

Citizens Utility Board Annual Report

January 1 - December 31, 2015

2015 Was a Year of Great Change for CUB But Because of YOUR Support we were still able to CUT Utility Costs by Tens of Millions of Dollars!

Dear CUB Member:

2015 was a year of major changes at CUB. It was a year of examining CUB's ability to continue the fight against unceasing utility requests for multi-million dollar rate increases, and requests for approvals to build unneeded or overpriced utility projects, or simply accept the immense control monopoly utilities have over the pocketbooks of their captive ratepayers.

2015 was the year CUB needed to come to terms with the Wisconsin legislature's decision to drastically cut the funding that CUB relied on to fight monopoly utility rate increases, unreasonable utility profit levels, and excessively costly utility construction projects.

It was the year that CUB needed to consider its future, the future of the organization you've supported for more than 35 years, the organization that has fought for decades to protect your interests before the Public Service Commission, challenging every major utility in every major rate and utility construction case to try to protect your hard earned money.

***Wisconsin needs CUB because
Wisconsin needs an experienced voice
before the PSC***

In 2015, in spite of the great odds against us, we came to the same conclusion we've always come to - Wisconsin needs CUB - because Wisconsin needs an experienced voice before the PSC, and because Wisconsin is different from other states in how ratepayers are protected from the immense power of monopoly providers of basic utility services.

Wisconsin is unlike other states because it doesn't have a state funded agency to advocate on behalf of residential ratepayers before a utility regulatory commission. CUB, a non-profit, reliant mostly on

voluntary contributions from members like you, has been the only organization that has continually fought to protect the interests of Wisconsin's residential ratepayers before the PSC when utilities propose multi-million dollar rate increases, or propose to build billion dollar utility projects.

Wisconsin's PSC, which sets rates for utility customers, and attempts to balance the interests of utility customers and shareholders, has an exceptional professional staff that it relies on when making regulatory decisions. However, PSC staff can't 'advocate' for positions that would protect ratepayers. Instead, what the PSC staff can do is provide 'options' for consideration by PSC commissioners. That isn't enough to protect residential and small business ratepayers from being harmed by unreasonable utility rate increase requests or the costs of unnecessary or overpriced utility construction projects.

***We are working to address CUB's
funding challenges – Your continued
support is essential***

Wisconsin ratepayers need an experienced advocate before the PSC, and CUB will seek the resources needed to continue to provide that service. CUB survived 2015, we're fighting to survive 2016, and to continue in 2017. Along the way we lost a core element of the organization. Kira Loehr, CUB's former executive director, left to explore new opportunities. Kira was replaced on an interim basis by Kurt Runzler, Acting Executive Director, who has over two decades of experience as an attorney in the electric utility industry.

CUB is always seeking funding to continue its mission of advocating for affordable and reliable service for Wisconsin's residential and small business

CUB Slashed Millions from Wisconsin Utility Bills in 2015

CUB BOARD OF DIRECTORS

President

Russell Wallace
Madison

Vice President

Don Wichert
Madison

Treasurer

Gretchen Schuldt Doege
Milwaukee

Eileen Hannigan

Madison

John Hendrick

Madison



CUB Staff

Acting Executive Director

Kurt Runzler

Research Director

Dennis Dums

Staff Attorney

James Woywod

Manager of Communications & Outreach

Richard Storck



www.wiscub.org
608.251-3322
Staff@wiscub.org



In 2015, CUB's work before the Public Service Commission slashed utility proposed increases to residential customer fixed charges by more than \$26 million, cut authorized utility profit levels by over \$4 million, and stripped millions of dollars of unnecessary rate increases from utility bills.

CUB fought shocking utility proposals — to increase residential customer's monthly fixed charges for electric and gas utility services, in some cases by as much as 125%

CUB fought Wisconsin Energy Corporation's \$9.1 billion takeover of Integrys to try to ensure that Wisconsin customers received quantifiable monetary benefits from the merger.

And CUB's expert witnesses provided testimony on utility transmission line and power plant construction projects to cut unnecessary costs, and to support needed and cost-effective projects that will help ensure reliable and cost-effective electric service for customers.

