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THE INVESTORS VOICE

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

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MILWAUKEE JOURNAL/SENTINEL REPORTER JOINS CONSUMER ADVOCACY

Tom Content, who has covered Wisconsin's public utility industry the past fourteen years at the Milwaukee Journal Sentinel, has been hired as Executive Director of the Citizens Utility Board of Wisconsin. The Madison-based nonprofit announced Content will start in his new position on March 13. Content was a reporter at the Milwaukee Journal/Sentinel from 2000 until earlier last month and had covered the energy and utility industries since 2003. He also reported on utility issues for the Green Bay Press-Gazette in the late 1990s. Content fills a position that has been vacant since October 2015 when Kira Loehr left CUB. Kurt Runzler had been serving as Acting Executive Director.

JEFF KEEBLER SUCCEEDS GARY WOLTER AS MGE CEO

Jeff Keebler has succeeded Gary Wolter as President and CEO of MGE Energy and its subsidiary Madison Gas and Electric (MGE). Wolter remains Chairman of MGE Energy. Previously, Keebler served as Senior Vice President of Energy Supply and Planning. Keebler was instrumental in developing the MGE's Energy 2030 framework that has set goals of cleaner energy, reduced emissions and innovative products and services. Keebler, who has worked twenty-two years for the company, started with MGE straight out of college. He did his undergraduate studies at UW-La Crosse, and got his master's degree from UW-Whitewater.



Jeff Keebler, CEO, MGÉ

MGE







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Register for WUI's Day at the

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Legislative Update

The 2017-18 Legislature convened its first regular session in January of this year. In February, Governor Walker introduced his Biennial Budget proposal (AB 64/SB 30) which governs the state's taxing and spending for the next two years beginning in July 2017. The Legislature's Joint Finance Committee has begun its review of the proposal and the Budget is expected to occupy most of the Legislature's time and attention until the bill finally passes in late June.



James Buchen. Executive Director, WUI

Of significant interest to utility shareholders, legislation has been introduced by Senator Stroebel and Representative Ott (SB 115) that will allow the Wisconsin Public Service Commission (PSC) to retroactively modify or terminate, existing and previously approved, leased generation contracts. Currently, under such contracts, public utilities are able to lease electrical generating facilities from their affiliates. This type of financing arrangement has been used in Wisconsin to facilitate the investment of billions of dollars in new generation facilities in recent years.

Under current law, the PSC may modify or terminate such contracts only as specified in the contract itself, or the original order approving the original contract. Under the provisions of SB115, the Public Service Commission could unilaterally invalidate or modify these contracts which could significantly impact a utilities rate of return and dividend payout.

The sponsors of the bill believe that modifying these existing contracts will force a reduction in electric rates. However, the current rates are necessary to generate a fair rate of return for utility shareholders based on the recent investments Wisconsin utilities have made in new electric generation.

If this proposal makes investment in Wisconsin utility stock less attractive for many small investors, it will become more difficult for Wisconsin utilities to raise the necessary capital to maintain and upgrade our electrical system. In the long run, this hurts consumers who will have to pay even higher rates to finance the additional borrowing and internally generated capital needed to replace their equity investment.

Investors seeking stability and reliability have the choice of investing in a wide range of electric utilities across the country. To the extent that Wisconsin utilities become a less attractive investment option, shareholders can go elsewhere, while consumers in Wisconsin are simply left with higher electric rates.

Wisconsin utilities, WUI and many key legislative leaders have already expressed concern over this bill. You can add your voice of opposition by attending WUI's Legislative Day in Madison on May 24, 2017.

For more information see, "Republican Lawmakers Propose Anti-Utility Legislation," on page 3.

Xcel Energy Launches Its Largest-Ever Upper-Midwest Wind Investment

Xcel Energy has announced details about new wind farms today and the next phase in its plans for one of the nation's largest wind energy investments. By adding 1,550 megawatts of new wind generation in the Upper Midwest, the proposal is Xcel Energy's largest to date with a total of seven wind farms to be built in Minnesota, North Dakota, South Dakota and Iowa.



The nation's number one utility wind provider is continuing its low cost renewable energy leadership, growing the company's regional wind portfolio by 60 percent while providing enough energy to power more than 800,000 homes.

Xcel Energy is proposing a combination of owned projects and power purchase agreements representing more than \$2.5 billion in capital investments. Xcel Energy estimates that the proposed wind projects will save more than \$4 billion in fuel and other costs over the life of the projects. The company is taking advantage of federal production tax credits to secure low wind energy prices, part of Xcel Energy's 'steel for fuel' strategy. Advances in turbine technology, improved wind forecasting and a newly expanded transmission system play a role in the ability to build new wind farms. Xcel Energy's plans are projected to generate nearly \$200 million in property taxes over the life of the projects, benefiting the local communities. In addition, the projects are estimated to create approximately 1,500 construction jobs and about 80 full time jobs when the wind farms are operational. Landowner payments are expected to total more than \$150 million over the life of the projects. Wind developers generally estimate about 200 temporary construction jobs and a dozen full-time jobs for a large, 200 megawatt wind farm.



