



Legislation Text

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990164
SUBSTITUTE 3

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Substitute resolution seeking introduction and passage of state legislation to exempt energy-related investments from the sum of the assets of all non-utility affiliates in a holding company system.

- Analysis -

This resolution directs the Intergovernmental Relations Division - Department of Administration to seek introduction and passage of state legislation to exempt energy-related investments from the sum of the assets of all non-utility affiliates in a holding company system, s. 196.795(5)(p), Wis. Stats. Prior to introduction of such legislation, Wisconsin Energy Corporation (WEC) must commit to perform specified actions that combine transmissions into a single common carrier system, provide low-income utility-related assistance, provide for continuity, safety and reliability for power system workers, grant a revenue incentive to the city of Milwaukee for new transmission projects and provide certain options for retail customers.

Whereas, Wisconsin law permits Wisconsin utilities to invest in Wisconsin jobs and enterprises through the creation of non-utility subsidiaries; and

Whereas, The Wisconsin statute, s. 196.795(5)(p), that authorizes non-utility investments by such subsidiaries also includes an "asset cap" that limits to 25% the maximum investment a utility holding company affiliate can make in non-utility investments; and

Whereas, Even under the asset cap, such investments by utility holding companies have directly invested millions of dollars in such Wisconsin projects as Steeltech, Milwaukee Sign Co., Westside Conservation Corp, Brewers Hill, Historic King Place and numerous other, worthwhile projects; and

Whereas, Wisconsin Energy Corporation has actively pursued investments that have provided over \$360 million for Wisconsin enterprises, and increasing the asset cap would allow Wisconsin Energy to continue its vital position as a viable, Milwaukee-based, Wisconsin utility holding company; and

Whereas, The current asset cap handicaps the growth of Wisconsin Energy Corporation, but increasing the asset cap would permit Wisconsin Energy to aggressively provide added job security to its 5,320 hard-working employees, of whom over 3,500 are represented by unions; and

Whereas, Greater investment flexibility may allow Wisconsin utilities to increase the reliability of the energy delivery system by increased investment in non-regulated energy-related endeavors in Wisconsin and throughout the United States; and

Whereas, Parties interested in the asset cap and other utility-related issues have agreed that Wisconsin Energy Corporation will commit to perform specific actions prior to introduction of asset cap legislation; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Intergovernmental Relations Division - Department of Administration is directed to seek introduction and passage of state legislation to exempt energy-related investments from the sum of the assets of all non-utility affiliates in a holding company system, s. 196.795(5)(p), Wis. Stats.; and, be it

Further Resolved, That, before legislation seeking asset cap modifications for Wisconsin Energy Corporation (WEC) is introduced, WEC must commit to a transmission company ("transco") that combines all utility companies' transmission into a single common carrier system, a public benefits package which provides adequate spending levels for low-income assistance and weatherization, energy conservation and renewables, a transition for all employees in the power industry to provide continuity, safety and reliability to the power system, a revenue incentive to the city of Milwaukee for new transmission projects and market-based pricing and contract options for retail customers.

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