

wui Legislative/Regulatory Update



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

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PSCW APPROVES RATE FREEZE FOR WE ENERGIES, WPS CUSTOMERS

The Wisconsin Public Service Commission has approved a two-year rate freeze for We Energies' and Wisconsin Public Service's electric and natural gas customers. The rate freeze was part of a settlement proposed by WEC Energy Group, the utilities' parent company, and supported by 24 of its largest customers. The two-year rate freeze means that We Energies' electric rates — excluding fuel costs, which fluctuate — will remain unchanged for four years. Six years also will have passed since the utility's last significant increase in electric rates. In accepting the proposed settlement, the commissioners made clear that the commission will need to address several issues involving deferred costs that have not been included in We Energies rates. Those costs were projected to reach almost \$500 million by the end of the year.

WISCONSIN FARMER SUCCESSFUL IN XCEL ENERGY STRAY VOLTAGE CASE

A western Wisconsin farmer could be awarded up to \$13.5 million after winning a five-year legal battle against an electric services company over stray voltage. The farmer had claimed that his dairy farm herd of nearly 1,000 cows became ill and had decreased milk production for more than a decade because of improperly grounded power lines. The jury award was \$4.5 million, but could be tripled if the company were found in willful, wanton or reckless violation of statutes. Xcel Energy spokeswoman Christine Ouellette says the company is disappointed by the decision and is looking into the next steps.

XCEL ENERGY WIND PROJECTS DELIVER FOR CUSTOMERS AND COMMUNITIES

Xcel Energy recently announced the nation's largest multi-state investment in wind energy with eleven new wind farms in seven states. Adding 3,380 megawatts of new wind generation will keep customer bills low now and in the future. It is an example of the significant value wind energy provides to customers and communities as the country recognizes the inaugural American Wind Week. The American Wind Energy Association launched American Wind Week, August 6-12, 2017, to acknowledge U.S. leadership in wind power, along with economic and environmental benefits of wind as the industry expands to meet the country's growing demand for energy.

"As the nation's No. 1 utility wind provider for more than a decade, we've long recognized this abundant natural resource provides tremendous value to our customers and communities," according to Ben Fowke, Xcel Energy Chairman, President and CEO. "Wind power is emissions-free and cheaper than fossil fuels, allowing us to deliver lower prices and cleaner energy to our customers today and in the decades to come."

Xcel Energy has more than 6,600 megawatts of wind energy on its system companywide, representing eight percent of the nation's total wind capacity – enough to power about three million average homes annually. The company's customers use energy generated from nearly 4,300 wind turbines in seven states; Colorado, Texas, New Mexico, Oklahoma, Minnesota, North Dakota and South Dakota. Wisconsin and Michigan customers benefit from the power generated by the turbines as well.

XCEL ENERGY BOARD ELECTS NEW BOARD MEMBER

David K. Owens has been elected to Xcel Energy's Board of Directors effective immediately. An executive with extensive experience in public policies concerning energy and utility operations, Owens is recognized as an industry expert on business transformation.

After 36 years of service, Owens recently retired from the Edison Electric Institute, the association representing all U.S. investor-owned electric companies. He served as an Executive Vice President with EEI and was the first African-American to hold an officer title with the organization. Owens guided the association on issues affecting the future structure of the electric industry and the new rules in evolving competitive markets.

ENERGY RESEARCH CONSORTIUM ANNOUNCES FIVE NEW MEMBERS

The Mid-West Energy Research Consortium has welcomed four new members to the M-WERC team. SAS Institute, Alliant Energy, Madison Gas and Electric, OSIsoft and Tetra Tech have all joined. M-WERC also thanked Kohler Company for their renewed support of our organization. The SAS Institute is the world's largest privately held software business and is based out of Cary, North Carolina. They are a founding member of the Smart Cities Technologies working group.

MGE ENERGY REPORTS SECOND-QUARTER EARNINGS

MGE Energy has reported earnings for the three months ended June 30, 2017, of \$15.5 million, or 45 cents per share, compared to \$16.2 million, or 47 cents per share, for the same period in the prior year. During the second quarter of 2017, net income decreased slightly, primarily due to the timing of 2017 operating and maintenance costs in the second quarter and unfavorable weather conditions. The average temperature for April was 50 degrees in 2017 compared to 46 degrees in 2016.