Day at the Capitol

Wednesday, May 24, 2017 | 9:30am - 1:30pm



You're Invited to Get Plugged In!

Invited Guest Speakers: Governor Walker and Commissioner Mike Huebsch

At WUI's Day at the Capitol, you will hear from legislative leaders about the current issues affecting your investments, have opportunities to meet with your representatives at the Capitol, and share a free lunch with your fellow WUI members at the newly renovated Park Inn Hotel (formerly Inn on the Park). We have chartered buses stopping at DePere, Appleton, Oshkosh, Beaver Dam, Brookfield, Oconomowoc, and Johnson Creek.

Please Register for this FREE Biennial Event:

ON-LINE with the link at www.wuiinc.org, EMAIL: info@wuiinc.org -or- CALL: WUI at 608-310-5316.

(Please include your full name and address which is needed for legislative appointments along with bus pick up location, if needed. Confirmation letter or email will provide bus stop location and timing.)

Alliant Energy and Its Foundation Contributed \$5.3 Million During 2016

Nonprofit groups, community organizations and students across lowa and Wisconsin benefited in 2016 from contributions by Alliant Energy

from contributions by Alliant Energy
Corporation and its Foundation totaling \$5.3 million. The
corporate program contributes to a broad base of causes,
while the Alliant Energy Foundation focuses on community
grants that help families, education and the environment.

ALLIANT ENERGY

New EPA Chief Says Carbon Dioxide Not 'Primary Contributor' to Climate Change

The new head of the Environmental Protection Agency has said he does not believe that carbon dioxide is a primary contributor to global warming -- a stance at odds with many climate scientists.

"I think that measuring with precision human activity on the climate is something very challenging to do, and there's tremendous disagreement about the degree of impact: so no, I would not agree that it's a primary contributor to the global warming that we see," he told reporters on CNBC. Pruitt, who frequently sued the EPA while attorney general of Oklahoma, was repeatedly questioned during his confirmation hearings because of his positions on climate change and other environmental issues.

At a hearing, Scott Pruitt told senators, "Science tells us the climate is changing, and human activity in some matter impacts that change. We need to continue the debate and continue the review and the analysis."

Former Harbor Site Purchase by WE Energies Close

An affiliate of We Energies could soon gain court approval to buy the sprawling Solvay Coke property in Milwaukee's Harbor District after no



competing bidders emerged. The 46-acre Solvay Coke property, south of East Greenfield Avenue and fronting the harbor, is the largest redevelopment opportunity in the city's Harbor District. It has a long history of industrial use, including by Wisconsin Gas, which does business as We Energies. A prospective purchase by Milwaukee-based We Energies generated optimism among officials at the city and Harbor District Inc. organization that the property can finally be cleaned and put back into active use.

Republican Lawmakers Propose Anti-Utility Legislation

Several Republican lawmakers have proposed legislation they say would rein in profits the state's largest utility makes from its power plants in Oak Creek and Port Washington. However, a spokesman for We Energies has said the measure would be unconstitutional. The bill seeks to undo a key aspect of negotiations and legislation that followed electricity shortages the state experienced in the late 1990s. Wisconsin Energy Corporation, the parent company of We Energies, responded to the crisis by announcing plans to build coal and natural gas-fired power plants in Oak Creek and Port Washington. Wisconsin Utility Investors has sent a letter pointing out that such legislation would amount to an unconstitutional infringement on contracts already in place. Wisconsin Assembly Speaker Robin Vos has also voiced his objection to the proposed legislation.

Solar Advocates Initiate Major Public Relations Campaign

Solar companies and their advocates note the U.S. solar market had its biggest year ever in 2016, nearly doubling its previous record and adding more electric generating capacity than any other source of energy for the first time. They also claim that over the next five years, the cumulative U.S. solar market is expected to nearly triple in size, despite a slight dip expected in 2017. On average, U.S. solar photovoltaic (PV) system pricing fell by nearly 20 percent in 2016. However, it should be noted that electricity contributed by solar accounts for only a fraction of one percent of the State's energy mix.

WE Energies Suggests A Possible Rate Freeze In 2018, 2019

We Energies customers could get two years of rate freezes under a proposal the company has presented to some industrial customers.

Milwaukee-based We Energies parent company WEC Energy Group has previously discussed a possible rate freeze. The company says it will soon seek an approval from the Public Service Commission "to hold base rates flat for all our Wisconsin customers" in 2018 and 2019. The rate freeze also would include customers of WEC Energy's other Wisconsin public utility, Wisconsin Public Service Corp. of Green Bay.

WEC Energy president and CEO Allen Leverett said, "Our strong preference would be to keep rates flat while managing our costs and returning additional benefits to our customers through the earnings sharing compensation that was put into place."

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