

# **wui** Legislative/Regulatory Update



A bimonthly publication for the members of the Wisconsin Utility Investors.

Volume 17 • Issue 4 • September 2019

## **XCEL ENERGY SECOND QUARTER 2019 EARNINGS REPORT**

Xcel Energy has reported 2019 second quarter GAAP and ongoing earnings of \$238 million, or \$0.46 per share, compared with \$265 million or \$0.52 per share in the same period in 2018.

Earnings reflect higher electric and natural gas margins primarily due to non-fuel riders and regulatory rate outcomes, more than offset by 5 cents per share of unfavorable weather, increased depreciation, interest and operating and maintenance expenses.

"Despite the milder than normal weather in the second quarter, Xcel Energy's year-to-date earnings are on track, and we are well-positioned to deliver earnings within our guidance range for the year," said Ben Fowke, chairman, president and CEO of Xcel Energy.

"I am pleased that we have filed our Upper Midwest Resource Plan, which is another significant step forward in our industry leading drive to reduce carbon emissions while ensuring reliability and affordability," said Fowke. "This plan achieves an 80% reduction in carbon emissions in the region by 2030, through the early retirement of the remaining coal units in the Upper Midwest, by substantially growing the amount of renewables on our system and adding new firm peaking resources to ensure continued reliability. This plan is a key stepping stone toward the company achieving its vision to provide customers 100% carbon-free electricity by 2050."

## **ALLIANT ENERGY WORKS TOWARD A CLEANER ENERGY FUTURE**

Alliant Energy has released its Corporate Sustainability Report. The report outlines Alliant Energy's continuing efforts to meet the ever-changing needs of their customers in an affordable, safe, reliable and sustainable way.

"Our world is changing – and so are we," said Alliant Energy Chairman, President and CEO John Larsen. "We're listening to our customers, employees and key stakeholders and continuing to evolve how we do business. Every day, our work is focused on enhancing the environmental, social and economic conditions of the communities we have the honor to serve."

Alliant Energy has been transitioning toward cleaner energy for more than a decade. Between 2016 and 2020, the company expects to spend approximately \$2 billion on new company-owned wind generation. By the end of 2020, Alliant Energy will own 12 wind farms with the capacity to power nearly 600,000 homes. This equals the energy needed to power about 60% of the company's residential customer base.

Alliant Energy is targeting a 40% reduction in carbon emissions below 2005 levels by 2030 and an 80% reduction by 2050. Last year, the company was among the first utilities to state that it plans to eliminate all existing coal from its energy mix by 2050.

## **MGE ENERGY REPORTS SECOND-QUARTER EARNINGS**

MGE Energy's earnings for the second quarter of 2019 were \$15.5 million, or 45 cents per share, compared to \$18.3 million, or 53 cents per share, for the same period in the prior year.

During the second quarter of 2019, electric net income decreased due to lower residential customer usage resulting from cooler weather in June compared to the same period in the prior year. Gas net income decreased during the quarter primarily related to lower gas retail sales attributable to warmer weather in April 2019 compared to the same period in the prior year.

## WE ENERGIES SPENDING \$200M AS A POLAR VORTEX FIX

WEC Energy Group has cited challenges the company faced during last winter's polar vortex as a major reason for spending \$200 million strengthening its natural-gas infrastructure in southeast Wisconsin.

## WE ENERGIES WORKS TO SOLVE A PROBLEM

The Milwaukee-based utility provider wants to reduce its turnover among workers in the city. People who live outside Milwaukee will start working in the city, said John Glynn, an area manager for We Energies. But when opportunities open closer to their home, they transfer.

"What we're striving for is to get a strong pool of diverse, skilled candidates that live and want to work in the city," Glynn said.

To resolve the issue, Glynn said, We Energies established a relationship with Milwaukee Public Schools to create a workforce pipeline. The company has two programs – with a third in the works – to give students professional experience in different areas of We Energies' operations. While solving its own workforce needs, We Energies is also engaging a population that has changed the ways it participates in the labor force.

