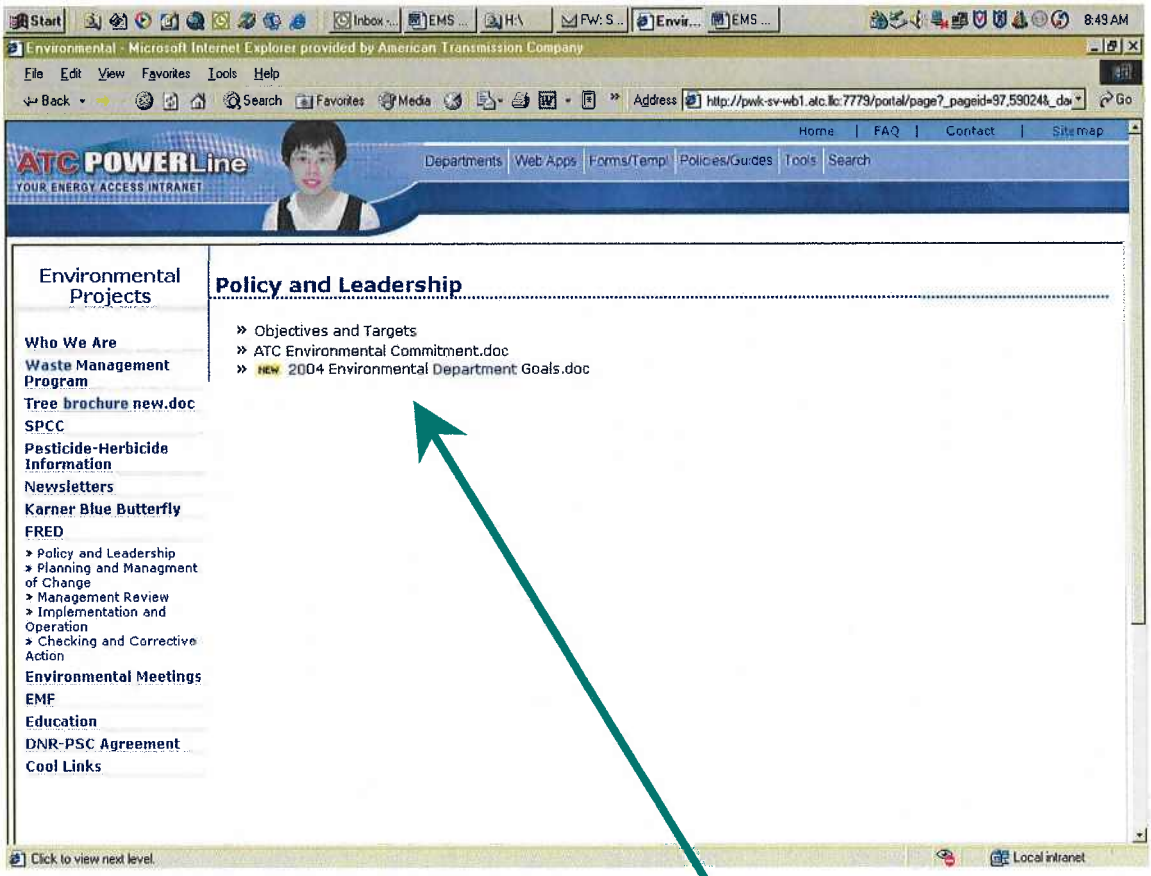
Management Review *ref ISO 14001 4.6*

This procedure defines the process for conducting management review of Fred. This review is conducted to ensure the suitability, adequacy, and effectiveness of Fred and the associated procedures, work instructions, and standards. The review team addresses the need for any policy changes, new or revised goals and objectives, self-audit results, and the commitment to continually improving ATC environmental performance.