2015 was a year of great challenges for Wisconsin utility ratepayers, and for CUB. But because of your generous contributions and support CUB was able to slash millions of dollars of unnecessary costs from Wisconsin utility bills!

Summaries of CUB's 2015 Cases before the Public Service Commission of Wisconsin

Below are summaries of a select sample of cases CUB intervened in before the Public Service Commission of Wisconsin (PSC) in 2015. Each case is identified by a "docket number," which is included in the title of each case summary. You can view most of the documents submitted in each case, including CUB's expert testimony and legal filings, by entering the docket number on the PSC website, pcs.wi.gov.

CUB Fought WPSC's \$97 Million Electric Rate Increase Request and Won

WPSC, 6690-UR-124

In May 2015, Wisconsin Public Service Corporation (WPSC) requested PSC authority to increase electric rates by \$96.9 million, or 9.7%, in 2016 to cover costs associated with power plant and transmission line construction projects, operation and maintenance costs, and incentive compensation costs for non-union employees. WPSC requested an authorized return on equity of 10.2%. CUB filed testimony stating that WPSC's ROE should be reduced to 8.75%, and opposed WPSC's request to increase the monthly fixed charge for residential ratepayers from \$19/month to \$25/month, a 32% increase.

In December 2015, the PSC agreed with CUB that WPSC's requested ROE of 10.2% was too high and approved a ROE of 10%, cutting utility profits by \$3 million. The PSC also agreed with CUB that a \$25/month fixed customer charge was not reasonable and reduced the utility's fixed charge request by \$48/year for each residential customer, reducing residential customer fixed charges by over \$17 million. The PSC also agreed with CUB that incentive compensation costs for non-union employees should be denied, reducing costs by another \$10.6 million.

continued on page 5 ➡

***CUB - Your
Utility
Watchdog***

2015 Was a Year of Great Change for CUB

continued from page 1

CUB is a member-supported, nonprofit organization whose purpose is to:

- Provide public interest legal services to ensure effective and democratic representation of residential and small business utility customers before the legislature, regulatory agencies, and the courts;
- Advocate for reliable, affordable, and sound utility service; and
- Educate consumers on utility service through the preparation, compilation, analysis, and dissemination of information and resource materials relating to utility regulation and public energy and telecommunications policy.

Citizens Utility Board

16 N. Carroll St., Suite 640
Madison, WI 53703



608.251.3322
608.251.7609 fax
800.657.4727



<http://www.wiscub.org>
staff@wiscub.org



utility customers, and CUB has been fortunate to acquire a modest level of funding from the PSC to support partially some of CUB's interventions in 2016. CUB also may receive some other funding to continue our work in finding better ways for utilities to provide electric service to customers in the future.

But that's clearly not enough. Wisconsin needs sustainable advocacy before the PSC to protect the interests of residential and small business ratepayers when they're faced with rate increase proposals by monopoly providers of utility service. Wisconsin's ratepayers, who pay billions of dollars of their hard earned money every year for electric, gas, and water service, need an experienced voice that can represent them in all venues.

CUB will continue fighting for fair utility rates to the best of its ability to

protect the interests of its members. The only way that CUB has been able to continue the fight is because of your continued generous support. With it, CUB has been able to save Wisconsin ratepayers nearly \$3 billion on their utility bills since 2008. We can't thank you enough for supporting CUB's ongoing efforts to stop unnecessary rate increases and unreasonably high monopoly utility profit levels.

This report contains a summary of some of CUB's accomplishments in 2015 in proceedings before the PSC.

