

MADISON GAS & ELECTRIC CO
Form U-3A-2/A
April 18, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM U-3A-2/A

STATEMENT BY HOLDING COMPANY CLAIMING EXEMPTION UNDER RULE U-3A-2 FROM THE PROVISIONS OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

To Be Filed Annually Prior to March 1

MADISON GAS AND ELECTRIC COMPANY

(Name of Company)

hereby files with the Securities and Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935, and submits the following information.

1. Name, state of organization, location, and nature of business of claimant and every subsidiary thereof, other than any exempt wholesale generator (EWG) or foreign utility company in which claimant directly or indirectly holds an interest.

Madison Gas and Electric Company (MGE) is a utility that generates and distributes electricity to approximately 128,000 customers in Dane County, Wisconsin (250 square miles), and purchases, transports, and distributes natural gas service to approximately 123,000 customers in seven Wisconsin counties: Columbia, Crawford, Dane, Iowa, Juneau, Monroe, and Vernon (1,375 square miles). MGE was organized as a Wisconsin corporation in 1896. Its principal offices are located at 133 South Blair Street, Madison, Wisconsin 53701-1231.

Subsidiaries of MGE are described below.

ATC Management Inc. / American Transmission Company LLC

MGE owns approximately 6% of the non-voting stock and 20% of the voting stock of ATC Management Inc. ("ATC"), a Wisconsin corporation located at N16W23217 Stone Ridge Drive, Waukesha, Wisconsin 53188. ATC is the corporate manager of the American Transmission Company LLC ("Transco") and, as such, has full, complete, and exclusive discretion to exercise management control over the business of the Transco. Transco is a Wisconsin corporation located at N16W23217 Stone Ridge Drive, Waukesha, Wisconsin 53188. MGE owns approximately a 6% interest in the Transco, which operates the electric transmission system in Wisconsin.

Central Wisconsin Development Corporation

MGE owns all of the outstanding stock of Central Wisconsin Development Corporation ("CWDC"), a Wisconsin corporation headquartered in Madison, Wisconsin. CWDC assists new and expanding businesses throughout central Wisconsin by participating in planning, financing, property acquisition, joint ventures, and associated activities.

MAGAEL, LLC

MGE owns all of the outstanding stock of MAGAEL, LLC ("MAGAEL"), a Wisconsin corporation headquartered in Madison, Wisconsin. MAGAEL holds title to property acquired by MGE for future utility plant expansion and non-utility property.

MGE Energy, Inc.

MGE owns all of the outstanding stock of MGE Energy, Inc., a Wisconsin corporation headquartered in Madison, Wisconsin. MGE Energy is currently inactive and will become the parent company of MGE if the necessary approvals are received this year.

2. A brief description of the properties of claimant and each of its subsidiary public utility companies used for the generation, transmission, and distribution of electric energy for sale, or for the production, transmission, and distribution of natural or manufactured gas, indicating the location of principal generating plants, transmission lines, producing fields, gas manufacturing plants, and electric and gas distribution facilities, including all such properties which are outside the state in which claimant and its subsidiaries are organized and all transmission or pipelines which deliver or receive electric energy or gas at the borders of such state.

Major electric distribution lines and substations in service at December 31, 2001, are as follows:

| Distribution Lines | Miles | |
|--------------------|-------------|-------------|
| | Overhead | Underground |
| 69 kV | 7 | 1 |
| 13.8 kV and under | 994 | 819 |
| Distribution | Substations | |
| 69-13.8 kV | 22 | 723,000 |
| 13.8-4 kV | 32 | 325,000 |

On January 1, 2001, MGE transferred its electric transmission assets to Transco. In exchange for its transmission plant and related deferred taxes and deferred investment tax credits, MGE received approximately a 6% ownership interest in Transco. MGE expects to receive a return on its investment in Transco that is approximately equal to the return it would have earned by retaining its transmission facilities. A small portion of the 69-kilovolt (kV) lines and substations has been classified as distribution assets.

Gas facilities include 2,117 miles of distribution mains.

MGE supplied natural gas service to approximately 123,000 customers in the cities of Elroy, Madison, Middleton, Monona, Fitchburg, Lodi, Prairie du Chien, Verona, and Viroqua; 24 villages; and all or parts of 45 townships, all in Wisconsin.

