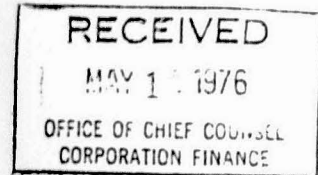


ate Mutual Life Assurance Company of America

May 10, 1976



John J. Heneghan, Esquire  
Chief Counsel  
Division of Corporate Finance  
Securities and Exchange Commission  
500 North Capital Street  
Washington, D.C. 20549

Re: Sale by State Mutual Life Assurance Company of America of Shares of  
Stock of Edison Sault Electric Company

Dear Mr. Heneghan:

I am writing this letter as in-house counsel for State Mutual Life Assurance Company of America ("State Mutual") in connection with the contemplated sale by State Mutual of an aggregate of 8,500 shares of Common Stock (the "Shares") of Edison Sault Electric Company ("Edison Sault").

Edison Sault is a publicly owned public utility whose shares are traded Over-the-Counter. Edison Sault filed reports with the Commission pursuant to Section 13 of the Securities and Exchange Act of 1934.

Pertinent facts with respect to the acquisition and disposition of the Shares by State Mutual are as follows:

1. In 1956 State Mutual purchased privately 12,000 shares of Edison Sault's 4-3/4% Preferred Stock at a price of \$25.00 per share. Such shares were convertible into Common Stock.
2. In connection with the purchase of the Preferred Stock, State Mutual represented that the Preferred Stock was being acquired for investment and not with a view to the distribution thereof. The certificate representing the Preferred Stock bore the customary legend restricting transfer.
3. In December of 1964 State Mutual converted 5,000 shares of the 4-3/4% Preferred Stock. Shortly after this conversion, Edison Sault purchased these particular shares from State Mutual.
4. In April of 1966 State Mutual converted 1,000 shares of the 4-3/4% Preferred Stock into Common Stock. Shortly after these shares were converted, the issuer purchased them from State Mutual.

John J. Heneghan, Esquire

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5. In 1973 State Mutual, as holder of 6,000 of the 4-3/4% Preferred Stock, would have been entitled to total dividends of \$7,125.00. However, if State Mutual converted such shares into Common Stock, State Mutual would have been entitled to total dividends of approximately \$12,000. Due solely to this increase in dividend income, State Mutual, in April of 1973, converted its remaining 6,000 shares of the 4-3/4% Preferred Stock into Common Stock. State Mutual's total holdings of the Shares after this conversion was 12,500 Shares.

6. By letter application dated March 29, 1974, State Mutual sought from your office a No-Action letter which would free the Shares from registration restrictions. Said application was denied on May 6, 1974 per letter of William E. Torrey, Assistant Chief Counsel, Division of Corporation Finance.

7. On January 6, 1976, State Mutual sold 1,000 of its Shares to Wechsler & Krumholz, Inc., 39 Broadway, New York, New York 10006 for a net amount of \$11,000. Said sale was effected in compliance with Rule 144.

8. On February 11, 1976, State Mutual made another Rule 144 sale to Wechsler & Krumholz, this time selling 3,000 Shares for the net amount of \$33,375.

At the present time, Edison Sault has, on average, 416,420 shares of Common Stock outstanding, of which 407,920 shares are held by persons other than State Mutual. Also, the Shares held by State Mutual constitute approximately 2% of the total outstanding shares of Common Stock of Edison Sault.

On the basis of the foregoing, State Mutual is of the opinion that it may sell or otherwise dispose of the Shares without compliance with registration requirements of the Securities Act of 1933, as amended.

We would appreciate your advising us whether you concur in our opinion. Please feel free to call me collect if you have any questions or require any additional information.

Very truly yours,

*Thomas C. Powley*

Thomas C. Powley  
Assistant Counsel

TCP:sjc