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Wisconsin Energy Corporation

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Introduction

Wisconsin Energy Corporation, known today as WEC Energy Group, occupies a central position in the American energy sector. What began as a modest electric railway and lighting company in Milwaukee over a century ago has evolved into one of the nation's largest and most respected regulated utilities, serving millions of customers across Wisconsin, Illinois, Michigan, and Minnesota. The story of this company is both a chronicle of technological progress in the utility industry and a wider reflection of the American Midwest's economic transformation over the past 125 years.

In tracing the historical arc of Wisconsin Energy Corporation, we see the threads of innovation, resilience, and strategic vision. From its pioneering use of pulverized coal in the early 20th century to its significant embrace of nuclear power and, more recently, its ambitious clean energy goals, the company's journey mirrors the changing energy needs and technological aspirations of an entire region. Each decade brought new challenges—whether regulatory, environmental, or financial—and forced the company to adapt, diversify, or restructure to sustain its leadership and relevance.

The evolution from a stand-alone utility to a modern holding company involved a series of bold acquisitions, strategic mergers, and spin-offs. Wisconsin Energy's ability to navigate the often-turbulent waters of deregulation, competition, and consolidation is a testament to steady leadership and a clear focus on delivering reliable service. Its rebranding as "We Energies" reinforced a customer-centric approach, while the eventual creation of WEC Energy Group marked a new chapter in scale and service territory.

Today, WEC Energy Group is not just a force in traditional energy; it is also a driver of innovation and sustainability in the utility space. The company's environmental initiative—setting aggressive targets for emissions reductions and investing heavily in renewables—demonstrates a commitment to future generations as much as to present needs. As technological advances and climate imperatives reshape the sector, WEC Energy Group's ability to adapt will be crucial to maintaining its position and meeting its responsibility to the communities it serves.

At the heart of this story are the people—visionaries, engineers, leaders, employees, and local citizens—who shaped the destiny of Wisconsin Energy Corporation. Their efforts have powered the growth of cities, supported industries, and improved countless lives across the Upper Midwest. Through philanthropy and service, the company has sought not only to keep the lights on but to help build stronger, more vibrant communities.

This book tells the comprehensive story of Wisconsin Energy Corporation: its origins, growth, challenges, and the outlook that guides it into the future. By exploring pivotal moments, key decisions, and the ongoing pursuit of reliability and sustainability, we gain insight into what makes this company an enduring pillar of American industry and a beacon for the energy landscape of tomorrow.

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CHAPTER ONE: The Roots: Milwaukee Electric Railway and Light Company

The story of Wisconsin Energy Corporation, and later WEC Energy Group, begins not with the flicker of a lightbulb in a Milwaukee home, but with the clatter and hum of a streetcar. In the bustling, late 19th-century urban landscape of Milwaukee, the future of energy was inextricably linked to the burgeoning demand for public transportation. It was here, amidst a jumble of competing horse-drawn and steam-powered railway companies, that the foundational entity, The Milwaukee Electric Railway and Light Company (TMER&L), emerged. This company would not only revolutionize transit in southeastern Wisconsin but also lay the essential groundwork for widespread electric power distribution, forever changing how people lived and worked.

Before the advent of TMER&L, Milwaukee's street railway scene was, to put it mildly, chaotic. As many as eleven different companies vied for passengers and routes between 1865 and 1890, primarily operating with horse-drawn trolleys. These were the days of clip-clop transportation, where the speed of travel was dictated by equine endurance and the whims of traffic. Early street railway companies like The River and Lakeshore Railway Company, established in 1860 with a grand total of two horse-drawn cars, represented the initial, tentative steps toward organized urban transit. This company, like many others, was eventually absorbed into larger entities, such as the Milwaukee City Railway Company in 1865, as consolidation slowly began to take hold.

The year 1890 marked a significant turning point with the organization of The Milwaukee Street Railway Company, an entity that embarked on an ambitious mission to consolidate as many of these disparate lines as possible. This was a crucial period of transition, as the city also witnessed the arrival of its first electric streetcar, which began operation on Wells Street on April 3, 1890. Imagine the scene: the novelty of a vehicle moving without visible means of propulsion, powered by an unseen force flowing through overhead wires. It was a marvel of the age, and it hinted at the profound changes to come.

However, the path to a fully electrified and consolidated transit system was not without its bumps and jolts. The Milwaukee Street Railway Company, despite its grand ambitions, soon encountered financial difficulties. The economic crisis that gripped the nation between 1893 and 1895, a period commonly referred to as the Panic of 1893, plunged the company and its owner, the North American Company of New Jersey, into bankruptcy. This financial turmoil necessitated a reorganization, paving the way for the birth of a new corporate structure.

In January 1896, out of the ashes of the Milwaukee Street Railway Company's financial woes, The Milwaukee Electric Railway and Light Company (TMER&L) was officially incorporated. This new company acquired the properties and business of its predecessor through a foreclosure sale. The driving force behind TMER&L was Henry Villard, a prominent national railroad magnate and financier, who also happened to be a major backer of Thomas Edison's General Electric Company. Villard, a German immigrant, was particularly drawn to Milwaukee, a city with a strong German heritage, and saw its potential for a unified and electrified utility empire.

