Activities to Date

- Based on preliminary investigations and a review of conceptual designs of alternatives for reconstructing Silver Lake, Upper Peninsular Power Company (UPPCO) determined that it appeared economical to restore the Silver Lake reservoir.

- UPPCO made a decision in 2005 to proceed with the design and reconstruction of the Silver Lake development and to reestablish the reservoir.

- FERC requires an Independent Board of Consultants (BOC) of expert engineers be retained by licensees designing new projects and remediating existing projects to oversee the planning, design, and construction of the project. UPPCO was required to retain a BOC for the Silver Lake Project.

- With the decision made by UPPCO to reconstruct the Silver Lake Project, the first order of business was to review the need for additional technical information and to develop field and laboratory investigations and analyses needed to design the proposed reconstruction.

- UPPCO retained Paul C. Rizzo Associates, Inc. to perform detailed investigations and analyses and to complete the design for the reconstruction project.

- On August 2, 2005 the first meeting of the Silver Lake Reconstruction Project Board of Consultants convened. The focus of the meeting was the design criteria and conceptual design of the proposed reconstruction.

- The conceptual design was reviewed based on additional foundation investigations and the design criteria. This information developed from the field investigations resulted in additional protective measures needed to better develop the design features of the concept.

- Investigations revealed foundation conditions that resulted in the identification of a better alternative which could potentially be more economical than the original conceptual alternative.
• Detailed aerial photography was completed to obtain contours of ground elevations to make certain the existing top elevation of the dikes adequately tie into existing ground beyond the dikes.

• The detailed aerial photography surveys showed that the existing dikes need to be extended to tie out to existing high ground so flow of reservoir water during extreme floods does not flow over low ground adjacent to the dikes and result in loss of reservoir.

• In addition to the above, it was determined that an additional dike is needed in another area where the ground was found to be below the top elevation of the dam.

• In November 2005, UPPCO decided that based on the significant increases in the cost estimate, it is necessary to re-evaluate its decision to reconstruct Silver Lake Dam and to consider lower cost alternatives including alternative operating scenarios.

• It is anticipated that the reconsideration of the project will be completed by the end of May, 2006.