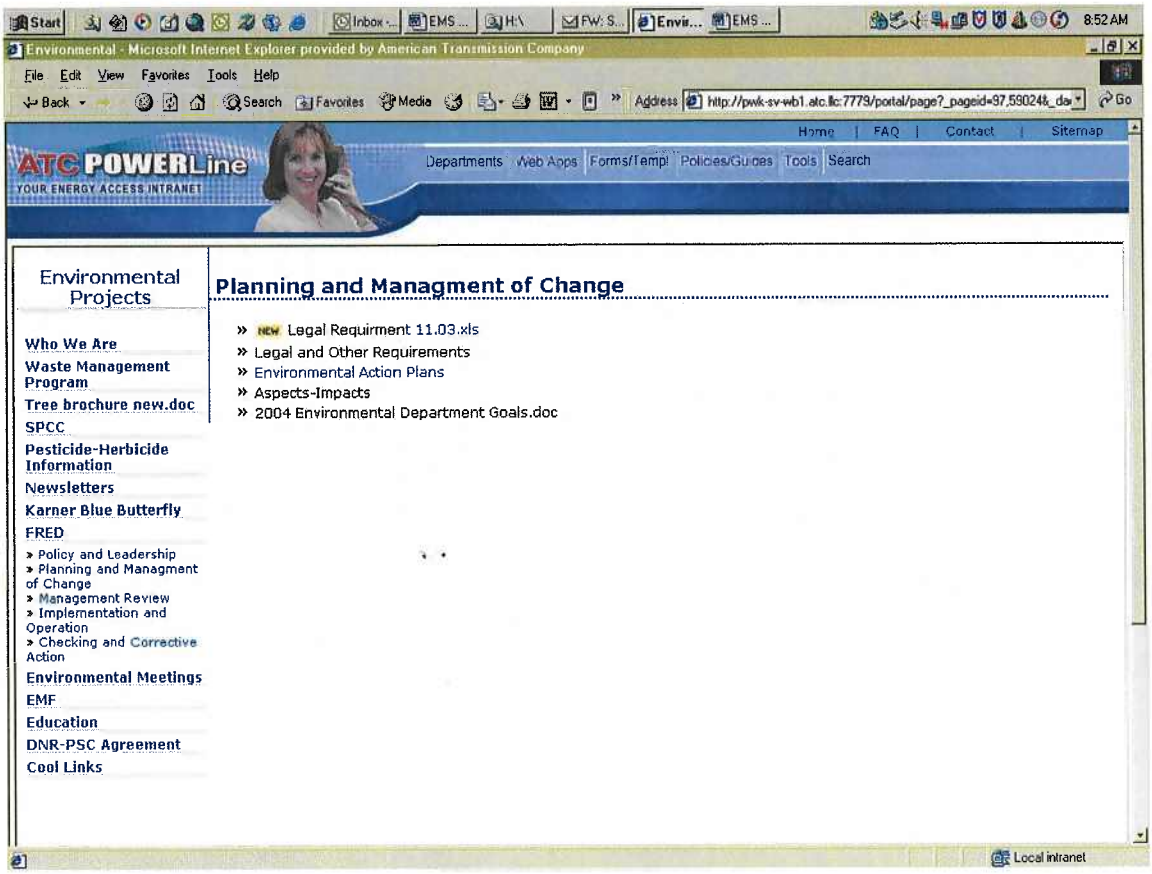
Referenced Documents and/or Records:

