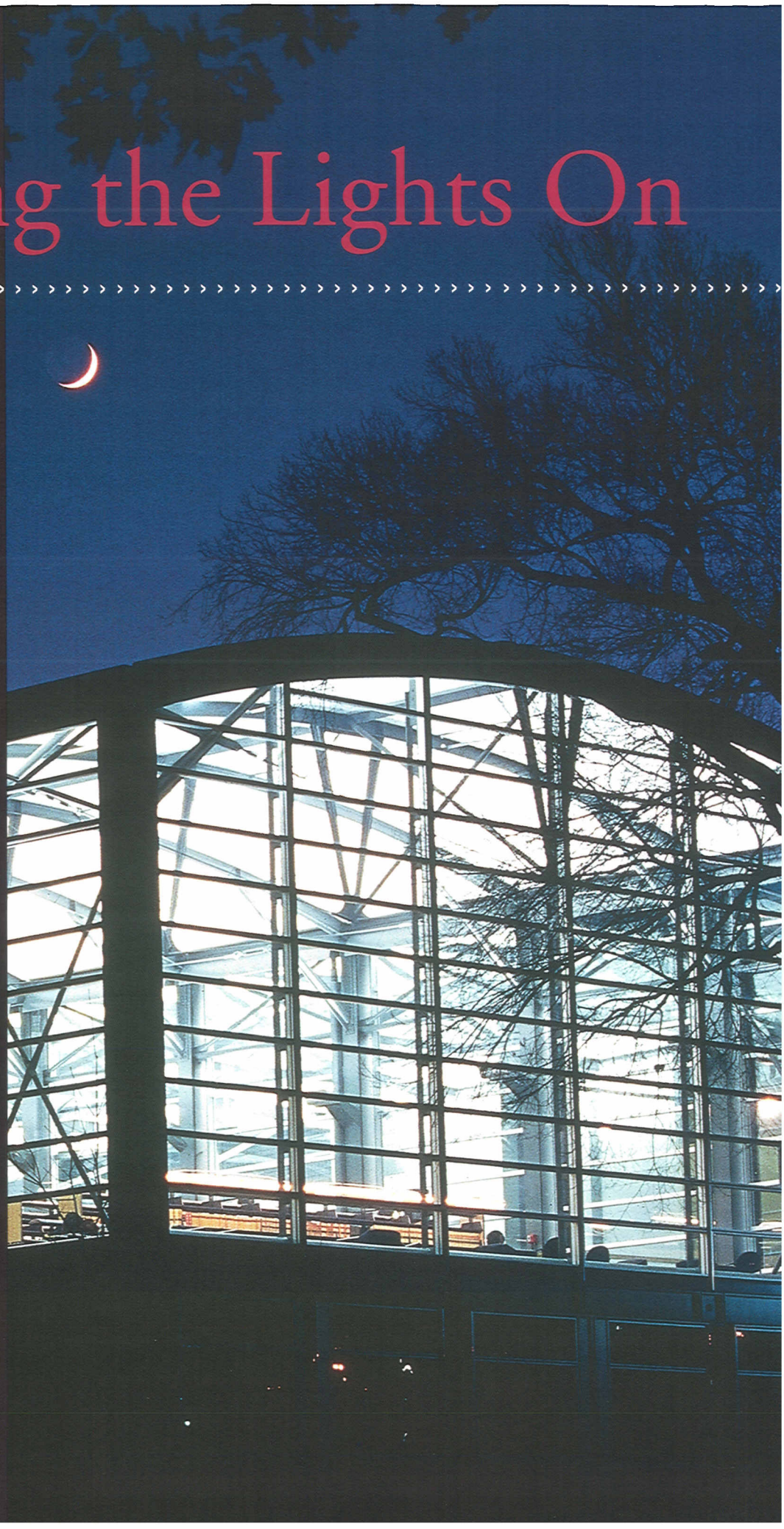
Keeping the Lights On



There must be a connection, we thought.

