



Legislation Text

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140506
SUBSTITUTE 1

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Substitute resolution directing various City departments to evaluate and report on the economic impact to the City of the proposed acquisition of Integrys Energy Group by Wisconsin Energy Corporation so that the City can determine whether to oppose the acquisition.

This resolution directs the Department of Administration-Budget and Management Division and the Office of Environmental Sustainability, in conjunction with the City Attorney's Office and the Department of Public Works, to evaluate and report on the economic impact to the City of the proposed acquisition of Integrys Energy Group by Wisconsin Energy Corporation so that the City can determine whether to oppose the acquisition.

Whereas, On June 23, 2014, Milwaukee-based Wisconsin Energy Corporation announced that it has agreed to buy Integrys Energy Group, Inc., the Chicago-based parent company of Green Bay-based utility Wisconsin Public Service Corporation; and

Whereas, Wisconsin Energy Corporation officials stated that the acquisition will create a larger, more diverse Midwest electric and natural gas utility named WEC Energy Group, Inc.; and

Whereas, Wisconsin Energy Corporation operates WE Energies, which has utility operations serving more than 1.1 million electric customers in Wisconsin and Michigan's Upper Peninsula, as well as 1.1 million natural gas customers in Wisconsin; and

Whereas, Integrys operates 5 utilities serving a 4-state area: Wisconsin Public Service, Peoples Gas, North Shore Gas, Minnesota Energy Resources and Michigan Gas Utilities; and

Whereas, The combined company is projected to have a regulated rate base of \$16.8 billion in 2015, serve more than 4.3 million total gas and electric customers across Wisconsin, Illinois, Michigan and Minnesota, and operate nearly 71,000 miles of electric distribution lines and more than 44,000 miles of gas transmission and distribution lines; and

Whereas, At the end of 2013, Wisconsin Energy Corporation had 4,303 employees while Integrys had 4,888 employees; and

Whereas, According to Wisconsin Energy Corporation, the combined company will create the 8th-largest natural gas distribution company in America; and

Whereas, The transaction requires the approval of the Federal Energy Regulatory Commission, the Federal Communications Commission, the Wisconsin Public Service Commission, the Illinois Commerce Commission and the Minnesota Public Utilities Commission, as well as the approval of

anti-trust regulators and the shareholders of Wisconsin Energy Corp. and Integrys; and

Whereas, The transaction is expected to be completed in summer 2015; and

Whereas, There is uncertainty about whether Wisconsin Energy Corporation's headquarters will remain in downtown Milwaukee, and the company has been vague about its intention; and

Whereas, It is in the best interest of the City of Milwaukee that the impact of the proposed acquisition of Integrys Energy Group by Wisconsin Energy Corporation be evaluated, including its effects on the City of Milwaukee, energy customers, utility rates and employment; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Administration-Budget and Management Division and the Office of Environmental Sustainability, in conjunction with the City Attorney's Office and the Department of Public Works, are directed to conduct an economic impact study of the proposed acquisition of Integrys Energy Group by Wisconsin Energy Corporation so that the City can determine whether to oppose the acquisition; and be it

Further Resolved, That the Budget and Management Division and the Office of Environmental Sustainability shall submit their report to the Common Council within 90 days of the adoption of this resolution.

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