Sincerely,

Kurt Runzler, Acting Executive Director

Dennis Dums, Research Director

James Woywod, Staff Attorney

Richard Storck, Communications and Outreach Manager

*CUB saves over \$100
for every \$1
contributed*

2015 Friends of CUB Donors (\$100 and up)

Shirley Aasen
Richard Abdoe
Shaun Abshere
Debra Acker
Ruth Ahl
Steven Ahl
Norman Akin
Jack and Leigh Allgaier
Selmalyn Allison
Suzanne Ammerman
Bert and Celia Anderson
Harold Anderson
Louella Andrews
Michael and Rima Apple
Ken Appleby
Tom and Jane Arbogast
Sandra and Louis Arrington
Barbara and John Auby
Robert Auner
Donald Austin
Frances and Joseph Bachman
Kathryn Barbasiewicz
David Barrett
Tom Barrett
Kay and Daniel Barry
Peter and Marie Becher
David and Patti Becker
Kathryn Behling & Christopher Hansen
James D. Bendtsen
Linda and Kent Bergemann
Fred Bergmann
Allan W. Bernat
Kathleen Bernhart
Sharon Bertrand
John Betimis & Emily Burt
William and Ann Beverly
Helen Bewick
Eric Bialk
David and Mary Bickle
Frances Bicknell
Amalia Biester
Lynn Binnie
James and Dorothy Bittner
Robert Bjerke
Floyd and Barbara Blackmore
Jonathan Blick
Jeffrey Bloom
Dr Charles Boardman
Kathleen and Edward Bojanowski
Sally and Clifford Borden
Adrian Bourque
Mary Bowman
Joan Box
Mary Boyd
Charles and Sue Bradley
Joseph Branks
Joan and Donald Brauch
Isabell M. Braun
Melinda and Jack Brooks
Thomas and Joan Brooks Sr
Kenneth Brost
Carl Bruch
Jim and Nancy Bruins
Kathy Brunstad
Timothy and Susan Buban
Lenore and Nicholas Burckel
Elaine Burke
Joan Burns
Amy and Dave Calkins
Thomas Callan
Kathryn and Bruce Campbell
Susan and John Campbell
Marie Campos
Margaret and Michael Cannestra
Wallen Capper
Rosemarie Carbinio
Stanley and Ann Carlson
Janice and John Carroll
Paul Cerutti
Mark Chambers
Vernon Childs
Flo and Josh Chover
Martha Christensen
Sandra Christensen
Joyce and Thomas Christie
Bill Christofferson & Karin Borgh
Charles Clausen
Rodney Coenen
Ernst and Martha Cole
Henry and Jany Conrath
Edward Corrigan
James and Carol Crawford
Amy Crofts
Edward Cummings
Helena and Tony Curtain
Donn D'Alessio
Philip Daub
Matthew and Nancy Davis
Dante and Arlene De La Pasqua
John De Lamater
Robert and Ann De Mars
Dorothy Dean
Kristy Debolt
Charlie Dee

Darlene Delong
Patrick Delorey
Rosario and Penny DePaola
Gretchen Doege
Richard and Janice Doxtator
Eileen and Howard Dubner
Donald Duchon
John Duffin
Dennis Dums
Margarita Dusek
Thomas and Shirley Eckstein
George Edgar
Janis Edwards
Frederick and Juanita Ehrke
Miles and Amy Epstein
Pam Erlanger
Betty Ermatinger
Franklin Evans
Roland and Joan Faas
Robert Factor
Wendy Fearnside & Bruce Meier
Herman Felstehausen
Kristin and Robert Fewel
Mary and James Fico
David Fine
Jayne and Bruce Fischer
James and Barbara Fisher
Phil Fisher
William Flemming
Charles Floquist
Mark Foreman
Roberta Forman
Mary Lou France
Richard Franz
Steven and Linda Franz
Carol Frbance
Richard Friedenfels
Gary and Bonnie Friedman
Susie Marie Fritz Jablonic
Erik Froode
Vic and Yvonne Gagliano
Joseph and Elizabeth Gagnon
Tom and Judith Gasner
Chuck Gates & Candy Schrank
Jim Gebelian
Robert Geiser
Rosemary Giesfeldt
Neil Gleason
Peter and Elaine Godfrey
Bob Goeres
Charles and Patricia Gohs
James Gonyo
John and Donna Goodrich
Dorothy Gosting
Marilyn and Roger Gottschalk
Donna Grah
Robert Greenler
Ellen Guiseppi
Vern Gunz
Susan and Howard Gundlach
John and Carolyn Gusmer
Janice Gutierrez
Joan Hall
Pinckney and Susan Hall
Jean Hamann
Chris and William Hammerstrom
Jim Hammitt
Scott Hancock & Mary Ann Brennan
Jack Handley
Eileen Hannigan
Elaine Hanson
James Harasymiw
Philip A. Hardacre
James Harkonen
Ann Hayden
Joseph Heck
Ann Heidkamp
Walter and Katharina Heim
James and Lynn Heindl
Joseph and April Heindl
Richard Helmick
Jacqueline and Gerald Henderleiter
Helen and Daniel Henderson
David Hendrickson & Lila Zastrow
Nancy Hennessy
David Henning
HP Herro
William and Carole Hess
Eileen Hesselting & James Pietruz
David P Hetzel
Peter Hewson
Charlie Higley
Elizabeth Himpfel
Jennifer Hirsch & Hugh Anderson
Edna Hoffman
Thomas Hogan
Alana Holt
Richard Honeyager
Kay Hong
Don Howlett & Lisa Stone
James Hruska
Kathy Hubing
Geoff Hurtado
John and Irene Igers
Carmen Ilseman