The UW Law School is the alma mater of several leaders of the electrical-energy industry. The list keeps growing as we talk with more people in the field. The *Gargoyle* touched base with five alumni who are current or former CEOs of major energy utilities. We wanted to know more about their career paths, and asked for their own reflections on why the UW Law School is contributing so many CEOs to the energy industry.

William Harvey '74

President and CEO
Alliant Energy Corporation
Madison, Wisconsin

On July 1, 2005, Bill Harvey became Chief Executive Officer of the Madison-based Alliant Energy Company, which provides electrical power to approximately 1.4 million customers in four contiguous states in the Midwest. He has come a long way from his undergraduate days at UW–Madison, when he had counted pennies and put in long shifts of janitorial work to pay his way through school.

Harvey's path from janitor to energy CEO was through the UW Law School.

"I didn't have law as a career in mind as an undergraduate," he recalls. "What led me to law school was a general interest in the study of law and a curiosity about its practice."

As a law student, he continued to work part time to pay the bills: first at the Gardner Baking Company, and then as a clerk at the Wheeler, Van Sickle & Anderson law firm. ("I was the first clerk they ever hired," he says. "I learned a lot.)

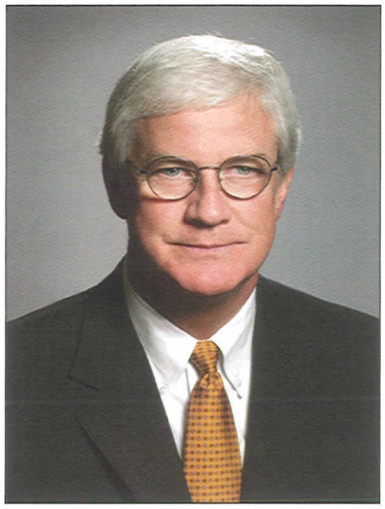
"I very, very much enjoyed law school," Harvey says. "There was no subject matter that I didn't enjoy."

He must have been a promising clerk: Wheeler, Van Sickle & Anderson hired him when he graduated. "So it turned out that I went to work for the firm I had clerked for," he says, "and they had a practice in energy-regulatory law. There was great growth potential in that area, and so by happenstance I ended up working in that field."

He worked at the firm from his graduation in 1974 until 1986, by which time he was a principal and the firm name included his own: Wheeler, Van Sickle, Anderson, Norman & Harvey. His decision to move on was the result of a position offer from another UW law alum, Jim Underkofler '50, who was then chair of Wisconsin Power & Light. Harvey started in the internal legal department, in time to deal with the explosion of environmental regulation that took place in the 1980s.

Although he had never taken a course in utility regulation or environmental law in law school ("environmental law was embryonic at that time"), Harvey sees a strong connection between his law school courses and his ability to do his work. "The nature of a legal education is that it develops cognitive skills: reading, writing, speaking, thinking. In a sense, every class I took in law school contributed to the way I think, reason, analyze, and evaluate things."

He adds, "I still tend to think as a lawyer — at least I'm accused of that by my peers. I think you learn an intellectual discipline in the totality of your legal education."



Harvey's path from janitorial work to energy CEO was through the UW Law School.

Harvey says the specific challenge of his work is "being involved in a business executive role in a company as large as ours, in a heavily regulated industry. I have found that the reasoning and cognitive skills that tend to get developed as part of a legal education have certainly been helpful to me. Business is a complex space today; regulation is a complex world. I found that those acquired skills were valuable in finding the way through all the complexities."

As for the question of why so many Law School graduates have gone on to lead energy utilities, Harvey sees it as a logical develop-

ment. "All kinds of markets in all times go through cycles," he says. "I don't think it's uncommon for those of us with legal educations to end up heading regulated utilities. This has been the trend since the late '80s and early '90s. In other industries, people tend to ascend through marketing or engineering or finance. That morphed in the '90s; more lawyers are now heading these organizations."

The bottom line: "Because of the heavy regulation on both the economic front and the environmental front, we need to be good interpreters and good translators of the regulations."

