ATC

Energizing Your Future

ATC is energizing your future.

Every minute of every day, we keep the power flowing. The safe and reliable operation of our system and energy of our people contribute to the vital connection between where power is generated and where it is needed. We are experts at what we do: planning, maintaining, operating and protecting the regional electric grid.

Since ATC was formed over two decades ago, the energy landscape has rapidly evolved. Our customers and other organizations across the Upper Midwest are pursuing new energy policy goals that are affecting changes to generation sources. Concurrently, we are developing efficiencies and technologies that strengthen the grid during this transition to provide a safe and reliable pathway for all forms of power.

Our fast-paced and innovative environment offers current and future employees exciting opportunities to build meaningful careers. We also are investing in community and educational programs focused on science, technology, engineering and math - including K-12 partnerships and college internships. Our partner schools offer STEM education in areas for youth to be empowered with the skill sets needed for success in tomorrow's energy sector.

In so many ways, ATC is proud to be energizing your future.

Powering our communities

ATC moves energy along the regional electric grid for over 5 million electric consumers in parts of Wisconsin, Michigan, Minnesota and Illinois. We own, operate and maintain over 10,000 miles of electric transmission lines and more than 580 substations. We provide a vital link in the energy transition, moving all forms of generation to areas where it is needed.

Awards & Recognitions

Great Place to Work® Certified

Great Place to Work® Best Workplaces in Manufacturing & Production

Tree Line USA Utility

Wildlife Habitat Council Native Landscape

Energizing Your Future

Our new tagline – Energizing Your Future – aligns with our ongoing commitment to the reliability and sustainability of the regional grid, as well as the positive energy of our people.

For over 20 years, ATC has been the vital connection between energy producers and electric providers, moving energy along the electric grid. As the first multistate, transmission-only utility in the nation, we have improved electric system reliability for the more than 5 million electric consumers in our service area and grown our asset base from $550 million to over $6 billion.

Throughout our history, we have maintained a safe and reliable electric grid. While that part remains unchanged, the energy landscape today is evolving. In 2022, the energy used by consumers in ATC's service area from coal was 35% and the energy from renewable resources (e.g., hydropower, solar and wind) was just 9%. By 2035, less than 1% is expected to come from coal and 25% from renewable resources. Renewable generation – located in dispersed areas and dependent on the weather – requires a more robust electric grid to ensure electric stability and reliability.

We value our generation, distribution and transmission-interconnected customers, and over the past several years, our customer satisfaction survey scores have remained high. We collaborate with our customers to provide solutions that connect their energy sources to the grid, including more than 185 distribution interconnection projects and over 135 generation-to-transmission interconnection projects. In 2022, three of these projects went into service.

The Midcontinent Independent System Operator has identified the need to invest in transmission infrastructure and maintain a robust, stable and reliable electric grid during the generation transition. The first of several MISO Long-Range Transmission Planning project portfolios, known as Tranche 1, includes 18 transmission projects in the MISO North and Central regions. ATC's portion of this portfolio is comprised of significant upgrades to existing lines and substations, along with some new facilities.

Meanwhile, we continue to operate the system well. In 2022, our customer impact (duration and frequency of outages) was at near-record lows. Our low number of bulk power outages (200,000-volt and above lines) remains among the best in the industry.

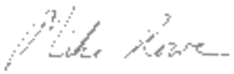
Last year, ATC and our contractors worked over 2 million hours with zero fatalities and only three minor, recordable injuries. Safety will continue to be at the core of all we do, with a strategic focus on preventing serious injuries or fatalities.

Cost discipline remains a key focus area, while also providing good value to our customers and rate payers. With our 2023 revenue requirement filing, our budgeted operations and maintenance is $21 million lower than our 2013 O&M adjusted for inflation.

We continued our efforts to advance diversity, equity and inclusion at ATC with the introduction of a formal DE&I commitment statement, updated performance metrics that better align with our DE&I effort and worked to grow ATC's supplier diversity program. We're also investing in underrepresented groups through programs and school partnerships that support STEM education.

In March 2023, we introduced a new logo and tagline – Energizing Your Future – that aligns with industry changes and represents our ongoing commitment to the reliability and sustainability of the regional grid, and the positive energy of our people. Our positive energy isn't just an aspiration though. We were again recognized in 2022 as a Best Workplace in Manufacturing & Production by Great Place to Work.®

I'm proud of what we accomplished this past year and I'm excited for what's ahead. Our people will continue to make sure you have electric power when you need it, now and into the future.



Mike Rowe
Chairman, President
and Chief Executive Officer

"As the electric industry continues moving away from traditional generation sources, we are committed to energizing your future. Our people are transforming the regional electric grid to deliver the energy you rely on every day."

MIKE ROWE | Chairman, President and Chief Executive Officer

power delivery

"We take great pride in maintaining a safe and reliable electric grid. The transition we are facing is complex and will stress our electric grid in new ways. We are taking the right steps to maintain a robust, stable and reliable electric grid during the ongoing energy transition, while also deploying new resources and technologies that provide electric stability and reliability for our customers and electric consumers."

Mark Davis
Executive Vice President
and Chief Operating Officer

Powering a cleaner energy future

The pace of change in our industry is accelerating, and the transition toward new generation sources and technologies is occurring rapidly. States and utilities have set ambitious renewable energy and carbon reduction goals. ATC is the critical connection between renewable energy producers and electric consumers.

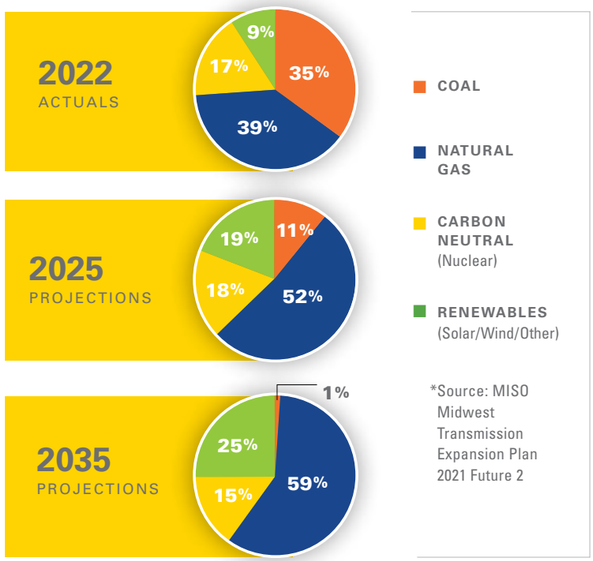
Changing generation mix

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 700 MW of renewable generation. They have also announced plans for an additional 1,800 MW of renewable generation within our service area.

