



THE INVESTOR'S VOICE

A Bimonthly Publication of the Wisconsin Utility Investors Inc.

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WUI INVESTORS' DAY AT THE CAPITOL May 20, 2009 • 10:00am-1:00pm

Let your representatives know they need to protect your investments!!

There has never been a more critical time to join with other WUI members and make your voice heard. Among the issues the Legislature faces are:

- Lifting Wisconsin's Nuclear Moratorium
- Fuels for our future. Interest groups in Madison constantly fight over how to generate electricity in the future and how utilities can cover the cost of fuel. Citizens and investors need to join that debate.
- Returns on our investments are under attack. The Mandatory Debt legislation WUI members defeated last year is likely to return this year. We cannot allow government to eliminate our shareholder returns and force excessive debt on Wisconsin utilities.

HERE'S HOW IT WORKS. . .

You can drive to Madison or ride one of the comfortable coach buses from Brookfield or Green Bay. We will meet at the Inn on the Park Hotel across the street from the State Capitol at 10:00am.

Once in Madison, you will hear up-to-the-minute updates from Legislative leaders and representatives of Wisconsin utilities.

We will schedule meetings for you with your own State Senator and Representative in their offices in the Capitol. Members will join into groups to meet with their legislators together. **If there is anything you've wished you could say to your elected representatives, this is your chance to meet them in a group of voters with the same interests.**

After meeting with legislators, we will return to the Inn on the Park for lunch and door prizes. **By 1:00 pm, you will be on your way home.**

Transportation will be provided by coach buses picking up WUI members from the following locations:

Brookfield • Departs at 8:30am from the Goerke's Corners Park and Ride located off I-94 at the US-18 exit in Brookfield.

Green Bay • Bus departs at 7:30am from the Brown County Packerland Park and Ride in Green Bay. Passengers should take WIS 29/32, and head south on County EB (Packerland Avenue). The lot is located to the left.

WUI is a grassroots organization that depends on citizens making themselves heard. Join us at the Capitol, meet your legislators and make yourself heard!

WATCH FOR REGISTRATION FORMS IN THE MAIL

Walworth County To Benefit From Voltage Boost To Electric Transmission Line

After more than five years of planning and construction, the American



Transmission Company has completed conversion of ten miles of transmission lines in Walworth County Wisconsin to 138,000 volts. The voltage conversion is the first phase in ATC's 30-mile conversion project in Rock and Walworth Counties that will strengthen the electric system serving the growing areas.

The eastern segments of the project, from the Elkhorn Substation located in the City of Elkhorn to the Bristol Substation and extending to the Southwest Delavan Substation located outside of Delavan, are now energized and operating at 138,000 volts. The remaining 22 miles of western segments of this multi-year, multi-phase system upgrade will continue to operate at 69,000 volts until ATC completes construction and upgrades this summer.

"This is a key milestone in the project and immediately benefits residents and business owners in Walworth County," according to Mary Carpenter, local relations representative. "We are eager to complete the remaining work on the western segments and complete the entire conversion this summer."

According to Carpenter, the remaining effort includes work on several substations in Rock County, modifications to some existing lines and the replacement of an existing line through the City of Delavan between the Bristol and Delavan substations. "Crews have begun work and will wrap up in June," she said. The final phase of the project, which will begin this summer, includes removing several miles of existing 69,000-volt lines that will be retired once the conversion is complete. These include a line north of the City of Delavan and a line between the Bristol Substation and Lake Geneva.

Minnesota Regulators OK Power Line Project

The Minnesota Public Utilities Commission (MPUC) has granted the CapX2020 utilities a Certificate of Need to construct three 345-kilovolt electric transmission lines in Minnesota. The decision confirms the need for a major upgrade of the region's transmission system to meet customers' growing demand for electricity and to increase access to new resources, including renewable energy in southern and western Minnesota and in North and South Dakota.

"The planning and regulatory review for high-voltage transmission lines is detailed, extensive and comprehensive," said Laura McCarten of Xcel Energy, a CapX2020 co-leader. "The commission's decision affirms the need for new infrastructure that will serve Minnesota customers with affordable, reliable electricity for years to come."

The project's Certificate of Need application was filed in August, 2007, starting a rigorous state review process that culminated in today's decision. The three transmission lines approved are:

- A 240-mile, 345-kilovolt line between Brookings County, South Dakota, and Hampton, Minnesota, plus a related 345-kilovolt line between Marshall and Granite Falls, Minnesota.;
- A 250-mile, 345-kilovolt line between Fargo, North Dakota and Alexandria, St. Cloud and Monticello, Minnesota.
- A 150-mile, 345-kilovolt line between Hampton and Rochester, Minnesota, and La Crosse, Wisconsin

The decision by the state MPUC is the first major step in a regulatory process that is expected to take at least another 18 months. The lines must also get Minnesota permits for their routes and face regulatory hurdles in North Dakota, South Dakota and Wisconsin.

Congress Introduces Costly Climate Change Legislation

Reps. Henry Waxman (D-California) and Edward Markey (D-Massachusetts) have introduced a 684 page draft bill called the "Clean Energy and Security Act," which includes sweeping policy proposals, including a cap-and-trade program. The bill calls for cutting greenhouse gas emissions 20 percent below 2005 levels by 2020 and mandates tougher efficiency standards for appliances. The bill also requires that the U.S. derive 25 percent of its electricity from renewable sources by 2025. The bill fails to specify exactly how the costs of the emitting carbon will be recovered. It calls for a cap-and-trade system that would place a limit on how much greenhouse gas emissions businesses and companies would be allowed to emit and requires companies to seek permits to emit beyond that amount. However, the bill fails to specify how the system would work. On the encouraging side, earlier this month, the U.S. Senate passed a measure requiring that any legislation seeking to impose a cap-and-trade program must receive sixty votes in order to pass. The vote will make passing any cap-and-trade legislation extremely difficult since Democrats hold a majority in the Senate, but do not, by themselves, have the votes necessary to reach the 60-vote threshold.

