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April 30, 2019

Ms. Jane TenEyck
Executive Director, Chippewa Ottawa Resource Authority
179 W. Three Mile Road
Sault Ste. Marie, MI 49783

Re: American Transmission Company-Straits Cable Replacement Project

Dear Ms. TenEyck and CORA Board Members,

In an incident that occurred on April 1, 2018, some of American Transmission Company's submarine electric cables crossing the Straits of Mackinac were severed. After reconfiguring the remaining functional cables, ATC was able to reestablish one of the two electric circuits. ATC has initiated a project to add a second circuit across the Straits, which is necessary for electric reliability in the area. ATC is proposing to remove all existing cables and installing new solid dielectric submarine cables, which would contain no mineral insulating oil, eliminating future risk of a release.

There has been some discussion by others about a possible utility tunnel under the Straits. You have asked whether ATC is willing to enter into an arrangement to put its cable in such a tunnel. The answer is that a tunnel is not an acceptable solution for ATC, for the following reasons:

Timing. ATC needs to restore its second circuit as soon as possible. By installing its own cables, ATC can have its system intact by 2021. A tunnel of uncertain timing, later in the decade, does not serve the public.

Safety. ATC does not believe that installing high voltage electric lines in close proximity to high pressure oil or gas lines is a good idea.

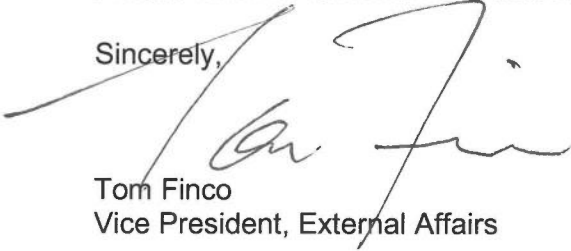
Practicality. A cable capable of transmitting 138,000 volts is physically large and would need several splices or joints to cross the entire Straits. Each splice location would need significant space in the tunnel for welders. Nothing we have seen suggests that a reasonably sized tunnel would be feasible.

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Economics. Increasing the size of the tunnel to accommodate both oil and electric lines would dramatically increase its cost. ATC believes that its proposed project, while not inexpensive, would be more economical than locating within a tunnel.

Please feel free to contact me with any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Finco". The signature is written in a cursive style with a large, sweeping initial "T".

Tom Finco
Vice President, External Affairs

cc: Crystal Koles, ATC Environmental Project Manager
John Garvin, ATC State and Federal Government Affairs Director