In 2022, the energy used by consumers in ATC's service area that came from renewable resources was 9% – up from 7% in 2021. MISO expects that to increase to 25% by 2035.*

ATC SERVICE AREA: DELIVERED ENERGY SOURCES



*Source: MISO Midwest Transmission Expansion Plan 2021 Future 2

ATC CUSTOMER GOALS

WEC Energy Group
Net-zero CO_2 emissions from electricity it generates by 2050

Alliant Energy
Aspire to achieve net-zero CO_2 emissions from electricity it generates by 2050

MGE Energy
Net-zero CO_2 emissions from electricity supplied to customers by 2050

WPPI Energy
Net-zero CO_2 emissions from electricity it generates by 2050

Upper Peninsula Power Co.
More than 50% of energy used by customers from renewable sources by 2025

STATE GOALS

10%
of energy generated is renewable; goal to be carbon neutral by 2050

8%
of energy generated is renewable; goal to be 100% renewable by 2050

"The MISO long-range transmission planning effort presents a great opportunity to address the needs of ATC customers and their energy consumers. We will continue to work with MISO to identify LRTP projects that will bring value to our footprint along with the regional grid."

Bob McKee | Director, Strategic Projects and Execution

As of Jan. 12, 2023, there are 115 renewable generation projects dependent upon the construction and operation of the Cardinal-Hickory Creek Transmission Line Project.

Interconnection requests

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

Generation-to-transmission interconnections

In 2022, ATC received nearly 35 new generation-to-transmission project requests, bringing the total of active generator projects to over 135. Three projects went into commercial operation last year and together will generate over 150 MW of solar and wind power.

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.

Distribution-to-transmission interconnections

In 2022, ATC received a record 100 distribution-to-transmission project requests and over 190 active distribution-to-transmission projects are in the queue.

The increase is driven by continual growth in distributed energy resource projects (small to medium-sized renewable energy installations) over the past several years. DER interconnections accounted for over 60% of the distribution-to-transmission project requests in 2022.

In the past two years, ATC has supported over 30 DER interconnections, resulting in over 90 MWs of renewable energy being added to ATC's system. We have over 70 active DER projects in the queue with the potential to add nearly 475 MWs in renewable energy over the next few years.

In 2022, ATC also received nine interconnection requests for new substations in our service footprint. As the energy mix changes, we continue to engage with our customers to meet their needs.

MEETING OUR CUSTOMERS' NEEDS

AS OF DEC. 31, 2022

12,000 MW	of wind and solar in ATC's interconnection queue, up 15% from 2021
4,400 MW	of storage in ATC's interconnection queue, up 83% from 2021
3,300 MW	of solar and wind in generator interconnection agreement negotiations or construction, up 53% from 2020
620 MW	of battery storage in generator interconnection agreement negotiations or construction
10% increase	in distribution-to-transmission interconnections in 2022 compared to 2021 with more being driven by distributed energy resource projects

Construction continued on the 102-mile, 345-kV Cardinal-Hickory Creek Transmission Line Project, which will provide a vital link to renewable generation, reduce energy costs, and improve the reliability and flexibility of the system. It is expected to be completed in December 2023.

Supporting the regional long-range transmission plan

Electric transmission is the vital connection between all energy producers and electric consumers. We continue to see traditional forms of generation being retired or scheduled to be retired, and renewable resources are coming online at a rapid rate. This transformation is placing a stress on the electric grid and driving the need for new electric transmission facilities to move power from where it is generated to where it is needed. To address this, MISO has worked with its members over the past several years to develop and analyze its LRTP. The purpose of the LRTP is to ensure reliability for integrating different operating characteristics of new generation resources and increase the resiliency of the system, particularly in the face of severe weather events. The first of several LRTP project portfolios, called Tranche 1, includes 18 transmission projects in the MISO North and Central regions – an investment totaling $10.3 billion that will be cost-shared across the region and offer broad benefits to regional energy consumers. MISO's board of directors approved Tranche 1 in July 2022. ATC's portion of this portfolio is comprised of upgrades to existing lines and substations along with some new facilities.

Furthering a clean energy future

Construction continued in 2022 on the 102-mile, 345-kV ***Cardinal-Hickory Creek Transmission Line Project***, which will connect Dubuque County, Iowa, to Dane County, Wis. Initially approved by MISO in 2011 as one of 17 Multi-Value Projects, Cardinal-Hickory Creek is critical to ensuring a cleaner, safer and more affordable energy future for the Upper Midwest. Its construction and operation will provide a vital link to support renewable generation in our region, reduce energy costs and improve the reliability and flexibility of the regional electric grid. The project will be cost-shared throughout the MISO North and Central regions and is expected to be complete in December 2023.

A new 345-kV/138-kV transformer was installed as part of the Darien and Paris Solar Network Upgrade Project. Using the transformer to connect two adjacent transmission lines of different voltages allows for increased power transfers without the need to build additional transmission lines.

In December 2022, ATC completed construction on the over $27 million ***Darien and Paris Solar Network Upgrade project***, which will support ATC's 138-kV and 345-kV systems in southeast Wisconsin. The project supports the interconnection of 250 MW of solar and 75 MW of battery storage at the Darien Solar Energy Center in Rock and Walworth counties, along with 200 MW of solar and 50 MW of battery storage at the Paris Solar-Battery Park in Kenosha County. These proposed generation developments will be jointly owned by We Energies, Wisconsin Public Service, and Madison Gas and Electric. The Paris Solar-Battery Park is expected to be in service by the end of 2023 and the Darien Solar Energy Center is expected to be in service by the end of 2024.

