



WUI 2017 Annual Meeting Attracts Record-Breaking Crowd

A record number of WUI members joined us at the EAA in Oshkosh on September 14 for the Annual Meeting! It would be safe to say, not only do utility stockholders share a respect for the energy industry and reliable dividend returns, but they also share a love of history and transportation!

This presents a good problem in looking to the 2018 Annual Meeting, how do we improve upon the 2016 National Railroad Museum and the 2017 Experimental Aircraft Association Museum?

The Wisconsin Utility Investors Board of Directors wish to thank all who attended, who braved the morning fog. We are also grateful to our excellent speakers, Andy Smith of Edward Jones who addressed the group about “Making Sense of Investing” and Garrett J. Huffman (Research Assistant to Mike Kuglitsch, Committee Chair on Energy and Utilities) who presented a legislative review and a new legislative proposal which would reduce state tax on dividends.

What would an Annual meeting be without an update from our Utilities? John Sumi of MGE Energy, Joel Haubrick of WEC Energy, and Chris LaRowe of WPS discussed the latest Issues Impacting Wisconsin Utilities.

Thank You to the staff at the EAA and to the docent, Chris Henry, who presented a history of the EAA and led members on a guided tour of the museum.



WUI Executive Director, James Buchen, addresses the crowd at the 2017 WUI Annual Meeting of Members.

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PSC Approves Brown County Bioenergy Project

The Public Service Commission of Wisconsin (PSC) has approved a conditional \$15 million Focus on Energy grant to BC Organics, LLC, for an innovative bioenergy system in Brown County. The system will produce renewable natural gas from dairy farm manure and other waste. The project will reduce the need to landspread raw manure, protect sensitive groundwater and surface waters in northeastern Wisconsin and provide positive economic benefits to participating farms.



Governor
Scott Walker

At the direction of Governor Walker, the PSC, Department of Natural Resources, and the Department of Agriculture, Trade and Consumer Protection collaborated to develop a request for proposals (RFP) on innovative anaerobic digester systems that could produce renewable energy, remove nutrients from manure, protect water quality, and reduce pathogens.

BC Organics was recommended unanimously by the evaluation team comprised of expert staff from the PSC, DNR, DATCP, UW-Madison and Focus on Energy. BC Organics must obtain all of the necessary state and local regulatory approvals before

construction may begin and includes an odor control plan designed to minimize impacts on neighboring landowners.

The consortium consists of 24 members led by Wisconsin based Dynamic Concepts (Waukesha), along with WEC Energy Group (Milwaukee), US Biogas LLC (Plymouth), and BioStar Organics, among other Wisconsin based firms.

The project's proposed location is northeast of Holland, near Green Bay, and is co-located with a proposed landfill owned by Brown County. It has commitments from nine Wisconsin farms with over 22,000 animal units, with the capability to expand to include additional farms in the future. The facility is expected to begin operations by January 1, 2019.

The project involves the construction of multiple anaerobic digesters with capability to produce renewable natural gas (RNG) from manure and food waste, and eventually landfill gas. The estimated energy output of 5.7 million therms is equivalent to the home heating needs for 7,600 Wisconsin homes. The RNG will be injected into the interstate natural gas pipeline system for use as a heating and transportation fuel.

Xcel Proposes Northern Wisconsin Transmission Line

Xcel Energy is proposing a new 22-mile, 34.5-kilovolt transmission line at the tip of northern Wisconsin. The roughly \$26 million project is necessary to strengthen power in the area, according to the company.



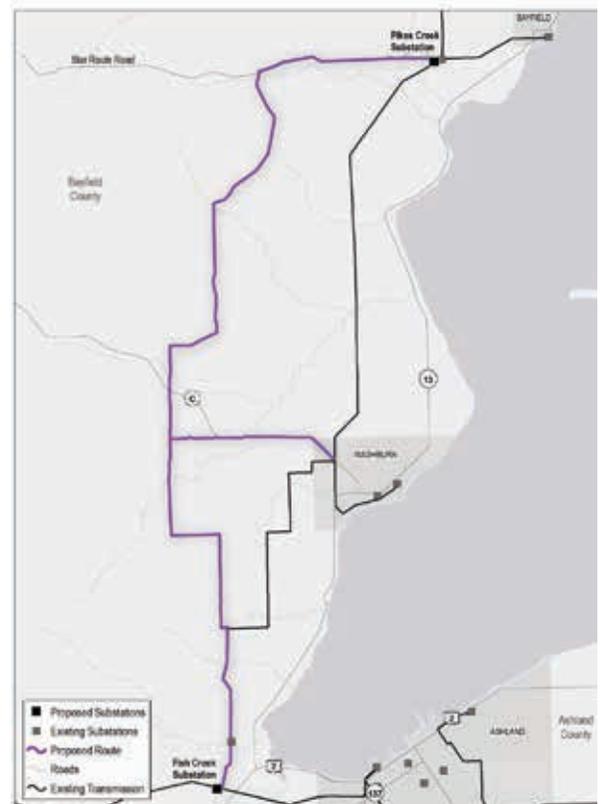
Xcel Energy has one transmission line providing power to the Bayfield Peninsula which was installed during the 1950s, said

project manager Chris Buboltz. He said it's difficult to maintain the line or restore power during outages because it's not easy to access.

"We're just not able to do those maintenance and those refurbishment projects because we can't take the line out to do them because people will be out of power," he said.

Buboltz said they've seen outages ranging from four to eight hours in the area due to accessibility and safety issues. Xcel's proposed line would include installing poles within the first 5 feet of a landowner's property line. Around 130 private landowners would be impacted by the project along with 7.5 miles of county forest land. Town of Washburn resident Roy Settgas said the new line would cross his property which doesn't bother him. But, he said it's drawing concern for some landowners and requests for more consideration of the proposed route.