Charles F. Luce '41

Chair Emeritus
Consolidated Edison Company of New York
New York City

When Charles Luce was growing up in Platteville, Wisconsin, it was clear that he was a young man of promise. No one would have foreseen, however, that one day he would be CEO of the gigantic electrical utility Consolidated Edison (Con Ed), supplier of power to three million customers in New York City.

As a UW law student, Luce originally planned to practice law in Lancaster, Wisconsin. "But my favorite professor, Willard Hurst, for whom I was doing research on Wisconsin legal history, asked me what I was going to do after I graduated. When I told him, he said, 'Don't you think you should first spend one year outside the Mississippi Valley?' "

As Luce recalls the conversation, "I said, 'How can I do that? I don't have the finances.' But he said, 'With your experience and your grades, you might get a fellowship at one of the Ivy League law schools.' So I applied to Harvard, Columbia, and Yale, and it turned out I was accepted at all three. I chose Yale because that's the one Willard thought would be best for me."

Luce adds, "I love Lancaster. It's a beautiful town. But events led me away from that track."

By the time Luce's Yale graduate work was completed, America had entered World War II, which took him to work at the Board of Economic Warfare, and then, because "one thing leads to another," he was hired by Supreme Court Justice Hugo Black for what turned out to be "a wonderful clerkship."

By the time Luce was hired as CEO of Con Ed, he was ready.

Luce had decided by this time that he wanted to live in the Pacific Northwest and practice law. After two years on the legal staff of the Bonneville Power Administration (BPA) in Portland, Oregon, he moved to Walla Walla, Washington, where he practiced law from 1946 to 1961. He then accepted leadership of BPA, which he ran for five years, before leaving for Washington, D.C., to become Undersecretary of the Interior.

By the time Luce was hired as CEO of Con Ed in 1967, he was ready. "So many things prepared me for that work," he recalls. "Practicing law, appearing before Congress many times in hearings, getting to see the regulatory process from the inside. Of course, the Law School is the foundation of all of these."

Major challenges awaited Luce at Con Ed. "The management of the company consisted of a number of elderly men," he says, "and there had been very little recruiting of new employees. The biggest challenge was to recruit a new team to run the company."

Other challenges emerged as he learned more about his new situation. "The generating facilities were very old, very polluting, and unreliable. And the company had employment policies that were not consistent with the people we served: 7 to 8 percent of our employees were from minority groups, while 30 percent of the people we served were. So we were way out of balance that way."

Luce met those challenges, and others, including one of a different kind: he was invited to appear on the *Johnny Carson Show.* "Johnny was broadcasting from New York,

and almost every night he was taking a shot at Con Ed – just making fun of us. Unbeknownst to me, his father was in the utility business in Nebraska. John's father wrote him and told him that in fairness, he should have me on his program." Luce accepted the surprise invitation, and when he jokingly traded shots with Carson, the studio audience was greatly amused.

After retiring from Con Ed in 1982, Luce moved back to the Northwest to practice in Portland, Oregon, and later became special counsel to Metropolitan Life Insurance in New York City. Currently he is living in the New York area again. His high-profile career has been the result of his own talent, his law degree, and a prominent UW Law School scholar who took time to advise a young student on his career potential.

David C. Mebane '60

CEO Emeritus
Madison Gas and Electric Company
Madison, Wisconsin

Dave Mebane has crunched the numbers: after he graduated from the UW Law School, he held 14 different jobs. "Fortunately," he says, "they were all in the right direction."

Before he joined the Madison Gas and Electric Company (MGE) in 1977 as a corporate attorney, Mebane's work was predominantly in the government arena — as U.S. Attorney, Deputy District Attorney of Dane County, both Acting Attorney General and Deputy Attorney General of Wisconsin, and Chief of the State Division of Criminal Investigation. He had also held positions in banking and private law practice.

The way in which he began to work in the energy industry was "kind of strange," he says. "I was a U.S Attorney trying one of the Sterling Hall bombers, and long-time chair of MGE Fred Mackie saw me on television. He told his staff to hire me."