"The planning and regulatory review for high-voltage transmission lines is detailed, extensive and comprehensive."

LAURA MCCARTEN
XCEL ENERGY,
CAPX2020 CO-LEADER

CapX2020

We Energies Proposes \$67.2 Million Rate Decrease Due To Plunging Fuel Costs

On April 15, 2009, We Energies filed with the Public Service Commission of Wisconsin (PSCW) its fuel cost report for the month of March 2009. That report shows that actual monitored fuel costs came in 12.2% below the level of fuel costs reflected in current electric rates. Based on three months of actual fuel cost data and nine months of projected data, We Energies projects that its 2009 fuel cost will be \$67.2 million less than the level of fuel cost currently authorized in rates, which were established by the PSCW in its July 7, 2008. We Energies now forecasts that its average cost of fuel for 2009 will decrease 7.3% from the average cost of fuel authorized by the PSCW last year. The company has requested approval from the PSCW to return the money to customers.

We Energies estimates that granting this request will reduce overall residential electric rates from current levels by 2.2% (fuel is only one component of overall rates). The projected decrease in fuel costs can be attributed principally to a decline in the price of natural gas.



The time is ripe for a resolution of the fuel rules. Wisconsin ratepayers deserve less confusing rate adjustments."

MARK MEYER, PSCW
COMMISSIONER

Wisconsin Utility Investors, along with representatives of the various utilities have been working with the PSCW for some time in an attempt to correct problems in the current rule. Wisconsin still has an outdated inflexible rule that hinders utilities ability to accurately reflect the true cost of fuel to the customer. PSCW Commissioner Mark Meyer said, "The time is ripe for a resolution of the fuel rules. Wisconsin ratepayers deserve less confusing rate adjustments."

WIND TURBINES MIGHT COMPLICATE WEATHER MONITORING

The National Weather Service has issued an unusual warning because of a Dodge County wind farm which may be disrupting its ability to monitor storms in southeastern Wisconsin. The service claims the wind farm's giant turbines - each as wide as a football field and as tall as a 20-story building - are sending false storm signals to the government's weather radar system.



Weather service officials say they see no significant public safety threat, although they say the wind farm has caused radar interference and could confuse some storm watchers.

Located just outside the Dodge County community of Iron Ridge, the wind farm includes 36 turbines that began operating over the past few months, generating electricity for several surrounding communities. The farm is about 30 miles north of the National Weather Service office in Sullivan, which provides radar coverage and severe weather alerts across a 125-mile radius that includes all of southeastern Wisconsin.

Emission Control Projects Completed At Weston Plant



Operators of Wisconsin Public Services' Weston Power Plant are seeing impressive results following the installation and upgrade of emission control equipment on Weston Unit 1 and Unit 2. Nitrogen oxide (NOx), a regulated stack emission, has been reduced by about 53 percent since the equipment installation was completed and the units returned to service in March. NOx emissions contribute to ground level ozone (smog), acid rain and airborne fine particulate matter. Equipment installed on Weston Units 1 and 2 boilers included retrofit low NOx burners and new separated over fire air systems (SOFA). These modifications allow optimization of the combustion process to reduce the formation of NOx emissions. The \$7.5 million projects were announced in June, 2005, and completed earlier this year.

"WPSC's Energy Supply Projects group designed the project to give us about a 50 percent overall reduction in NOx," said Bruce Bruzina, Assistant Vice President of Energy Supply Operations for the Weston Power Plant. "And that's right about where we are now that the units are fully operational."

Each NOx emission reduction project took about six weeks of construction time to complete with the work being done during each unit's normally scheduled maintenance outage. "We want to make sure our power generating units are ready for full load operation as they are a significant part of our generation needed during the hot days of summer when electric demand is at its highest," according to Bruzina.

This project is part of a series of emission control projects underway at WPSC coal-fueled power plants that are designed to meet more stringent state and federal air quality regulatory programs.

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MGE Named A National
Green Power Leader

Madison Gas and Electric's (MGE) Green Power Tomorrow Program has the second highest participation rate of all investor-owned utilities according to an annual assessment by the U.S. Department of Energy's National Renewal Energy Laboratory. MGE's program also is ranked sixth of all utilities in green power sales as a percentage of total retail electricity sold. This ranks MGE in the "top ten" of 850 utilities included in the 2008 assessment.

The company increased wind power capacity by more than 12 times in 2008 as four new wind farms in Wisconsin and Iowa began production.

Alliant Energy and
Midamerican Energy
Help Conveyor
Engineering Go "Green"

In 2007 Iowa company Conveyor Engineering and Manufacturing (CEMC) broke ground on a new 114,300-square-foot office and manufacturing space with a "green" vision and a strong environmental commitment. The building went through an energy-efficient design process provided by the Commercial New Construction program offered through Alliant Energy and MidAmerican Energy Company. Both utilities recently presented Conveyor Engineering leaders with rebate checks totaling \$130,415 for CEMC's efforts.

Wisconsin Energy Again
Honored As One Of
'World's Most Ethical
Companies'

For the second year in a row, Ethisphere Magazine has named Wisconsin Energy Corporation one of the World's Most Ethical Companies. Wisconsin Energy joined honorees such as Pepsi, McDonald's, Starbuck's, Mattel, Aflac and Johns Hopkins Hospital on Ethisphere's 2009 honor roll. In March, Wisconsin Energy also was named - for the second year in a row - one of the nation's best corporate citizens by Corporate Responsibility Officer Magazine.

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