



# THE INVESTOR'S VOICE

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## WUI ANNUAL MEETING AND REGIONAL MEETINGS KICK-OFF AN ACTION PACKED YEAR FOR WISCONSIN UTILITY INVESTORS!

An enthusiastic crowd of WUI members and guests filled the Country Springs Hotel in Waukesha on September 27 to hear state and national speakers inform them about the latest developments affecting their utility investments.

On October 17, the Madison Regional Meeting brought members and guests to Olbrich Gardens in Madison to hear speakers from Wisconsin Power and Light (Alliant), Madison Gas and Electric (MG&E Energy) and the American Transmission Company.

On October 18, an overflow crowd of WUI investors and prospective new members in Green Bay visited the Railroad Museum and heard a variety of speakers bring them up-to-date on news affecting Integrys and other state utilities.

At both regional sessions, door prizes were drawn. Three lucky attendees were rewarded with five shares of MG&E Energy or Integrys common stock.

A third regional meeting, originally scheduled for November 15 in Eau Claire, has been postponed. The rescheduled date will be announced in a later publication.



Panel of utility experts discuss current issues.



WUI members listen to national speakers.



WUI Executive Secretary Bob Seitz tells members they must be active to protect their interests.



## BETTER 114 DAYS LATE THAN NEVER

### WISCONSIN LEGISLATURE FINALLY PASSES THE STATE'S BIENNIAL BUDGET



The 2007 Wisconsin State Budget negotiations, which have dragged on for months past the deadline for passage, have finally been concluded. The two-year, \$57.2 billion package finally emerged as compromise was reached between the two sides. Republicans had balked at attempts by the Governor and Senate Democrats to impose massive new taxes. In late negotiations, the parties were a billion dollars apart as the Governor and Democratically controlled Senate argued to include a variety of new taxes and raids on state earmarked funds. Assembly Speaker Mike Huesch, Senate Majority Leader Judy Robson and Governor Jim Doyle finally announced that an agreement had been reached. The Budget Conference Committee, composed of four members from the Senate and four members from the Assembly with an equal number of Republicans and Democrats, voted 7 to 1 to advance the Conference Committee Budget to the full Legislature for approval. Following lengthy debate, the unamendable package was finally passed by the Assembly on a 50-39 vote and by the Senate on a vote of 18-15.

A majority of funding sources (new and increased taxes and fees) were rejected. These included a hospital tax, oil company gross receipts tax, real estate transfer fees, combined reporting and vital records fees. Republicans did agree to a \$1 increase in the cigarette tax, registration fee increases and a \$200 million dollar transfer from the Patient's Compensation Fund (money set aside to assist physicians who are sued for malpractice). The State has been put on notice that this latter transfer will be challenged in court.

### SENATE DEMOCRATS DITCH ROBSON AS MAJORITY LEADER



Senate Majority  
Leader  
Russell Decker

Wisconsin State Senator Russ Decker has replaced Sen. Judy Robson as Senate Majority Leader. The change in leadership came less than 24 hours after Senate Democrats concluded action on the state budget. A spokesman for Senator Robson said the senator was "disappointed and caught off guard" by the decision. He reported Senator Robson was "pulled off the floor yesterday and told the Democrats would return to caucus to question her leadership." Decker said he would be making committee announcements soon.



Senator Judith  
Robson

Immediately following the closed caucus vote, Decker told members of the media there would be no other changes in leadership. Decker said the caucus wanted to "move in a different direction and have a stronger message", a not too subtle indication of Senate Democrats' feelings about their lack of success in state budget deliberations. Decker has said he hopes to reverse some of the agreements made in the final budget compromise.

### WE ENERGIES SELLS 2500 ACRES TO TRUST FOR PUBLIC LANDS

We Energies has sold more than 2,500 acres in northeastern Wisconsin and the Upper Peninsula of Michigan for about \$4 million as part of a previously announced program which would allow it to reduce its ownership by 11,000 acres.



The Wisconsin Department of Natural Resources purchased about 500 acres in Florence County in and adjacent to the Spread Eagle Barrens state

natural area for \$576,000, using money from the state's Knowles-Nelson Stewardship Fund. We Energies, a subsidiary of Wisconsin Energy Corp. is selling the land because it has become surplus to its operations.

The Trust for Public Lands, a private nonprofit organization, purchased an additional 2,000 acres in the Upper Peninsula's Sturgeon River Gorge Wilderness in the Ottawa National Forest. The price for those parcels was about \$3.4 million. According to officials, the trust bought the land because the U.S. Forest Service did not have the ready cash to do so. It intends to resell the land to the government once money is appropriated.