Mebane was general counsel at MGE for a number of years before being named CEO. "I was at the Public Service Commission constantly," he says.

Did his law school education prepare him for this work in a heavily regulated industry? "Definitely," he says. "Everything a regulated utility does is totally immersed in legal and regulatory proceedings. You can't make a move without needing training in the law."

He drew heavily on his law background for two of his most challenging experiences at MGE. "We were the target of an unsolicited hostile takeover attempt by Wisconsin Power & Light," he says. "It lasted 12 months, and took a significant amount of time: about 20 hours a day. We were successful in staving it off."

More recently, MGE was the initial player in a team of electrical companies protesting the proposed merger of two large Wisconsin energy utilities. "The issues were legal, political, public relations — the whole nine yards. Ultimately it was decided in Washington by the federal government. They denied approval of the merger on market dominance and antitrust grounds."

As it happens, antitrust law was one of the courses Mebane took in law school. "I didn't know at the time how useful it would be," he says. "It was taught by a famous professor, Richard Efflands, — probably the brightest legal intellect in the Law School at the time. It was really tough, but he was an excellent teacher."

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Dave Mebane '60

Mebane also mentions renowned UW labor law professor Nathan Feinsinger as being an important influence on him. "He was an outstanding communicator, outstanding lawyer, and outstanding person."

Mebane says the fact that the UW Law School has graduated so

many energy-industry CEOs "could be a coincidence, but on the other hand, Wisconsin was a forerunner in antitrust legislation, Social Security, and utility regulation. Wisconsin was one of the first two states to regulate utilities, and the Law School had a course in utility regulation. It was taught by Carl Auerbach — a four-hour intensive course. The Law School certainly addressed utility regulation."

John W. Rowe '70

Chairman and CEO
Exelon Corporation
Chicago, Illinois

Exelon Corporation is the largest electrical utility in the United States, based on number of customers (more than five million). It is the nation's largest in market value, and third in generation of power. Annual revenues total more than $15 billion.

Exelon's CEO, UW Law School graduate John Rowe, does not have a business degree.

"I was an undergraduate history major, and took only one accounting course and one finance course," he says. "I saw a legal career as my entrée to business."

Rowe's interest in politics and government also figured into his choice of a law degree. "Like a lot of other young people in the '60s," he recalls, "I looked on law school as a way to learn how to make a living and prepare myself for options in politics and government."

"While I was in law school, I realized that I was even more motivated than most people by a desire for financial success," he says. "I grew up on a farm with people who taught me from very early on that making my living was my first obligation."

Rowe arrived early at a decision about his future career path. "When I was in law school, it seemed to me that regulated industries were a way of working with politics, government, and economics in interesting ways. That was a function of people like Abner Brodie, Willard Hurst, Nate Feinsinger, Shirley Abrahamson, and Jim Jones — a lot of professors who had been in and out of government."

"I saw a legal career as my entrée to business."

John Rowe '70

When he graduated, he focused on seeking employment at law firms that had extensive regulated-industry practices, and quickly became involved in that area. "I did a lot of work on nuclear power plants and railroad bankruptcies," he says. "I didn't fall into any of the recognized disciplines in law firms. I was always an administrative-agency lawyer, going from one problem to the next.

"People would say, 'John, you're a problem solver,' " he recalls. "And that's a strong incentive to go into management."

Accordingly, at the young age of 35, Rowe took a position as General Counsel of Consolidated Railways. "That fit a lawyer who had become a problem solver first, a professional expert second."

Rowe has no trouble pointing out the course that was most useful to him: "Willard Hurst's great legislation course. That gave me background for knowing how to learn."

His proficiency in knowing how to learn proved to be an important skill. As a young lawyer in practice, he had a five-year railroad bankruptcy case come to him when the firm was approached with the case and it had no one who knew anything about that area. "I went to a partner and said, 'You get the work; I'll learn how to do it.' "

After working with politics and regulation at Conrail for three years, he parlayed his experience there into "a chance to run a small utility that had a major regulation crisis." (He solved the problems at Central Maine Power so well that there is a Harvard Business School case study on it.)