In July 2022, ATC completed construction of our 7 Mile Creek Switching Station Interconnection Project in Wood County near the town of Saratoga, Wis., to provide a pathway of power from the 150 MW ***Wood County Solar Project*** to our region's electric grid. The Wood County Solar Project is one of 12 projects that are part of Alliant Energy's efforts to add ***nearly 1,100 MW of solar generation in Wisconsin by the end of 2023***.

In February 2022, ATC secured approval from the Public Service Commission of Wisconsin to construct the ***Barneveld-Military Ridge Interconnection Project***, located near Mount Horeb, Wis. Two new substations will be constructed to serve area load needs: the Barneveld Substation (to be owned by Alliant Energy) and the Military Ridge Substation (to be owned by Mount Horeb Utilities).

The 7 Mile Creek Switching Station will connect 150 MW of solar power to the electric grid. It was the first ATC project to use Substation in a Box, a standardized 138-kV substation.

The Bayport-Pioneer Rebuild Project upgrades along 21 miles of transmission lines will bring enhanced reliability in central Wisconsin.

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. This portion of the line will share the right-of-way and structures with the forthcoming Cardinal-Hickory Creek transmission line. Construction of the $14 million project began in fall 2022 and is expected to be in service by December 2023.

Strengthening electric reliability

In late June 2022, ATC completed the ***Bayport-Pioneer Rebuild Project***, a rebuild of approximately 21 miles of high-voltage electric line and associated substation work to enhance reliability in central Wisconsin. During construction, over 185 lattice towers, 16 wood poles and eight steel monopoles were replaced with 174 double-circuit structures that now support a 138-kV line serving four substations in Brown and Oconto counties. ATC also determined two 69-kV lines could be retired, and its load moved to the 138-kV system.

In 2022, ATC received regulatory approval from the PSCW for three major reliability projects:

The Howards Grove-Erdman Project will include construction of a new 6.6-mile, 138-kV transmission line to ensure electric reliability in Sheboygan County and the surrounding area. The $28 million project includes an expansion of the Howards Grove Substation to improve electric reliability performance and operational flexibility. Construction began in fall 2022 and the project is expected to be in service by fall 2023.

The West Marinette-Wells Street Project supports growing energy demand and system reliability improvements in the Marinette, Wis., region. The $24 million project located in Marinette County includes building a new 4.5-mile, 69-kV line, rebuilding an existing single-circuit line as a double-circuit, adding a new circuit to the existing structures and installing a one-mile underground circuit. Construction began in December 2022 and the project is anticipated to be in service by January 2024.

The Granville Substation Asset Renewal Project will replace obsolete or poorly performing 345-kV and 138-kV assets at the Granville Substation to ensure electric reliability in the Greater Milwaukee area. The $41 million project will bring the substation up to current industry standards and ATC design guidelines. Construction will begin in 2024 and the project is expected to be in service by mid-2026.

Harnessing emerging technologies

Our forthcoming Waupaca Area Storage Project in Waupaca, Wis., will be the first Storage as Transmission Only Asset in the MISO footprint. ATC has selected Mitsubishi Electric Power Products Inc. to provide the 2.5 MW, two-hour duration battery storage system at the Harrison North Substation.

The Waupaca Area Storage Project will be the first Storage as Transmission Only Asset in the MISO footprint.

This device will help relieve high thermal loading, control voltage, and allow greater operational flexibility for planned and unplanned outages.

ATC is working to add two static synchronous compensators in the Upper Peninsula of Michigan. The two STATCOMs will be able to automatically control electrical voltage and react within a fraction of a second to maintain voltage consistency on the transmission system. A 50-megavolt ampere STATCOM will be installed near Marquette, Mich., in 2024. We also expect to install a second, smaller STATCOM near Munising, Mich., in 2025. These two devices – along with our existing static VAR (volt-amps reactive) compensator in Marinette County and high-voltage, direct current flow-control device near St. Ignace, Mich. – will create a ring of reliability devices supporting the Upper Peninsula.

Advancing innovation

ATC has long been a place for innovators to thrive. To further encourage our culture of innovation, we created the Innovation Substation, an online tool that gathers and tracks ATC employee ideas that deliver business value and helps recognize employees for those ideas. Since its inception in late 2018, the Innovation Substation has generated over 400 ideas.

Innovative practices are also being implemented by various teams across the company. For example, our vegetation management team and contractors continue to leverage technology to improve efficiencies in the field. The teams use iPads for their work planning and Light Detection and Ranging – a remote sensing method that uses light in the form of a pulse laser to measure variable distances between objects – to help prioritize their work. Last year was the third year using LiDAR and the vegetation management team is seeing significant cost savings, which ultimately benefits our customers and their energy consumers.

A 50-megavolt ampere STATCOM will be installed near Marquette, Mich., in 2024.

