

ATC Finance Update

ATC is Focused on Minimizing
Customer Rates through:

- Long Term Debt Management
- Insurance Program Management
- 2005 Energy Bill Implementation
- Continual Pursuit of Rate
Minimization

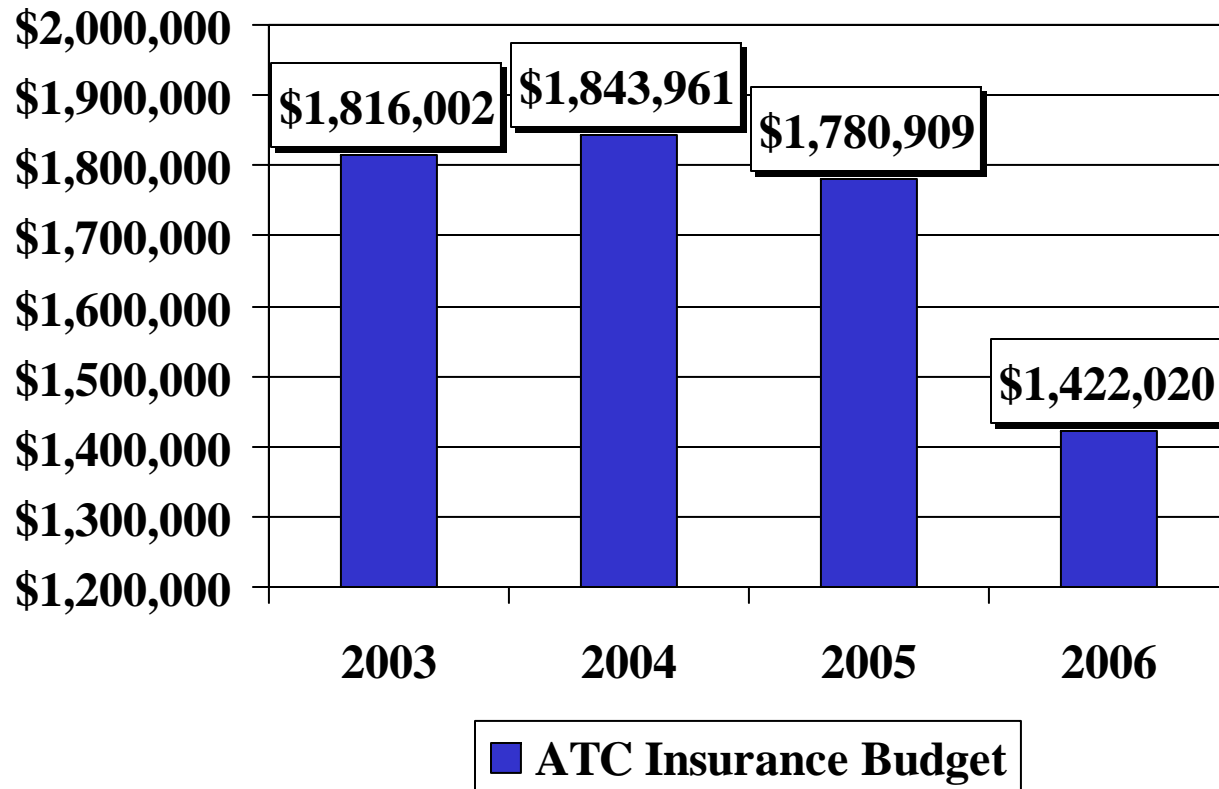
ATC Long-Term Debt Management

- ATC successfully placed \$200M of new debt in 2005 to fund required capital investment
- \$100M @ 4.992% and \$100M @ 5.59%
- Reduced ATC's Average Long-Term Debt Rate by 50 basis points
- Reducing ATC's Annual Customer Rates by \$2.4M

ATC Insurance Program Management

- Reduced 2006 Insurance Cost by \$359K.
- ATC has been able to reduce insurance costs through:
 - An excellent safety record
 - Reviewed Business Risks and Targeted Coverage Accordingly
 - Aggressive marketing campaign
 - Softening Insurance Market

ATC Insurance Program



Any significant losses will potentially increase premiums

2005 Energy Bill

- Accelerates Tax Depreciation from 20 years to 15 years
- Results in Increased Deferred Taxes which Reduce Rate Base
- This Reduces Customer Rates
- Results in a 3.4% Reduction in the NPV of Customer Rates over the life of a project.