MGE ENERGY ANNOUNCES 42ND CONSECUTIVE DIVIDEND INCREASE

MGE Energy announced that its Board of Directors increased the regular quarterly dividend rate by nearly 5% to \$0.3225 per share on the company's common stock. The dividend is payable Sept. 15, 2017, to shareholders of record Sept. 1, 2017. This increase, which is the largest in the last 30 years, raises the annual dividend rate by 6 cents from \$1.23 per share to \$1.29 per share.

"Today's action by our Board demonstrates confidence in our long-term strategy of providing solid returns for our shareholders," according to Gary Wolter, MGE Energy's Chairman. "Our dividend is supported by the financial strength of our company and our commitment to the dividend, which we have paid for more than one hundred consecutive years."

MGE Energy has increased shareholder dividend payouts annually for 42 consecutive years.

ALLIANT REPORTS SECOND QUARTER RESULTS

"The second quarter results were in line with our expectations and reflect earnings on our increasing rate base," according to Patricia Kampling, Alliant Energy Chairman, President and CEO. "With the solid earnings to date, we are reaffirming 2017 earnings per share guidance."

Alliant Energy's Utilities, American Transmission Company Investment (ATI) and Alliant Energy Corporate Services operations generated forty cents per share of generally accepted accounting principles (GAAP) EPS from continuing operations in the second quarter of 2017, which was five cents per share higher than the second quarter of 2016. The primary drivers of higher EPS were higher revenues resulting from Interstate Power and Light Company's (IPL) interim retail electric base rate increase implemented in April 2017 and Wisconsin Power and Light Company's (WPL) retail electric and gas base rate increases implemented in January 2017. These items were partially offset by lower EPS caused by higher depreciation expense and higher energy efficiency cost recovery amortization at WPL.

Alliant Energy's Non-regulated and Parent operations generated one cent per share of GAAP EPS from continuing operations in the second quarter of 2017, a decline of one cent per share compared to the second quarter of 2016.

CORRECTION: The August *Voice* incorrectly reported the Alliant quarterly dividend. The correct figure is 31.5 cents.

wui MEMBER RENEWAL

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

WUI MEMBERSHIP BENEFITS INCLUDE:

Registration and Lunch for the:

- Annual Meeting (Sept. 14, 2017 | EAA Museum, Oshkosh)
- Biennial Legislative Day
- Biennial Regional Meetings

Monthly Newsletters and Publications:

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



Roger Cole, Chairman of the Wisconsin Utility Investors, Inc. Board of Directors, enjoys a tour of the National Railroad Museum following the 2016 WUI Annual Meeting. This year's WUI Annual Meeting of Members will be held at the EAA in Oshkosh.

Membership Renewal

Please fill out form below and mail it with your check to:
WUI, 10 E. Doty Street, Suite 500, Madison, WI 53703.
Thank you for providing a stamp.

\$15 Membership Renewal (Dues have been the same rate for over 35 years!)

Name: _____

Spouse: _____

Address _____

City, State, Zip _____

Email _____

Phone _____

I would like to receive my newsletter via: Mail Email | My \$15 dues check is enclosed

I am enjoying my free trial membership Unable to financially show my support for WUI now

Annual Meeting

Registration deadline is September 8, 2017
so don't delay in returning your RSVP!

Yes, Please register me/us for the September 14th Annual Meeting.

Confirmation of registration postcards will be sent one week before event.



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**WISCONSIN UTILITY INVESTOR'S
2017 ANNUAL MEETING**
September 14, 2017
Experimental Aircraft Association, Inc. (EAA)
Founders' Wing | Oshkosh, WI

8:30am | REGISTRATION BEGINS
Enjoy coffee and continental breakfast
while strolling around to various booths
representing our Energy Partners,
Wisconsin Utility Companies, and WUI.

10:00am | PANEL DISCUSSION:

- 2017 Year in Review, James Buchen,
WUI Executive Director
- Representatives from each of our
shareholder owned utilities

**9:00am | ANNUAL MEETING TOPICS
INCLUDE:**

- The Keys to Utility Investing,
Andy Smith, Edward Jones
- Representative Mike Kuglitsch, Chair
of the Committee on Energy and
Utilities, presents his legislative
proposal that will reduce the state tax
on dividends

Noon | LUNCH

- The meal is included with registration.
- EAA Presentation

1:00pm | DOOR PRIZES
The day will conclude following the door
prize drawings.

COMPLIMENTARY ACTIVITY: Optional tour of the EAA
Museum after the meeting. Tour guides will be available.

