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Power Plan Would Take Us For Fools

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To continue our conversation on "takings" - not in the way imagined by the right, but in the way experienced by the rest of us - think about this one. This is good, especially if you ever get the sweet, sad inkling, like the lost character in "Diner," that something else is going on out there - something with horses and cheekbones and money. Anyway, I find pondering it focuses the mind. It's like what Dr. Johnson said about a hanging - that it focuses the mind.

So strap on, suit up, lock 'n' load, the whole thing.

There's a proposal now before our state, which nobody is talking much about, called "Power the Future 2." The proposal is authored by Wisconsin Energy Corp. (which now calls its main utility subsidiary "We Energies," pronounced "WienerGees"), another conglomerate bigger than your mamma. Power the Future 2 purportedly aims to address our growing energy needs. It does so without considering all the different ways we could reduce those needs while actually boosting production or importing less - meaning pay less out of our pockets - from out of state.

Actually, it's sort of a stupid document. I'm waiting for Tom Barrett or Kathleen Falk to attack it in their run for governor. I don't suspect Scott McCallum will.

But here are some details on the proposed theft - the "taking" if you will. WienerGees nominally asks for a 14 percent return (actually, 13.9, but let's round), which is nicely more than the 12 percent the utility currently receives.

The Public Service Commission, which is supposed to be watching out for us consumers, isn't doing that. Appointed by the governor, it is simply and only doing industry's bidding.

But the next move is the interesting one. WienerGees also wants us to pay off the coal plants it proposes on an accelerated basis, 25 years rather than the customary 40, and gas plants in 20 years rather than 35. This should boost customers' monthly costs. About \$11.6 billion more, actually, or almost 135 percent more than on standard schedules. Pretty good, huh?

But it gets even better. After paying for the plants, we don't own them. Customers would still have to pay full market rates for any of their capacity, but would enjoy none of the benefits of ownership. It would be like someone built these plants, charged us a fee, etc. Also, indeed, they might be sold to someone else. We don't own them, you see, so that's not our business. In fact, and this is the sort of new law that made Enron possible, the "equal access" rule of deregulation means that the power might be sold somewhere else! Wisconsin pays, but Wisconsin might not get.

And then there's more. Power the Future 2 wants customers to pay for future environmental controls. Which is interesting, especially for the coal plants, given the new mercury controls Wisconsin may finally enact. These, according to Wisconsin Energy, might be very expensive to comply with. Basically, the coal units may not be viable under the proposed mercury rule, meaning meltdown on costs. That we'll pay.

And then there's no assurance of the plants meeting performance standards after initial testing, or indeed on the plants working at all. Amazing, huh? But maybe not surprising, since the leases have been developed by attorneys representing both sides of this transaction.

So, peasants, you're about to get socked with \$11 billion and not even know where it went, so softly is the money about to be pulled from your pocket, distributed over an endless series of monthly energy bills, with nothing at the end that you can claim.

Ah yes, there's a whole world out there for which you're paying - a world of horses, money, cheekbones - that they really don't want you to understand at all. And yeah, it might all go to Chicago.

Think about it. Don't you hate being taken for such fools?

Joel Rogers is director of COWS, the Center on Wisconsin Strategy, at the UW-Madison. COWS is sponsoring "Sustaining Wisconsin," a statewide dialogue about the future of Wisconsin. Go to www.sustainingwisconsin.org for more information.

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