- Fred Management Review Form ENV EF 05

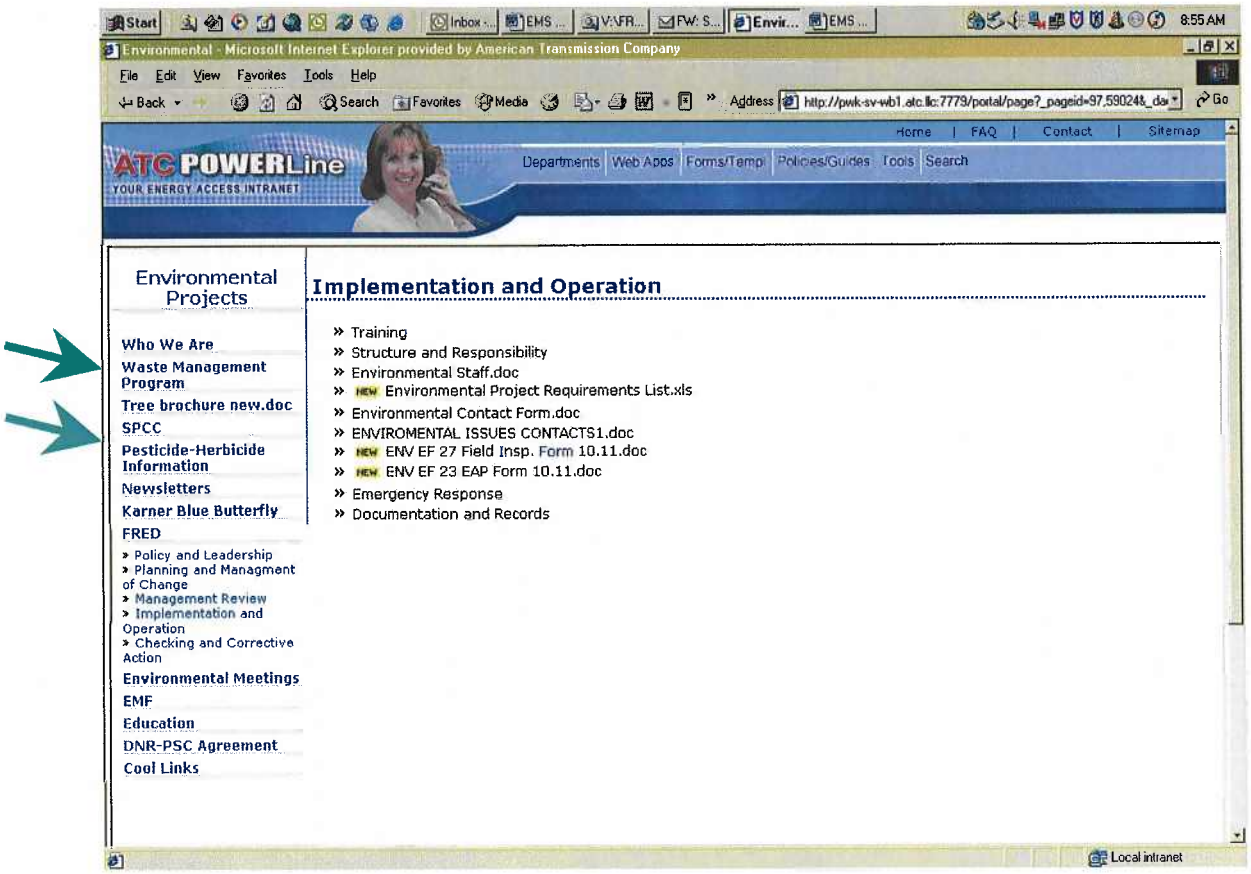
The Environmental Department Maintains an intranet website available to all employees. This is where the controlled versions of documented procedures, work instructions and standards can be accessed. There is also a variety of environmental related information available on this page such as environmental newsletters, planting information, and links to outside websites of interest.



Within each folder under Fred there are links to the various procedures, work instructions, forms, and records that are included in our environmental management system. The Policy and Leadership folder has our goals, objectives, and the Statement of Environmental Commitment.

