



ELECTRIC RELIABILITY

Most of us don't think much about electricity – except when it isn't there. As the owner and operator of nearly 9,000 miles of power lines, it is American Transmission Company's job to help "keep the lights on."

A sound and reliable electric system is fundamental to a region's economy and the health and welfare of its citizens. Consider how many electrically powered devices you have in your home or workplace now, or how many new homes, office buildings and other developments are in your area compared with 25 or 30 years ago.

ATC's system was originally designed to move power from the power plants to the local distribution network. Today, however, the network is used to transport very large quantities of power into, out of and throughout the ATC territory. The system was not built to accommodate the vastly expanded energy flows that have developed in recent years.

LITTLE RECENT INVESTMENT, SYSTEM AT ITS LIMITS

In Wisconsin, little investment has been made in the transmission system since 1970 despite a significant increase in population and an explosion in technology since that time. In fact, much of the ATC system is outdated and heavily stressed. Some facilities date back to the 1910s and 1920s. In some cases, ATC must use helicopters to make repairs on live wires because there is not enough redundancy in the system to take a line out of service for maintenance.

The ATC system is operating at its limits. ATC's planning studies show that it is generally not feasible to provide for new energy users or support existing users without new or significantly upgraded transmission facilities.

ATC's latest assessment of its system has identified major weaknesses, including limitations on the ability to move power into and throughout the system. Voltage problems are common in Milwaukee, Madison, Door County, Rhineland and the western portion of the Upper Peninsula of Michigan. Low voltages, which can cause motors to slow and lights to dim, is a serious power quality issue for many businesses and industries.

ATC is embarking on an ambitious \$2.8 billion investment in its transmission network. We are taking an integrated approach that includes major new power lines, system reinforcements and upgrades.

Failure to upgrade the system would create a regional economic disadvantage in attracting new business and industry. It also would put electric consumers at risk for blackouts, particularly in the event of the outage of a critical component. ATC's investment in its system is demonstration of our commitment to help "keep the lights on."