Grace and Robert Jeffery
Marilynn and Gerald Jensen
Tim Jensen
Leslee Jepson
Paulette Johnson
Rosemary Johnson
James and Joan Johnston
Mary Jones
James Jordan
Lolita Kachel
Fayth Kail
Ken and Lois Kamps
Steve and Lynn Karges
Jesse Kehres
David Keiser
Daniel Kiernan
Amy Kirkland
Marian Klapperich
Shirley Klapperich
Thelma Klebba
James Klein
Lorna Kniaz
Kath Knoll
Ed and Margaret Knop
Norman Knox
Christopher Kolb
Nate and Elly Kraines
Robert Kreber
Roger Kriete
Joann Kronebusch
Otto Krueger
Paul and Audrae Kulas
Mary F. Kurth
Susan Kyser
James and Liren LaHann
Eugene and Maria Natalie Lambert
Steven Lambert
Larry and Jennie Lynn Larson
Norbert Larson
Theresa Larson
Edgar Laube
Peter Lee
Charles Lemke
Jane Lewis
Chris Leyda
Allen and Joan Liegel
Don Lindsay
Arthur and Susan Lloyd
Mary Loftus
Tom Lonsway
Barbara Lund
Stewart Macaulay
Steve and Sue Macejkovic
Kevin Mackey
David Magruder
Jason Maloney & Cindy Dillenschneider
Alan Manson & Colleen Peters
Jim and Patricia Mapp
Roy Marsden & Judith Baker
Kay Marshall
James Martell
Wayne and Gayle Mauer
Brent and Deborah McCown
Mary Jo and Guy McDonald
David McIntosh
Neil McIntosh
Calvin and Margaret McIntyre
Lt. Col. Patrick McMahon
R. L. McNeely
Scott Meecker & Kathleen Ernst
Chris and Mary Meixner
John and Linda Melski
Muhammad and Nakako Memon
John and Linda Merrill
John Mesching
Donald and Mary Metz
Louis A. Metz, III
Sven Midelfort
Louis Mielke
Loretta and Robert Mikula
James Millard
Eileen Miller
Gerry Miller
Herbert Miller
Lawrence Miller
Margaret Miller
Chuck Mitchell & Carrie Duffield
James Moore
Anne Morrissey
Thomas Morse
Colleen M. Mortell
Ted and Linda Moskonas
George and Patricia Mueller
Jarrell Muges
Douglas Millen
Sally Mundt & Carolyn Schloemer
George Murphy
William Napieciniski
Robert Nelson
Linda Nenn
Allan and Aileen Nettleton
John Neuenschwander
Ivy Nevala
James Newton

