



THE INVESTOR'S VOICE

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Congress Considers Clear Skies Legislation

Utilities and their shareholders across the country are joining together in their support for reform of the Clean Air Act through the proposed Clear Skies Act of 2005, recently introduced in the U.S. Congress.

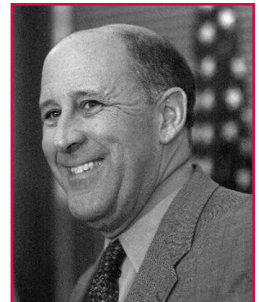
Clear Skies is sensible multi-pollutant legislation for the nation's electricity suppliers. It would help achieve real environmental improvement in the country with flexibility and regulatory certainty in less time and at less cost than can be achieved through current regulation.

- Clear Skies sets an ambitious, yet achievable emission-reduction target of a 70 percent reduction in sulfur dioxide, nitrogen oxide and mercury by 2018;
- It incorporates flexible emissions trading as a method for utilities to meet the emissions-reduction targets, similar to the successful existing sulfur dioxide-reduction program;
- It will reform the often arbitrary and inconsistent structure of the existing Clean Air Act; and
- It provides certainty in future environmental regulations, encouraging energy suppliers to make environmental, reliability and efficiency investments without fear that they will prove inconsistent with the latest EPA regulatory interpretation.

Investor-owned utility shareholders must become better informed about this issue since it can have a significant impact on how their companies can operate in the future. The Edison Electric Institute (EEI), the national association representing investor-owned electric utilities, has developed a Web site to provide information about Clear Skies. It can be accessed at www.cleanerair4u.org/eei. The site also provides an easy e-mail method to contact your Congressional representatives and voice your support of Clear Skies. WUI urges you to take a few minutes to visit this Web site and consider contacting your federal representatives urging their support of this important initiative.

Governor's 2005-07 State Budget Again Attempts to Raid Public Benefit Funds

In unveiling his proposed \$52.5 billion operating budget for 2005-07, Wisconsin Governor Jim Doyle indicated he is again hoping to divert \$53 million from the state's Public Benefits Fund to help fund the state deficit. The Public Benefits Funds come from a special assessment placed on consumers' utility bills to fund a variety of programs, ranging from weatherization and energy conservation to providing aid to low income consumers who need help paying their bills. Although many groups opposed the diversion of funds, the Governor was successful in enacting a similar provision in his first budget two years ago.



Public Service Commission Orders a New Transmission Route

On February 14, The Wisconsin Public Service Commission ordered the American Transmission Company (ATC) to provide alternative routes for its planned \$420 million northern Wisconsin transmission line after Douglas County voted to bar the company from using approximately 2.5 miles of county-owned land. ATC needs a total of thirteen miles of right-of-way in Douglas County.

While not reopening its earlier decision that that the state needs the new transmission line, the Commission gave the company thirty days to provide alternative routes through the county.



Utility Investors - A Cut Above

What makes Wisconsin Utility Investors, Inc. a great organization? Its members!

Investors in Wisconsin's utilities have a lot in common. They are well educated, highly experienced, have higher than average incomes and are willing to stick to their investment strategies for the long run.

More specifically, utility investors are and have:

- Well educated. Over 55% of utility investors have a college degree, compared to 33% of the general population. Trends show this number rising.
- Highly experienced. Fifty-nine percent of utility investors are age 65 or over. This number actually dropped from 64% in just four years as younger people are drawn to the security of utility investments. About 13% of the population and of other U.S. stockholders are over 65.
- Higher income. The median family income for utility investors is some 20% higher than for all households in the United States.
- Long-term investors. Most utility investors own over 500 shares in any utility they hold and hold that stock for over nine years. Most utility investors hold their stock for the quarterly dividend income. In fact, income, safety and stability are the top three reasons for owning utility stock.

Wisconsin Utility Investors, Inc. (WUI) exists because these investors care enough about their future to take action to protect their investments and are dedicated to keeping those investments working for the benefit of everyone in the state. WUI members play a major role in developing and influencing utility policy and have earned the respect of Wisconsin policy-makers.



WUI has been successful because it provides members with the information and other grassroots support they need to be effective. Having an informed, intelligent, respected and active grassroots base gives WUI solid credibility in Madison.

Members of WUI can be confident they are getting the most current and objective information on issues, which directly affect their investments and their communities. Through their leadership, they can take powerful stands on these issues and they will know how they, as individuals, can best help effect change.

WUI thanks you for your continued support and encourages you to urge others like you to join the WUI team.

\$1.75 Million Stray Voltage Award Upheld

On February 15, the Wisconsin District III Court of Appeals upheld a \$1.75 million jury award to a former dairy farmer who had sued Wisconsin Public Service Corporation claiming damages from stray voltage. While upholding the award, the court rejected the farmer's demand for treble damages because, it noted, "The company had made sufficient efforts to discover the stray voltage."

