AMERICAN TRANSMISSION COMPANY®

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November 2, 2010

Mr. Mark Giesfeldt
Wisconsin Dept. of Natural Resources
Remediation and Development
PO Box 7921
Madison WI 53707-7921

RE: WDNR & ATC 2007 Lead-Based Paint Agreement – Amendment

Dear Mr. Giesfeldt,

This letter is to provide you with agreed upon clarifications to the 2007 Wisconsin Department of Natural Resources & American Transmission Company LLC and its corporate manager, ATC Management Inc. (collectively ATC) Lead-Based Paint Agreement. Clarifications are confined to Attachment A of the Agreement and are documented in the attached version. ATC has included 2 signed versions of the signatory page with this letter. Please sign both pages and return one original document to me for our files. In accordance with the existing Agreement, these changes will become effective on the date DNR signs the modification.

Sincerely,

Michelle Stokes

Michelle Stokes
Sr. Environmental Project Manager
American Transmission Company

Acceptance to Modify Attachment A of the 2007 Lead-Based Paint Agreement between American Transmission Company and the Wisconsin Department of Natural Resources

November, 2010

The parties by their signatures shall cause this modification of Attachment A to be executed on the date specified.

Signed for and on behalf of:

AMERICAN TRANSMISSION COMPAN LLC
by its corporate manager, ATC MANAGEMENT INC.

11/4/10

Gregory Levesque
Environmental Department Manager

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

11/9/10

Mark Giesfeldt
Bureau Director, Remediation and Redevelopment

ATTACHMENT A

Updated Process between WDNR and ATC To Identify, Address and Report Potential Lead Contamination of Soil

November, 2010

I. BACKGROUND

The intent of this Attachment is to document the environmentally responsible process (Process) cooperatively created and agreed to by the Wisconsin Department of Natural Resources (WDNR) and American Transmission Company LLC and its corporate manager, ATC Management Inc. (collectively ATC) for managing a newly identified issue concerning painted transmission line structures and their potential to be the source of a release of lead to surrounding soil.

A. Description of ATC

ATC started operation on January 1, 2001 as the first electric transmission-only company in the country. Its mission is to provide open access to the transmission system by owning, operating, maintaining and constructing electric transmission facilities. ATC owns 9100 miles of transmission line and approximately 480 substations in Wisconsin, Michigan's Upper Peninsula, a portion of Minnesota and northern Illinois. It has 28 contributors, and a ten-member board of directors consisting of five directors from the founding participants, four directors employed outside the energy industry and the President and CEO, José Delgado.

B. Green Tier and ATC's Environmental Commitment

Green Tier is a voluntary program that recognizes and rewards environmental performance "that voluntarily exceeds legal requirements related to health, safety and the environment resulting in continuous improvement in this state's environment, economy, and quality of life." Wis. Stat. § 299.83(1m)(b). Green Tier encourages environmentally responsible companies to think creatively about ways to improve performance and modify existing programs in a manner that makes good business and environmental sense. The WDNR is committed to supporting these companies with incentives that are not available to other companies. Green Tier provisions allow participating companies to work cooperatively with the WDNR to tailor innovative, cooperative programs specific to a company's operations and needs that have long-term environmental and economic benefits.

Tier 1 is the entry level into the Green Tier program. It is designed to allow companies committed to enhanced environmental protection to distinguish themselves from others. Tier 1 companies are generally environmental innovators with proactive management teams. In October 2005, ATC was accepted by WDNR into Green Tier as a Tier 1 Participant. This

acceptance recognized ATC's superior environmental performance and enables ATC and the WDNR to work together to streamline environmental requirements.

ATC's environmental strategy is one of leadership, implemented through a detailed Environmental Commitment Statement. This statement has become ATC's environmental policy and the basis for strategic, company-wide environmental planning. The Environmental Commitment includes complying with all applicable laws and regulations; reducing environmental impacts of construction, operation and maintenance through the use of innovative practices, cost-effective technologies, and, where appropriate, environmental mitigation and enhancement; and addressing transmission-related environmental issues proactively with regulators and other stakeholders through partnerships and collaborative working relationships.

C. Green Tier in Action: The Development of the Process

To support continual improvement and to proactively address environmental impacts related to company operations, ATC identified a need to create a standard company procedure for managing projects involving the removal or replacement of painted structures and their potential release of lead to surrounding soils. A multidisciplinary team was assembled to address concerns regarding the issue and to develop a detailed work instruction to guide the company through future projects.

Following the Green Tier provisions that allow participating companies to work cooperatively with the WDNR to tailor innovative, cooperative programs specific to a company's operations and needs, ATC initiated a dialogue with WDNR that lead to the WDNR and ATC working together to develop a procedure to manage painted transmission line structures. Both DNR and ATC cooperated to develop a process that left room for creative solutions and for annual review to support continual improvement.

