



**Wisconsin Utility Investors, Inc.**

# **LEGISLATIVE / REGULATORY UPDATE**

Issue 4

August 2005

## **Governor Signs State Budget**

On Monday August 1, Wisconsin Governor Doyle signed the fiscal 2006-2007 State Budget, laying to rest concerns that he might veto the entire document. With veto powers that are among the most extensive in the country, the Governor made sweeping changes in the bill sent to him by the Republican controlled legislature. One item vetoed was a provision, authored by Representative Scott Jensen (R-Waukesha), which would have changed the utility tax sharing formula for existing plants and property from the current system using net book value to one based upon capacity. New plants are already treated in this way. It would also have placed substations and general structures (office and related buildings) back on the local property tax roles. As drafted, it would have increased local revenues, without increasing utility taxes. Specific items affecting utilities and utility shareholders will be detailed in the next issue of the Investor's Voice.

## **Xcel's Brunetti Retires - Kelly Named President and CEO**

Wayne Brunetti, Chairman and Chief Executive Officer of Xcel Energy, has retired. He remains Chairman of the Board until mid-December 2005. Brunetti, 62, began his career in the electric and gas industry in 1964. He was Chairman, President and CEO of Xcel Energy from August, 2001 until October, 2003, when Richard Kelly was named President and Chief Operating Officer. The Xcel board has named Kelly, 58, as the new CEO. Kelly is a long-term employee of Xcel and its predecessor companies, New Century Energies and Public Service Company of Colorado.

## **Transmission Line Conveyance Bill Signed**

Assembly Bill 437, which would include government owned land under utilities' eminent domain powers when used for building transmission lines, has been passed and signed by the Governor. The bill, which had been strongly supported by WUI, was introduced because of the refusal of Douglas County to negotiate over the sale of county land needed to complete a critical transmission facility. Now that the bill is law, the county has indicated its willingness to enter negotiations.

## **Wisconsin Supreme Court Ruling Damaging to all Businesses**

The Wisconsin Supreme Court has struck down a cap on awards for pain, suffering and loss of companionship. On a 4-3 vote, the Court said the cap was arbitrary and treated patients unfairly. The cap is presently about \$450,000. The ruling expands the liability for all businesses and will make the state a magnet for trial lawyers seeking to get rich through large settlements while killing Wisconsin jobs. WUI will be supporting legislation to approve new caps. Let the Governor and legislators know you support reasonable caps on these awards.

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UPDATE**

*The Legislative/Regulatory Update is published bimonthly for the members of the Wisconsin Utility Investors.*

**August 2005  
Volume 3, Number 4**

**2004-05 Board of Directors**

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## **ATC Investing in Dane County to Meet Future Needs**

American Transmission Company, the company, created to build and maintain Wisconsin's electricity transmission system, is making a heavy investment in Dane County in order to meet the demands of that area's electricity growth. ATC is placing \$110 million worth of transmission reinforcements between 2002 and 2007 to improve reliability and meet future needs as Dane County's annual electricity demand is growing at almost 4 percent, nearly twice the statewide average. In some rural parts of the county, electricity demand is growing three to four times the state average.

## **New Gas Pipeline Planned**

Because the demand for natural gas is surging in the state, plans are underway for another major gas pipeline. The plans come less than three years after the Guardian Pipeline, connecting Joliet, Illinois, with Milwaukee, was completed. The proposed pipeline would extend from Milwaukee to Green Bay. Three companies, Wisconsin Energy, WPS Recourses and Wisconsin Power and Light Company (a subsidiary of Alliant Energy) have solicited proposals for the pipeline which could be built by late 2008.

**Mark your calendars now! The 2005 WUI Annual Meeting of Members will be held at the Crowne Plaza Hotel in Madison on Friday, September 30th. A great program is being planned. Watch your mail for registration materials.**

## **Wisconsin Utility Investors**

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