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IN THIS ISSUE

INTEGRYS ENERGY DEDICATES NEW WESTON ELECTRIC GENERATING UNIT1

ALLIANT ENERGY CASSVILLE POWER PLANT PROJECT TO BE DECIDED BY YEAR'S END2

XCEL ENERGY SEEKS RATE INCREASE TO FUND CLEAN ENERGY PROJECTS AND HIGHER FUEL COSTS2

WE ENERGIES, MADISON GAS & ELECTRIC, AND WISCONSIN PUBLIC POWER COMMIT TO ADDITIONAL ENVIRONMENTAL INITIATIVES3

DON'T MISS THE WUI ANNUAL MEETING4

INTEGRYS ENERGY DEDICATES NEW WESTON ELECTRIC GENERATING UNIT

With a ceremonial snip of a ribbon by local, state and company officials, the new \$774-million, state-of-the-art, electric generating unit, Weston Power Plant's Unit 4, south of Wausau in central Wisconsin, was dedicated on August 18th. Officially dedicating the new unit were Public Service Commission of Wisconsin Chairperson Eric Callisto, Wisconsin Public Service Corporation President Charlie Schrock, Dairyland Power Cooperative President and Chief Executive Officer Bill Berg, Village of Rothschild President Neal Torney, and Village of Kronenwetter President Rick Smith.

The new 525-megawatt, low-sulfur-coal-fueled power plant became commercially operational on June 30, 2008, and was being dispatched by the Midwest Independent System Operator on July 1, 2008, following an aggressive construction schedule that took more than 3.5 years to complete. Just under four and one-half million work-hours were logged to complete the 14,621 specific tasks that were part of building the new power plant.

"We are most appreciative of everyone's hard work and dedicated effort to get the plant built and operating," said Charlie Schrock, President of Wisconsin Public Service Corporation, a subsidiary of Integrys Energy Group, Inc. Groundbreaking was in October, 2004. "Our dream is now a reality," he said.

Schrock pointed out that the new unit is one of, if not, the cleanest fossil-fueled power plant in the country. A high-efficiency boiler and a state-of-the-art emission control system, in combination with the use of low-sulfur coal as a fuel source are helping to keep emissions low.

There was a significant economic impact on the area during the construction of Weston 4. Over this construction period, nearly 4,700 workers, including those employed by about 40 local and regional contractors, with a payroll of \$250 million were needed to complete the work. In addition, an estimated \$20 to \$30 million in local goods and services were purchased during construction. Local municipalities and Marathon County will receive a significant increase in the shared revenue payments now that Weston 4 is operational. About 40 permanent power plant jobs were added to operate the plant.



August 18, 2008 - Weston 4 Dedication and Community Event Celebration. Officially dedicating the new Weston Unit 4 are (from left to right) Eric Callisto, Chairperson of the Public Service Commission of Wisconsin; Neal Torney, Village of Rothschild President; Charlie Schrock, President of Wisconsin Public Service; Bill Berg, President and Chief Executive Officer of Dairyland Power Cooperative; Geraldine Kowalski, Trustee of Village of Kronenwetter; and Larry Weyers, Chairman, President and Chief Executive Officer, Integrys Energy Group, Inc.

Wisconsin Public Service owns 70 percent of the new plant and operates it, while Dairyland Power Cooperative owns the other 30 percent. The total project cost was split between the two entities by ownership percentage.

ALLIANT ENERGY CASSVILLE POWER PLANT PROJECT TO BE DECIDED BY YEAR'S END

Alliant Energy-Wisconsin Power and Light Company (WPL) expects a regulatory decision by the end of the year from the Public Service Commission of Wisconsin on its proposal to expand its existing 200-megawatt Nelson Dewey Generating Station in Cassville, Wis. The 300-megawatt expansion would help meet growing demand in WPL territory and is situated in such a place on the transmission system that it would allow for an additional 625 megawatts of imported power capacity.

While coal would be the main fuel source for the new unit, WPL is proposing to utilize 20 percent biomass as well. Biomass can include native grasses, corn stalks, and/or waste wood. The establishment of a sustainable, renewable biomass market in Wisconsin will mean additional sources of revenue to area farmers, foresters and agricultural operations. This biomass market also has the potential to encourage the growth of native grasses in southwest Wisconsin and better management of forest lands. As part of an aggressive "carbon reduction plan" released earlier this summer, WPL has pledged to continue its energy efficiency programs, increase its use of renewable energy, and shut down its oldest coal plant to more than offset the carbon emissions from the new plant.

WPL estimates that as many as 900 family-supporting jobs

will be created by this plant during the height of construction, and 26 permanent positions once the plant is operational. Affordable and reliable energy is directly related to job creation and will serve as a strong economic base for the state of Wisconsin. WPL's proposed project balances need, cost, and environmental responsibility. It is a positive step

toward reducing our reliance on fossil fuels, while ensuring that businesses and families in Wisconsin will continue to have access to affordable energy. To learn more about WPL's Nelson Dewey project and its carbon reduction plan, visit www.alliantenergy.com/ned.



Members can support the project by going to the PSCW website: <http://psc.wi.gov/apps/dockets/comment.aspx> and click "file a comment" below the title **Alliant (WP&L) Requests to Build Power Plant** (Nelson Dewey-Cassville or Columbia-Portage). A letter can be sent to:

Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Members should let PSCW Commissioners know they support the Alliant Energy Nelson-Dewey Project to bring reliable, affordable electric power to Wisconsin. Case # 6680-CE-170 should be referenced.