In time, he proceeded to become CEO of the New England Electric System, and then of Unicom Corporation (one of Exelon's predecessors). "I managed to do well in little utilities, then had a chance to run a middle-sized one, then finally a large one."

Rowe comments, "Regulated

industries require a lot of legal work, a lot of political work, and a lot of intersection between them."

He adds, "What I do is try to make politics and government work for our customers and shareholders. It's an art form for which a legal education is terribly relevant."

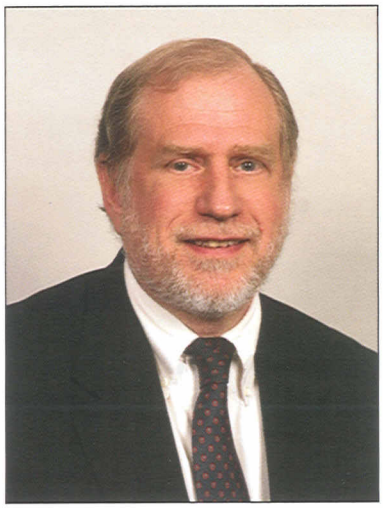
J. Leroy Thilly '74

President and CEO
Wisconsin Public Power, Inc.
Sun Prairie, Wisconsin

In 2005, Wisconsin Public Power, Inc. (WPPI) celebrated its 25th anniversary. The statewide municipal electric utility, the fifth largest in the state, is jointly owned by 40 municipalities, which purchase all of their electricity from WPPI and supply power to more than 150,000 customers throughout Wisconsin.

CEO Roy Thilly has been with WPPI from the beginning, working with the group as legal counsel for more than 10 years, then becoming president in 1992. He has been honored for his efforts to advance a sustainable energy future (co-recipient of the Clean Energy Pioneer Award presented by RENEW Wisconsin) and is a member of the executive committee of the Customers First! Coalition, a statewide group of diverse stakeholders dedicated to preserving Wisconsin's reliable and affordable electricity.

This is not a career that Roy Thilly anticipated. A native of New York, Thilly was an English major at Columbia University, graduating in 1968. He then served in the Peace Corps in the Philippines for three years, and chose the University of Wisconsin Law School as his next step.



"Because of pervasive regulation and all the legislative activity going on in an industry that's being deregulated, a law degree has been very helpful."

Roy Thilly '74

After law school, Thilly returned to New York to work for a Wall Street firm with a large international practice. When he and his wife decided that they did not want to continue living in New York City, they chose to come back to Madison. Thilly accepted a position at the Boardman Law Firm, which did various kinds of litigation and represented several electrical utilities.

"The first electrical utility case I got involved in was suing Northern States Power in Minnesota on behalf of the city of Shakopee, Minnesota," he says. "That led to a specialty: representing customers of the large utilities in rate disputes and contract negotiations. Things grew out of that for me."

By the time Thilly decided to make the move from WPPI's outside counsel to its president, he was a partner in the Boardman Law Firm. In addition to his work with WPPI, he had represented various municipal utilities and other clients before the Federal Energy Regulatory Commission and in power-supply and transmission negotiations.

Thilly says his legal education was an excellent preparation for his current work. "Because of pervasive regulation and all the legislative activity going on in an industry that's being deregulated, a law degree has been very helpful." He notes that in previous decades, many of the industry leaders had engineering degrees. Now they are more likely to have legal or financial expertise.

Running WPPI has specific challenges, Thilly says. "We're owned by 40 cities; we're a public entity. We have a different perspective because we're public and not for profit. We don't have all the employees that other large power utilities have: we contract for operational services. We rely a lot on contracting, which again fits with a legal background."

Thilly adds that his law school education equipped him with an ability to navigate legislation and regulations — and more. "My view is that law school is training in thinking and analysis rather than in substance, because the substance changes." ■