



NEWS RELEASE

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SUBJECT: Madison Gas and Electric and DNR sign environmental agreement

MADISON, Wis. – Today Madison Gas and Electric (MGE) became the fifth Wisconsin company to sign a cooperative environmental agreement with the Wisconsin Department of Natural Resources (DNR) under the state's Environmental Cooperation Pilot Program.

DNR Secretary Darrell Bazzell and Gary Wolter, MGE's chairman, president and chief executive officer, signed the agreement. The agreement commits MGE to achieving higher environmental standards than required by regulations and reduces excessive administrative workloads for both the state and the company.

MGE provides energy to 125,000 customers in Wisconsin. The new voluntary agreement applies to the company's Blount Generating Station in downtown Madison, which produces electricity daily throughout the year and supplies about 10 to 15 percent of the electricity MGE's customers use.

The agreement specifies 14 distinct actions MGE will take to achieve a higher level of environmental performance. These actions include increased use of alternative fuels that burn cleaner than coal -- including solid waste materials that would otherwise be landfilled -- as well as continuation of a study to improve the efficiency of one of MGE's two largest boilers. The agreement also ensures that MGE will continue working to improve its environmental management system to make it more consistent with ISO 14001, the international standard for environmental management.

"Madison Gas and Electric continues to build its reputation for seeking new and better ways to improve the environment while meeting all current environmental regulations," said Secretary Bazzell. "Under this agreement, MGE will work with the DNR on a stormwater pollution prevention project, increase its mercury recycling, use more alternative fuels in its boilers and fleet and pursue a host of other environmental improvement actions that go well beyond what current regulations require."

Bazzell also commended MGE's creation of an interested persons group whose input helped shape the environmental agreement.

"This group provided valuable advice as DNR and MGE negotiated the agreement and offers a good model for other companies on how to gather community input on environmental management at a facility," he said.

Under the agreement, MGE will still be held to existing emission limits and pollution control requirements and will be required to verify that they meet these standards. However, the agreement allows the company more flexibility by reducing certain administrative requirements for monitoring and reporting while still ensuring ample regulatory oversight. These alternative procedures will save MGE and DNR both time and money while continuing to protect the environment.

The cooperative agreement adds to MGE's tradition of environmental stewardship, which includes the 2002 Wisconsin Partners for Clean Air Recognition Award, five years of honors from the National Arbor Day Foundation, a voluntary mercury collection and recycling program and the development of alternative energy sources such as wind and solar power.

The Environmental Cooperation Pilot Program, established by the Wisconsin Legislature in 1997, is designed to allow some regulatory flexibility for environmental projects that achieve superior performance at a reduced cost. The program authorizes the DNR to enter into agreements with up to 10 businesses statewide.

The other four companies that have signed similar agreements with the DNR are Wisconsin Electric Power Company, Pleasant Prairie; Cook Composites and Polymers Company, Saukville; Northern Engraving Corporation, Sparta and Holmen; and Packaging Corporation of America, Tomahawk.

For more information about the Environmental Cooperation Pilot Program, visit the DNR Web site at www.dnr.state.wi.us, select "Cooperative Environmental Assistance" from the bureau drop-down menu at the bottom of the page, and click on "Environmental Cooperation Pilot Program."