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**DICKINSON
COUNTY
HEALTHCARE
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ORIGINAL

The Honorable Kimberley D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A
Washington, DC 20426

**FILED
SECRETARY OF THE
COMMISSION**

2014 OCT 17 A 9:24

**FEDERAL ENERGY
REGULATORY COMMISSION**

Re: Docket Nos. IL14-103 and EL14-104

October 8, 2014

Dear Honorable Kimberley D. Bose,

It has come to my attention that WEPCO plans to divide its single cross-state Local Balancing Authority (LBA) into two separate LBA areas in Michigan and Wisconsin, creating a split at the state line. If this occurs and the System Support Resource contract for the Presque Isle Plant is approved, it appears that the Michigan LBA will be allocated 93.57% of the total SSR costs of \$96 million, or about \$90 million. Consequently, only 10% of the electric load in the current WEPCO LBA-the Michigan UP portion-will be responsible for the \$90 million cost.

This allocation is unfair and will result in large increases in tariff transmission charges for UP customers behind WEPCO. For my company the estimated increase is 3 cents per kilowatt-hour, or about \$168,622.07 annually! Common sense tells me that these SSR costs should be shared across Wisconsin and Michigan on a basis of customer electric load in each area, as other generation costs have been shared in the past, approved by both the Michigan Public Service Commission and the Public Service Commission of Wisconsin. The WEPCO LBA has included both states for many years. To divide it now and force 93.57% of the costs onto 10% of the load is going to hurt not only my business, but also jobs and the economy throughout Michigan's Upper Peninsula.

Sincerely,



Robert Derwinski, Plant Operations Manager
Dickinson County Healthcare System
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