

wui Legislative/Regulatory **Update**



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

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NEITZEL TO STEP DOWN AS WISCONSIN DEPARTMENT OF ADMINISTRATION SECRETARY

Former MG&E executive, Scott Neitzel, has announced he will be resigning as Secretary of the Wisconsin Department of Administration, generally thought to be the second most powerful post in state government. Neitzel will be replaced by Ellen Nowak, currently Chairman of the Wisconsin Public Service Commission. Commissioner Lon Roberts has been named the new Commission Chairman. Neitzel has not disclosed his future plans.

XCEL ENERGY CONTINUES EFFORTS IN PUERTO RICO

Nearly 2,000 Puerto Rican customers have had their electricity restored thanks to Xcel Energy crews. Workers from the Upper Midwest, Colorado, Texas and New Mexico have been on the island since January 29th and are continuing their efforts to restore power to the island. Four crew members are from Wisconsin.

Xcel Energy executives Bob Frenzel, Chief Financial Officer, and Kent Larson, Executive Vice President and Group President, Operations, visited Puerto Rico to thank workers for all they've done and to see the progress first hand.

More than one million Puerto Rican customers, seventy-five percent of island residents, have had their power restored. Hundreds of thousands still remain without power more than four months after Hurricane Maria caused tremendous damage to the island's homes, businesses, infrastructure and electrical grid.

WE ENERGIES FEDERAL TAX CUT MAY NOT IMMEDIATELY FLOW THRU TO CUSTOMERS

We Energies customers may not see immediate savings from \$200 million in benefits the company is gaining from President Donald Trump's federal income tax overhaul. Instead, WEC Energy Group hopes to apply the money to reducing a balance remaining for costs the company incurred investing in electric transmission equipment. WEC Energy Group has filed its plan with the Public Service Commission. The PSC requested all Wisconsin utility companies file plans on how they propose to use the money resulting from federal corporate income tax cuts from 35 percent to 21 percent. WEC Energy says its plan to apply the savings to paying down deferred balances for electric transmission equipment follows a directive from the PSC in the company's most recent rate case.

GOVERNOR WALKER SIGNS BILL RELATING TO RATE DISPUTES

Wisconsin Governor Scott Walker has signed legislation (2017 Wisconsin Act 136) to give utilities a way to resolve disputes over their attempts to raise the rates charged to homeowners and businesses. The measure would allow a utility to reach a settlement with a group representing homeowners or businesses and then let the Public Service Commission decide on approving it. If one group of ratepayers settled with the utility and the other didn't, the commission would have to take input from all sides but could still approve the settlement. This legislation was supported by WUI and Wisconsin utilities.

LEVERETT CONTINUES HIS RECOVERY

We Energies executive Allen Leverett, who had suffered a stroke in October 2017, is in good physical condition and continues making progress in his recovery and rehabilitation work according to company CEO Gale Klappa.

XCEL ENERGY 2017 YEAR END EARNINGS REPORT

Xcel Energy has reported 2017 GAAP earnings of \$1,148 million, or \$2.25 per share and ongoing earnings of \$1,171 million or \$2.30 per share, compared with GAAP and ongoing earnings of \$1,123 million, or \$2.21 per share in 2016. GAAP and ongoing earnings were higher as a result of increased electric and natural gas margins to recover infrastructure investments, reduced operating and maintenance expenses, a lower effective tax rate and higher allowance for funds used during construction.

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MG&E CHAIRMAN WOLTER TO STEP DOWN IN OCTOBER

Gary Wolter, Chairman of the Board of MGE Energy and of subsidiary Madison Gas & Electric, will step down from those positions on October 1. Wolter will remain a member of the boards of directors, according to documents filed with federal regulators.

WEC ENERGY BEATS 4TH QUARTER PROFIT FORECASTS

WEC Energy Group has reported fourth-quarter earnings of \$432.9 million. On a per-share basis, it had net income of \$1.36. Earnings, adjusted for pretax gains and non-recurring gains, came to \$0.71 per share. The results topped Wall Street expectations. The electricity and natural gas provider posted revenue of \$2.06 billion in the period. For the year, the company reported profit of \$1.2 billion, or \$3.79 per share. Revenue was reported as \$7.65 billion. WEC Energy expects full-year earnings to be \$3.26 to \$3.30 per share.

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WUI Regional Meetings

MADISON • Wednesday, June 13

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WUI Annual Meeting

Thursday, September 13, 2018

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