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Seventy-Eight Percent of Wisconsin CEOs are Optimistic About the Economic Future

The new survey of member CEOs by Wisconsin Manufacturers & Commerce shows optimism for a Donald Trump administration and a sharp reversal of economic outlook from six months ago. Kurt Bauer, President and CEO of WMC said the group surveyed 270 of its member CEO's the week after Donald Trump was elected to be the next president of the United States. "Seventy-eight percent of our members are either optimistic or very optimistic for a Trump presidency in their business and the economy," he said.



Opinions about the future of the economy have shown a significant improvement. Six months ago, 84 percent of respondents said the U.S. economy was headed in the wrong direction. Now, 60 percent say it is headed in the right direction

Former Coal Property to be Auctioned

As previously reported, a property on the western shoreline of Milwaukee's inner harbor is now under discussion for potential other uses. Wisconsin Gas first put in a bid for the Solvay Coke land in June, 2016, but this spring could finally complete its purchase. WEC Energy says it has no specific plans for the property.

In a January 10 bankruptcy filing, attorneys sought approval of Wisconsin Gas's offer. If the sale plans are approved during a scheduled late January hearing, other companies would have until March 21 to submit competing offers of at least \$4.2 million. If any more bidders emerge, an auction will be held April 3 in Chicago to determine the buyer and a judge will be asked to approve the sale the following day.

MGE Return Reduced By Public Service Commission

The Wisconsin Public Service Commission (PSC) has voted to reduce MGE's return on equity from 10.2 percent to 9.8 percent in 2017. That would be the lowest profit level for a Wisconsin utility since the 1970s, according to data from the PSC, and could be a sign that rates of return for other utilities could also be reduced. The last time a rate of return was as low as MGE's was in 1972 when the Northern States Power utility in Eau Claire was 9.76 percent, according to Elise Nelson, spokeswoman for the PSC. The reduction is partially a result of persistently low interest rates as well as declining rates of return for utilities around the country, according to Ellen Nowak, PSC Chairwoman.

Xcel Wisconsin Hydro Operations Set Records

Like Old Man River, Xcel Energy's hydro operations keep rolling along and generating record-breaking clean energy for customers.

In 2016, the company's 19 hydro plants in Wisconsin generated almost 1.2 million megawatt-hours of electricity, breaking the previous record of just over 1.1 million megawatts set in 1996. The record translates to an average hourly production of 137 megawatts, which served the electric needs of approximately 137,000 homes continuously for the year.

"Wind and solar draw a lot of attention when it comes to renewable energy options, but hydro remains a viable part of Xcel Energy's clean energy mix," said Scott Crotty, Senior Manager, Xcel Energy Hydro Operations. "Over the last several years, we have invested in our plants by upgrading some of the older units to increase capacity and efficiency and to keep them as a part of our generation fleet for years to come." In total, generating capacity from those improvements increased output by about 8.5 megawatts.

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*Scott Crotty, Senior Manager,
Xcel Energy Hydro Operations*

The upgrades, along with above-average precipitation in 2016 contributed to the generation record. "The heavy rains in July presented significant challenges for our hydro plant operators and maintenance staff, but they kept the plants running safely and prevented any operational issues from occurring," Crotty added.

Many of Xcel Energy's hydro facilities have been fixtures on the region's rivers for more than a century, harnessing water flows and turning them to electricity for customers and, in many cases, creating recreational opportunities for residents and visitors. In fact, this year marks the 100th anniversary of Lake Wissota which was created from the Wissota Hydro.

In a typical year, hydroelectric power –including both owned and purchased power – makes up about 7 percent of the power Xcel Energy provides its 1.7 million electricity customers in Wisconsin, Michigan, Minnesota, North Dakota and South Dakota. Half of the electricity the

company supplies customers in the Upper Midwest comes from carbon-free sources, including hydro, nuclear, wind, solar and biomass.

WUI INVESTOR DAY at the CAPITOL



Save Wednesday, May 24, 2017, for WUI's Investor Day at the Capitol.

