



Wisconsin Utility Investors, Inc. Legislative/Regulatory Update

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RECENT WUI ACCOMPLISHMENTS & ONGOING LEGISLATIVE AND REGULATORY ACTIVITIES

REDUCED FEDERAL TAX ON DIVIDENDS • Thanks to WUI members and thousands of others around the country, Congress and the President have extended this cut. During the latest two-year legislative session, WUI staff and members have monitored, attended hearings, testified, registered, or successfully contacted policy makers on many other issues. A partial list of these can be found below.

AB 243 - Transmission Siting • WUI supported this legislation modifying eminent domain law to facilitate negotiations with Douglas County over siting of the American Transmission Company's Arrowhead-Weston line. A companion Assembly bill, AB 437 was passed and signed into law by the Governor.

AB 441 - Clarifying Plant Approvals • WUI aided WE Energies in overcoming attempts to stop construction of the Oak Creek power plants by supporting this bill. It was passed and signed into law.

Supreme Court Appeal of Oak Creek Decision • WUI filed a letter with the Supreme Court, on Wisconsin Energy's behalf, successfully urging the court to reconsider a negative lower court Oak Creek Power Plant decision.

Strong Support for "Power the Future" • Provided information and produced supporters who testified and signed slips at hearings favoring We Energies' PTF.

Strong Support for WPS Resources Weston IV Plant • WUI members actively supported WPS Resources' Weston IV project by appearing at hearings.

SB 79 - Fixed Rate of Return • WUI supported the additional option for financing new power plant construction, giving greater certainty for companies and investors. The bill was passed and signed into law.

AB 100 - State Budget • WUI took a strong position opposing the Governor's skimming of \$53 million from the State Public Benefits Account.

SB 164 - Identity Theft • WUI originally opposed this bill because of problems it would have created for utilities and other businesses. A compromise amendment was added, and the bill has now become law.

Mercury Rules • WUI continues to be active as state rules are drafted to comply with federal rules. Wisconsin has until September, 2006, to implement new rules.

Stray Voltage • WUI has kept members informed of developments on this problem and closely followed utility efforts to find acceptable solutions.

Lawsuit Abuse • WUI has worked with the Coalition for Civil Justice, WMC, and other groups to bring some sense to the state's and courts' views on tort issues. Although the Governor has vetoed several of the bills we supported, WUI continues to work to improve and reform the state's tort system. AB 1073, renewing medical malpractice caps on non-economic damages, is now law.

Sheboygan Falls Energy Facility • WUI members from Sheboygan Falls and WUI staff appeared at the local hearing, successfully urging the Commission to allow a lease back arrangement, something originally opposed by PSCW staff.

Conservation & Renewable Task Force - SB 459 • This bill, with the task force's recommendations, was supported by the utilities and WUI and is now law.

continued

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Sale of Kewaunee Nuclear Power Plant • WUI supported sale of the Kewaunee plant to help reduce the financial risks to Alliant and WPS and later successfully urged the PSCW to reconsider when the proposal was first rejected.

Appearing Before the PSCW • WUI has appeared before the PSCW in company rate cases and will continue to do so in the future. WUI is working to change unfair fuel cost recovery rules which cost investors over \$100 million last year.

AB 748 - Transmission Line Protection • WUI successfully supported this bill calling for penalties for anyone shooting at transmission lines. The Governor has signed this bill into law.

Giving Indian Tribes Control over Water & Air Regulations • Pending federal actions could lead to giving Native American tribes control over water (and possibly air) regulation on reservations and surrounding areas. WUI and other businesses have urged the federal government to reject the appeal.

SB 447 - Punitive Damages • WUI supported this bill, which heightens the standard for awarding punitive damages in civil cases. It has now become law.

AB 1174 - Harvesting Raw Forest Products • This bill, now passed, creates an exemption for utilities, co-ops and railroads to a statute prohibiting the harvesting of raw forest products on property-tax delinquent land. Transmission line opponents had attempted to use the previous law to prevent utility work.

WUI Strongly Supports the New Guardian Pipeline Project • The line from Ixonia to Green Bay Wisconsin will add capacity and increase competition.

*WUI continues to work on issues such as these to protect & enhance
the investments of its members. An active membership
will help WUI continue to be successful.*

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