The case covered a period from 1976 through 2000. Wisconsin Public Service Corporation challenged the size of the award (\$750,000 economic damages and \$1 million nuisance damages), the entire concept of nuisance damages, and whether the farmer, Russell Allen, had taken reasonable steps to discover the problem.

Stray voltage cases continue to be a serious problem for the state's investor-owned and cooperative utilities because the causes of on-farm problems are very difficult to ascertain and local juries often disregard sound scientific evidence showing no fault on the part of utilities.

State Senator Cowles to Introduce New Utility Rate of Return Legislation



Senator Rob Cowles (R-Green Bay), Chair of the Senate Energy Committee, has announced he plans to introduce important legislation to provide the Public Service Commission of Wisconsin

(PSCW) with another option to consider when structuring financing for the construction of new power plants. The proposal, temporarily labeled LRB 05-0336/P1, will promote the development of generation facilities, help ensure reliable electric service to Wisconsin consumers, and provide economic benefits to the state.

The proposed legislation, which is also supported by the PSCW, would allow a utility to obtain

ratemaking principals from the Commission, which would be applied to generating facilities in the state. Future commissions could not amend these principals. This "regulatory certainty" will create a favorable financial climate for financiers who are contemplating investing in the company's generation project. The concept, known as fixed return on equity, would typically lower the overall cost of a large capital project, creating more favorable financing terms than presently available, benefiting consumers, the company, and shareholders.

Fixed return on equity will create a third option for financing new projects. Current forms are traditional ratemaking and lease generation financing. Wisconsin Utility Investors joins with Senator Cowles, the PSCW, and the state's utilities in supporting this concept.

Oak Creek Hearing Another Step in Power the Future Process

.At a hearing held in Oak Creek February 16 attended by more than 200 people, including many WUI members, speakers debated the approval of a permit for Wisconsin Energy Company to build a water intake and discharge system for its proposed Oak Creeks Generating Plant. The actual building of the plants has been temporarily put on hold until the State Supreme Court hears arguments in late March. The court is expected to make a final decision by late June or early July.

Opponents of the plant cited concerns that the intakes would harm Lake Michigan fish and other aquatic life. The company prefers their proposal to the use of cooling towers because the plant can run more efficiently, reducing air pollution. The Department of Natural Resources (DNR) has said the proposed location of the intake does not threaten fish.

Others testifying spoke of risks created by mercury in fish. Again, the DNR indicated releases of mercury would be limited through a wastewater treatment system being built to serve the new plants. The department should make a decision on the final permit by sometime in March. A permit will also be required from the U.S. Army Corp of Engineers. Wisconsin Utility Investors strongly supports the Wisconsin Energy proposal.

Public Expresses Opinion on Alliant Sheboygan Project

On February 21, the Public Service Commission of Wisconsin held a hearing at Sheboygan Falls, Wisconsin on an application by Wisconsin Power and Light Company, a part of Alliant Energy, and Sheboygan Power, LLC, for a certificate of public convenience and necessity for the construction of an electric generation facility to be located in Sheboygan County. WUI Executive Director Kenyon Kies, and WUI Board Member Roger Cole, who testified in favor of the project, were joined by a number of other WUI members from the area who submitted slips in support. The companies are proposing to install two natural gas fired peaking units.

Mr. Kies pointed out that because of new legislation passed in 2002, the project will be able to use lease arrangements that are looked upon kindly by the investment community. He said shareholders support these arrangements because of the stability they will provide for their portfolios.



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Secretary, Carlyle Fay
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Assistant Treasurer, Roger Cole
Ralph Baeten
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William Huegel
Arthur Kriewaldt
Richard Krueger
Robert Logan
Kenneth Merkel

Executive Director

Kenyon Kies

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Harvey Appointed to Alliant Energy Board of Directors



MADISON, Wis. - January 26, 2005 - Alliant Energy Corporation (NYSE: LNT) announced today the appointment of William D. Harvey to its board of directors. Harvey is currently president and chief operating officer of Alliant Energy.

Harvey, 56, joined Wisconsin Power and Light Co. (WP&L), Alliant Energy's utility subsidiary, in 1986 as vice president and associate general counsel. He then served as vice president and general counsel for four years, managing corporate legal counsel, risk management and insurance.

Harvey was promoted to executive vice president-generation and president of WP&L in 1998, and was named president and chief operating officer of Alliant Energy in 2004. "Over the past 19 years, Bill has significantly contributed to the success of Alliant Energy and WP&L," said Erroll B. Davis, Jr., Alliant Energy's chairman and chief executive officer. "His knowledge of the energy industry and his legal expertise will be of great benefit to the board. His appointment to the Board also represents another logical step in the succession planning process here at Alliant Energy."

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