



Public Service Commission of Wisconsin

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PSC's Blackout Report Calls for Mandatory Reliability Standards for Utilities

MADISON - The Public Service Commission (PSC) issued its final report on the East Coast Blackout today. The report reviews the major causes of the nation's largest blackout on August 14, 2003 and ways Wisconsin is responding to avoid similar problems.

Even though Wisconsin's transmission system held during the East Coast blackout last year and there were no outages in the state, Governor Doyle asked the PSC to review the causes of the blackout and to recommend steps to guard against similar problems. "It makes good common sense for the PSC to take a close look at the blackout and see what lessons we can learn from that event," PSC Chairperson Burnie Bridge explained. "Our businesses and industries depend on a reliable flow of energy and we need to take steps to deliver."

The PSC report echoes the conclusion of recent federal reports on the East Coast Blackout by recommending that clear and understandable utility reliability standards should be mandatory. The U.S.-Canada Power System Outage Task Force investigation concluded that the blackout might have been avoided if mandatory reliability standards had been in place. Reliability standards set uniform, day-to-day operation and maintenance practices for utilities.

"In Wisconsin, we have a series of performance standards and reporting requirements that Wisconsin utilities must meet to prevent events similar to those that started in Ohio and cascaded throughout the East Coast and Canada last August," stated Commissioner Ave Bie. For example, one of the main factors leading to the black out was the fact that trees under and around transmission lines were not trimmed. The PSC administrative code requires utilities to trim trees near transmission lines on a regular basis and to report annually on their performance results.

"This issue needs to be addressed at a broad level," Commissioner Bert Gavin said. "It's easy to see from last summer that even if one state follows good performance practices, like we do in Wisconsin, it can be vulnerable to the lack of standards in other regions."

In addition to calling for national, mandatory reliability standards, the PSC report identified the following issues:

- The Commission is concerned that the Midwest Independent Transmission System Operator's (MISO) plan to implement a market-based transmission pricing system is

untested and not ready for implementation. The plan could have significant reliability and economic risks for Wisconsin.

- Wisconsin's transmission system remains constrained, making it difficult to import power and to move power within the state. The American Transmission Company has announced plans for \$2.8 billion in transmission upgrades over the next ten years and many of those projects will receive PSC oversight.
- The Commission has approved 2,000 megawatts of new generation that is currently under construction and another 2,500 megawatts of generation not yet under construction. The investments in new generation will improve system reliability in Wisconsin.
- The Commission is addressing the state's energy needs through the Energy 2010 Strategic Energy Assessment process. Public forums have been held throughout the state and a public hearing on the draft assessment is scheduled next week, with a comment period through July 14th. The final report will evaluate the reliability of Wisconsin's energy infrastructure through 2010.

“Although no system is foolproof, the PSC will continue to look for ways to maintain a reliable supply of energy for Wisconsin's businesses, industries and families, starting with pushing for national, mandatory reliability standards for utilities,” Bridge said.

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