Villard's vision was both strategic and symbiotic. He understood that electricity, while still a relatively new concept, had immense potential beyond simply lighting homes and businesses for a few hours at night. Power plants, he realized, operated most efficiently when running continuously. The solution to the daytime demand problem lay in electric streetcars and trolleys. These vehicles would provide a steady, around-the-clock demand for electricity, thereby establishing a firm financial foundation upon which the light and power business could be built and expanded. It was a brilliant synergy: the more people rode the streetcars, the more electricity was sold, making the power plants more efficient, and in turn, making electric light more accessible and affordable.

With the aid of local Republican leader Henry C. Payne, Villard embarked on a mission to acquire, convert, and consolidate all of Milwaukee's existing horse-drawn rail trolley systems. This was a monumental undertaking, transforming a fragmented network into a cohesive and modern electric railway system. By 1898, the intra-city trolley system had expanded from less than 12 miles to over 142 miles in length, and by 1920, TMER&L was operating 180 miles of track within the city limits, complete with free transfers between various lines. TMER&L quickly became the largest electric railway and electric utility system in Wisconsin, its streetcar lines gracing most major streets and serving the majority of the city.

The expansion of TMER&L wasn't confined to the city limits. Just as the company was getting on its feet, it began cautiously exploring the possibilities of an interurban railway system, connecting Milwaukee to surrounding towns and communities. On December 21, 1896, The Milwaukee Light, Heat & Traction Company (MLH&T Co.) was incorporated as a subsidiary of TMER&L. This new entity was specifically designed to build and hold title to the electric and traction properties located outside the city of Milwaukee. The general strategy was to construct these interurban lines under the subsidiary's banner and then absorb them into the main company once service commenced.

This interurban expansion marked a new era of connectivity for southeastern Wisconsin. In 1896, TMER&L acquired the Milwaukee & Wauwatosa Motor Railway, promptly beginning the electrification of its steam dummy lines. The first interurban

service, connecting Milwaukee and Kenosha, commenced on June 1, 1897. Other lines rapidly followed, reaching towns such as Watertown, Burlington, and East Troy. By 1910, TMER&L's system had nearly reached its peak in terms of route mileage, providing an expansive network that facilitated travel and commerce across the region.

The interurban lines were not just for passengers; TMER&L also offered freight service, particularly on lines where competing steam railroads were absent. This proved to be a profitable venture for the company and spurred the growth of various businesses in the areas served. For instance, the East Troy line, which reached its destination on December 13, 1907, after construction began in 1902, saw the establishment of a Standard Oil Distribution Center, East Troy Lumber, and other enterprises benefiting from the reliable rail transport. The integration of freight services further solidified TMER&L's role as a vital economic engine in Wisconsin.

In 1907, the state of Wisconsin granted TMER&L a monopoly in the metropolitan Milwaukee area, a significant development that underscored the company's growing importance. However, this monopoly came with a dual responsibility: accountability to its East Coast stockholders, primarily the North American Company, and to state regulators in the Madison-based Wisconsin Railroad Commission. This arrangement, while providing stability, also meant that TMER&L had no direct accountability to Milwaukee's municipal government or its citizens, a fact that sometimes led to friction. Local residents occasionally expressed frustration over what they perceived as the company's impersonal "outsider" identity, its resistance to unionization, its opposition to demands for lower fares, and its reluctance to improve service and equipment. Despite these tensions, the city repeatedly attempted to purchase the system from TMER&L, though these efforts never materialized due to various political and financial obstacles.

The early 20th century saw continued growth and modernization for TMER&L. In 1902, John Beggs became the president of TMER&L, and he is widely credited with guiding the company's development into one of the finest transportation and utility companies globally. Under his leadership, the company invested in new infrastructure, including a block-long office building and interurban terminal at 3rd and Sycamore (now Michigan Street) in downtown Milwaukee. This four-story structure, completed in 1905 and named the Public Service Building, featured ten tracks inside and three outside, serving as a hub for the sprawling railway system. The company's offices moved into this building in 1906, a testament to its expanding operations and its central role in the city's life. Remarkably, this very building continues to serve as the headquarters for WE Energies today.

Beyond its role in transportation, TMER&L's true legacy lies in its pioneering efforts in electric power generation and distribution. The East Wells Power Plant, formerly known as Oneida Street Station, in downtown Milwaukee, became a site of groundbreaking

experimentation. In 1919, the company conducted pioneering tests there that demonstrated the remarkable efficiency of pulverized coal in generating electric power and conserving fuel. These innovations were crucial for the development of modern power generation and marked TMER&L as a leader in the nascent electric utility industry. The ability to effectively burn pulverized coal would become a cornerstone of future power plant design and efficiency, driving down costs and making electricity more accessible to a broader population. This early commitment to technological advancement set the stage for Wisconsin Energy Corporation's future as an innovative force in the energy sector.

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