



Wisconsin Utility Investors, Inc.

Legislative/Regulatory Update

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WISCONSIN UTILITY INVESTORS ANNUAL MEETING DATE FIXED

Wisconsin Utility Investors' Annual Meeting of Members will take place on Thursday September 17th at the Brookfield Suites, located at 1200 S. Moorland Road, Brookfield, Wisconsin. Featured speaker will be Gale Klappa, Chairman, CEO and President of Wisconsin Energy Corporation. The program will include a panel discussion with representatives from all Wisconsin utility companies, and executives from the Edison Electric Institute and the American Gas Association.

ENCOURAGING SIGNS CONCERNING FEDERAL DIVIDEND AND CAPITAL GAINS TAXES

"Defend My Dividend" (DMD), a coalition created by the American Gas Association (AGA) and the Edison Electric Institute (EEI) to preserve fair tax rates on qualified dividends, says it is encouraged by legislative and administration proposals to make permanent the current capital gains and dividend tax rates for the majority of American shareholders while capping the rate at 20 percent for higher-income families. This is a major policy issue for Wisconsin Utility Investors.

WISCONSIN CONGRESSMAN RYAN BLASTS FEDERAL ENERGY BILL

Representative Paul Ryan (R-Janesville) says the last thing Wisconsin families need is higher energy prices. However, the President's proposed cap and trade bill would require all energy producers to buy expensive government permits in order to produce energy from certain natural resources or to produce certain goods such as steel or cement. He notes that cold-weather states such as Wisconsin will take direct hits in higher energy costs. He says taxpayers already provide a nearly 40 percent subsidy rate for solar and wind producers, \$15 billion per year for other renewable energy sources and conservation programs, \$24 billion for the energy-related portion of the Department of Energy's budget and \$39 billion to the so-called "stimulus" bill for other energy projects.

INTEGRYS ENERGY SERVICES TO DIVEST PART OF ITS CANADIAN GAS AND ELECTRIC CONTRACT & SELL CONSULTING BUSINESS

Integrys Energy Group has announced that Integrys Energy Services of Canada Corp., a subsidiary of its unregulated subsidiary, Integrys Energy Services, Inc., has signed an agreement to sell nearly all of its Canadian natural gas and electric power contract portfolio to Shell Energy North America (Canada) Inc., a subsidiary of Shell Energy North America (US). The transaction, which requires certain contractual consents and necessary regulatory approvals, is expected to close in the third quarter of 2009. Upon close, the transaction will result in an incremental reduction of Integrys Energy Group's collateral requirements by an estimated \$300 million. It has also agreed to sell its energy consulting business to Minneapolis-based U.S. Energy Services for an undisclosed sum. However, the value realized is in line with Integrys Energy Group's recovered capital expectations associated with its unregulated segment divestiture plans.

HIGH-VOLTAGE POWER LINE BEING CONSIDERED

American Transmission Company (ATC) will be holding discussions about the possibility of building a high-voltage power line from La Crosse to Madison. It would partner with Xcel Energy, the only Wisconsin company not a part of ATC. Xcel Energy, ATC and Dairyland Power Cooperative have been studying a possible Madison-La Crosse line for more than a year. The line under consideration would be 765,000 volts, larger than any existing transmission lines in the state. ATC also is exploring an upgrade to the 345,000-volt high-voltage power line running along the eastern side of the state - in a project that could help tie an offshore wind power project on Lake Michigan into the regional power grid.

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NEXT WISCONSIN BUDGET EXPECTED TO BE UNBALANCED

The Legislative Fiscal Bureau has reported that despite \$3.3 billion in tax and fee increases approved since February, Wisconsin's next governor and future legislators could have to solve a \$2-billion budget deficit in two years. Following each completed budget, the Fiscal Bureau estimates the size of the next two-year potential imbalance between tax collections and spending commitments -- the so-called "structural deficit."

**WISCONSIN POWER AND LIGHT CELEBRATES
KILBOURN DAM 100TH ANNIVERSARY**

Wisconsin Power and Light Company (WPL), a subsidiary of Alliant Energy, has held a special celebration to mark the 100th Anniversary of the Kilbourn Dam located in Wisconsin Dells. The hydroelectric generating station began generating power in early August 1909 and continues to provide up to 10 megawatts of renewable, green energy. The current Kilbourn Dam was constructed from 1906 to 1909. At the time it was completed, it was the largest dam west of Niagara Falls and was viewed as a modern engineering marvel. Once the dam was operational, the flow of the Wisconsin River was stabilized, and the water depth was increased significantly. The increased water level was important because it permitted large boats to reach points in the Upper Dells that previously had been almost inaccessible. In addition, the dam also increased the average flow of the Lower Dells. The Kilbourn Dam's regulation of the Wisconsin River level has been largely responsible for the growth of the boat excursion and resort business in the Wisconsin Dells area.



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