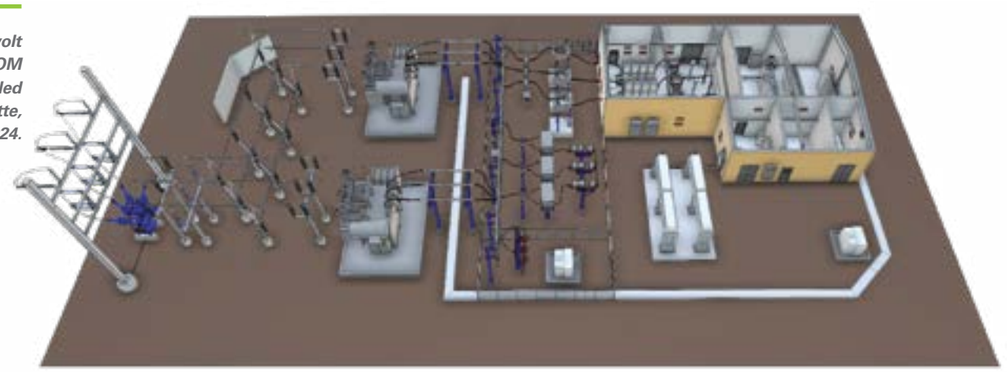
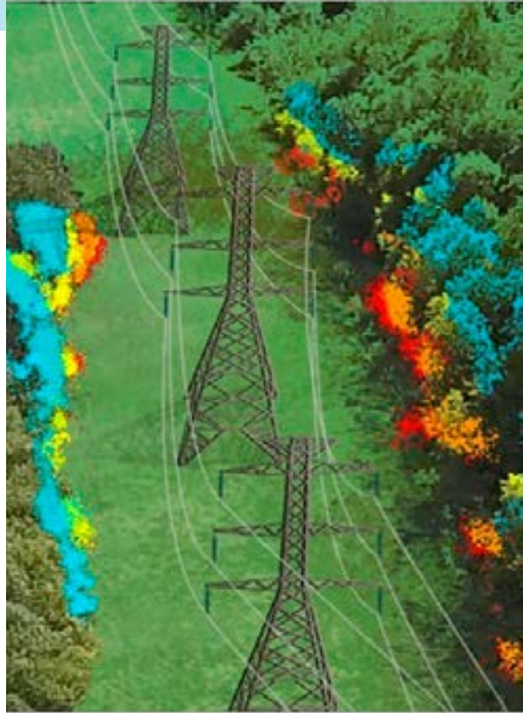


IMAGE USED COURTESY OF HITACHI ENERGY.

ATC's vegetation management team uses LiDAR to identify overgrown vegetation and help prioritize their work, resulting in significant cost savings for our customers and their energy consumers.



The 7 Mile Creek Switching Station Interconnection Project was the first ATC project to use Substation in a Box, a standardized air-insulated 138-kV substation with a pre-designed layout and components. It offers a consistent layout and design cost efficiencies for future ATC stations, because many calculations have already been completed and approved by ATC engineering. Materials that require a long lead time can also be expedited or streamlined for Substation in a Box, which is important with changing customer needs and current supply chain challenges.

Managing through supply chain challenges

Both domestically and globally, ATC and many organizations continue to experience long project lead times, inflationary pressures, and impacts from natural disasters (such as hurricanes and storms), along with other shipping disruptions. To address these issues, ATC is refining 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 highest priority projects.

Efficiently meeting customer needs

Over the past year, ATC worked with our customer, Central Wisconsin Electric Cooperative, to develop and execute strategic vegetation management plans that strengthen the electric grid in CWEC's service area.

In recent years, intense and frequent weather events caused trees outside the right-of-way to connect with a 69-kV, 15-mile line owned by ATC and located within this customer's region. ATC developed an integrated vegetation management strategy – including side trimming the right-of-way with an aerial saw – to reduce the number and duration of power outages occurring on this line.

Herbicide applications will continue in the years to come in the right-of-way with the goal to convert areas of incompatible woody vegetation to grass and forbs habitat that supports pollinators.

environmental

> ATC cares about the environment. We work thoughtfully and carefully to balance regulatory requirements, control costs, serve our customers and reduce our environmental impacts.
>
> **Bill Marsan**
> Executive Vice President and General Counsel

When rebuilding the line that runs through the Baird Creek Parkway in Green Bay, we worked to reduce environmental impacts in the environmentally sensitive and well-used park property.

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 carbon emissions

As a transmission-only utility, we do not generate electricity that produces CO_2 emissions. However, we do use SF_6 gas, in a closed loop system, as an insulator in some of our equipment. SF_6 gas is a synthetic, odorless, non-toxic gas used in the electric industry to keep networks running safely and reliably, and it is 23,500 times more potent than CO_2 as a greenhouse gas. According to the U.S. Environmental Protection Agency, roughly 80% of the SF_6 gas used globally is within electric transmission and distribution capacities. Some medium- and high-voltage electrical equipment contains SF_6 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 SF_6 gas to minimize any emissions.

ATC also is working with a major vendor to develop a potential alternative to the use of SF_6 gas, as no viable solution currently exists.

ENVIRONMENTAL COMMITMENT STATEMENT

ATC is committed to environmental leadership in all aspects of our business to support our mission to perfect our business and lead the transition to a sustainable energy future. ATC demonstrates this commitment through:

Compliance and impact reduction
Leading by using new and innovative approaches in complying with regulatory requirements, reducing environmental impacts, controlling costs and serving our customers

Engagement
Providing employees and contractors with the tools to demonstrate our environmental commitment through education, training, community involvement and stewardship

Collaborative partnerships
Proactively working with regulators and stakeholders to identify opportunities for involvement and environmental enhancement

Responsibly reducing environmental impacts

When ATC rebuilt a 69-kV transmission line that runs through the Baird Creek Parkway in the city of Green Bay, Wis., we worked with our project partners to reduce impacts in the environmentally sensitive and well-used park property.

ATC installed exclusion fencing on approximately eight miles of transmission right-of-way to protect a rare legless lizard during construction activities.

The Baird Creek waterway is wide and winding, making access challenging. The project team worked with the city to identify and survey a feasible off right-of-way access that will also be used by ATC to maintain the line in the future. We also cleared a completely overgrown right-of-way and removed nearly 100 large ash trees infested with emerald ash borer that posed a hazard to the reliability of the electric grid.

During construction, we took the extra step of sealing off the near-surface layer of wet soil before installing the foundations that support the steel power line structures. This eliminated the need to remove water from the construction area and significantly reduced environmental impacts.

As part of the restoration, ATC used a high-quality pollinator mix on nearly two acres of construction area and provided the city with a grant to replace some trees outside of the right-of-way and the adjacent access path.

Minimizing impacts to protected species

As part of a rebuild project in Adams, Juneau and Wood counties, ATC installed exclusion fencing on approximately eight miles of transmission right-of-way and associated access routes to protect a rare legless lizard during construction activities. An environmental consultant removed lizards from the work area and the fence was monitored weekly. Contractors were regularly trained on working within the areas that support lizard habitat and a bright orange exclusion fence was used to ensure it stood out.

