



NEWS RELEASE

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Utilities collaborate to address impact of declining lake levels on electricity supply

SAULT STE. MARIE, MICH. – Edison Sault Electric Company and Cloverland Electric Cooperative have been working with American Transmission Co. to address electricity supply issues caused by declining Lake Superior water levels. Low lake levels have reduced the amount of water that is typically available for hydroelectric generation – a major source of power for the eastern portion of Michigan’s Upper Peninsula.

“Because of the low lake levels, we cannot operate our hydro facilities at the level necessary to effectively serve the needs of our customers and communities,” said Don Sawruk, President of Edison Sault. “We have to rely on the high-voltage electric transmission system to import power into the area.”

ATC, which owns and operates the high-voltage electric transmission system in Michigan’s Upper Peninsula and Wisconsin, has begun reinforcing the transmission system at several locations to offset some of the effects of the declining lake levels. Brett French, senior regional manager of Customer Relations for ATC, says, “The transmission system was never designed to supplant the output of the hydroelectric generating facilities in Sault Ste. Marie. However, upgrades are quickly being made by ATC to bolster the supply of electricity throughout the region with most of the upgrades coming online by the end of 2007.”

“These projects will dramatically improve the reliability and capacity of the grid that serves the Eastern Upper Peninsula,” French said. “Any reduction in hydro generation in this region places a greater demand on ATC’s system, and we were concerned about the risk of disruptions or outages to Edison Sault and Cloverland customers under extreme conditions. Consequently we are investing approximately \$6.5 million to manage the short-term risks that are being caused by a reduction in output at the existing hydroelectric plants. We are also working with Edison Sault and Cloverland to address the long-term electrical needs of the region.”

With these improvements, Sawruk says, “Edison Sault will be importing up to 75 percent of its electricity needs through the ATC high-voltage electric transmission system. This is substantially more than at any other point in our history, which dates back to 1892.”

Don Wozniak, General Manager of Cloverland Electric Cooperative, says, “We anticipate the upgrades being made by ATC will help ensure the reliability of the electric system. With the recent approval of a \$10 million loan from the U.S. Department of Agriculture’s Rural Development program, Cloverland will be making additional upgrades to its electric distribution system.”

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Crews install new electric transmission equipment that will help bring power into the eastern portion of Michigan’s Upper Peninsula, where low lakes levels are dramatically reducing output of the hydroelectric facilities.

ATC 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 regional transmission organization, ATC owns 9,100 miles of transmission lines with a total investment in facilities of \$1.8 billion in portions of Wisconsin, Michigan, Minnesota and Illinois. For more information, visit our Web site at www.atcllc.com

Edison Sault Electric Company, a wholly owned subsidiary of Wisconsin Energy Corporation, serves 23,000 customers in the Eastern Upper Peninsula. For more information, visit www.edisonsault.com

Cloverland Electric Cooperative is a member-owned electric utility providing electricity to over 19,000 homes, farms and businesses in the rural areas of Chippewa, Mackinac, Luce and Schoolcraft counties. It was incorporated in 1938 and operates offices in Dafter, DeTour and Newberry. For more information, visit www.cloverland.com