Buboltz said Xcel is delaying its timeline to start the permitting process with the Wisconsin Public Service Commission, which the company had set to begin in October. He said Xcel wants to talk with more people about the project and why they feel it's needed.



Proposed Bayfield Second Circuit Transmission Project.
Map Credit: <http://www.transmission.xcelenergy.com/Projects/Wisconsin>

Alliant Energy's Iowa Company Reaches Partial Settlement on Pending Rate Review

Alliant Energy's Iowa energy company has filed a proposed partial settlement agreement in its 2017 electric rate review. This agreement creates cost certainty for customers and allows Alliant Energy to continue to advance cleaner energy, to strengthen the reliability of Iowa's power grid and provide innovative customer solutions.

"This collaborative process with our customer groups and our company created a fair agreement that supports our objective to provide exceptional service to our customers," said Doug Kopp, President of Alliant Energy's Iowa utility. "I want to thank the Iowa Office of Consumer Advocate, the Iowa Business Energy Coalition and the Large Energy Group for coming together on this agreement."

"This collaborative process with our customer groups and our company created a fair agreement that supports our objective to provide exceptional service to our customers."

Doug Kopp, President of Alliant Energy's Iowa utility

On April 3, 2017, Alliant Energy filed its first rate review in six years. An interim base rate increase went into effect ten days later. This agreement increases base rates less than 2 percent above interim rates. Under this agreement, the total increase from this base rate review would be 8.6 percent. Spread over the last six years, this increase would have equated to less than 1.5 percent annually. The final bill impact for each customer class will be decided as part of the rest of the rate review process.

Through the rest of 2017, customers will also continue to receive bill credits related to tax benefits and refunds on transmission expenses to offset the base rate increases and maintain competitive customer costs. In addition, under this agreement Alliant Energy will give more tax-related bill credits to customers in 2018.

DIVIDENDS

Xcel Energy Board Declares Dividend on Common Stock

The Board of Directors of Xcel Energy Inc. has declared a quarterly dividend on its common stock of 36 cents per share. The dividends are payable October 20, 2017, to shareholders of record on September 15, 2017.

We Energies Rate-Freeze Plan Wins Regulatory Approval

We Energies and Wisconsin Public Service Corp. won final state regulatory approval for a proposal to freeze business and residential rates for two years in what the company calls its response to complaints from industrial customers that electric rates in Wisconsin are too high.



The public utility companies owned by WEC Energy Group Inc. filed a proposed settlement in April to avoid the cost and effort of a full review by the Public Service Commission of Wisconsin. At the time, the companies said 21 industrial customers signed statements backing the rate proposal.

The rate freeze adds two years to an existing two-year flat-rate period that runs through 2017. The settlement also makes permanent cheaper wholesale rates that large industrial customers pay for expanded use of power from We Energies. The Public Service Commission has approved a draft order approving the company proposal for 2018 and 2019. The commission in August had voted to support the plan from the WEC Energy companies.

The PSC draft order determined that freezing We Energies base rates through 2019 was reasonable and in the public interest. The order also states that it's reasonable to authorize We Energies to extend and expand the market-based pricing for electric service at large commercial and industrial customers.

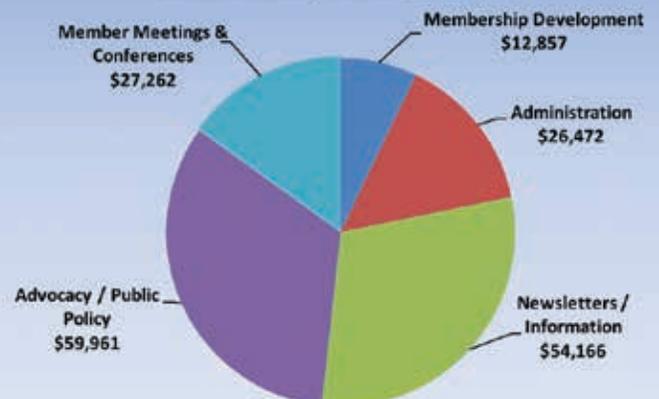
A WEC Energy spokeswoman said company executives are pleased with the commission's action.

WUI 2017 Operational Budget

Total Budgeted Expenses: \$180,718

Total Budgeted Income: \$180,817

WUI advocates and educates members on policies that are in the best interest of utility shareholders.





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Budget Restores Funding for Citizens Utility Board Advocacy

The Wisconsin state budget, recently signed into law, restores in part a funding cut enacted by the Legislature in the 2015-17 budget. That cut led to cutbacks at the Citizens Utility Board, a residential customer advocacy group in existence since 1979.

The Legislature endorsed Governor Scott Walker's proposal to boost funding for intervenors to \$742,500 a year after the Legislature cut the funding from more than \$1 million a year to \$371,000 per year in 2015. The funding increase was supported by state utilities.

CUB said it was appreciative of the support it received from a variety of energy industry stakeholders and for the testimony of PSC Chair Ellen Nowak before the Legislature's Joint Finance Committee.

Xcel Completes Otter Tail Power Line Project

Xcel Energy and Otter Tail Power have completed a 70-mile power line in South Dakota that's the last piece of a major expansion of the upper Midwest power grid called CapX2020. The new 345-kilovolt line connects a new substation near Big Stone City with an existing substation in Brookings in eastern South Dakota.

In the announcement, gas power plants are waiting to connect to the line. CapX2020 is an initiative of 11 utilities in Minnesota, the Dakotas and Wisconsin to expand and upgrade the regional power grid to handle the increasing supply of wind and solar power. It includes 800 miles of transmission lines altogether, representing a \$2 billion investment.