Protecting birds

Some birds may find our transmission structures attractive places to perch and nest but doing so can pose risks to their safety and compromise the reliability of the electric grid.

ATC has supported the installation of nearly 215 nesting platforms on or adjacent to our structures to enable eagles, herons, osprey and other birds to nest safely. In 2022, we installed seven osprey nesting platforms on or adjacent to our facilities in Wisconsin's Adams, Juneau and Wood counties. We also donated one osprey nesting platform to the Stoughton Area School District to install at Stoughton High School in Dane County, Wis.

In 2022, we continued to nurture over 20 acres of healthy pollinator habitat we seeded previously at our Hill Valley Substation in Wisconsin's Grant County.

To celebrate the culmination of the sixth year of the Trees for Threes program, ATC and the Bucks held a tree planting ceremony at Milwaukee Academy of Science on May 31, 2022. Second grade students from Milwaukee Academy of Science planted three trees the school received from the program.

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 high-voltage electric line rights-of-way we manage may currently serve as suitable habitat for pollinators.

In 2022, 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). We also conducted conservation measures to enhance pollinator habitat on 5,760 acres through our vegetation management program in 2022.

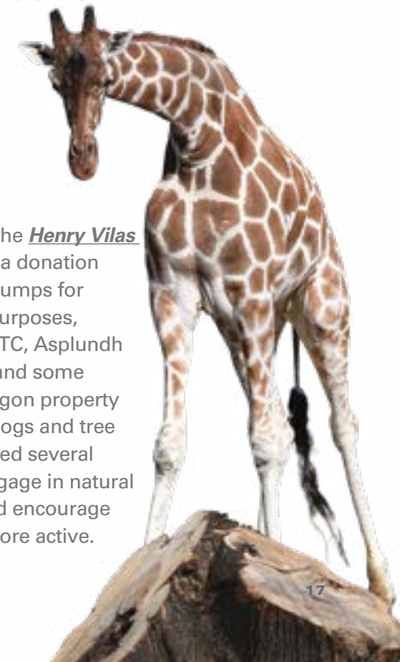
Supporting trees and low-growing vegetation

Trees and vegetation are an important part of the landscape, which is why we support the planting of trees and compatible vegetation in the communities we serve.

In 2022, we:

- Awarded over $70,000 to 22 recipients across our service area to plant trees and low-growing vegetation through our Community Planting and Pollinator Habitat programs. ATC has given nearly 290 community awards for these projects since 2013 totaling more than $560,000.
- Donated 579 trees through Trees for Threes – equal to the number of three-point shots the Milwaukee Bucks made at Fiserv Forum during the 2021-22 regular season – to 180 Wisconsin schools that registered for the 2021-22 Trees for Threes program. In six seasons the Bucks and ATC have teamed up to donate more than 2,900 trees.
- Provided Arbor Day celebration funding support to 21 communities as part of our support of Arbor Day Tree City USA. Since 2009, ATC has awarded over $100,000 in Arbor Day celebration funding support to more than 330 communities. The funds are used for the communities' Arbor Day celebrations, one of the four core standards a community must meet to achieve Tree City USA status.
- Offered free pollinator education and STEM activities for K-12 youth and their families to over 480 Wisconsin libraries and over 40 libraries in Michigan's Upper Peninsula during National Pollinator Month.
- Animals at the ***Henry Vilas Zoo*** received a donation of logs and stumps for enrichment purposes, courtesy of ATC, Asplundh Tree Expert, and some village of Oregon property owners. The logs and tree stumps allowed several species to engage in natural behaviors and encourage them to be more active.

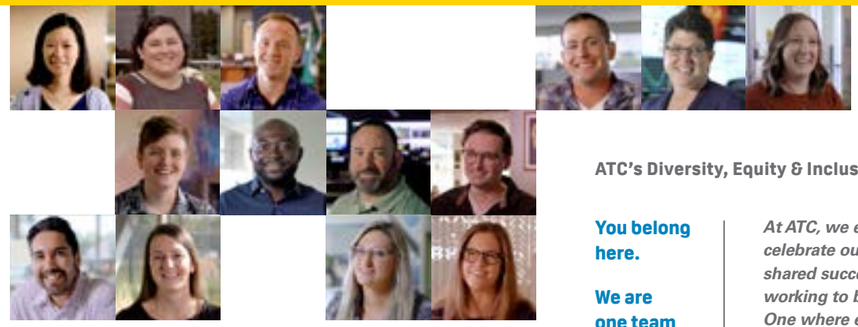
ATC donated 10 logs and stumps to Eddie the reticulated giraffe and six other animal species at Madison's Henry Vilas Zoo for enrichment purposes.



community & culture

> Our people and workplace culture are vital to ATC's continued success With the volume of work we anticipate over the next 10 years, we are focused on retaining and attracting the right people whose positive energy will energize your future.

Lori Lorenz
Executive Vice President and Chief Administrative Officer



ATC's Diversity, Equity & Inclusion Commitment Statement

You belong here.

We are one team powered by inclusion.

At ATC, we encourage, support and celebrate our differences, similarities and shared successes. We are continually working to build a more inclusive culture. One where everyone is welcome. One where you can be yourself. Let's build it, together.

Committing to our communities

Our corporate values of care, challenge, commit, communicate, compete and celebrate drive everything we do. We look to these values for giving back and working together as one team toward a common goal. Our values guide our commitment to safety and help us maintain a strong, positive culture.

Strengthening communities

We care about the people and the communities in our service area. In 2022, we donated more than $750,000 to nearly 400 organizations, many of which further STEM education programs for youth and promote diversity, equity and inclusion. Our United Way campaign raised almost $220,000 to support vital community programs. We also provided more than $42,000 in matching gifts to support organizations our employees care about. Additionally, our employees logged more than 750 hours of volunteer service to community organizations.

Contributing to communities

In communities where ATC owns and operates transmission facilities, we provide substantial financial support through property taxes and fees. In 2022, that totaled nearly $27 million. We also made cash distributions of over $15 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.

