

ANN ARBOR, MICHIGAN
BLOOMFIELD HILLS, MICHIGAN
CHICAGO, ILLINOIS

LAW OFFICES
DYKEMA GOSSETT
PROFESSIONAL LIMITED LIABILITY COMPANY
124 W. ALLEGAN STREET, SUITE 800
LANSING, MICHIGAN 48933-1742
TELEPHONE (517) 374-9100
FACSIMILE (517) 374-9191
WWW.DYKEMA.COM

DETROIT, MICHIGAN
GRAND RAPIDS, MICHIGAN
WASHINGTON, DC

ALBERT ERNST

DIRECT DIAL: (517) 374-9155
E-MAIL: AERNST@DYKEMA.COM

August 1, 2003

Mr. Robert Kehres
Acting Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way, Ste. 7
Lansing, MI 48911

Re: Case No. U-12133
CHOICE Education – Reconciliation Report for 2003

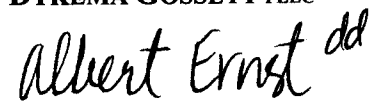
Dear Mr. Kehres:

Enclosed please find original and four copies of a report letter filed on behalf of Edison Sault Electric Company regarding its Reconciliation Report for 2003. This document is also being electronically filed.

If there are any questions or comments, do not hesitate to contact me.

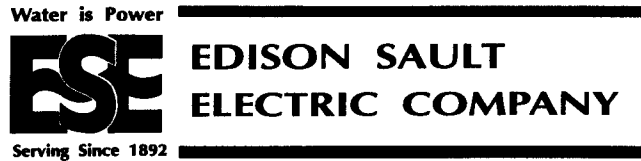
Sincerely,

DYKEMA GOSSETT PLLC

Handwritten signature of Albert Ernst in cursive script, with the initials 'dd' written at the end.

Albert Ernst

Enclosure
cc: Lee Baatz



A Wisconsin Energy Company

725 East Portage Avenue / Sault Ste. Marie, MI 49783
906-632-2221 800-562-4960

August 1, 2003

Mr. Robert Kehres
Acting Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P. O. Box 30221
Lansing, MI 48909

RE: MPSC Case No. U-12133
CHOICE Education – Reconciliation Report for 2003

Dear Mr. Kehres:

On October 11, 2001, the Michigan Public Service Commission issued an Order in Case No. U-12133 approving a settlement agreement. Paragraph 14 of the agreement states that participating companies shall file an annual reconciliation for the education program revenues and expenses. On April 17, 2003, the Commission issued an Order prospectively suspending further collection of the surcharge and directed each utility to submit a report on the amount collected or expended during 2003. Please accept this letter as Edison Sault Electric Company's report.

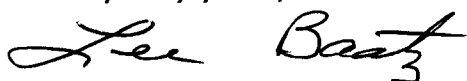
Edison Sault suspended the collection of the surcharge beginning with its May 2003 billing cycle. Up to that point, during 2003, Edison Sault collected \$16,409.52 from its customer education surcharge. Expenditures under the customer education program to date during 2003 were \$0. Combined with revenues received during 2002, the fund balance was \$65,343.42. Attached is a schedule showing the monthly amounts collected.

The Commission's April 17, 2003 Order further directed each utility to file an application proposing how it intends to use the funds collected to promote green power or how it will refund such funds to customers. Submitted contemporaneously with this report is an application requesting approval to refund 50% of the amounts collected, with interest, in the form of a \$1.52 per meter refund applied to customers' bills during our October 2003 billing cycle. Edison Sault intends to spend the remaining 50% of the amounts collected in establishing and promoting a voluntary renewable energy program. A separate application requesting Commission approval of Edison Sault's voluntary renewable energy tariff is also being filed contemporaneously.

The promotion of the renewable energy program is expected to include a direct mailing enrollment campaign, supplemented by radio and print advertising to publicize the program. Edison Sault intends to limit such initial costs to 50% of the amounts collected under the customer education program. After the initial rollout, on-going administrative expenses of the renewable energy program are expected to be minimal. Edison Sault intends to acquire additional sources of renewable energy through purchases acquired under its Joint Operating Agreement with Wisconsin Electric Power Company. An amendment to the Companies' Joint Operating Agreement is being filed with FERC to facilitate such purchases.

Please contact me if you have any questions concerning this report.

Very truly yours,

A handwritten signature in cursive script, reading "Lee Baatz". The signature is written in black ink and is positioned above the printed name and title.

Lee M. Baatz

Assistant Vice President – Rates

File: CustomerEducationreport1.doc

EDISON SALES TELECTRIC COMPANY

Interest through middle of refund period (Assume Oct. 15)	1,661.39
Total collection with interest	69,283.51
Portion to be refunded	0.50
Refund amount	34,641.76
April 2003 Customers	22,787
Refund per customer	1.52