



Upper Peninsula Power Company

600 E. Lakeshore Drive

P.O. Box 130

Houghton, MI 49931-0130

February 8, 2008

Mr. Dan Schoenecker  
Enforcement and Mitigation Manager  
Midwest Reliability Organization  
2774 Cleveland Avenue North  
Roseville, MN 55113

**RE: MRO Notice of Alleged Violation of Reliability Standard PRC-005-1**

In response to your letter of January 14 notifying Upper Peninsula Power Company of its alleged violation of Reliability standard PRC-005-1, we agree with the alleged violations and the penalty and sanction proposal.

Attached is the completed MRO Mitigation Plan Submittal Form which provides the details of our proposed mitigation plan to correct the violations, the underlying causes, and our implementation timeline.

Respectfully submitted,

Charles A. Schrock  
CEO

CC: Neal Balu, WPSC Compliance Contact

Attachment