II. Goals of the Process

The Process will be implemented so as to fulfill the following benefits:

A. Proactively Address Potential Contamination

Rather than waiting to act until the scope of the issue is definitely known, ATC is responding to a potential environmental issue and gathering additional information to better define the scope of the issue.

B. Ensure Consistency and Predictability

Using a systematic approach across all WDNR Regions will treat each ATC project the same way using the same Process. A predictable Process allows ATC to efficiently and effectively budget for and plan its project work.

C. Efficient Use of WDNR and ATC Resources

A standardized method rather than a project-by-project negotiation focuses WDNR and ATC resources on lead removal instead of meetings, paperwork and other administrative tasks.

D. The Process is Credible.

It was developed and debated cooperatively and on its merits to ensure all projects comply with the Wis. Admin. Code NR 700 series for investigation and remediation of environmental contamination.

III. Process Details

The following section sets forth the Process developed and agreed to by ATC and WDNR for identifying, addressing and reporting potential lead contamination of soil during ATC transmission line projects that involve soil disturbance due to the removal or replacement of a painted structure.

A. Painted Structure Analysis

On future ATC projects where it has been determined that soil will be disturbed due to transmission structures being removed or replaced, ATC will review its historical maintenance information to determine if any of the structures being removed or replaced are painted and if painted, whether these structures were painted with lead-based paint. If the maintenance information identifies the paint as lead-based paint or if there is incomplete historical data, all structures to be removed or replaced will be tested to confirm the presence or absence of lead-based paint.[1] To make this determination, ATC will utilize LeadCheck Swabs[2] to test the surficial paint on these structures. Where a structure's surficial paint is identified as lead-based paint, the surrounding soil will undergo soil management activities during construction. Where the LeadCheck Swab test finds paint that is not lead-based, no further action will be taken. ATC will informally report the test results to the WDNR.

Lead analysis may also be conducted on a paint chip (representing all the layers of paint) collected from every tenth structure. This will confirm the absence or presence of lead in underlying paint layers and will be used to devise health and safety as well as structure removal and disposal plans during structure dismantlement.

As part of the overall evaluation process of painted structures, ATC will inspect the soil surrounding each tower for the presence of visible contamination. This will include things such as paint chips, stained soils, or other visually identifiable soil impacts that were the result of

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[1] This procedure uses the federal definition of lead-based paint. Under federal law "The term 'lead-based paint' means paint or other surface coatings that contain lead in excess of 1.0 milligrams per centimeter squared or 0.5 percent by weight." 15 U.S.C.A. § 2681(9).

[2] LeadCheck is a registered trademark of the Hybrivet Systems, Inc. LeadCheck Swabs have been third party verified to detect 0.5% lead in paint and conform to ASTM E1753 and E1828 Standards.

activities associated with the towers. If visual soil impacts are noted, ATC will evaluate the situation in accordance with the procedures set forth in item III.B., below.

B. Soil Management

Where soil management activities are necessary, ATC will concurrently with its construction activities test and remove soil as follows:

1. Soil Testing Method

For all field soil samples required to support soil management, ATC will use X-ray fluorescence (XRF) measurements conducted by qualified personnel to analyze soil samples. Ten percent of all XRF samples will be submitted for laboratory analysis for quality assurance.

2. Initial Excavation and Sampling

Soil disturbed as part of structure removal activities will be stockpiled on site, in an upland location, on a non-permeable surface and covered. The footprint of the structure will be excavated to a depth of six inches and added to the stockpile. At least one representative composite soil sample will be taken from this stockpile to determine the concentration of lead present in the soil. Two samples will be collected if contaminated soil is replaced on-site in accordance with Wis. Admin. Code NR § 718.11(2)(b).

A discrete soil sample will be collected to determine background lead concentrations. The background location will be at least 50 feet away from the structure and will be selected to reflect site conditions. Multiple background samples may be collected to adequately characterize background lead concentrations. The background sample(s) may be applied to multiple structures if on-site characteristics are similar.

3. Clean-Up Levels

ATC will remediate lead soil contamination according to three clean-up categories based on land use.[3] The land use will be determined on a location-specific basis through local zoning information and field verification during structure-sampling activities. The three categories are:

1. Non-Industrial Residential: Areas currently zoned residential including rental properties, schools, daycare facilities, and on a project specific basis, recreational use properties with public access in proximity to the existing right-of-way; areas planned for conversion to residential zoning; and areas located within 100 feet of a property zoned residential.
    - Lead contaminated soil in residential areas will be cleaned up to background concentrations. One discrete soil sample will be collected from the base of the excavation to provide confirmation for case closure.

