



NEWS

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From: Randy Satterfield, 608-877-3646

Arrowhead-Weston transmission line energized

One of the nation's largest transmission lines completed safely, ahead of schedule, within budget

PEWAUKEE, Wis. – American Transmission Co. energized the completed 220-mile, 345-kilovolt Arrowhead-Weston transmission line linking Wausau, Wis., and Duluth, Minn. First proposed in 1999 (prior to ATC's formation) by Wisconsin Public Service Corp. and Minnesota Power, Arrowhead-Weston is one of the largest new extra high voltage transmission lines to be placed in service nationally in decades.

"To say that this is an achievement would be an understatement," said José Delgado, ATC president and CEO. "In 10 years' time, we have faced public and local government opposition, delays, a reauthorization of the cost estimate, and dozens of regulatory and legal challenges. And yet today we have successfully completed this massive undertaking."

Pete Holtz, Arrowhead-Weston project manager for ATC, pointed to the companies' coordinated performance on multiple fronts during the past four years of construction as evidence of the project's success. "Our project team's efforts were outstanding. The team displayed a "can-do" attitude on all challenges and we kept each and every commitment. As a result, our performance in completing the construction met a set of high expectations," said Holtz.

- **Safety** -- Few recordable incidents.
- **Schedule** -- Construction completed 7 months early; line energized 4 months early.
- **Budget** -- Project came in at \$439 million, 3.6 percent over estimate but within the 5 percent contingency set by the Public Service Commission of Wisconsin.
- **Fairness** -- We were able to reach agreement with nearly all of the landowners and even a local opposition leader, Tom Krueger, publicly stated his settlement was fair.
- **Environment** -- 27 miles of mats used to preserve wetlands and compliance excellent with no major environmental incidents.

Holtz noted several other factors in the companies' success. "We received outstanding support from local and state public officials, and state regulators worked with us in a cooperative manner to ensure that their concerns were addressed effectively. The state's utilities also gave us excellent support in coordinating and scheduling the system outages that were needed during construction."

As a result, Holtz said, significant improvements in electric system reliability have accrued. "First, Arrowhead-Weston improves electric system reliability by reducing the strain on Wisconsin's single transmission connection to the west, the Eau Claire-Arpin transmission line. Second, this project increases import and transfer capability into Wisconsin, a state that depends on imports to meet its power needs. Third, it provides needed support for WPS Weston 4 power plant and helps all of Central Wisconsin be less vulnerable to outages. Fourth, the Stone Lake Substation provides critical support for Xcel customers in Northwestern

Wisconsin, and lastly the line improves access to lower cost, Western energy markets, which is an unanticipated advantage.” The line can carry roughly 600 to 800 megawatts of electricity, enough to power a minimum of 250,000 homes.

Following the project’s completion, Delgado reflected on a number of “lessons learned” in bringing a major new transmission line into service. “Continuous communication is critical. We used a grass-roots political campaign model to overcome initial public opposition. On the management side, we and our utility partners coordinated our work using sophisticated scheduling tools, and established standards for major risk assessment and cost control. If you’re going to manage a project of this magnitude, you have to bring appropriate tools to bear.”

“I extend my sincere thanks to those involved with the project,” Delgado said, adding, “we had many partners in this project, and all of them deserve credit for our success.” In addition to WPS and Minnesota Power, several contractors worked on the project, including:

- MJ Electric, Inc.
- Tri-State Drilling, Inc.
- Northern Clearing, Inc.
- Natural Resources Consulting
- Power Engineers
- PAR Electric, Inc.
- Kenny Construction, Inc.
- Thomas and Betts
- Alcan Corp.
- Border States
- STS Consulting
- Olinick, Inc.
- Superior Redi Mix
- County Materials
- JZ Environmental

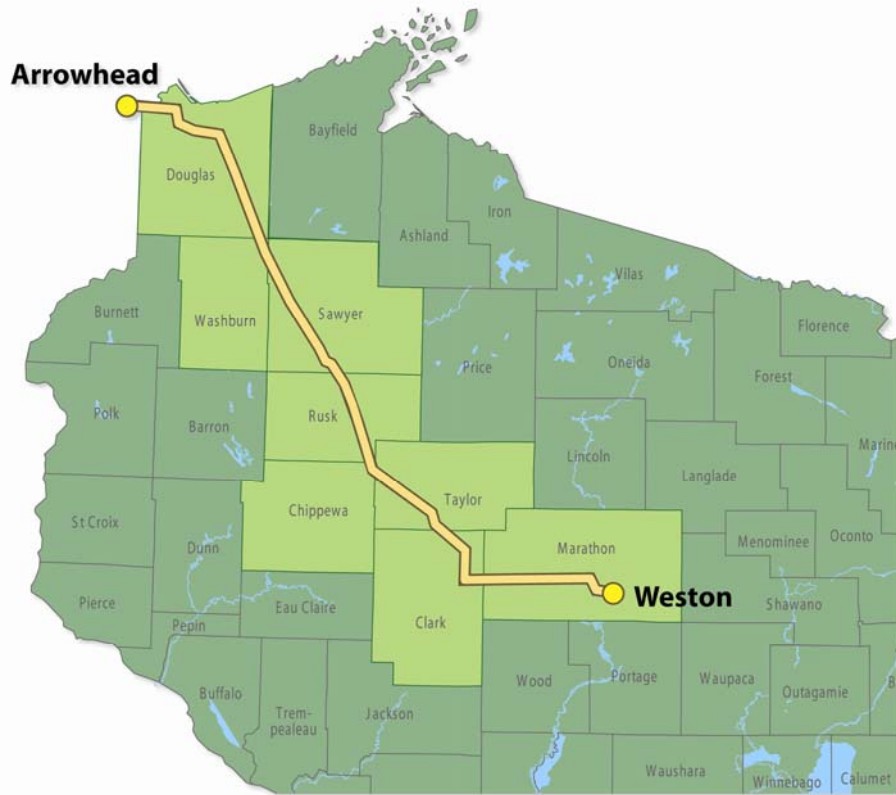
With Arrowhead-Weston’s completion long included in its transmission system planning models, ATC’s recent 10-Year Transmission System Assessment calls for a reduced investment of \$2.8 billion in the transmission grid in its service area over the next 10 years.

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 9,350 miles of transmission lines and more than 500 substations with a total investment in facilities of more than \$2 billion in portions of Wisconsin, Michigan, Minnesota and Illinois. For more information, visit our Web site at www.atcllc.com.

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Arrowhead-Weston Transmission Line



Arrowhead-Weston Construction Project By the Numbers

220	miles of transmission line
1,564	transmission line structures
50 million	pounds of steel used during construction
1,700	miles of wire
36,000	wooden mats used to preserve wetlands
10,000	pieces of opposition correspondence
8	counties (all) opposing project initially
25	town/village boards opposing project initially
75	legal challenges to project
72	months of permitting
27	months of construction
850	property owners
345	kilovolts
800	megawatts carrying capacity
\$439 mil.	cost to build