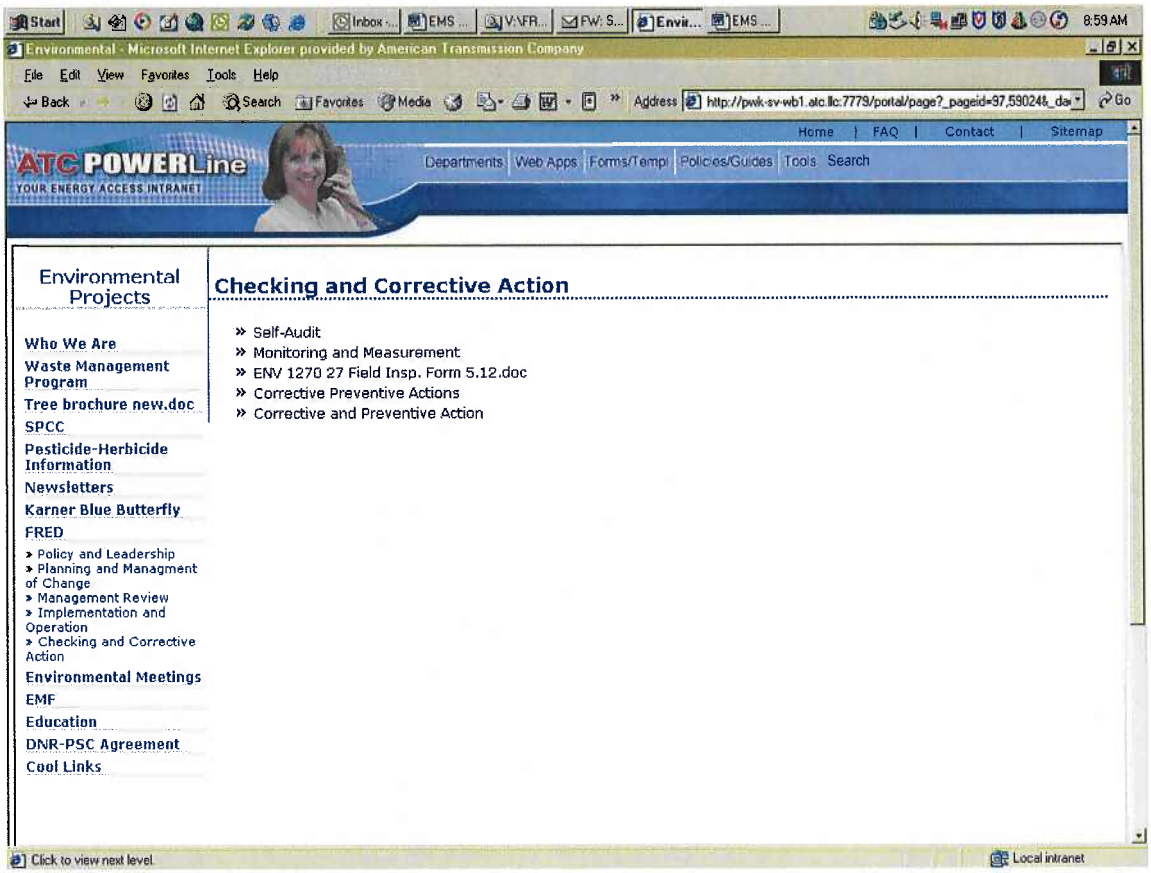


The Planning and Management of change folder contains our legal and other requirements procedure, the existing environmental action plans, and our aspects and impacts table, ranking instruction, and procedure.



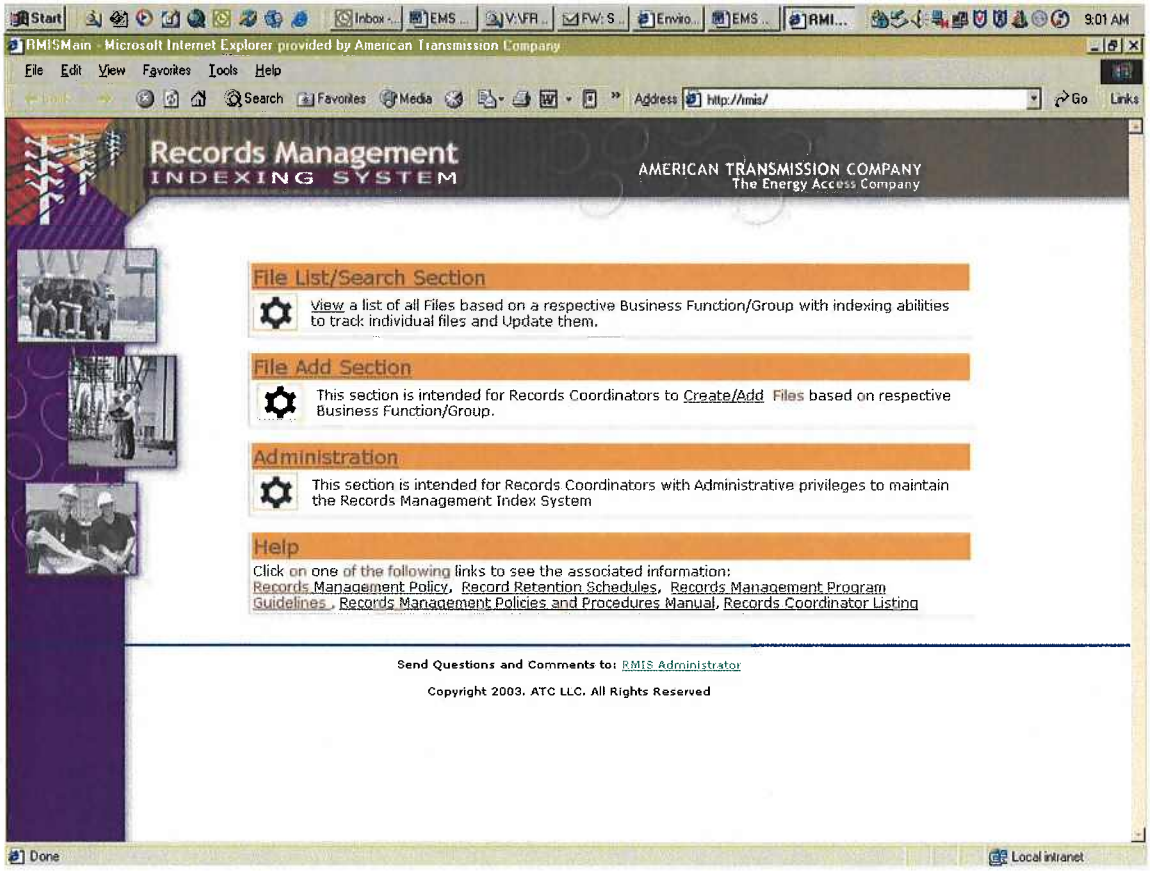
The implementation and Operation folder contains the structure and responsibility, training, communication, emergency response and our document control and records management elements of Fred.

