



Wisconsin Utility Investors, Inc.

Legislative/Regulatory Update

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WISCONSIN LEGISLATIVE ACTION NEAR ON CRITICAL ENERGY BILL

Wisconsin legislative committees are finishing their work in preparation for the final floor period which begins April 13 for what should be its final two-weeks. Legislative activity will end on April 22, the last day the full Legislature meets to vote on bills. The Governor's 174-page climate change bill, which Wisconsin Utility Investors strongly opposes, remains to be dealt with. Experts predict that it will greatly increase energy costs for Wisconsin residents and businesses and result in massive jobs losses.

Legislators have been meeting behind closed doors preparing a substitute amendment which could remove some of the more controversial provisions. However, as of press time, it is unknown whether any changes will be made to the renewable energy mandates. Under current law, energy utilities are required to generate 10 percent of their energy from renewable sources by 2015. This bill would require them to increase to 20 percent renewable energy by 2020, and to 25 percent by 2025. It would also move the current 10 percent mandate to 2013 from 2015.

A provision known as ARTs (for Advanced Renewable Tariffs) would require utilities to pay a large premium for energy produced by small producers in their territory. For instance, a homeowner could put up an expensive wind tower in the backyard with government subsidies and their utility would have to buy any excess energy at far more than it is worth, whether they can use it or not. This would leave the utility picking up the cost for the entire electrical system to handle the energy they may not need and are paying too much for. Currently, utilities enter into voluntary agreements to buy as much of this excess energy as they need, can afford and can handle on the system.

Beyond the utility provisions, the bill goes so far as to have the state recommend to local communities how much they should charge at their parking meters. The theory is that those cheap parking meters that make it convenient for you to shop at local businesses are causing global warming (even though global warming hasn't happened in over 15 years.)

WUI has joined with forty other associations from around the state in opposition to the bill. Make your voice heard today by calling your legislator at 1-800-362-9472 or use WUI PowerLines by going to www.wuiinc.org and clicking the PowerLines logo.

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MEINZ RETIRES AT INTEGRYS ENERGY GROUP SCHOTT NAMED SUCCESSOR

IntegrYS Energy Group Executive Vice President and Chief External Affairs Officer Tom Mainz retired on March 31, 2010, after more than forty years with the company. As leader of the External Affairs department, Mainz was responsible for IntegrYS' community, regulatory and legislative affairs, as well as its media relations, customer communications and brand strategies. He has been replaced by James Schott. Mainz, 63, also has held the posts of Chairman of Upper Peninsula Power Company, Michigan Gas Utilities and Minnesota Energy Resources, and was President of Wisconsin River Power Company, all affiliates of IntegrYS. During his career, he also headed the Environmental Services department and Power Supply & Engineering groups.

Tom has been a great friend to utility investors and a great supporter of WUI. We hope to continue seeing him at WUI events.

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**WE ENERGIES WIND PROJECT TO USE
ALLIANCE OF WISCONSIN FIRMS**

We Energies has announced it has developed a Wisconsin-based alliance to design and build the Glacier Hills Wind Park which will be located in the towns of Randolph and Scott in Columbia County. The project is expected to generate more than 400 million emission-free kilowatt hours annually - enough to power 45,000 homes. The construction alliance will include The Boldt Company of Appleton, Michels Corporation of Brownsville and Edgerton Contractors, Inc. of Oak Creek.

**ALLIANT ENERGY BOOSTS ENERGY EFFICIENCY
AT EIGHTEEN WISCONSIN ARMORIES**

Alliant Energy recently completed a wide-ranging energy-efficiency project that upgraded lighting and steam traps at eighteen different Wisconsin armories across southern Wisconsin, saving an estimated \$67,841 annually on the facilities' energy bills. The work was done under the State's Conserve Wisconsin Energy Saving Performance Contracting Program. Eighty million dollars in state bonding was provided in the 2009-2011 state budget for this and other energy efficiency projects in state buildings.

UPPCO SEEKS BIDS FOR CATARACT HYDROELECTRIC PROJECT

Upper Peninsula Power Company (UPPCO), a subsidiary of Integrys Energy Group, has issued a Request for Proposal (RFP) to sell its Cataract Dam and hydroelectric project property near Gwinn MI. The company is currently examining all its options for the dam which needs significant renovations to the existing penstock. The cost of modifications to the dam and currently forecasted electricity prices suggest that this asset is not competitive with other generating resources available to UPPCO. Selling the dam and land to an independent power producer (IPP) is one of the options UPPCO is considering in lieu of petitioning the Federal Energy Regulatory Commission (FERC) for approval to abandon and remove the dam

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