



Wisconsin Utility Investors, Inc.

Legislative/Regulatory Update

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WUI HELPS LAUNCH NATIONAL “DEFEND MY DIVIDEND” CAMPAIGN

Wisconsin Utility Investors, Inc. (WUI) is enthusiastically joining Edison Electric Institute (EEI) and the American Gas Association (AGA) in their launch of a new campaign to permanently set the personal tax rate on qualified dividend income at 15 percent. As members of the 50 percent of all households owning stock in electric and gas utilities, WUI urges you to visit the campaign’s Web site, www.DefendMyDividend.org, and become a part of the effort to extend or make permanent today’s relatively low tax rate on dividends. WUI joined nearly 60 investor-owned utilities and utility shareholders organizations from across the United States in Chicago November 18 to coordinate the national effort.

In 2003 Congress temporarily reduced the maximum tax rate on dividend income from 38.6 percent to 15 percent. This lower tax rate has meant utility shareholders have kept more of their dividend income. It has also spurred investment in dividend-paying companies like utilities, who rely on the new capital to build pipelines, transmission wires, power plants, and make investments in new energy efficiency and environmental technologies—all to keep pace with the country’s continually rising demand for energy. Unfortunately, the current 15-percent maximum tax rate on dividend income is set to expire at the end of 2010—unless Congress acts now to extend it. Without any action, the new maximum tax rate on qualified dividends will increase to more than 39 percent for some taxpayers.

The dividend issue is particularly important today given the slowing economy and credit crisis. Senior citizens make up the largest number of utility shareholders—64 percent of utility shareholders are 65 years or older. Middle and low-income households also are affected by the dividend tax rate issue. Sixty-eight percent of those receiving utility dividends have annual incomes of \$75,000 or less, and 42 percent of utility shareholders earn less than \$25,000 per year. These shareholders rely on their quarterly dividend checks to help with everyday expenses. They would be particularly harmed if the higher tax rate on dividends went into effect.

The DMD campaign is focusing the full grassroots power of the country’s natural gas and electric utility industries with shareholder owners. Working together, the DMD campaign is now letting Congress know that millions of average Americans across the country depend on dividend income to heat their homes, pay for medicine or food and other essentials, and they do not want to pay higher taxes on these crucial earnings.

The campaign’s Web site, www.DefendMyDividend.org, offers more information about the campaign, as well as updates and a ways for you to join the effort to renew the lower tax rate on dividends. We encourage you to visit the site today, and to let other utility shareholders know about the site too. Everyone’s voice is needed to make a difference.

WPSC TO INSTALL RETROFITS AT WESTON PLANTS

Wisconsin Public Service Corporation (WPSC), a subsidiary of Integrys Energy, has announced it is installing environmental retrofits on its two oldest operating units at the Weston power plant near Wausau. The retrofits are designed to reduce Nitrogen oxide emissions by 40 percent to 50 percent, according to WPSC officials. The two projects are scheduled to be completed by mid-December and include the installation of low-NOx burners and separated over fire air systems on each of the unit’s boilers. The work will be completed during the unit’s annual fall maintenance outages. The Weston 1 unit began producing 60 megawatts of electricity in 1954; Weston 2 began generating 75 megawatts in 1960 and the new Weston 4 completed earlier this year generates 535 megawatts using clean-coal technology.

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WE ENERGIES SUBMITS APPLICATION FOR COLUMBIA COUNTY WIND PROJECT

We Energies has filed an application with the Public Service Commission of Wisconsin for authorization to build the Glacier Hills Wind Park. The proposed wind park would be located in the towns of Randolph and Scott in northeast Columbia County – approximately 45 miles northeast of Madison. Current plans call for the project to consist of up to 90 wind turbines that would generate as much as 207 megawatts of electricity – enough capacity to power approximately 45,000 homes. The cost of the project is expected to be in the range of \$340 million to \$530 million depending, in part, on the size of the turbines selected.

WISCONSIN POWER AND LIGHT COMPANY CONTINUES EFFORTS TO IMPROVE AIR QUALITY AT EDGEWATER GENERATING STATION

Wisconsin Power and Light Company (WPL), a subsidiary of Alliant Energy Corporation, has filed a request with the Public Service Commission of Wisconsin (PSCW) to install additional emissions reduction technology at Edgewater Generating Station Unit 5 in Sheboygan, Wisconsin.

The approximately \$150 million investment is the next step in WPL's plan for reducing NOx emissions at Edgewater Unit 5 to comply with the Clean Air Act's Reasonably Available Control Technology (RACT) standard. WPL has already optimized combustion and upgraded burner technology through the installation of SmartBurn technology on Edgewater Unit 5. Upon completion of the SCR, approximately 75 percent of NOx emissions will be removed from Edgewater Unit 5 per year as a result of these projects.

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