[3] Wetland areas will be addressed by ATC, WDNR and the Army Corps of Engineers on a project-specific basis.

- Stockpiled soil will be reused on site only if composite XRF and, as available, laboratory sample results of excavated material indicate that soil lead concentrations are less than or equal to background concentrations.

2. Non-Industrial Other: Areas zoned agriculture, commercial, or used as office parks.
   - Lead contaminated soil in non-industrial areas will be cleaned up to less than or equal to 250 mg/kg. One discrete soil sample will be collected from the base of the excavation to provide confirmation for case closure.
   - If composite XRF and, as available, laboratory sample results of the excavated soil indicate lead concentrations exceed background concentrations but are less than or equal to 250 mg/kg, the contaminated soil will be re-used on site in accordance with Wis. Admin. Code NR § 718.11(2)(b).
   - If composite XRF and, as available, laboratory sample results of the excavated soil indicate lead concentrations are greater than 250 mg/kg, the stockpiled soil will be managed in accordance with chs. NR 500-536 or chs. NR 600-679, as appropriate.

3. Industrial: Areas zoned for any class of industrial use (light to heavy).
   - Lead contaminated soil in industrial areas will be cleaned up to less than or equal to 500 mg/kg. One discrete soil sample will be collected from the base of the excavation to provide confirmation for case closure.
   - If composite XRF and, as available, laboratory sample results of the excavated soil indicate the presence of lead in soil between background concentrations and less than or equal to 500 mg/kg, the stockpiled soil can be reused on site in accordance with Wis. Admin. Code NR 718.11(2)(b). Site closure for on site replacement of contaminated soil with lead concentrations greater than 250 mg/kg and less than or equal to 500 mg/kg would require placement on the WDNR GIS Registry of Closed Remediation Sites, restricting future use of the property to industrial use.
   - If composite XRF and, as available, laboratory sample results of the excavated soil indicate soil lead concentrations exceed background concentrations but are less than or equal to 250 mg/kg, the contaminated soil could be re-used on site in accordance with Wis. Admin. Code NR 718.11(2)(b) and would not require placement on the WDNR GIS Registry of Closed Remediation Sites. These locations would not be subject to any restrictions on land use.
   - If composite XRF and, as available, laboratory sample results of the excavated materials indicate that soil lead concentrations are greater than 500 mg/kg, the stockpiled soil will be managed in accordance with chs. NR 500-536 or chs. NR 600-679, as appropriate.

Following initial excavation, one discrete closure confirmation sample will be collected from the bottom of the excavation. If confirmation sample results indicate that soil lead concentrations exceed the determined clean-up level, additional soil will be excavated and stockpiled. (Additional composite samples will be collected for XRF analysis with 10% of the samples confirmed by laboratory analysis.). This process will be repeated until results of

confirmation samples indicate soil lead concentrations are at or below determined clean-up levels.

4. Bureau For Remediation and Redevelopment Tracking System

For any listing on the WDNR's GIS or Bureau For Remediation and Redevelopment Tracking System (BRRTS) databases, ATC will be named as the Responsible Party and at closure, ATC will identify the site location by each structure's pole number and GIS location. WDNR will individually list towers closed with Land Use Controls on BRRTS and the GIS Registry.

C. Notification and Closure

ATC will report soil sample results to WDNR on a project basis once sampling activities are concluded, but no later than 180 days after initiating soil sampling unless an alternative timeframe is approved by WDNR. Once sampling and remedial activities are complete, ATC will submit a final closure report to WDNR summarizing analytical data and describing the soil investigation, remediation and waste management activities. Following the receipt of the appropriate fee(s), WDNR will provide no further action letters under ch. NR 708, or closure letters under ch. NR 726 to ATC if requested.

All paint and soil test results may be used by WDNR and ATC in its annual review of the Process.

D. Communication

ATC will initiate project-related communication with an informal communication with the WDNR's local Remediation and Redevelopment (R&R) manager when lead-based paint is found in surficial samples of paint on structures ATC is planning to replace. This communication will also include a schedule for soil management coincident with the project construction schedule, and address any outstanding or unusual issues specific to the project.

WDNR (R&R and Office of Energy) and ATC's Environmental Project Manager will work cooperatively to address any project-specific issues, including involving the Army Corps of Engineers and other agencies in discussion about addressing releases to wetlands.

ATC will submit reports regarding soil management to the WDNR's R&R personnel assigned to the specific project once sampling and remedial activities are complete. ATC will provide sampling results on a more frequent basis, if requested by DNR or a member of the public.

ATC Environmental Project manager will consult with R&R personnel as necessary during soil management to address any special needs.

ATC will notify R&R personnel when the soil management is complete using the closure process identified in C. above.