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.

ATC employees in Cottage Grove created snack kits for community members during our annual United Way campaign kick-off. Employees raised nearly $220,000 to support vital community programs.

"ATC's future success relies on STEM education. That's why we're focused on getting youth excited about STEM opportunities like cybersecurity, electrical engineering, vegetation management, accounting and other areas in which ATC hires employees. By partnering with schools and programs that advance STEM, we widen our career net and empower our future workforce with the skills necessary to succeed."

Greg Levesque | Vice President, External Affairs and Communications

ATC employees volunteered at the Dane County FutureQuest expo, which provided an opportunity for 4,500 middle school students to learn about jobs at different companies through interactive activities.

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.

In 2022, we introduced a formal DE&I commitment statement, revised our DE&I performance metrics to align with our updated DE&I effort, and worked to grow ATC's supplier diversity program and enhance tracking metrics. We also furthered our existing STEM internships and partnership efforts to increase access to and awareness of STEM education and career opportunities with a focus on those populations traditionally underrepresented in the electric industry.

Encouraging careers in energy

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, like cybersecurity, electrical engineering, vegetation management and accounting. These partnerships are a great opportunity for ATC to widen our career net and empower our future workforce with the skills necessary to succeed.

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

In 2022, ATC, along with several of our industry partners and WEWC, contributed to finalizing an energy career pathway with the Wisconsin Department of Public Instruction. The pathway is a significant resource for students, parents and school administrators to help identify the education path needed to succeed in the energy industry.

Milwaukee Academy of Science and ATC are partnering to provide MAS scholars opportunities to learn, play and develop the knowledge and skills needed for lifelong success. ATC employees presented at the inaugural MAS Middle and High School Career Expo in the spring. Additionally, the school indicated the need for a fence to enclose an area on the school grounds so it could be used safely for recess and outdoor learning for students. ATC provided the funding necessary to complete the fence and it was installed in the summer of 2022.

ATC provided funding for a fence to enclose an area on the Milwaukee Academy of Science grounds for recess and outdoor learning.

During Wisconsin's Computer Science Week in December, ATC spoke with fifth and eighth graders at Milwaukee's Fairview School about the importance of cybersecurity and its role in protecting ATC. Students learned from one of our cyber experts that one of the most important steps we should take to improve our cybersecurity is to create strong passwords, known as passphrases. Our pro's tips to the students were to create a memorable, unique sentence that is 20-30 characters long for each online account.

ATC employees enjoyed volunteering at the Dane County FutureQuest expo in November at the Alliant Energy Center in Madison, Wis. The event hosted about 4,500 middle school students from the area to learn about jobs at different companies through interactive activities.

For the fifth 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. In 2022, ATC employees also attended the first career fair for school alumni to talk about career options at our company, review resumes and reconnect with former ATC interns.

ATC welcomed 14 college interns to learn and work both remotely and in person in 2022. By working alongside our full-time employees, the students learned about our industry, company and corporate culture. Throughout 2022, ATC also hired four former interns for roles within the company.

This year, ATC began a new partnership with University of Wisconsin-Madison, UW-Green Bay and UW-Milwaukee women's sports to highlight STEM education and careers. Our partnerships with women's Badger, Phoenix and Panther volleyball and basketball bring greater focus to STEM opportunities at our company.

ATC EMPOWERS STEM

ATC also began offering cybersecurity scholarships to Waukesha County Technical College and Madison Area Technical College students to encourage and prepare the next generation of security professionals.

During Wisconsin's Computer Science Week, ATC spoke with fifth and eighth graders at Milwaukee's Fairview School about the importance of cybersecurity and its role in protecting ATC.

In 2022, ATC incorporated elements in our facilities that support the way employees want to work by adding additional collaborative space options on-site and increased awareness of available "hoteling offices" for meetings.

ATC employees may advance their careers through a variety of opportunities, including leadership development, technical development, skills development, mentoring, tuition reimbursement, knowledge sharing and industry participation.

Great Place To Work. Certified MAY 2022-MAY 2023 USA

Caring for our employees

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

Evolving how and where we work

During the first year of the pandemic, we learned that our employees are productive whether they are working in the office or remotely. A team of employees from several different functional areas and levels of responsibility formed to reimagine our approach to the workplace. This led to the creation of 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 is changing 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. In 2022, we created additional collaborative space options and increased awareness of available "hoteling offices" that are reservable for meetings. We also reduced the amount of snowplowing and salt required in our parking lots to accommodate only the spaces actively used by employees working in person.

Committing to safety

Last year, ATC and our contractors worked over 2 million hours with zero fatalities and only three minor, recordable injuries. This led to a combined OSHA Recordable Injury Frequency Rate of 0.26 and ATC achieving four 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 advanced the use of our good catch and near-miss reporting along with behavior-based safety observations. These activities encourage us to identify unsafe situations and trends, preventing harmful events and promoting a culture of safety.

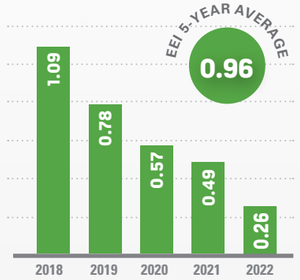
Rewarding our employees

Our Total Rewards strategy is comprehensive and 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, over 85% of employees agreed they are encouraged to balance their work and personal lives.

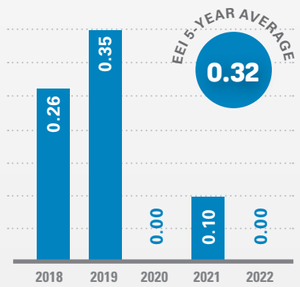
"Safety is the cornerstone of our culture and a foundation for our success. We believe that all injuries are preventable. While we have a strong safety record, we are implementing additional prevention and response practices that support our commitment to prevent all serious injuries or fatalities."

Jared Winters | Vice President, Construction and Asset Maintenance

OSHA Recordable Injury Frequency Rate*



OSHA Lost Time Injury Frequency Rate*



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

Promoting wellbeing

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. We had over 90% employee participation in our wellness program in 2022.

