

CRANBERRY-CONOVER TRANSMISSION LINE CONOVER-PLAINS REBUILD AND CONVERSION RHINELANDER AREA RELIABILITY PROJECTS

OVERVIEW

American Transmission Company is proposing to build a new, 138,000-volt (138- kilovolt or 138-kV) transmission line between the Cranberry Substation south of Eagle River and the Conover Substation east of Conover. ATC also proposes to rebuild and upgrade a 69-kV line from Conover through Iron River to the Plains Substation in Quinnesec, MI.

NEED FOR THE PROJECTS

The electric transmission infrastructure serving northern Wisconsin and the western Upper Peninsula of Michigan is in need of reinforcement. The northern Wisconsin area is served electrically by a network of 115-kV lines that form a figure eight, collectively referred to as the Rhinelander Loop. The western Upper Peninsula is served by a 138-kV and 69-kV network that was developed separately, and is not connected to the Rhinelander Loop. The Rhinelander Loop is more than 50 years old; the UP system dates back to the 1910s.

Significant growth has occurred in the Rhinelander/Eagle River area, resulting in an overloaded system that is vulnerable to collapse and even blackouts under severe conditions. The lines east of the Rhinelander Loop that connect northern Wisconsin and the Upper Peninsula are the most severely constrained in the ATC system. The constraints limit ATC's ability to move power in and out of the Upper Peninsula, requiring higher-cost generators on the system to run more often, costing ATC customers million of dollars a year. In addition, there is limited ability to schedule maintenance on these lines, resulting in reduced reliability and increased operating costs.

ATC has undertaken a series of reliability projects in the Rhinelander area, and received approval from the Public Service Commission of Wisconsin in late 2003 to upgrade an existing transmission line between Tomahawk and Rhinelander. The Cranberry-Conover and Conover-Plains projects, which will connect the Rhinelander/Eagle River area to the transmission system in the Upper Peninsula, are a longer-term, more comprehensive solution for improved reliability in the region.

PROJECT DESCRIPTION

Cranberry-Conover – ATC proposes to construct a 138-kV double-circuit line between the Cranberry and Conover substations. Depending on the route chosen, this new line would require acquisition of about 12 to 15 miles of right-of-way. Right-of-way corridors for double-circuit 138-kV lines are typically 100 feet wide.

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Conover-Iron River – This 30-mile segment of the 68-mile Conover-Plains line will be rebuilt from 69-kV to 138-kV on existing right-of-way. New structures and new wire will be used.

Iron River-Twin Falls – Structures within this 36-mile segment will be replaced with steel poles in the existing right-of-way. Some of these structures are more than 90 years old. Several miles within this segment also will carry 69-kV facilities. This line crosses the Wisconsin-Michigan border several times between Iron River and the Twin Falls Substation, north of Iron Mountain.

Twin Falls-Plains – The double-circuit structures on this 7-mile segment are built to 138-kV standards but are operated at 69-kV. ATC proposes to replace the 80-year-old structures and string new wires along this portion of the route, which is located entirely in Michigan.

Substations – Because of the conversion to a higher voltage, existing substations will need to be expanded and/or relocated. It is anticipated that ATC will need to acquire additional land at the Conover, Twin Lake, and Iron River substations.

SCHEDULE

Environmental analysis	Summer and Fall 2004
CPCN application filed	November 2005
Regulatory review & public comment	Late 2005
Anticipated decision from PSCW	Late 2006
Construction start	Spring 2007
In-service	Late 2009

SITING PROCESS

In siting transmission lines, ATC works to identify co-location opportunities within existing corridors to minimize impacts to people and the environment. Existing utility corridors (transmission lines and pipelines), transportation corridors (highways and railroads) and recreation trails are reviewed before creating new corridors using section lines and property boundaries.

PUBLIC INVOLVEMENT

Public input is an important part of the transmission line siting process. ATC makes every effort to gather as much local input and feedback at the outset in order to design projects that minimize impacts to landowners and communities. This local area information helps ATC design projects that are acceptable to those most affected by our plans. Information is gathered through personal visits, public meetings and information open houses. ATC incorporates written public comments in its regulatory filing seeking approval to build the project.

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REGULATORY REVIEW PROCESS

The Public Service Commission of Wisconsin is the regulatory body charged with authorizing projects to improve electric transmission infrastructure within the state. ATC has applied to the PSCW for a Certificate of Public Convenience and Necessity. The application begins a multi-disciplinary regulatory review to determine if the project is needed and its impact on the local environment and community or communities. Permits also are needed from the Department of Natural Resources and some units of local government. To view ATC's application, visit the PSC website at www.psc.wi.gov. Use docket number 137-CE-125.

In Michigan, ATC has informed the state's Public Service Commission of the project specifics, and is working with the Michigan Department of Environmental Quality and local units of government to obtain all necessary permits.

Since the Conover-Iron River transmission line crosses the Chequamegon-Nicolet National Forest, ATC is also working with the U.S Forest Service to determine the level of environmental review necessary for the facilities upgrades within the forest.

ENVIRONMENTAL COMMITMENT

American Transmission Company's environmental commitment is built upon its core values – service to our customers, honesty, social responsibility, stakeholder inclusion, financial and environmental sustainability, and respect for its employees and customers. ATC supports sustainable environmental policies and actions by balancing stewardship with financial considerations, engineering and maintenance requirements, and societal impacts.

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