



June 21, 2007

Ms. Sandra J. Paske
Secretary to the Commission
Public Service Commission of Wisconsin
Post Office Box 7854
Madison, WI 53707-7854

Dear Ms. Paske:

**Oak Creek Power Plant Units 5, 6, 7, and 8 – Installation of Wet Flue Gas Desulfurization and Selective Catalytic Reduction Facilities and Associated Equipment for Control of Sulfur Dioxide and Nitrogen Oxide Emissions
PSCW File No. 6630-CE-299**

Pursuant to §196.49, Wis. Stats., and PSC 112, Wis. Adm. Code, Wisconsin Electric Power Company (“Wisconsin Electric” or “the Company”) is submitting the attached application for a Certificate of Authority for authorization to install sulfur dioxide and nitrogen oxide control technology on units 5, 6, 7, and 8 at the Oak Creek Power Plant.

These controls are a significant part of Wisconsin Electric’s commitment to meet new environmental emission requirements to improve air quality in Southeast Wisconsin. Wisconsin Electric has determined that this project is integral to its compliance strategy for meeting its obligations under the Clean Air Interstate Rule (“CAIR”) and the Federal 8 Hour Ozone requirements, as well as with the U.S. Environmental Protection Agency in accordance with a Consent Decree presently lodged in federal court. In addition, this project is a part of the Company’s Power the Future strategy announced in 2000, which includes investing in new generation facilities, improving the environmental performance of our existing facilities, and upgrading our existing distribution system.

If the equipment is not installed, the only option available to Wisconsin Electric under the Consent Decree is to prematurely shut down Oak Creek units 5-8 on December 31, 2012. The shutdown option would require construction of over 1,000 megawatts of baseload generation by December 31, 2012 in order to meet the projected energy requirements of Wisconsin Electric’s customers. Although 2012 is several years off, new baseload generation can take up to 10 years to permit and construct. Oak Creek units 5-8 have been in operation since 1959, and they have a useful life of another 20 to 25 years. The results of the Company’s generation expansion model, EGEAS, show that upgrading the emission control systems at the Oak Creek units is the best answer for our customers, saving them over \$600 million.

Wisconsin Electric is implementing a three-part strategy to reduce emissions.

- Environmental controls and retirements: Through December 31, 2006, the Company has spent approximately \$355.0 million for emission controls, and it is estimated that we will have spent in excess of \$1 billion in capital by the end of 2013. The Port Washington coal fired units were recently retired and replaced with combined cycle natural gas units.
- Renewable energy: We have significantly increased the number of customers buying renewable energy, have added renewable energy to our generation portfolio, and have worked to increase the visibility and understanding of renewable energy among our customers and the general public.
- Efficiency: We have an active energy efficiency initiative that is also an outgrowth of the Company's Power the Future plan. This effort is on schedule and the Company is investigating other similar initiatives.

Significant actions taken or planned to implement this strategy include the following:

- Installing the Pleasant Prairie Power Plant air quality control equipment;
- Retiring 500 MW of older coal generation;
- Constructing 145 MW of wind generation;
- Investing in 55 MW of energy efficiency, as well as investigating continuation of such efforts. The Company's pending rate filing addresses future efforts.
- The Company is currently considering an RFP for non-wind renewables in order to evaluate the current availability and price of non-wind options.

From an even broader perspective, the Company has taken early steps to address greenhouse gas emissions by:

- Renewing the Point Beach Operating License;
- Hosting an innovative project at Pleasant Prairie Power Plant to demonstrate a new technology to capture carbon dioxide (CO₂) emissions from a coal-fired power plant;
- Creating one of the first successful green pricing renewable energy programs in the country;
- Taking a proactive approach to working with governmental agencies and other groups to address greenhouse gas emission; and
- Participating in numerous initiatives to address climate change issues, including the Belize forest preservation.

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The Company respectfully requests that a hearing be held for this project. Although a hearing is not required for projects authorized under Wisconsin Statutes §196.49, the Commission has discretionary authority to order one (*See Wis. Admin. Code PSC 112.07*). In a similar project, the application by Wisconsin Public Service Corporation (WPSC) to install pollution control equipment on Weston 3 (which WPSC has since withdrawn), a petitioner had requested a contested case hearing on WPS's fleet-wide plan for air emission reductions. The Commission denied the petitioner's request but, on its own motion, ordered a hearing be held so that the public could better understand issues related to the project. The Commission ordered the scope of the hearing be narrowed to focus on the application and its merit—the proposed technology and cost effectiveness rather than a system wide look at WPS's fleet (*See Order dated March 22, 2007 in Docket No. 6690-CE-197*). Consistent with the Commission's order in that proceeding, we respectfully request that a hearing with the same narrow scope be held for this project. The Company requests the Commission to hold a prehearing conference on the project by the end of July to facilitate the schedule for review as described in the attached application.