Specific work instructions and information related to significant aspects may be arranged separately for ease of use. For example see the arrows that point to our waste management program documentation and information on our SPCC compliance.

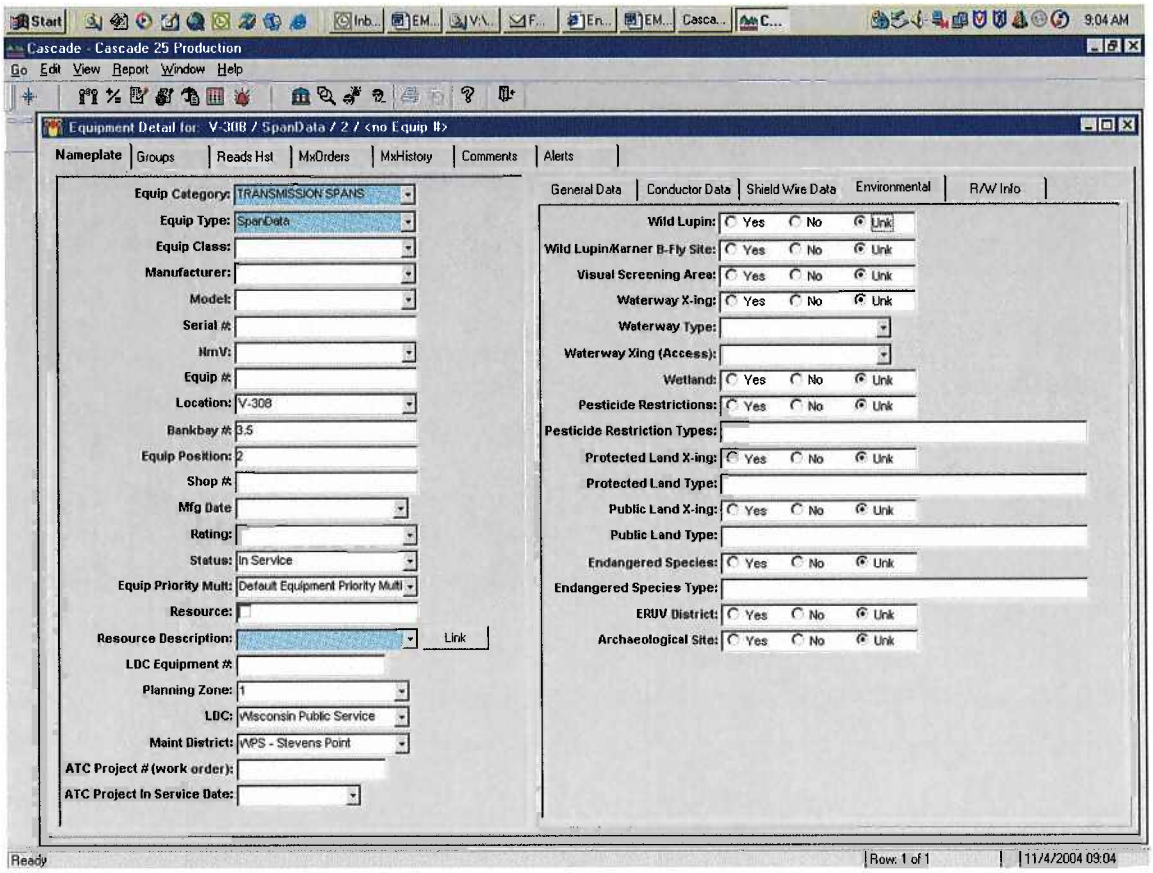


The information relating to the checking and corrective action elements of Fred are kept in this folder. We store our procedures and records for self-audits and monitoring and measurement processes here.