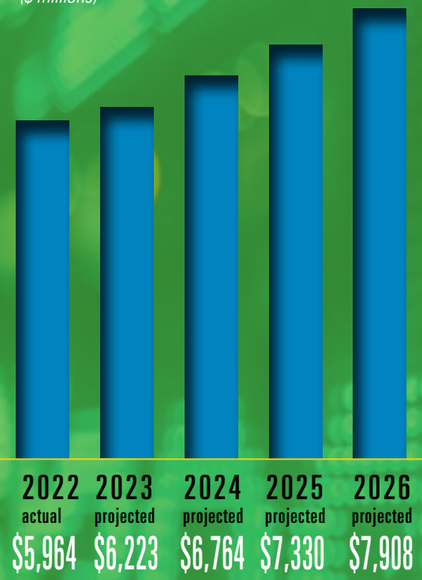
Growing and developing

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. Nearly 90% of employees said they were offered training or development to further themselves professionally in 2022. We also have an internal job posting process for employees who may be interested in new opportunities within the company. Of the 70 positions that were filled in 2022, nearly 40% overall were filled internally and 100% of leadership roles were filled by internal applicants.

financials

Net property, plant and equipment

($ millions)



"During the energy transition, ATC's conservative financial profile continues to offer financial stability for investors. We remain sensitive to cost pressures and are advancing our efforts to control costs."

Mike Hofbauer
Executive Vice President and Chief Financial Officer

"***Our system planning efforts continue to evolve, transforming today's network for tomorrow's sustainable energy future. We are working to make electricity a great value by strengthening the grid to enable our customers to participate in and reap the benefits of the wholesale energy market.***"

Tom Dagenais | Director, System Planning

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, but no transmission 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 credit ratings.

Moody's A2/P1

Standard & Poor's A+/A-1 (stable)

Forecasting 10-year capital expenditures

We look at our system annually and share information about projects and maintaining electric reliability in our service area. Our ***10-year forecast*** calls for capital expenditures of $5.1 to $6.2 billion in system improvements to address the need driven by an increase in renewable generation projects and required asset maintenance improvements.

This year we again saw an unprecedented number of interconnection requests for renewable generation developments in our footprint. In response, our system planning efforts continue to evolve, transforming today's network for tomorrow's sustainable energy future. We are working to make electricity a great value by strengthening the grid to enable our customers to participate in and reap the benefits of the wholesale energy market.

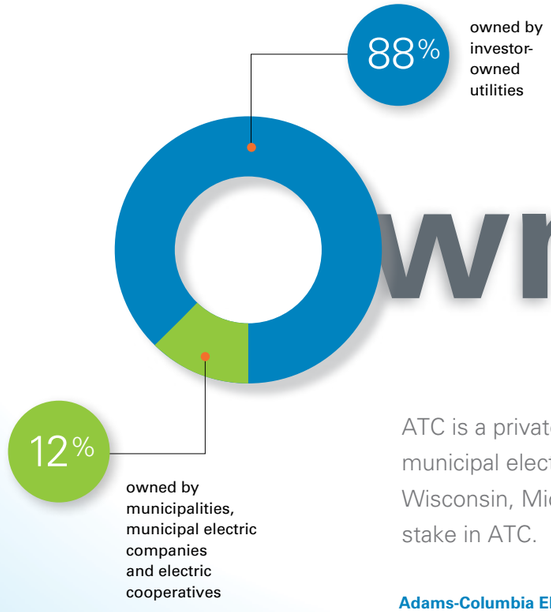
While we're investing in a grid that aligns with new technologies and generation resources, our capital projects are also driven by aging infrastructure.

Significant investments in our existing infrastructure are required to address deteriorating wooden poles and substation equipment initially installed decades ago that is approaching end-of-life. New fiber optic wire upgrades and installations also help our operators address unplanned and planned outages and more reliably monitor the status of our grid.

New fiber optic wire upgrades provide more reliability.

FINANCIAL POSITION AND RESULTS	2022	2021	2020
($ thousands)			
Operating Revenues	**$ 751,158**	$ 754,838	$ 758,117
Operating Expenses	**381,528**	376,153	372,463
Operating Income	**369,630**	378,685	385,654
Other Income, Net	**1,171**	1,144	1,922
Net Interest Expense	**124,091**	115,089	112,818
Earnings Before Members' Income Taxes	**$ 246,710**	$ 264,740	$ 274,758
Distributions to Members (at 80%)	**$ 196,227**	$ 211,792	$ 220,948
Net Property, Plant and Equipment	**$5,964,305**	$5,618,920	$5,389,535
Current Assets	**89,606**	89,747	92,735
Regulatory and Other Assets	**33,475**	9,207	11,003
Total Assets	**$6,087,386**	$5,717,874	$5,493,273
Members' Equity	**$2,476,666**	$2,345,950	$2,292,073
Short-term Debt	**261,487**	266,361	174,127
Long-term Debt (including current portion)	**2,612,980**	2,513,009	2,512,246
Total Capitalization	**5,351,133**	5,125,320	4,978,446
Other Current Liabilities	**250,458**	170,557	136,622
Other Long-term Liabilities	**485,795**	421,997	378,205
Total Capitalization and Liabilities	**$ 6,087,386**	$5,717,874	$5,493,273

CAPITALIZATION			
Debt	**53.7%**	54.2%	54.0%
Equity	**46.3%**	45.8%	46.0%
Total Capitalization	**100.0%**	100.0%	100.0%
Commercial Paper Program	**$ 400,000**	$ 400,000	$ 400,000



Ownership

ATC is a privately owned company. Utilities, municipalities, municipal electric companies and electric cooperatives from Wisconsin, Michigan and Minnesota have an ownership stake in ATC.

