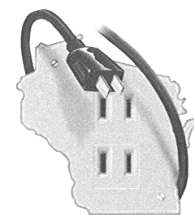


WEPCO and WPS claim that their proposals to spin off their power plants into unregulated subsidiary companies are not "California-style" deregulation. Look at the key issues, and you make the call.

ISSUE	CALIFORNIA	WISCONSIN UTILITIES' GENCO PROPOSALS
Ownership of power plants	Utilities sold most of their non-nuclear power plants to unrelated companies. Utilities with obligation to serve customers own far less generation than before.	Utilities would give power plants (except nuclear) to unregulated sister GenCo companies. Utilities with obligation to serve customers would no longer own generation.
State jurisdiction over electric rates	Lost to federal government.	Lost to federal government.
Electricity prices	Set by the highest bid; even low cost producers get profits linked to other producers' high costs or strategic bidding; no guaranteed price protection for customers.	Set by complicated contracts between affiliated companies; federal regulators could abrogate the contracts; no clear, on-going price protection for customers.
Market power (ability of suppliers to manipulate prices in the market)	Even with no single supplier controlling more than ten percent of the market, suppliers are able to manipulate prices by withholding supply and strategic bidding.	One supplier controls fifty percent of the market; Wisconsin's prospects for robust competition found to be even worse than were California's when it "opened" its markets; dominant supplier could set prices.
Potential for favoring corporate affiliates (self-dealing)	Some, but most of the non-nuclear generating capacity was sold to independent companies.	Great. Unregulated generation affiliate and regulated distribution affiliate both have strong motivation to maximize profits for one company - their corporate parent - at the expense of customers.
Generation capacity and transmission import capability	Generation capacity inadequate to meet state's peak loads, but can be supplemented by imports across transmission lines.	Generation capacity inadequate to meet state's peak loads; transmission import capacity much more scarce than in California.
Jobs	Deregulation was touted as enhancing prosperity and jobs. Layoffs have begun in the utility industry and are seen as inevitable in the rest of California's economy.	Utility workers would be shifted to non-utility, unregulated GenCo; effect is unknown.

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