



Preamble to the City of Escanaba's Power Supply Study

The Study has three parts, the **2003 Load Forecast for the Power Supply Study** and its **Appendices**, the **Escanaba Power Supply Alternatives Report** and the **Economic Evaluation of Power Supply Alternatives Final Report**. The first two Reports were completed in 2003 and provide a basis from which the Final Report was developed. The Reports are intended to be the information cornerstone of the power supply decision-making process. This process will lead to the plan used to meet the City's future power requirements. The Study is the first step in the process and will be useful in establishing a direction. Additional analysis will need to be done to refine and develop more detail for the chosen plan.

The Study itself is the accepted procedure used by electric utilities to identify the need for, the timing of and the preferred plan for meeting future power requirements. Methods have been developed to quantify as many of these factors as possible. There are other factors that can be considered that are either non-quantifiable or not within the range of assumptions used, but may be considered in the decisions that are made. For example: A community that has an aggressive Economic Development Program may require that a chosen plan be able to accommodate un-forecasted load growth. When used, these other factors will usually add costs or risks that are not included in the Study.

Escanaba's location on the transmission grid, power supply problems unique to the Upper Peninsula and aging electrical infrastructure along with a tremendous number of changes in the electric utility business present challenges to Escanaba's Electric Utility that few utilities have normally had to face. Power Systems Engineering has stated that this Study has been more difficult than any previous similar studies they have done.

As you read the Study, consider this: 1) Solutions to power supply shortages take years to implement, 2) Power Supply Plans that fail to meet actual power requirements can be devastating to a community and specifically to business expansion, and 3) Responsible utility operations must rely on proven technology, methods and procedures to provide the level of service most customers expect.

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