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

> "ATC's compliance program continues to be strong, as evidenced by the MRO triennial audit of our reliability standards compliance program. The results – no potential violations and five noteworthy observations about our compliance program – demonstrate that our people are committed to doing the right thing."
>
> **Bill Marsan**
> *Executive Vice President and General Counsel*

In July 2022, WEC Energy Group President and Chief Executive Officer Scott Lauber joined ATC's board of directors, replacing Kevin Fletcher who retired from WEC Energy Group on June 1, 2022.

ATC currently has six independent directors on our board of directors. These independent directors bring an important outside perspective to the board, as well as specialized knowledge and deep subject matter experience in business, finance, regulatory affairs, business development, information technology and corporate strategy.

Maintaining solid ethics and compliance

ATC's strong reputation is built on the trust we develop and cultivate with our stakeholders. It reflects the expertise and honesty displayed by our employees and contractors in the performance of their work on behalf of ATC. Our strong compliance program includes required annual disclosures, and employee engagement during our annual compliance week event. The Corporate Ethics & Compliance Program completed an independent assessment in 2022, which resulted in the same or higher maturity ratings across all elements evaluated, despite changes in regulatory expectations and the pandemic.

Conducting business with integrity

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. We take violations of the Code of Conduct seriously.

EXECUTIVE TEAM

from left to right

Mike Rowe
Chairman, President and Chief Executive Officer

Lori Lorenz
Executive Vice President and Chief Administrative Officer

Mike Hofbauer
Executive Vice President and Chief Financial Officer

Bill Marsan
Executive Vice President and General Counsel

Mark Davis
Executive Vice President and Chief Operating Officer

BOARD OF DIRECTORS

Mike Rowe
Chairman, President and Chief Executive Officer, ATC

John Larsen
Chairman, President and Chief Executive Officer, Alliant Energy Corporation

Gale Norton
President, Norton Regulatory Strategies

Suzanne Allen
President, Allen CFO Services LLC

Scott Lauber
President and Chief Executive Officer WEC Energy Group

Michael Peters
President and Chief Executive Officer, WPPI Energy

John Jamar
Chief Executive Officer, CCI Systems

Scott Mair
Retired President, AT&T Network Engineering & Operations

Stephen Yanisch
Retired Managing Director, Public Finance Department, RBC Capital Markets

Jeffrey Keebler
President and Chief Executive Officer, MGE Energy and Madison Gas and Electric Company

Michael Niggli
Retired President and Chief Operating Officer, San Diego Gas & Electric

ATC employees have a duty to report potential violations of the Code of Conduct, corporate policies, laws and regulations, or other matters that put ATC at risk. We reinforce the importance of ethics and our Code of Conduct with employees and suppliers annually. Our Ethics and Compliance Helpline is available to all employees, contractors and suppliers.

ATC also 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 and, based on perceived risk, select contractors are required to complete an annual ethics questionnaire. In 2022, over 500 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.

Managing risks

ATC's enterprise risk management program is designed 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.

Earning top marks on reliability standards compliance audit

In September 2022, the ***Midwest Reliability Organization*** completed its triennial audit of ATC's reliability standards compliance program. After months of preparation, ATC employees across many functional areas had the opportunity to demonstrate to regulators the strengths of our compliance program, running from the tone set at the top all the way to front-line operational compliance.

Audit preparation and execution activities lasted more than six months and culminated in an exit briefing that identified no potential violations and included five noteworthy observations about ATC's compliance program. In addition to a clean audit report, MRO's director of compliance monitoring and enforcement described our audit results as "unprecedented." Further, regulators stated that ATC was used as a benchmark for its regional compliance oversight program.

Compared to the 2019 audit, ATC reduced the hours spent preparing and participating in audit activities by nearly 25%. The time the regulators spent onsite at ATC was also significantly reduced due to our comprehensive evidence packages and request for information submissions prior to the onsite audit activities.

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**

> ***"It's no secret that cybersecurity threats continue to gain complexity. We are committed to protecting our operations, people, information, facilities and systems by being vigilant and prepared while mitigating vulnerabilities. Our security efforts are focused on addressing the rapid technology evolution and security threat escalation to create a solid culture of security."***
>
> **Scott Herbst** | Vice President, Enterprise Technology, Information and Security

Last year, we completed an effort to develop response plans across 21 functional areas within the organization. These documents detail the response actions and processes that support ATC's 2020 Field Response Plan, which provides the overall documentation for ATC's organizational response to various forms of asset-related incidents.

Maintaining 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. Our programs are routinely reviewed and updated 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.

In 2022, we conducted an independent Enterprise Security Program (ESP) Maturity Assessment to benchmark against leading practices (e.g., NIST CSF) and define our desired future state. The assessment concluded that ATC has well-defined practices compared to industry peers and identified opportunities for improvement in the implementation process.

Our corporate security team protects people, property and processes by regularly assessing threats and vulnerabilities. These assessments are validated by individuals with security industry experience and help provide guidance on ATC's physical security controls. Intelligence gathering and sharing allows the team to quickly and appropriately advise ATC of how to mitigate potential threats and vulnerabilities.

We work with numerous local, regional and national stakeholders as part of our security program and adhere to all applicable compliance requirements, protocols and reporting.

In 2022, we:

- Expanded physical and cybersecurity teams and capabilities through training and exercising the latest threats
- Delivered new mobile physical security monitoring stations
- Increased external engagement and information sharing with public-private partners, including law enforcement and other critical infrastructure entities
- Established guidelines for supply chain physical protection
- Enhanced physical security of critical infrastructure

Aligning with United Nations Sustainable Development Goals

At ATC, we are doing our part to help ensure a more sustainable future by aligning with the United Nations Sustainable Development Goals. In the chart below, we've mapped ATC's sustainability priorities with the relevant UNSDGs that reflect our core focus areas.

ATC Sustainability Priorities	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS					
	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
Ensuring safe, reliable energy delivery		✓		✓		
Enabling the delivery of cleaner, affordable energy		✓		✓		✓
Investing capital in resilient infrastructure		✓	✓	✓	✓	✓
Continuing to develop a diverse and inclusive work environment	✓		✓			
Fostering a safe, respectful and healthy workplace	✓		✓			

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