Please contact Mr. Paul Farron at 414-221-3958 for information or if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Roman A. Draba". The signature is fluid and cursive, with the first name "Roman" being the most prominent.

Roman A. Draba
Vice President
Regulatory Affairs and Policy

cc: Mr. Scot Cullen – PSCW
Mr. Jim Lepinski - PSCW
Mr. Robert Norcross - PSCW
Mr. Dan Sage – PSCW
Mr. David Siebert - WDNR

Wisconsin Electric Power Company's Application to Install Wet Flue Gas Desulfurization and Selective Catalytic Reduction Facilities and Associated Equipment On Oak Creek Power Plant Units 5, 6, 7 & 8 for Control of Sulfur Dioxide and Nitrogen Oxide Emissions

Pursuant to §196.49, Wis. Stats. and PSC 112, Wis. Adm. Code, Wisconsin Electric Power Company ("Wisconsin Electric" or "the Company"), requests authorization to install limestone based, forced oxidation, wet flue gas desulfurization ("WFGD") sulfur dioxide ("SO₂") control technology and selective catalytic reduction ("SCR") nitrogen oxide ("NO_x") control technology on units 5, 6, 7, and 8 at Oak Creek Power Plant (the "Project"). The Project will also include the installation of a new common chimney for the existing units, limestone and gypsum handling equipment to support the new WFGD, and a new auxiliary electrical system to supply the loads being installed. The total estimated cost of the Project is \$820 million, including AFUDC.

Oak Creek Power Plant ("OCPP") is located in both the City of Oak Creek, Milwaukee County, and the Village of Caledonia, Racine County, Wisconsin. OCPP currently consists of four fossil-fueled generating units, each with a pulverized-coal-fired boiler and steam turbine generator. Unit 5 was placed in service in 1959, with a net summer rating of 261 MW. Unit 6 was placed in service in 1961, with a net summer rating of 264 MW. Unit 7 was placed in service in 1965, with a net summer rating of 298 MW. Unit 8 was placed in service in 1967, with a net summer rating of 312 MW. Two additional units are currently being constructed on the site.

The Company also submits this application to the Commission pursuant to the provisions of § 30.025, Wis. Stats., as revised by 2003 Wisconsin Act 89, and has complied with the applicable pre-application requirements. This application is also being submitted to the Wisconsin Department of Natural Resources ("WDNR") and includes the materials necessary for joint application to WDNR and the Army Corps of Engineers for required waterway permits. This will enable WDNR to issue the Chapter 30 permit for the Project within 30 days of an affirmative decision in this docket.

Reason for the Project

Wisconsin Electric proposes to install these control technologies at OCPP as part of its commitment to meet environmental requirements related to power plant emissions at a reasonable cost. Wisconsin Electric has determined that this project is integral to its compliance strategy for meeting its obligations under the Clean Air Interstate Rule ("CAIR") and the Federal 8 Hour Ozone requirements, as well as with the U.S. Environmental Protection Agency ("EPA") in accordance with a Consent Decree presently lodged in federal court.

The Federal CAIR establishes state and federal emission caps for NO_x and SO₂, with initial reductions required by January 1, 2009 for NO_x and January 1, 2010 for SO₂. Additional reductions for NO_x and SO₂ are required by January 1, 2015. The WDNR has proposed rules to implement CAIR in Wisconsin. These rules are currently in the final approval process.

Under the Federal 8 Hour Ozone Rule Milwaukee and Racine Counties, where the Oak Creek Power Plant is located, are designated as moderate non-attainment for ozone. The WDNR has proposed Reasonably Achievable Control Technology ("RACT") rules for NO_x emissions for the moderate non-attainment counties. Phase II of the RACT rules will require additional NO_x reductions by May 1, 2013, beyond the CAIR requirements, from electric generating units located in the non-attainment counties. The RACT rules are also in the final approval process. The WDNR has recently submitted a request to EPA to redesignate counties in southeast Wisconsin as

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attainment for ozone. The RACT rules are part of the redesignation request and will continue to apply even if EPA approves DNR's redesignation request.

