



Wisconsin Utility Investors, Inc. Legislative/Regulatory Update

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THE NEED IS CLEAR; IT'S TIME FOR ROUTE DECISIONS by Mark Williamson

While the debate continues on choosing the best route for a new electric transmission line through southern Dane County, a separate debate lingers about whether the line is really needed at all. The need for additional electricity capacity in Dane County is undeniable. Consider the following facts.

The system being used today was built primarily between the 1920s and the mid-1980s. While it has been adequate during an era of tremendous growth, it cannot continue to keep pace indefinitely given the limitations and age of the system. Importing power via transmission lines is an important element for meeting the electricity usage of homes and businesses in an economical way. Although 70 percent is typical, at any given time, Dane County imports between 46-100 percent of its electric power needs from outside the county. Because the county's population continues to increase in numbers faster than any other county in the state, the reliance on imported power-and on transmission lines-increases each year as well.

In evaluating the need for this project-which was projected as early as 1986-many alternatives were explored. Conservation won't eliminate the need. Boosting the existing system with high-tech conductors won't eliminate the need. And since there are no plans for new power plants, a local generation solution won't eliminate the need. Even when considered in combination, none of these are a substitute for upgrading an old, inadequate system. At best, these alternatives would serve merely to slow the rate of growth or perhaps delay the project by a year or two. It would be irresponsible of ATC — and a significant risk to the economic health of this region — to put off building this necessary infrastructure in the hope that a sea of change in electricity consumption would happen within a few years or that a power plant would be built or some new technology would solve the problem. Further, even if some of these alternatives were seriously pursued, either by individual consumers or local utility companies, the costs would far outweigh the \$250 million cost of transmission line projects planned in the next decade.

In the next five years, the system will no longer be adequate to reliably serve the county or allow for economic growth. And down the road, the additional electric infrastructure is needed to accommodate the 150,000 additional residents and the 75,000 new housing units expected by 2031. A strong, modern network will provide options to meet growth, manage crises, handle demand peaks and adapt to changing conditions. Most of all, it means the lights will stay on. It's critical that we build support for these projects and acknowledge the reality of the need. At ATC, it is our responsibility to ensure that we plan for current and future electricity needs. A reliable and adequate supply is indispensable for our businesses, our factories and our homes, and is essential for economic growth. Transmission lines also enable local utilities to buy power from lower-cost providers outside the region, which helps control costs for all customers. And a dependable supply of affordable electricity allows businesses to relocate or expand here with confidence. The question of need already has been answered-and we are confident it will be reaffirmed when the PSC reviews our proposal. We have a serious problem here, and we are making every effort to include the public in the development of the solution. It's time for those who still question the need to begin to consider which of the proposed routes makes the most sense for the community.

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MONTGOMERY NAMED CHAIR OF NUCLEAR POWER STUDY COMMITTEE

Determining the proper mix of nuclear energy in Wisconsin's diversified energy portfolio will be the job of a newly appointed Committee on Nuclear Power to be chaired by state Representative Phil Montgomery (R-Ashwaubenon). Montgomery said, "Wisconsin's growing demand for energy is forcing us to look at alternative energy solutions which meet environmental standards while remaining cost effective." The group will study the present nuclear moratorium in light of increased demand and the development of new technologies, which may make this energy source safer and more cost effective. The committee membership includes a broad cross section of interests including legislators, local officials, union representatives, consumers and environmental groups, industry groups, utilities and citizens. The committee held its first session at Point Beach Nuclear Plant on September 29th.

STUDY FAULTS ECONOMIC DEVELOPMENT CLIMATE BASED ON "LITIGATION ATMOSPHERE"

According to a recently released report, numerous national studies have confirmed a significant drop in Wisconsin's overall economic development climate ratings. In an annual ranking by the U.S. Chamber's Institute for Legal Reform (Harris Poll), Wisconsin's "litigation atmosphere" rank has fallen during a three-year period from 10th to 23rd. Another study commissioned by the National Association of Manufacturers ranks Wisconsin 30th. Meanwhile, the Wall Street Journal noted several 2005 Wisconsin Supreme Court cases and vetoes of the subsequent legislative corrective action attempts as contributing factors for these negative rankings. Recently, Forbes Magazine, reporting on the "Best States to do Business," ranked Wisconsin 42nd in Regulatory Environment, including tort climate. The new study (The Growing Threat to Economic Development: Wisconsin's Immediate and Critical Need for Legal Reform), conducted by the Wisconsin Economic Development Institute (WEDI), examined the role of legal reform in economic development. Among its evaluations, the research concludes that the civil justice system is not working and it is exposing existing Wisconsin employers and prospective new businesses to unwarranted risk, thus hindering new capital investment and employment retention/expansion efforts.

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