## WEC ENERGY GROUP VIEWS SOLAR FOR FOXCONN'S ENERGY NEEDS

Although there have been many changes to Foxconn Technology Group's plans for its Mount Pleasant campus, the Chairman of WEC Energy Group says there is still a possibility the utility would at least partially meet the company's energy needs with a large scale solar array at the site.

The 22 million-square-foot LCD fabrication facility originally proposed by Foxconn would have required 230 megawatts. Gale Klappa, Chairman of WEC Energy Group, indicated the utility and company has considered using solar for 100 to 150 megawatts of that demand.

Foxconn's plans have changed significantly from the original project with the company opting for a smaller LCD plant and more product flexibility instead of building large display panels. The company's first main manufacturing facility will be around 1 million square feet.

Klappa noted Foxconn had "substantially reworked" the first phase of their plans during the first quarter of the year. He said the utility does not expect much change in energy demand for the project's first phase, pointing in particular to a high-capacity data center planned to support the campus' research activities.



## HELP WUI GO PAPERLESS!

If you would like to receive your Updates and Newsletters via email to save on paper and postage, please click on the option on our website at [www.wuiinc.org](http://www.wuiinc.org) or send an email to [info@wuiinc.org](mailto:info@wuiinc.org).

## REGISTER NOW!

2019  
**wui**  
**ANNUAL**  
**MEETING**  
**OF MEMBERS**



**Thursday, September 19**  
**Wade House, Greenbush, WI**  
**9:30am - 1:30pm**

*\* Free tour of museum included following meeting!*

**REGISTER AT [WUIINC.ORG](http://WUIINC.ORG) -OR- WITH ENCLOSED ENVELOPE**

# WUI 2019 MEMBER SURVEY

IN ORDER TO BETTER SERVE OUR WUI MEMBERS, WE WOULD LIKE TO LEARN MORE ABOUT WHAT'S IMPORTANT TO YOU. Please take a moment to fill out this brief survey available on-line at [WUIINC.org](http://WUIINC.org). You can also mail it using the enclosed envelope.

Your feedback is greatly appreciated! Your responses to this survey will be compiled with all member responses and will not be attributed to your name nor will your personal information be shared with outside sources.

## Which issues would you like to learn more about?

(Please number from 1 - 8, #1 being of greatest concern.)

- \_\_\_\_\_ Nuclear Energy
- \_\_\_\_\_ Legislative activities affecting your investment
- \_\_\_\_\_ Transmission line projects and the safety of the grid
- \_\_\_\_\_ Investment strategies
- \_\_\_\_\_ Renewable Energy Advances, such as; wind, water, and solar
- \_\_\_\_\_ Distributed Generation/Net Metering
- \_\_\_\_\_ Cyber Security and Threats
- \_\_\_\_\_ Other \_\_\_\_\_

## WUI Priorities (Please number your top three interests.)

- \_\_\_\_\_ Increase Utility Profitability
- \_\_\_\_\_ Promote Reasonable/cost-effective environmental regulation
- \_\_\_\_\_ Expand Renewable Energy (e.g. wind, solar, biomass)
- \_\_\_\_\_ Improve Energy Reliability
- \_\_\_\_\_ Work to keep rates down
- \_\_\_\_\_ Utilities fairly compensated for fixed costs of grid maintenance and reliability by all who use it