The terms of the proposed Consent Decree require the Company to install SCR and FGD technology, as well as meet a 30-day rolling average emission rate of 0.10 pounds per million Btu for both NO_x and SO₂, on Oak Creek units 5 through 8 ("OC 5-8"). In order to comply with the schedule proposed in the Consent Decree, the SCR and WFGD systems for OC 5-8 must be in service by December 31, 2012.

With the completion of the installation of SCR and WFGD technologies at the Pleasant Prairie Power Plant in the spring of 2007, OC 5-8 are the largest remaining sources of NO_x and SO₂ emissions in the Wisconsin Electric system. Installation of SCR and WFGD technologies at OCPP will reduce SO₂ emissions by 80-90% and NO_x emissions by 60-70%, consistent with the requirements of the CAIR and RACT rules and the Consent Decree. The Project, as proposed, provides a \$614 million savings over the alternatives considered and presented in this application.

If the equipment is not installed, the only option available to Wisconsin Electric under the Consent Decree, is to prematurely shut down Oak Creek units 5-8 on December 31, 2012. The shutdown option would require construction of over 1,000 megawatts of baseload coal generation by December 31, 2012 in order to meet the projected energy requirements of Wisconsin Electric's customers. Although 2012 is several years off, new baseload generation can take up to 10 years to permit and construct. Because there is insufficient time to permit and construct baseload generation by 2012, Wisconsin Electric would need to rely on higher cost natural gas generation and purchased energy. Although Oak Creek units 5-8 have been in operation since 1959, they have a useful life of another 20 to 25 years.

Description of the Project

Flue gas from each unit's boiler is currently routed through an economizer, an air heater, an electrostatic precipitator, and induced draft fans prior to exiting through the chimney (See Appendix A, Exhibit A). The Company plans to combine the flue gas flows downstream of the existing induced draft fans for units 5 and 6 into a single WFGD absorber tower with integral heat exchanger, and combine the flue gas downstream of the existing induced draft fans for units 7 and 8 into a second WFGD absorber tower and heat exchanger. The WFGD systems will include a common limestone reagent preparation system and a common gypsum dewatering system. Bulk limestone and gypsum storage and handling will utilize the facilities under construction to serve the expansion units. Cleaned flue gas from each absorber tower will be routed to new booster fans. The gas is then routed to new heat exchangers and SCR reactor modules (tail-end design), before being discharged to a new chimney (See Appendix A, Exhibit B). The reagent for the SCR modules will be supplied by a common aqueous ammonia storage and injection system. Appendix A, Exhibits C, D, E and F, are illustrations of the proposed SCR and WFGD installations.

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Major Permits

Air Permit

The Project will require an Air Pollution Control Construction Permit ("Air Construction Permit") from WDNR prior to commencement of construction. Air modeling to support the permit application has not identified any issues that cannot be addressed to satisfy expected permit conditions. A permit application is being submitted to WDNR coincident with this application.

Water Permits

Project construction and operation will require the following water-related permits:

WDNR Chapter 30 Permit. A permit pursuant to Chapter 30, Wis. Stats., is required for three reasons. First, Site Grading and Stormwater Management plans are required according to the provisions of §30.025 Wis. Stats, and NR 216, Wis. Adm. Code. These plans will be included as part of the initial WDNR submittals, with additional detailed plans to be included in subsequent WDNR submittals. Second, because portions of the Project will be constructed on existing historical lakebed fill, the Project requires approval by the WDNR under §30.21, Wis. Stats. Finally, a temporary barge unloading facility may be required to facilitate construction and minimize Project cost. Although no new permanent lakebed fill will be required, and all temporary barge unloading facility structures will be removed and the lake bed restored when the Project is completed, these temporary activities require an approval by WDNR under §30.21, Wis. Stats. No wetlands will be disturbed in construction of the Project so no WDNR wetland water quality certification is required.

The Company will apply for these required Ch. 30 authorizations in a joint application to WDNR and the Army Corps of Engineers, which also must approve activities affecting navigable waters, as described below. A copy of the joint WDNR/Army Corps permit application is provided in Appendix B.

Army Corps of Engineers Permit. If needed, the temporary barge facilities will require an Army Corps of Engineers Permit. The Company is working with the Corps to provide the necessary information to obtain a permit, and is submitting a joint WDNR/Army Corps permit application at the same time as this submission.