XCEL ENERGY SEEKS RATE INCREASE TO FUND CLEAN ENERGY PROJECTS AND HIGHER FUEL COSTS

Citing significant ongoing investments in cleaner sources of energy, transmission lines and increasing costs for fuel and purchased power, Northern States Power Company-Wisconsin, an Xcel Energy company, has filed an application with the Public Service Commission of Wisconsin (PSCW) for an increase in electric base rates effective January 1, 2009.

"In the coming years, we will continue to make investments to reliably meet the needs of our customers with cleaner, more efficient power sources," said Don Reck, Director, Regulatory and Government Affairs. "Our analysis shows that these investments, along with enhancements to our existing fleet of power plants are the best options and result in the lowest possible cost over the long-term for our customers. Our emission reduction projects are creating about 400 megawatts of new generating capacity in the upper midwest while using existing power plant sites and dramatically reducing emissions



by more than 90 percent. This improves the air quality for our customers and communities."

At the same time, Xcel Energy is investing in new wind generation and transmission lines to provide access to the region's best wind generation area.

"We are the nation's No. 1 wind power provider and by far the leading renewable energy company in Wisconsin," Reck said. "If we are to continue to take advantage of wind-generated electricity from 'wind rich' areas, new power lines are essential."

In its application, Xcel Energy asks to increase electric rates by \$47.1 million. This includes:

- \$18.8 million (40 percent) for electric generation and transmission investments, including the voluntary emission reduction projects. These investments also include

continued on page 3

WE ENERGIES, MADISON GAS & ELECTRIC, AND WISCONSIN PUBLIC POWER COMMIT TO ADDITIONAL ENVIRONMENTAL INITIATIVES

We Energies, Madison Gas & Electric and Wisconsin Public Power have announced a significant new commitment to environmental initiatives. These include reductions in greenhouse gases, investments in additional renewable energy resources, funding to protect Lake Michigan's ecosystem and the retirement of older, less-efficient generation.

"Coupled with other initiatives we have under way, our three utilities are taking a leadership role in providing cost effective energy, maintaining fuel diversity and protecting the environment," according to Gale Klappa, Chairman, President and Chief Executive Officer of We Energies.

The commitments include:

- **GREENHOUSE GAS EMISSION REDUCTIONS** - Supporting legislation to increase Wisconsin's Renewable Energy Standard to 10 percent by 2013 and 25 percent by 2025, as found in the Final Report of the Governor's Global Warming Task Force.
- **LONG-TERM REDUCTION OF GREENHOUSE GAS EMISSIONS** - Investing \$5 million to implement projects consistent with the Final Report of the Governor's Global Warming Task Force.
- **BIOMASS GENERATION** - Seeking regulatory approval to construct 50 megawatts (MW) of non-food crop biomass generation in Wisconsin.
- **SOLAR GENERATION** - Seeking regulatory approval for 15 MW of new solar generation which would be developed by providing incentives for customers to install solar capacity, purchasing solar energy output from other generators or constructing solar generation facilities.
- **PROTECT LAKE MICHIGAN** - Seeking regulatory approval to dedicate \$4 million annually for 25 years toward projects that will address water quality issues in Lake Michigan such as invasive species, polluted runoff, toxic loadings and habitat destruction.
- **RETIRING OLDER LESS-EFFICIENT COAL** - Retiring an additional 116 MW of coal capacity from two generating units at the Presque Isle Power Plant in the Upper Peninsula of Michigan by no later than the end of 2012.
- **ADDED CONSERVATION AND ENERGY EFFICIENCY FOR PUBLIC BUILDINGS** - Investing in energy efficiency projects for public buildings that are consistent with the recommendations of the Governor's Global Warming Task Force.
- **REPORTING OF GREENHOUSE EMISSIONS** - Providing useful information to customers and the public regarding annual greenhouse gas emissions.

These environmental initiatives are the key elements of a settlement agreement with Clean Wisconsin and Sierra Club, two groups that opposed the water intake permit for the expansion units at the Oak Creek Power Plant site. Under the settlement agreement, the groups have withdrawn all legal opposition to the permit.

continued from page 2

increasing the output at Xcel Energy's nuclear and hydroelectric power plants and a new 100-megawatt wind farm project — sources that do not contribute to global warming.

- \$22.7 million (48 percent) for market-driven fuel and purchased power expenses.
- \$5.6 million (12 percent) for increases in various operating and maintenance expenses associated with generation and transmission.

Under this proposal, a typical residential electric customer would see an increase of 7.9 percent, or \$6.47 a month, based on a usage of 750 kilowatt-hours. Increases for commercial and industrial customers vary depending on rate classification.



Project Manager for Weston Unit 3, Dick Krueger, congratulated Dave Harpole, Vice President of Energy Projects on a job well done at Weston 4. Krueger was responsible for constructing the 300-megawatt Weston Unit 3 in the late 1970's which began operating in 1981. Krueger now serves on the WUI Board of Directors.

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DON'T MISS THE WUI ANNUAL MEETING RESCH CENTER, GREEN BAY, SEPTEMBER 25TH

It's not too late to register for the 2008 WUI Annual Meeting of Members to be held at the Resch Center in Green Bay on September 25th. In addition to great speakers, lunch, and door prizes, you'll have an opportunity to meet and discuss utility issues with fellow utility shareholders.

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