Ellen Ochs
Katharine Odell
Sisters Of St Francis of the Holy Cross
David and Susan Ogden
Vince O'Hern
Carol and Robert Olsen
Jerry and Olga Olsen
Richard Olson
Marty Ordians
Thomas and Deborah Osting
Mary Ousley
Lloyd Page
Thomas and Elaine Pagedas
Jeanne and David Panka
Barbara Parsons
Sue Patrick
Ralph and Judith Paulson
Curt Pawlisch
Karen and David Peck
Bonnie Pedraza
Ann Pellman
Louise Petering
Kathryn Philipp
Fran and Louis Rall
Ed and Patricia Pollan
Donald and Katherine Pongsegrau
Tom and Susan Porter
John Powell
Kent and Kristin Powley
Sylvia Pratt
Maurine Prawdzik
Kay Probst
William Prohaska
Dorothy Prouty
John Race
Susan and Stephen Ragatz
Fran and Louis Rall
Sara and Michael Ramaker
Bob and Marguerite Ramlow
Ann Rae Raskin
Mike Raynovic
Mariam Reading
Mark Redsten
Helen Reich
Donna and Richard Reinardy
Christine Retert
Carol and Dale Reuter
Barbara Roberts
Diane Roberts & George Dreckman
Jean Roberts
Shirley Robertson
Helen Robinson
Sharon and Gilbert Roderick
Wendy and Robert Rodman
Mark Roesler & Therese Casick-Roesler
Dora Marie Rohl
Richard Roloff
David Rosenberg & Sandy Byrne
Lucille Rosenberg
Janet Ross
Roland and Beth Rothman
William Rowe
Dennis and Sharon Ryan
Kayvon and Patricia Safavi
Mick Sagrillo
Carlos Sanabria
Charles Sanders
Jerome Sankey
William and Judith Sankey
Randy Sannes
Lynne Schade
C J and Joan Schatzman
Roy Schenk & Kathryn Seifert
Mary Schieffer
Joseph and Jane Schirmer
Leo G Schmidt
Roger and Elaine Schmidt
Steve Schmidt
Glenn and Mary Schnadt
Joyce Schneider
Robert and Susan Schramm
Roger and Sheila Schrieber
Ed and Marilyn Schten
Gerry and Jan Schulenburg
John Schultz
Fred and Jan Schulz
William Schutten
Sally and Robert Schwarz
Clifford Schwebke
Jim Schymanski
Charles and Anne Scott
John Seidl & Karen Huske
Sol Sepsenwol
Gustave Sevela
Geraldine Shelhamer
George Sholes
Mary Lou and Howard Short
Linda Shult
Mark and Nancy Shults
John Sieber
Philip and Phyllis Sillman
James and Rose Sime
Sisters of Saint Dominic
Gordon and Mary Skare

Ronald Skarie
Craig and Mary Ann Skold
Lyndahl Slayton
Joe and Marlys Sloup
Huron and Leticia Smith
Marilyn Smits
Ruth Snedic
Marguerite Soffa
Joyce Soliman
Elsbeth and Louis Solomon
William Somenburg
Albin Sowka
Hedwig Spaight
Jeff Spitzer-Resnick
Sprecher Brewing Co. Inc.
Kurt and Susan Sroka
Lawrence Sromovsky
Martin and Nancy Stabb
Bruce Steinhagen
George Stepien
Louis Sticks
Robert Stodola
Robert Storey
Fred and Patricia Storm
Bonita Strauss
Tom Sullivan & Karen Nakasone
Richard and Joanne Sutherland
Clinton Swanson
Jeffrey Swiggum
Marilyn and Thomas Swiontek
Donald Sylvester
Douglas Szper
Robert and Jeanne Tabachnick
Barbara Tays
Lawrence and Mary Teofilo
Gerald Thain
Bruce Thompson & Laurie Geisel
Jean C. Thompson
Kristin Thompson
Dale and Trudy Threw
Robert and Katie Timbers
Tom and Karren Torgersen
James and Blondell Toshner
Jane Treglowne
Jean and Arden Trine
Beverly and Gordon Underwood
Local 1343 United Steel Workers of America
Frank Urtz
Nancy Valentyn
Keith and Lynne Valiquette
Janet and Michael Van Vleck
Donald Vance
Stephen Ventura
Michael Vickerman & Pamela Weisen
Jane Villeneuve
Michael and Rhonda Viney
Georgene Vitense
Patricia Voermans
George Wagner & Barbara Rasman
Ronald and Wendy Wahl
Robert Wahlers
Dorothy and James Wahner
Gloria and Charles Waity
Mike Walker
Todd Walker
Alfred Wallner
Joe Walsh
Marcian Waraksa
Paul and Donna Watson
Phyllis Wax
Shirley Weaver
Lori and Patrick Weber
Susan Weber
Lorin and Dayla Weiler
Daniel and Joanne Weinstein
Ronald Weisbrod
Teri Weiss
Robert Welch
Edward Wellin
Donald Wendorff
Warren Werner
William and Hollis Westler
Gary and Nancy Whitman
Donald Wichert
Therese Wick
Lalter and Beverly Wieckert
Lurette Wilber
Paul Wild
Barbara and Donald Williams
Susan Winecki
Hal and Shirley Winsborough
Leonard Wirkus
Terry Witucki
Sharon Wolf
Levi Wood
Margaret and Daryl Wood
Thomas Woppert
Kathy and David Wyatt
John Wyman
Phil and Lois Yanny
Sylvia Youell
John Young
Thomas Zabriskie
Eileen Zore