**Do you access the WUI Website?** ☐ Regularly ☐ Occasionally ☐ Never

**Do you read the WUI Newsletter?** ☐ Always ☐ Sometimes ☐ Never

**Do you regularly vote?** ☐ Yes ☐ No

**Do you ever contact your State representatives?** ☐ Yes ☐ No

**Please check which Wisconsin Utility Companies you own stock in:**

☐ Alliant ☐ MGE ☐ WEC ☐ Xcel

**Is there something else you would wish to be able to access from the website?** \_\_\_\_\_

**How could WUI better serve you?** \_\_\_\_\_

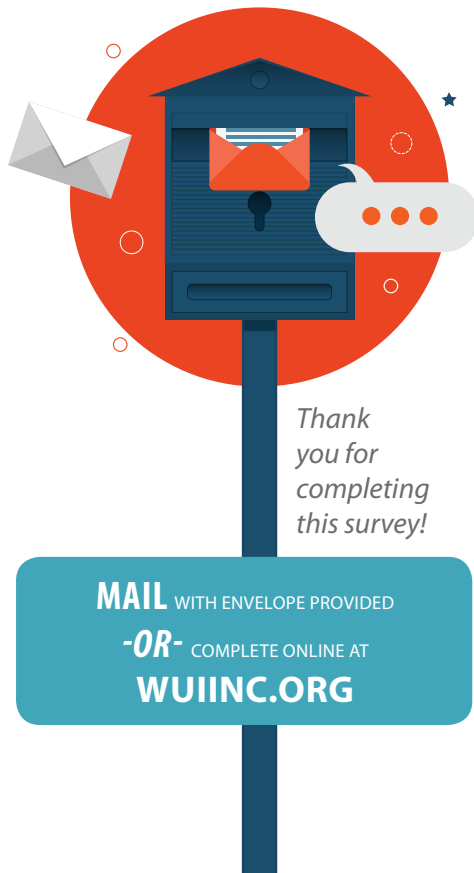
## - Tell us about yourself (confidentially) -

**Do you consider yourself retired/semi-retired?** ☐ Yes ☐ No

**Age:** ☐ Less than 44 ☐ 45-64 ☐ 65-74 ☐ More than 75

**Annual Income Level (Optional):**

☐ Under \$50,000 ☐ Between \$50,000 - \$100,000 ☐ Over \$100,000







10 East Doty Street, Suite 500  
Madison, WI 53703-3397

PRSRT STD  
US Postage  
**PAID**  
Madison, WI  
Permit No. 549



**THE WUI LEGISLATIVE/  
REGULATORY UPDATE**

is published bimonthly for the  
members of the Wisconsin  
Utility Investors.

**WUI BOARD OF DIRECTORS**

*Chairman, Roger Cole  
Vice-Chair, Richard Krueger  
Secretary, Thomas Fehring  
Treasurer, Kenyon Kies  
Ass't Treasurer, Charles Clarke*  
*Members,*

Dale Landgren  
Phillip Mikulsky  
James Mohrbacher  
Trudy Popenhagen  
Jeffrey West

**James Buchen  
Executive Director**

10 East Doty St, Suite 500  
Madison, WI 53703-3397  
P: 608.663.5813

wuiinc.org

## RENEW YOUR WUI MEMBERSHIP TODAY!

WUI dues support the targeted, knowledgeable and  
effective representation of shareholder interests  
before the Public Service Commission and  
the Wisconsin Legislature.

**WUI MEMBERSHIP BENEFITS INCLUDE:**

**Registration and Lunch for the:**

- Annual Meeting (Sept. 19, 2019/Carriage Museum)
- Biennial Legislative Day
- Biennial Regional Meetings & Tours

**Monthly Newsletters and Publications:**

- The Investor's Voice
- Legislative/Regulatory Update
- Stockholder Legislative Alerts

**MEMBERSHIP OPTIONS:**

- >> One Year \$15/Household - OR -
- >> Lifetime Membership \$50/Household  
(One-time fee; no yearly renewals!)

**BONUS GIFT  
for those who:**

- Sign-up and pay for \$50  
Lifetime Membership
- Agree to receive their  
Newsletters by email &  
• Attend the 2019  
Annual Meeting

EMERGENCY RADIO /  
FLASHLIGHT /  
CHARGER



Please renew your dues on-line at [WUIINC.org](http://WUIINC.org) -or- with the envelope provided.