Wisconsin Pollutant Discharge Elimination System ("WPDES") Permit. The current WPDES permit for the Oak Creek plant, which is an operational permit that must be renewed every five years, expires in March, 2010. The renewal application must be submitted by September, 2009. The Company plans to include information about discharges from the WFGD, which would commence in 2012, in that permit renewal application. The Company anticipates that WDNR will revise and reissue the WPDES Permit to authorize these discharges, and that the permit will be issued approximately two years ahead of the scheduled start of WFGD discharge from OC 5-8.

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Project Scope

The scope of the Project includes the following:

- Installation of four SCR reactors containing NO_x and, potentially, CO catalyst material through which flue gas will be routed. Each SCR installation will include a gas-gas heat exchanger, a steam heat exchanger for final temperature control, the SCR reactor structure, ammonia injection system, structural steel and access platforms, insulation and lagging, instrumentation and controls, and associated foundations.
- Addition of four new booster fans for the combined gas paths to overcome the increased differential pressure resulting from installation of the SCR and WFGD systems and new ductwork.
- Removal of existing ductwork and installation of new ductwork to permit installation of the WFGD and SCR systems in the flue gas paths.
- Installation of auxiliary power supply equipment, electrical systems (motor control centers, etc.), and controls to support the new equipment.
- Pre- and post-installation testing for evaluation of SCR system performance.
- Pre- and post-installation testing for evaluation of WFGD system performance.
- Installation of process lines to inject ammonia reagent upstream of all SCR reactors from a new ammonia reagent storage facility, sized to serve the four units.
- Installation of process steam lines to support the SCR reheat requirements for the four units.
- Installation of two WFGD systems, one for combined units 5 and 6, and one for combined units 7 and 8. Each WFGD absorber tower will be supplied with a heat exchanger to eliminate the need for special materials in the construction of the ductwork and the fans. The WFGD systems include a common limestone reagent preparation system, a common gypsum dewatering system, structural steel and access platforms, insulation and lagging, instrumentation and controls, and associated foundations and buildings.
- Expansion of the station auxiliary power system to serve the additional load associated with the WFGD and SCR systems. New equipment includes station auxiliary transformers, 13.8 kV and 6.9 kV switchgear, load centers and motor control centers.
- Installation of a common chimney that will include two individual chimney liners, one for each flue gas path. The new chimney will also include structural steel and access platforms, insulation and lagging, and associated foundations.
- Modification or expansion of the plant's wastewater treatment facilities, or installation of additional facilities as necessary to process the effluent of the new WFGD equipment.

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- Demolition of the existing chimneys and associated equipment after the final unit is tied into the new gas cleaning system and returned to commercial operation.
- Installation of new Continuous Emissions Monitoring Systems ("CEMS") for the new gas cleaning paths, and a common Data Acquisition and Handling System ("DAHS") to provide monitoring, recording, and report generation of emissions in accordance with air permit requirements.
- Existing systems and components requiring modification include: compressed air, circulating water, service water, fire protection, auxiliary steam, electrical distribution, instrumentation and controls, and plant communications.

Coal Combustion Products

The new WFGD and SCR systems are downstream of the fly ash collection system and, as such, will have no impact on existing fly ash utilization. The WFGD systems will produce commercial grade gypsum which can be used in the manufacture of wall board. The Company plans to market this gypsum.

Scheduling and Procurement

The Company anticipates a 55 month construction schedule and, therefore, respectfully requests Commission approval by January 1, 2008 in order to meet the following schedule:

<u>Activity</u>	<u>Start</u>	<u>Finish</u>
<i>Design Engineering</i>	02/01/07	10/31/08
<i>Procurement and Fabrication (released for Engineering-only prior to Commission approval)</i>		
WFGD Systems	04/18/07	10/15/09
SCR Systems	03/21/07	08/15/09
Limestone Handling Systems	09/15/08	12/15/10
Gypsum Handling Systems 12/15/10	09/15/08	
Chimney	08/30/07	01/15/09
Wastewater System 12/15/10	10/15/07	

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Construction

Mobilize	01/15/08	05/01/08
Unit 5 and 6 Start of Work	05/01/08	
Unit 5 and 6 In Service		12/01/12
Unit 7 and 8 Start of Work	05/01/08	
Unit 7 and 8 In Service		03/01/12
Demolition of Existing Chimneys	03/01/13	08/31/13

Commission approval by January 1, 2008 is essential to facilitate an orderly design, procurement, manufacturing and construction schedule. The OCPP site is extremely congested, necessitating careful construction planning and sequencing in order to avoid impacts to existing plant operations and the construction and start up of the two expansion units.

