



# Wisconsin Utility Investors, Inc. Legislative/Regulatory Update

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## WUI VIEWS ON MERCURY RULE PRESENTED AT FIVE DNR HEARINGS

Representatives of Wisconsin Utility Investors attended and testified at all Wisconsin Department of Natural Resources Mercury Hearings held around the state during the month of May. WUI Chairman Roger Cole told the Madison hearing, "Our members are predominantly Wisconsin residents saving for retirement. The profile of our members is generally long-term small dollar investors who chose utility stock to secure their retirement because of its stability and steady dividend. For many of our members, who are presently retired, that dividend and their social security are their only means of support. I focus on these investors because they are the real face of the Wisconsin's utilities. And, because any mandated cost increases can only be born by the ratepayers or the investors. For these retired investors, excessive costs hit them twice - first as higher electric bills and then again with potentially lower stock dividends.

We have noticed a disturbing trend recently in Wisconsin. As environmental investments are rising, the return on investment approved by the PSC is declining. This shift in cost from ratepayers to shareholders increases the risk and reduces the reward for utility investors. The Wisconsin Utility Investors, Inc. supports implementation of the federal CAMR Rule as a mercury reduction target that can be reached without destroying the competitiveness of Wisconsin or causing undue hardship for our members as ratepayers or investors. We are particularly supportive of participation in the National Trading Market to create incentives for increased mercury emission reductions. Our members care deeply about this state and its future. We would like to see that the companies we invest in are given incentives to go beyond federal or state requirements through the financial incentive created by the National Trading Market. We feel that preventing Wisconsin companies from participating in these incentives, as the proposed rule would do, is unnecessarily harmful to Wisconsin investors.

Our members take great pride when the utilities they invest in meet and at times exceed their regulatory obligations. Wisconsin's utilities have a consistent record of success in their regulatory performance, and we believe investors should profit when a company they invest in goes above and beyond the letter of the law to reduce emissions. I would caution you not to overburden these companies with requirements that are not practical or feasible, to the point that they lose their financial ability to respond to the needs of our state. Some states have made their utilities so uncompetitive that they can no longer raise individual investments to meet their required expenditures. They are forced to borrow so much money, and at such a small rate of return, that they are in danger of having to enter the junk bond market. For these reasons we oppose the 90% mandate in the Wisconsin proposal and strongly urge you to allow the win-win of emissions trading."

Bob Seitz, WUI Executive Director, attended hearings in Stevens Point, Eau Claire and Milwaukee. In his testimony, he said, "Wisconsin utilities have indicated that the 90% mandate is not technologically attainable. We oppose the 90% mandate in the Wisconsin proposal, and suggest instead that the emissions trading will provide the necessary incentive to exceed the Federal requirements if technology to go to 90% does indeed become available in the future. We must set attainable goals that won't sacrifice Wisconsin jobs and investment to places like China that have no environmental standards. EPA studies show we are currently importing mercury emissions from China. If we make ourselves less competitive, Wisconsin will export more jobs and import more mercury. Our environment will not improve. But, Wisconsin workers and retirees will be hurt."

WUI Board Member Richard Krueger represented WUI at the Green Bay hearing.

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## WISCONSIN SPECIAL COMMITTEE ON NUCLEAR POWER RECOMMENDS BILLS

After numerous meetings held between September, 2006, and January, 2007, the Legislative Council's Special Committee on Nuclear Power recommended three bills to the Joint Legislative Council for introduction. The bills include:

**AB 346:** Repeals the moratorium on construction of nuclear power plants in Wisconsin

**AB 347:** Requires the PSCW to investigate future electric supplies after the operating licenses of nuclear power plants in the state expire

**AB 348:** Requires the PSCW to advocate on matters related to the centralized interim storage of, and any license application for, a federal repository for high level and transuranic waste and requires nuclear power plant owners and operators to provide information required by the PSCW

The Joint Legislative Council, in turn, recommended the bills for introduction on a 12-10 vote on May 10. Joining the Republican members voting in favor were Democrats Marlin Schneider and Jim Kreuser. The bills now reside in the Assembly Energy & Utilities Committee. WUI strongly supports all three measures.

## WUI REPRESENTED AT COMPANY ANNUAL MEETINGS DURING MAY

Staff and board members manned WUI booths at both the Integrys Annual Meeting, held in Green Bay on May 17th, and the MGE Energy Annual Meeting held in Madison on May 22nd. A number of new members were signed-up, and many attendees took home WUI literature to study.

[www.wuiinc.org](http://www.wuiinc.org)

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