

TO: MEUW Members

FROM: David J. Benforado, Executive Director

DATE: July 28, 2011

RE: PSC 2011 Annual Report Accounting Treatment of MEUW Member Dues and MEUW Safety/Regulatory Program Fees.

This memorandum addresses the proper accounting treatment for MEUW member dues and fees as they are reported in the 2011 Annual Utility Report that you submit to the Public Service Commission of Wisconsin. These amounts fall into three general categories.

1. MEUW Safety/Regulatory Program Fees. All fees for the MEUW Safety/Regulatory Program should be reported on either Account 583 or 586 for class A & B utilities, Account 562 or 566 for class C utilities, and Account 552 for class D utilities.

2. MEUW General Dues (Trade Association Dues). Of the total MEUW dues your utility paid in 2011, **98.7%** should be reported as trade association dues in Account 930 of the Uniform System of Accounts for class A, B and C utilities, and Account 589 for class D utilities.

3. MEUW General Dues (Legislative Activity). A portion of your utility's MEUW dues in 2011 relate to legislative activity. This is **1.3%** and that amount of your utility's dues should be recorded in Account 426 (all classes).

Please note that the above percentage splits in MEUW General Dues are based on MEUW's actual declared lobbying expenses as a percent of MEUW General Dues. If you have any questions on this, please contact me or your utility accountant.

Many thanks!

cc: Glenn Miller, Wegner, LLP