2015 CUB Sustainers

Diana Anderson
Charles Benish
Mary Frances Bullamore
Robert and Marina de Wet

Roberta Forman
Susie Marie, Fritz Jablonic
Amy Kirkland
Ed and Margaret Knop

David and Darlene Lee
Louise Petering
Roland and Beth Rothman
Glenn and Mary Schnadt

Jon Schoenbeck
Bonita Strauss
William and Hollis Westler
Margaret and Daryl Wood

2015 Supporting Businesses & Organizations

Community Shares of Wisconsin
Culligan Water Conditioning
Fanning Cranberry Company Inc

Federighe Services LLC
Greater West Central Area Labor Council
AFL-CIO
Lake Michigan Wind & Sun Ltd.

Oconomowoc Realty
Public Service Commission of Wisconsin
Sisters of Saint Dominic
Sisters of St Francis of the Holy Cross

Sprecher Brewing Co. Inc.
United Steel Workers of America Local 1343
Wisconsin State Historical Society

CUB Slashed Millions from Wisconsin Utility Bills in 2015

continued from page 2

Utility Names

Over the years, utilities operating in Wisconsin have changed the names by which they do business. Nevertheless, they still use their older, formal names at the Public Service Commission.

Here's a quick guide for the larger utilities. If you want to review a utility's information at the Public Service Commission, be sure to use the formal name.

<u>Does Business As</u>	<u>Formal Name</u>
Alliant Energy	Wisconsin Power & Light
AT&T	Wisconsin Bell
Madison Gas & Electric	Madison Gas & Electric
We Energies	Wisconsin Electric Power Company
We Energies	Wisconsin Gas
Wisconsin Public Service Corporation	Wisconsin Public Service Corporation
Xcel Energy	Northern States Power



Overall, the PSC ordered a \$7 million decrease in WPSC's electric revenues in comparison to the \$97 million increase the utility sought for 2016, ***a swing of \$104 million to the benefit of ratepayers!***

CUB Challenged Xcel's \$27 Million Electric Rate Increase Request and Cut Unreasonable Utility Profits

XCEL, 4220-UR-121

In May 2015, Xcel Energy applied to the PSC requesting authority to increase electric rates by \$27.4 million, or 3.9% in 2016. Xcel also requested to increase natural gas rates by \$5.9 million, or 5.0%, for costs associated with the environmental clean-up of the Ashland manufactured gas plant superfund site. Xcel sought an authorized return on equity of 10.2% and authority to increase the residential monthly fixed customer charge from \$8/month to \$18/month, ***an astounding 125%***. CUB filed testimony stating that Xcel's ROE should be reduced, and opposed Xcel's request to increase the monthly fixed charge for residential ratepayers.

In December 2015, the PSC agreed with CUB that Xcel's requested ROE of 10.2% was too high and approved a ROE of 10%, cutting utility profits by \$1.6 million. The PSC also agreed with CUB that an \$18/month residential fixed customer charge was not reasonable and reduced the utility's fixed charge request by \$48/year for each customer, reducing residential customer fixed charges by over \$9 million.

CUB Testimony Opposed Need for \$120 Million Cost of Bay Lake Transmission Line Project

ATC, 137-CE-166

In May 2014, American Transmission Company (ATC) sought approval

from the PSC to construct the Bay Lake transmission project between Appleton and Oconto Falls, Wisconsin. The project consisted of 138 kV and 345 kV high-voltage transmission lines that would traverse a route approximately fifty miles long at an estimated cost of \$307 to \$327 million.

