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Rotating blackouts narrowly averted over weekend

Situation underscores need for electric transmission system improvements

DE PERE, Wis. -- Electrical service in portions of Marathon, Langlade, Lincoln, Oneida and Vilas counties was in jeopardy Saturday due to emergency conditions on the system that transmits power through the area.

"The situation that we experienced at the Weston Substation on Saturday demonstrates how little flexibility we have in operating our transmission system," explains Teresa Mogensen, director of operations for American Transmission Co. "Wisconsin Public Service Corp. had to enact a number of contingency plans, including a public appeal for conservation, to keep the lights on Saturday. The plan of last resort - rotating blackouts - was narrowly avoided."

On Friday night, ATC planned to make repairs to transmission equipment at the Weston Substation near Wausau. The transmission equipment needed to be removed from service, which required WPS to reconfigure its generation and distribution operations. The reconfiguration was made more complex because several other components of the transmission system were out of service for upgrades to address increased electricity usage and to prepare for new generation coming on line at the Weston Power Plant.

"Our system is operating at its limits, and there is very little margin when responding to unusual events," Mogensen said. "ATC has an ambitious plan to upgrade the transmission system, and situations such as this underscore the need for those improvements."

ATC projects that will strengthen reliability in north central Wisconsin include the following:

- **Arrowhead-Weston** - a 220-mile 345-kV line under construction between Wausau and Duluth, Minn.

- **Venus-Metonga** - a 13-mile 138-kV line in Oneida and Forest counties to begin construction later this year
- **Gardner Park-Central Wisconsin** - a proposed 50-mile 345-kV line between Wausau and the Shawano area
- **Morgan-Werner West** - a proposed 50-mile 345-kV line linking substations near Oconto Falls, Shawano and New London
- **Cranberry-Conover** - a 13- to 15-mile 138-kV line between Eagle River and Conover that will link the systems serving northern Wisconsin and the western Upper Peninsula of Michigan.

ATC owns, plans, constructs, operates, maintains and will expand its transmission facilities to provide adequate and reliable transmission of power. ATC provides nondiscriminatory service to all customers, supporting effective competition in energy markets without favoring any market participant. A member of the Midwest ISO, ATC owns approximately 8,900 miles of transmission lines and 460 substations with a total investment of \$1.3 billion in facilities in portions of Wisconsin, Michigan's Upper Peninsula and Illinois. For more information, visit our Web site at www.atcllc.com.

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Note to editors: A sequence of events describing Saturday's emergency follows.

Sequence of events – March 10 & 11, 2006

- American Transmission Co. has a number of projects underway in the Wausau area to upgrade the transmission system to address increasing growth in the use of electricity and to prepare for the new generating unit coming on line at the Weston Power Plant.
- Crews on Friday, March 10, observed transmission equipment at the Weston Substation that needed to be repaired and arranged for work to begin at 10 p.m. that night while the equipment remained energized.
- Upon arrival about 8 p.m., the crews discovered the equipment had deteriorated and would need to be taken out of service to be repaired. Modeling studies were done to determine the appropriate method to take the transmission equipment out of service. The studies showed that WPS would need to reconfigure its generation operations at the Weston Power Plant as well as its distribution system serving the area. The situation was exacerbated because additional transmission facilities were out of service, including an ATC 115-kV transmission line between Weston and Stevens Point is out of service for construction work.
- To make the repairs, Unit 1 at Weston needed to be in service to support the transmission system. WPS encountered several problems in bringing the unit on line.
- WPS put contingency plans in place to reduce demand for electricity to help stabilize the system. Plans included
 - Increasing output from several hydro units in the area
 - Asking large industrial customers for voluntary curtailment
 - Making a public appeal for voluntary conservation
 - Starting a customer's generator for additional generation
 - Rotating blackouts in Marathon, Lincoln, Langlade and Vilas counties, as a last resort.
- WPS and ATC operating and support personnel remained in contact throughout Saturday to monitor the situation and keep the public and media informed.
- By late afternoon, the generation and distribution systems were stabilized in great part through the voluntary conservation of WPS industrial and residential customers. Crews were able to begin the repairs at the substation about 6 p.m. and the work was completed before 10 p.m.
- While the contingency plans helped avoid the need to resort to rotating blackouts, it should be noted that electric demand was reduced somewhat by mild weather. Had this situation occurred the previous Saturday (March

4), when the temperatures were 10 to 15 degrees cooler and demand was higher, blackouts would have been almost a certainty.

- This complex sequence of events underscores the limitations of ATC's transmission systems and the need for improvements, including the Arrowhead-Weston line under construction and proposed projects: Gardner Park-Central Wisconsin, Morgan-Werner West, Venus-Metonga and Cranberry-Conover.