Timely approval of the Project will also help the Company manage increased costs arising from current equipment and materials shortages that are the result of the numerous emission reduction and new coal plant construction projects proposed and under construction. It will also allow the Company to better manage risks associated with competing for a limited supply of skilled labor (design engineers, craft labor, etc.) for these same projects.

Project Cost and Financing

Wisconsin Electric estimates the cost to install the WFGD system, SCR system and related equipment to be \$820,000,000, detailed as follows:

<u>Capital Cost (\$1,000)</u>	<u>Unit 5&6</u>	<u>Unit 7&8</u>	<u>Common</u>
WFGD System	\$57,978	\$57,978	\$8,865
SCR System	\$126,357	\$126,357	\$7,137
Site and Balance of Plant	\$112,275	51,720	\$67,907

Removal Cost (\$1,000)

Site Preparation and Demolition	\$3,768	\$1,644	\$11,883
<u>Total Cost by Facility (\$1,000)</u>	<u>\$333,426</u>	<u>\$270,746</u>	<u>\$145,828</u>

Total Project Cost (\$1,000) **\$750,000**

AFUDC (Based on 50% of CWIP) (\$1,000) **\$70,000**

Gross Project Cost (\$1,000) **\$820,000**

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The final capital versus expense cost split may change after detailed design is completed. The cost of the Project will be met from internal sources and/or from the issuance and sale of securities.

Description and Cost of Property Being Retired

The facilities to be retired consist of the existing chimneys, the attached flue gas ducts and Oak Creek Unit 9. The gross book cost of equipment to be retired is as follows:

<u>Plant Account</u>	<u>Description</u>	<u>Gross Book Cost</u>
311	Structure and Improvements	\$ 2,334,132
312	Boiler Plant Equipment	\$ 6,228,809
341-346	Combustion Turbine	<u>\$ 2,225,265</u>
	TOTAL	\$10,788,206

There is no salvage value associated with the equipment to be retired.

Effect of the Project on Cost of Operation and Reliability of Service

Wisconsin Electric believes that the proposed Project is the most advantageous means of discharging its obligation as a public utility. Installation of wet flue gas desulfurization systems and selective catalytic reduction systems on Oak Creek units 5 through 8 will maintain the reliability of the Company's service while significantly reducing sulfur dioxide and nitrogen oxides emitted from the plant. In addition, the Project will comply with § 196.49 Wis. Stats. Section 196.49(3) (b), Wis. Stat., provides that no project may proceed until the Commission has certified that public convenience and necessity require the project. The Commission may refuse to certify a project if it appears that the completion of the project will do any of the following:

1. Substantially impair the efficiency of the service of the public utility.
2. Provide facilities unreasonably in excess of the probable future requirements.
3. When placed in operation, add to the cost of service without proportionately increasing the value or available quantity of service unless the public utility waives consideration by the Commission, in the fixation of rates, of such consequent increase of cost of service.

Alternatives

The Company retained the services of Washington Group International to perform a detailed technology assessment to determine the most cost-effective means of meeting the Company's emission reduction goals. A copy of this study, "Oak Creek Units 5, 6, 7 and 8, NO_x/SO₂ Emissions Reduction Study", is included as Appendix C. The study reviewed in-furnace NO_x reduction and SCR for NO_x control, and wet forced oxidation flue gas desulfurization, spray dryer absorbers, and circulating fluid bed absorbers for SO₂ control. The study also evaluated two emerging multi-pollutant reduction systems: Powerspan ECO and J Power ReACT. The study concluded that the most cost-effective technologies that meet the target emission rates were SCR

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and WFGD. These combined technologies provide the lowest evaluated cost, the highest removal efficiencies, and have the most commercial experience and industry acceptance. The Company did not consider the purchase of SO₂ and NO_x allowances as a viable alternative because the Consent Decree does not permit use of such allowances in complying with its requirements.

Once it was determined that SCR and FGD were the most cost-effective technologies, the study evaluated alternate arrangements of the technology. The technology assessment concluded that installation of SCRs on units 5 and 6 in the traditional "hot side" arrangement, between the economizer outlet and the air heater inlet, was not physically possible short of demolition and reconstruction of the existing electrostatic precipitators ("ESP") and other major interferences. This would increase construction costs dramatically and result in increased replacement power costs for the estimated 18-24 month outage required for demolition and reconstruction. The arrangement of the Unit 7 ESP directly behind the Unit 8 economizer and air heater created significant construction and outage penalties as well for a Unit 8 "hot side" SCR. As a result of these constraints, the proposed arrangement of WFGD followed by "tail end" SCR was selected as the lowest total evaluated cost solution. "Tail end" SCR has been successfully demonstrated at many power plants in Germany, where they were installed in retrofit situations similar to those found at OCPP (See Appendix A, Exhibit G). This arrangement requires energy, in the form of steam or natural gas, to reheat the flue gas to the temperature required for the NO_x catalytic reaction. The costs associated with the use of this energy have been included in the overall Project cost evaluation.