Originally, ATC proposed a larger Bay Lake project that included constructing transmission lines in the State of Michigan. CUB was instrumental in scaling back the size of that project when ATC proposed it to the regional electric grid operator, MISO, in late 2011. The cost for the original project was approximately \$1 billion!

In this case, the PSC considered new transmission lines only in Wisconsin. CUB submitted testimony to the PSC challenging the validity of ATC's claim that the \$120 million 138 kV component of the Bay Lake project was needed to preserve electric reliability in Wisconsin, and whether alternatives to the proposed project would provide a comparable level of reliability at a lower cost.

In May 2015, the PSC approved the 138 kV and 345 kV components of ATC's Bay Lake project at an estimated cost of \$327 million.

CUB Fought for Ratepayer Benefits from \$9.1 Billion Wisconsin Utility Merger

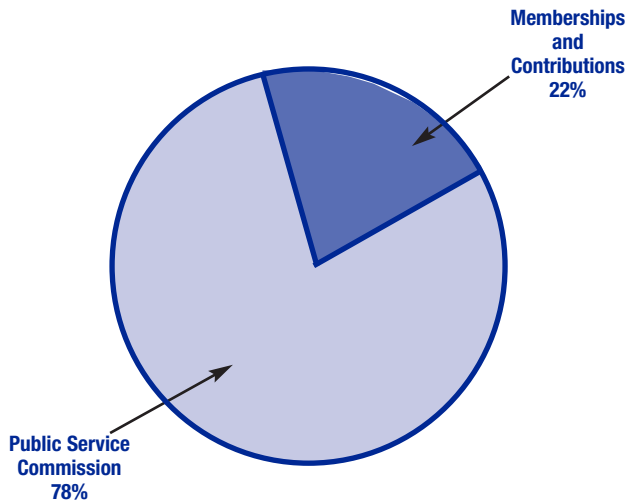
WEC, 9400-YO-100

In August 2014, We Energies' parent company, Wisconsin Energy Corporation (WEC), applied for PSC approval to acquire Wisconsin Public Service Corporation's (WPSC) parent company, Integrys Energy Group, Inc., for \$9.1 billion. The new company is WEC Energy Group. Nearly three

continued on page 7 ➡

2015 Financials

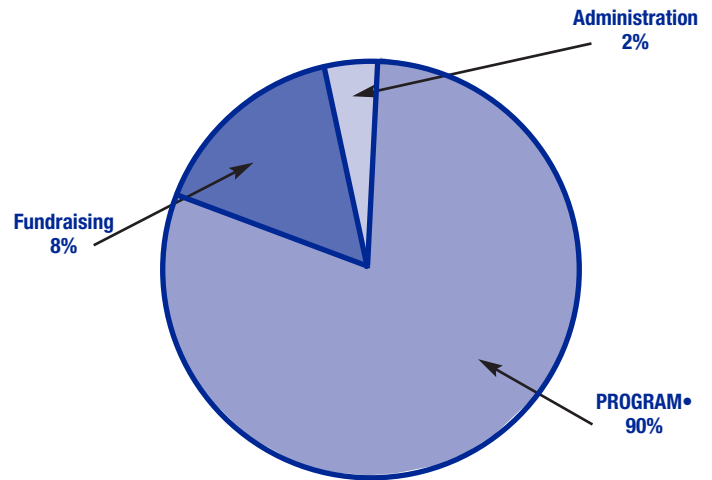
2015 Income by Source



2015 Income by Source

Memberships & Contributions	\$162,777	22%
Public Service Commission	\$562,661	78%
Total	\$725,438	100%

2015 Expenses by Source



2015 Expenses by Source

Programs*	\$629,717	90%
Administration	\$ 13,674	2%
Fundraising	\$ 57,839	8%
Total	\$701,230	100%

***Program Expenses by Activity**

PSC Intervention	\$566,187	90%
Consumer Education	\$ 31,042	5%
Energy Policy	\$ 26,862	4%
Lobbying	\$ 5,626	1%
Total	\$666,420	100%

ASSETS

Current Assets

Cash	\$ 149,532
Contributions receivable	1,780
Contract receivables	<u>62,490</u>
Total current assets	213,802

Fixed Assets

Office equipment	22,242
Less: accumulated depreciation	<u>-22,242</u>
Net fixed assets	0

