



Public Service Commission of Wisconsin

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Arrowhead-Weston Transmission Line Gets PSC Nod to Continue

MADISON – Today, Commissioners determined that the increased costs for the construction of the already-approved Arrowhead-Weston transmission line are reasonable and the project should continue.

On October 30, 2001, the Commission authorized Wisconsin Public Service Corporation, Minnesota Power and the American Transmission Company to construct a 210-mile, 345 kilovolt transmission line linking the Arrowhead substation near Duluth, Minnesota with the Weston substation near Wausau.

The Commission re-opened the case in December 2002 to look at the revised cost estimates of the proposed project that went from \$165 million to \$420 million. The increased costs are due in part to estimated costs for farm disease mitigation, substation improvements, increased costs for building materials and higher prices for land acquisition.

In a verbal decision today, the Commission made the following findings:

- After analyzing the independent review of consulting firm R W Beck, the increased costs are reasonable. The costs for alternative transmission lines increased similarly as the costs for the Arrowhead-Weston route.
- There is still a clear need for the line to solve current congestion problems and to insure system reliability.
- Any further delays in construction would have significant impacts on the reliability of Wisconsin's electric transmission grid.

The Commission also allowed the company to add fiber optic cable to the line only for the purposes of monitoring transmission operations. In addition, the Commission required the applicants to report to the Public Service Commission if construction costs exceed 5% of the total project cost.

The verbal decisions made today will be detailed in a final written order that will be released soon.

(END)