### MGE SIGNS NEW WIND POWER AGREEMENT

Madison Gas and Electric (MGE) has signed an agreement to build and own 30 megawatts of renewable energy at a wind farm complex near Mason City, Iowa. The agreement will increase MGE's wind power portfolio by nearly four times. The Top of Iowa Phase II wind energy project is being developed by Midwest Renewable Energy Projects LLC (MRE Projects). MGE will invest \$56 million in the project, which is expected to go on-line in the last quarter of 2007. With this purchase, the company will power about five percent of its annual energy demand using renewable energy sources. The project will provide enough electricity to supply about 12,000 homes annually.



According to Scott Neitzel, vice president - Energy Supply, "This additional wind power allows MGE to meet its commitment under Wisconsin's renewable portfolio standard three years ahead of the 2010 deadline. We anticipate regulatory approval for our project the first part of next year." MGE built the first large-scale wind facility in Wisconsin in 1999. The company continues to operate the 11.2-megawatt wind farm in Kewaunee County. The company also provides electricity generated from solar energy, landfill gas and clean-burning alternative fuels that replace coal.

## XCEL ENERGY WINS LAWSUIT OVER NUCLEAR STORAGE

A court has awarded Xcel Energy \$116.5 million because of the federal government's failure to open the Yucca Mountain nuclear storage facility on schedule. Northern States Power, a predecessor company to Xcel, had sued the United States Department of Energy, claiming breach of contract. The U.S. Court of Appeals agreed with the Minneapolis based utility. The case involved the company's three nuclear power plants, located in Minnesota. In the 1980's, Yucca Mountain, located in Nevada, was designated the nations repository for nuclear waste. However, it has been bogged down by controversy and politics, and it is now believed the earliest opening date possible would be 2017.



## WISCONSIN ENERGY TRANSFERS OWNERSHIP OF POINT BEACH NUCLEAR PLANT TO FPL ENERGY

Wisconsin Energy Corporation has completed the sale of its Point Beach Nuclear Plant to FPL Energy, a subsidiary of FPL Group, Inc. FPL Energy has assumed management and operation of Point Beach from Nuclear Management Company, which has operated the plant for We Energies since 2000.



FPL Energy purchased the plant, its nuclear fuel and associated inventories, for approximately \$924 million. The final agreement reflects adjustments at closing and will also result in the release of decommissioning trust investments in excess of \$482 million to We Energies. The transaction will result in more than \$882 million of proceeds for the benefit of We Energies customers -- approximately \$57 million more than originally projected.

Point Beach is located near Two Rivers, Wisconsin. The first unit at Point Beach entered into commercial service in 1970 and is licensed to operate until 2030. The second unit was brought on line in 1973 and is licensed to operate until 2033. The sale includes a long-term agreement under which FPL Energy will sell 100 percent of the output of Point Beach to We Energies through the current license term of each unit at the plant. We Energies also has the option to purchase power from any capacity upgrades at the existing plant and an option to invest in and own up to 40 percent of any new generation built at the site. The Public Service Commission of Wisconsin approved the transaction and issued a written order on September 25. The Federal Energy Regulatory Commission, U.S. Nuclear Regulatory Commission and Michigan Public Service Commission also approved aspects of the transaction.



FPL Group Inc. operates nuclear plants in Florida, Iowa and New England.

## Green Bay Regional Meeting Snapshots



Tom Mainz, Executive Vice President of External Affairs of Integrys Energy Group, addresses the Green Bay Regional Meeting.



Wisconsin Utility Investor's Chairman Roger Cole Addresses the Regional Meeting in Green Bay.

## **ALLIANT ENERGY BREAKS GROUND ON COMPANY'S FIRST OWNED AND OPERATED WIND FARM**

Wisconsin Power and Light Company (WPL), a subsidiary of Alliant Energy Corporation, has broken ground on the Cedar Ridge Wind Farm, the company's first fully owned and operated wind farm. Once complete, the site will produce enough energy to power at least 17,000 homes.

"This is an important day for Alliant Energy and our customers as we continue to strive to meet the increasing demand for 'green' energy," said Bill Harvey, President and Chief Executive Officer for Alliant Energy.

The Cedar Ridge Wind Farm will cover a 12.2-square mile area in the townships of Eden and Empire in Fond du Lac County, Wisconsin. Forty-one Vestas wind turbines will dot the landscape, generating approximately 68 megawatts of electricity. A community learning center and educational kiosk are also planned to allow people from around Wisconsin to get an "up-close" look at the wind farm.

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**BILL HARVEY, PRESIDENT AND  
CHIEF EXECUTIVE OFFICER**



The company plans to add an additional 400 megawatts of wind power to its portfolio by the end of 2010. In addition, the proposed expansion of the Nelson Dewey Generating Station in Cassville, Wisconsin, is being designed with the capability to burn renewable resource fuels such as wood, corn stover, or switchgrass. Construction will be done in phases, beginning with the installation of turbine access roads, foundations and the substation this fall. Turbine erection, assembly and commissioning, along with public road improvements and cabling, will take place in 2008. The wind farm is expected to be online by the end of 2008.

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