TOTAL ASSETS	\$ 213,802
---------------------	-------------------

LIABILITIES & NET ASSETS

Current Liabilities

Accounts payable	\$ 73,612
Accrued retirement plan payable	1,013
Accrued compensation absences	12,007
Accrued retirement plan payable	<u>1,346</u>
Total current liabilities	\$ 87,978

Net Assets

Unrestricted:	\$ 125,824
Temporarily Restricted	<u>0</u>

Total net assets	\$ 125,824
-------------------------	-------------------

TOTAL LIABILITIES & NET ASSETS	\$ 213,802
---	-------------------

CUB Slashed Millions from Wisconsin Utility Bills in 2015

continued from page 5

million electric and natural gas customers in Wisconsin are impacted by the takeover. The merger impacts utility rates and the quality of electric and natural gas service in 62 of Wisconsin's 72 counties.

To receive approval from the PSC, WEC, by law, was required to prove that its proposal was in the best interests of We Energies' and WPSC's ratepayers. However, WEC did not promise to provide any real, tangible benefits for customers from the multi-billion dollar merger even though it identified synergy savings to the utility of 3 to 5 percent per year.

CUB submitted testimony that the takeover should be denied unless the PSC imposed conditions that provided real savings and protections to customers. CUB testified that an earnings cap should be set so that if We Energies and WPSC earned more than their authorized profit the over-earnings would flow back to customers.

The PSC approved the WEC-Integrays takeover in May, 2015

with conditions that CUB believes should have been much stronger in order to benefit utility customers. For example, any sharing in synergy savings from the merger that could accrue to utility customers can't occur unless the utility has a rate case before the PSC. Rate cases for the WEC Energy Group utilities won't go before the PSC until at least 2017, to set rates for 2018, potentially denying customer benefits for several years. Yet WEC Energy Group just posted earnings in the 1st quarter of 2016 of \$346 million, and an earnings per share increase of 21% from the 1st quarter of 2015!

Wisconsin Power and Light Riverside Natural Gas Power Plant

WPL, 6680-CE-176

On May 1, 2015, Wisconsin Power and Light Company (WPL) requested authority from the PSC to construct a 650 megawatt (MW) combined-cycle natural gas power plant, located adjacent to the exist-

ing Riverside Energy Center in Rock County, Wisconsin. The estimated cost of the project is approximately \$700 million. The power plant can be operated, if needed, to provide baseload power to electric customers 24 hours a day 7 days a week.

WPL recently announced plans to shut down several older, less efficient coal-fired generating units and combustion turbines by the mid-2020's. Retirement of some of the coal-fired units is being driven by environmental consent decrees. The planned power plant retirements will reduce the total capacity of WPL's electric generation fleet by approximately 640 MW.

CUB provided testimony in the case supporting the need for the new Riverside power plant. Customers will require a reliable, and cost-effective power plant to replace the electric generation WPL plans to shut down.

**CUB – fighting the
utilities,
fighting for you!**



16 N. Carroll St. Suite 640
Madison WI 53703

NONPROFIT Org.
U. S. Postage
PAID
Madison WI
Permit No. 949

RETURN SERVICE REQUESTED



**Since 2008 CUB Has Helped Save
Over \$3 Billion!**

Change of address? Please print changes on mailing label and return to Citizens Utility Board.

Call for CUB board of directors Nominations

Attention CUB members – the CUB board of directors is seeking nominations for new board members.

Nominees should share CUB’s commitment that ratepayers deserve a strong voice to ensure safe, reliable utility service at reasonable rates. Nominees must be current CUB members.

Particularly strong nominees will possess skills in:

- Fundraising
- Finance
- Human Resources

- Marketing
- Nonprofit Management
- Strategic Planning

If you’re interested in serving a 3-year term on the CUB board of directors, please submit your resume and your response to the two following questions, by August 1st 2016, to runzler@wis-cub.org or mail to:

Kurt Runzler,
Acting Executive Director
Citizens Utility Board
16 N. Carroll St., Suite 640
Madison, WI 53703

Questions:

1. What skills and experience would you bring to the board? (200 words maximum)
2. Why do you want to be on the CUB board of directors and what do you hope to accomplish during your 3-year term? (200 words maximum)

