



FOR IMMEDIATE RELEASE

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Escanaba Coal Supply

Escanaba, MI – The City of Escanaba was recently advised that creditors of Kentucky coal miner Black Diamond Mining, L.L.C. have forced the company into involuntary Chapter 11 bankruptcy in the U.S. Bankruptcy Court for the Eastern District of Kentucky. As a result of this legal action, the City of Escanaba's recent commitment with the C. Reiss Coal Company to purchase 95,000 tons of eastern coal, at \$72.45/ton, for power plant operations in 2008-09, cannot be honored because there has been interference with, or disruption in, C. Reiss Coal Company's ability to secure coal from the intended source of supply. Due to this recent development and an unprecedented market run-up in coal prices and conditions that could not be reasonably anticipated and controlled, the City of Escanaba, through its Purchasing Agent, Wisconsin Public Service, has been forced to pursue other coal purchase options which has resulted in presenting to City Council, for purchase, a western coal at \$95.00/ton. If City Council approves this agreement, the City of Escanaba will purchase 16,000 tons of western coal so that a test burn can be performed to ensure that proper performance of the material will occur within the boilers of the Escanaba Power Plant. Should the test burn be unsuccessful, the City of Escanaba will not be required to purchase any additional coal from the supplier. Should the performance of the coal be acceptable, the City of Escanaba will be committed to purchase up to an additional 77,000 tons of this coal from the supplier.

The City Council and public will be fully briefed on the current situation at the regular City Council meeting scheduled for March 20, 2008, at 7:00 p.m., in City Hall, 410 Ludington Street, Escanaba, Michigan. Citizens who have questions or desire additional information are encouraged to attend the meeting.

Questions concerning this release should be directed to James V. O'Toole, City Manager, 786-9402.