The final alternative studied was the early retirement of the four existing Oak Creek units on December 31, 2012, with replacement of the Oak Creek 5-8 energy and capacity from new facilities and purchases. This alternative was analyzed using EGEAS to model the Wisconsin Electric system. It resulted in system costs (Discounted Revenue Requirements, "DRR") that were over \$600 million higher than the alternative proposed in this filing. Sensitivity analyses were performed, including fuel cost variations and climate change scenarios. Installing environmental controls on Oak Creek units 5 through 8 was the low cost alternative in every analysis.

In addition, EGEAS was used to model the cost impacts of installing controls on Oak Creek units 7 and 8 and prematurely retiring Oak Creek units 5 and 6. This evaluation showed the savings decreased by over 50% as compared to the savings associated with controlling Oak Creek units 5-8. This demonstrates that Oak Creek units 5 and 6 continue to be valuable assets in the Company's generating fleet.

This economic analysis included estimated capital and O&M requirements necessary to maintain reliable operation of the Oak Creek units to normal end of life. The complete analysis is included as Appendix D.

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Project Risk Factors

The following risks are inherent in this Project and may impact its cost and schedule:

- Market conditions for craft labor can affect project cost. Competition for labor resources can tighten the market and shortages of skilled labor in the area, due to other projects utilizing the same crafts, may extend the construction schedule and increase installation costs.
- Market conditions for air quality systems have increased costs substantially over the past three years. Variability in future escalation rates is a significant project risk.
- The construction of the WFGD and the SCR systems must take place in an area directly south, west and east of the operating units. The construction site is extremely congested, resulting in an increased potential for schedule delays and commensurately higher costs.
- Production interruptions of the existing units and longer-than-planned tie-in outages present a risk to project cost and schedule. In addition, the Project will require modifications to existing plant systems, such as the control and electrical systems, which carry the risk of unscheduled production interruptions.

Environmental Review Information

Environmental Screening. Additions or replacements of plant equipment, such as described in this application, are normally categorized as Category III actions under § PSC 4.10(3), Wis. Adm. Code and do not normally require the preparation of an Environmental Assessment or an Environmental Impact Statement.

Flood Hazard Exposure/Impact. The location of the proposed facilities is not within a floodway or the 100-year floodplain.

Archaeological and Historic Resources. There are no known archaeological or historic resources in the area of the Project site. Additionally, due to prior construction activities at the site, it is unlikely that any previously unidentified archaeological resources will be disturbed.

Threatened or Endangered Species. There will be no impacts to any threatened or endangered species as a result of this project.

There are no federally listed species at the Project site. While the bald eagle is known to migrate through the area, there are no known nests on or adjacent to the Project site. Plans will be developed to accommodate the continued use of the existing Peregrine Falcon nest on the chimney during construction. A nesting box will be provided on the new chimney to allow relocation of the falcons prior to demolition of the existing chimneys.

There is a state endangered herbaceous plant species located immediately south of the Project site. This plant will not be affected by the Project. The plant was identified during wetland delineations and plant surveys done in 2002 by Dr. Don Reed, Southeastern Wisconsin Regional Planning Commission. Specifically, this plant is located in the upland woodland adjacent to

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wetlands that are about 500 feet west of Lake Michigan and to the southwest of two existing wastewater treatment settling basins located south of OCPP Unit 8.

Entities Affected by this Project

The entities affected by the proposed Project include the EPA, WDNR, Army Corps of Engineers, Wisconsin Department of Commerce, Village of Caledonia, City of Oak Creek, US Fish & Wildlife Service, Milwaukee County, Racine County, Federal Aviation Administration, and WI Department of Health & Family Services. A listing of permits and approvals, including affected entities, is provided in Appendix A, Exhibit H. Concurrently with the filing of this application, the Company is filing applications with WDNR for the Construction Air Permit and NR 216 Permit, and with WDNR and the Army Corps for the Chapter 30 and Army Corps permits. The Company does not anticipate any difficulty obtaining the required permits and approvals.