

Financial highlights

Part of our mission is to grow our business while continuing to provide value to our customer utilities and electric consumers. Since our inception in 2001, we have grown from \$550 million in assets to hitting \$3.6 billion in 2013. Our growth is based on a solid track record of expert project planning, management and best-in-class cost estimate accuracy.

In addition to improving electric reliability, our projects help ease system congestion and provide access to lower cost sources of generation, which helps keep electric rates in check.

When the Midwest wholesale energy market was established in 2005, the average locational marginal price within our service area was more than \$10 higher per megawatt hour than the average in neighboring states. In 2012, the LMP was only 20 cents higher. In total, we have upgraded more than 1,700 miles of transmission line and 160 electric substations and built nearly 600 miles of new lines. Even with all of the added value of our projects, the transmission portion of electric bills remains about 10 percent.

FINANCIAL POSITION AND RESULTS

	2013	2012	2011
	(Dollars in thousands)		
Operating Revenues	\$628,338	\$603,254	\$567,174
Operating Expenses	286,088	280,999	261,568
Operating Income	331,287	322,255	305,606
Other Income (Expense), Net	831	(2,533)	(1,322)
Net Interest Expense	84,484	82,296	80,359
Earnings Before Members' Income Taxes	\$247,614	\$237,426	\$223,915
Distributions to Members (at 80%)	\$198,091	\$189,941	\$179,132
Net Property, Plant and Equipment	\$3,464,803	\$3,256,010	\$3,040,139
Current Assets	80,715	63,134	58,671
Regulatory and Other Assets	44,714	18,694	13,603
Total Assets	\$3,590,232	\$3,337,838	\$3,112,413
Members' Equity	\$1,932,598	\$1,440,469	\$1,331,288
Short-term Debt	286,446	166,561	184,343
Long-term Debt	1,860,000	1,550,000	1,400,005
Total Capitalization	3,363,043	3,157,029	2,915,636
Other Current Liabilities	101,022	84,980	114,130
Other Long-term Liabilities	126,167	95,829	82,647
Total Capitalization and Liabilities	\$3,590,232	\$3,337,838	\$3,112,413

	2013	2012	2011
Debt	54%	54%	54%
Equity	46%	46%	46%
Total Capitalization	100%	100%	100%
Commercial Paper Program*	\$396,000	\$300,000	\$300,000

*The company's commercial paper program increased to \$350 million in January 2013

Ownership

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

- Adams-Columbia Electric Cooperative
- Alger Delta Cooperative Electric Association
- City of Algoma
- WPL Transco LLC (Alliant Energy)
- WPL Transco LLC - Illinois (Alliant Energy)
- Badger Power Marketing Authority
- Central Wisconsin Electric Cooperative
- Cleveland Electric Cooperative
- City of Columbus
- City of Kaukauna
- Manitowish 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
- Rainy River Energy Corporation - Wisconsin
- City of Reedsburg
- Rock Energy Cooperative
- City of Sheboygan Falls
- Stoughton Utilities
- City of Sturgeon Bay
- City of Sun Prairie
- Upper Peninsula Power Company
- Upper Peninsula Public Power Agency
- Wisconsin Electric Power Company
- City of Wisconsin Rapids
- WPH Energy
- WES Investments, LLC
- ATC Management Inc.

CORPORATE PROFILE

ATC is a transmission-only electric utility that helps meet the electric needs of more than 5 million people in our service area.

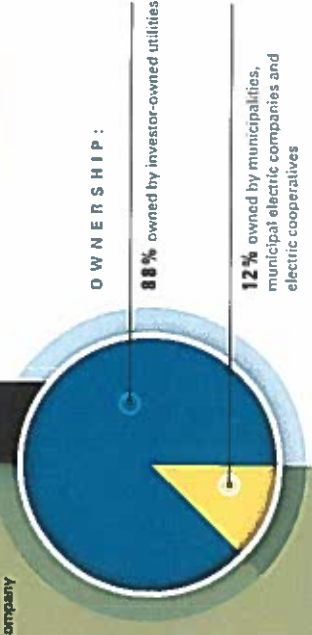
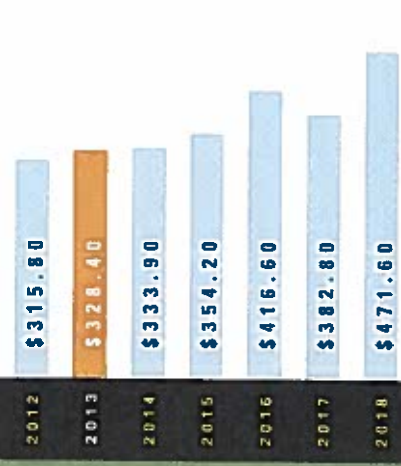
Meeting peak demand of 12,738 megawatts.

Delivering 65,906 gigawatt hours of energy.

Owner and operator of 9,480 miles of transmission line and 529 substations in 72 counties in four states: Wisconsin, Michigan, Minnesota and Illinois.

CAPITAL EXPENDITURES

(Dollars in millions)



OWNERSHIP:

88% owned by investor-owned utilities

12% owned by municipalities, municipal electric companies and electric cooperatives