Watch for your invitation and more details in the next WUI Legislative/Regulatory Update.

- Join other WUI members for updates from legislators and key policymakers.
- Meet your Senators and Representatives in their offices. Enjoy lunch and door prizes.
- Catch a chartered bus to Madison en route from Green Bay or Brookfield.

Wednesday, May 24th, 2017

Kewaunee Nuclear Plant Owner Will Receive \$12 Million in Tax Refunds

Local school districts and government will owe almost \$12 million as part of a settlement with the owner of a shuttered nuclear power plant. Dominion Energy Kewaunee is entitled to \$11.9 million in refunds and/or credits for excess 2015 and 2016 property taxes paid by the Kewaunee Power Station, according to an agreement between the plant-owner and the town of Carlton.

The Kewaunee School District, Kewaunee County and Northeast Wisconsin Technical College would repay the \$11.9 million within 10 years once a judge has accepted the agreement. The agreement exempts the Town of Carlton, where the plant is located.

The overpayments were collected based on an assessed value that Dominion argued far exceeded the plant's value. Dominion initially filed suit over the assessment in 2015, then sued the town again in 2016, seeking to cut the valuation from \$457.4 million to barely \$1 million.



Kewaunee Power Plant

DIVIDENDS

Xcel Energy Board Declares Dividend on Common Stock

The Board of Directors of Xcel Energy has declared a quarterly dividend on its common stock of 34 cents per share. The dividends were payable January 20, 2017, to shareholders of record on December 27, 2016.



MGE Energy Declares Regular Dividend

The Board of Directors of MGE Energy has declared the regular quarterly dividend of 37.5 cents per share on the outstanding shares of the company's common stock, payable March 15, 2017, to shareholders of record at the close of business March 1, 2017. MGE Energy has increased its dividend annually for the past 41 years and has paid cash dividends for more than 100 years.



Alliant Energy Corporation Declares Stock Dividend

Alliant Energy Corporation has announced that quarterly dividends on common stock were declared by the Board of Directors.



The quarterly common stock dividend is 31.3 cents per share payable on February 15, 2017, to shareowners of record on close of business January 31, 2017. Dividends on common stock have been paid for 285 consecutive quarters since 1946.

WEC Energy Group Raises Quarterly Dividend

The Board of Directors of WEC Energy Group has declared a quarterly cash dividend of 52 cents per share on the company's common stock, an increase of 5.1 percent over the current quarterly dividend of 49.50 cents a share. This raises the annual dividend rate to \$2.08 a share.



The higher dividend is payable March 1, 2017, to stockholders of record on February 14, 2017. This marks the 298th consecutive quarter – dating back to 1942 – that the company will have paid a dividend to its stockholders.

“With today's action by our board, 2017 will be the fourteenth consecutive year of dividend increases for our stockholders,” said Allen Leverett, Chief Executive Officer. “We will continue to target a dividend payout of 65 to 70 percent of earnings, a policy in line with our peers across the utility industry.”





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

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P: 608 663.5813

wuiinc.org

Xcel Transmission Project Powers Future Growth in Sawyer and Rusk Counties

Work is complete on the new 161/69 kilovolt (kV) Couderay to Osprey electric transmission line, a \$50 million, 35.5-mile high voltage investment that enhances electric reliability to northern Wisconsin communities.

“The existing line was more than 60 years old and needed to be upgraded,” according to Kelsey Holthaus, Project Manager. “The new infrastructure creates additional capacity on the transmission grid to meet the growing needs of industry and businesses in northern Wisconsin and provides more electric reliability along a corridor that runs from Eau Claire, Wisconsin, to Ironwood, Michigan.”

The two-year construction process also replaced two-pole wood structures with single-pole steel structures, and existing substations were modified or expanded to accommodate the higher voltage.



Map credit: www.transmission.xcelenergy.com/Projects/Wisconsin/Couderay-to-Osprey