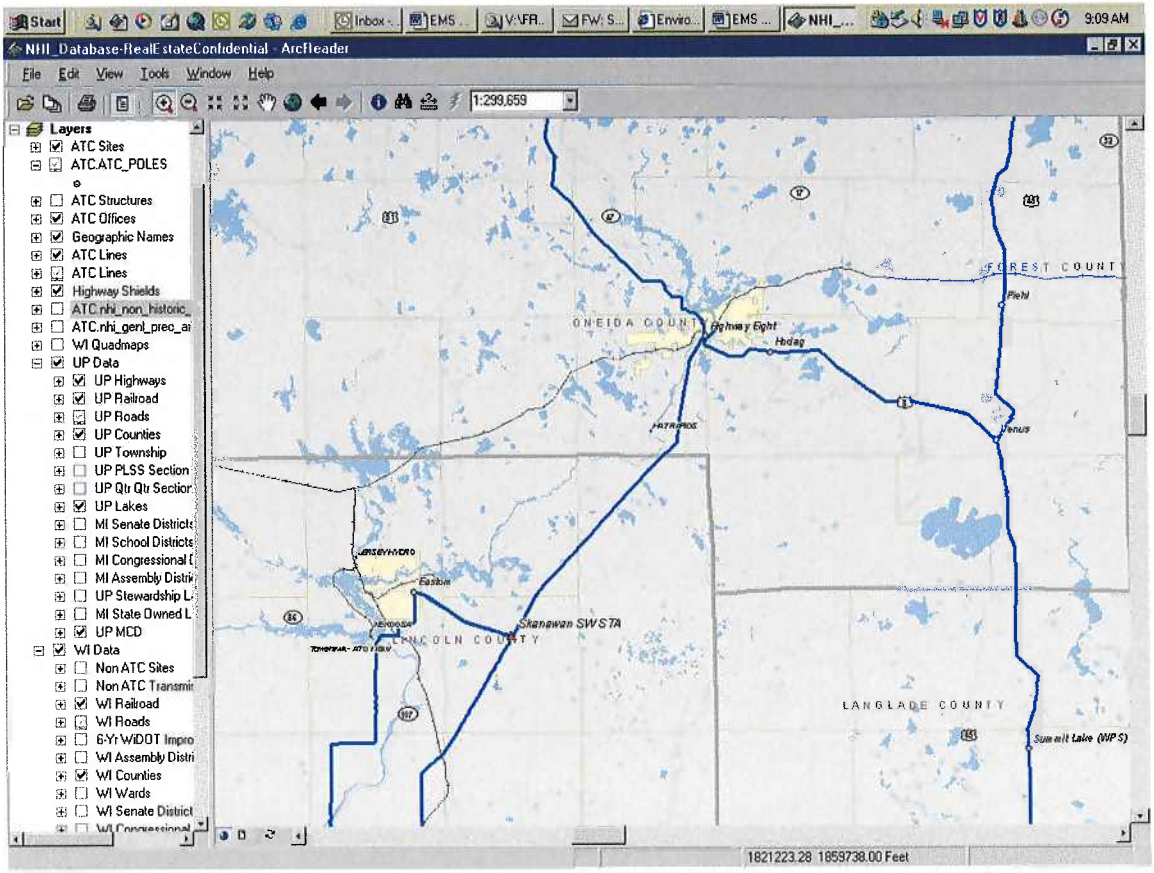
The last folder includes the management review process and the results of resent reviews and includes the meeting materials and self audit reports.



There are many other systems within ATC that environmental utilizes to enhance our environmental performance and provide information necessary to the company as a whole. The Records Management Indexing System provides a list of all records within ATC and helps to identify where those records are located.



The computerized maintenance management system is used to issue and track maintenance work on the transmission lines and substations. This system also is a comprehensive database of the ATC assets. Environmental information is recorded here to aid the maintenance and operation of the transmission system and to communicate any environmental, real estate, or maintenance restrictions or requirements.



ATC Also maintains geographic information about our transmission system and the environment in our Geographic Information System. Datum collected from outside sources as well as information gathered during project work is put into our GIS and used for the continuing maintenance and operation of the system. This information is a vital part of our ten-year planning and assessment process.

ATC has various other areas and media whereby environmental information is provided to, and used by, our contractors and employees. There are environmental conditions and requirements put into our design guides and used in our procurement process.