MGE has physical interconnections with ANR Pipeline Co. (ANR) and Northern Natural Gas Co. (NNG). MGE's primary service territory, which includes Madison and the surrounding area, receives deliveries at one NNG and four ANR gate stations. Interconnections with two major pipelines provide competition in interstate pipeline service and a more reliable and economical supply mix, which includes gas from Canada and the United States mid-continent and Gulf/offshore regions.

MGE's net generating capability in service at Dec. 31, 2001, was as follows:

| Plants | Location | Fuel | Net Capability (MW) | No. of Units |
|--------|----------|------|---------------------|--------------|
|--------|----------|------|---------------------|--------------|

| | | | | |
|---------------------|------------------------------|-----------------|----------------------|----|
| Steam plants: | | | | |
| Columbia | Portage, WI | Low-sulfur coal | 232 ^(1,2) | 2 |
| Blount (Madison) | Madison, WI | Coal/gas | 99 | 2 |
| | | Gas | 39 | 2 |
| | | Coal/gas | 22 | 1 |
| | | Gas/oil | 35 | 4 |
| Combustion turbines | Madison, WI Marinette, WI | Gas/oil | 170 | 6 |
| Portable generators | Madison, WI | Diesel | 51 | 55 |
| Wind turbines | Rosiere, WI | Wind | 2 | 17 |
| Total | | | 650 | |

1 Base load generation
 2 MGE's 22% share of two, 527-MW units located near Portage, Wisconsin. The other owners are Alliant Energy Corp., which operates Columbia, and Wisconsin Public Service Corp. (WPSC).

MGE sold its 17.8% ownership interest in Kewaunee Nuclear Power Plant to WPSC in 2001.

3. The following information for the last calendar year with respect to claimant and each of its subsidiary public utility companies:

a. Number of kilowatt-hours (kWh) of electric energy sold (at retail or wholesale) and MCF of natural or manufactured gas distributed at retail.

Retail kWh: 2,936,540,000
 Wholesale kWh: 69,544,000
 Retail therms: 201,330,000

b. Number of kWh of electric energy and MCF of natural or manufactured gas distributed at retail outside the State in which each such company is organized.

None.

c. Number of kWh of electric energy and MCF of natural or manufactured gas sold at wholesale outside the State in which each such company is organized, or at the State line.

kWh: 9,497,000
 therms: 15,621,000 (actual)

d. Number of kWh of electric energy and MCF of natural or manufactured gas purchased outside the State in which each such company is organized, or at the State line.

kWh: 222,297,000
 therms: 201,632,000 (actual)

4. The following information for the reporting period with respect to claimant and each interest it holds, directly or indirectly, in an EWG or a foreign utility company, stating monetary amounts in united states dollars:

a. Name, location, business address, and description of the facilities used by the EWG or foreign utility company for the generation, transmission, and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas.

None.

b. Name of each system company that holds an interest in such EWG or foreign utility company, and description of the interest held.

None.

c. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company.

None.

d. Capitalization and earnings of the EWG or foreign utility company during the reporting period.

None.

e. Identify any service, sales, or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s).

None.

EXHIBIT A

| CONSOLIDATED STATEMENTS OF INCOME | |
|---|---------------|
| For the year ended December 31 | |
| <i>(In thousands, except per-share amounts)</i> | 2001 |
| Operating Revenues | |
| Electric | \$203,178 |
| Gas | 130,533 |
| Total Operating Revenues | 333,711 |
| Operating Expenses | |
| Fuel for electric generation | 40,299 |
| Purchased power | 18,310 |
| Natural gas purchased | 86,035 |
| Other operations | 79,758 |
| Maintenance | 14,279 |
| Depreciation and amortization | 35,659 |
| Other general taxes | 10,864 |
| Income tax provision | 13,836 |
| Total Operating Expenses | 299,040 |
| Net Operating Income | 34,671 |

| | |
|--|-----------|
| Other Income and Deductions | |
| AFUDC - equity funds | 385 |
| Equity in earnings in ATC | 3,345 |
| Income tax provision | (2,105) |
| Other, net | 4,638 |
| Total Other Income and Deductions | 6,263 |
| Income before interest expense and cumulative effect of a change in accounting principle | 40,934 |
| Interest Expense | |
| Interest on long-term debt | 12,781 |
| Other interest | 1,008 |
| AFUDC - borrowed funds | (217) |
| Net Interest Expense | 13,572 |
| Net income before cumulative effect of a change in accounting principle | \$ 27,362 |
| Cumulative effect of a change in accounting principle, net of tax benefit of \$78 | (117) |
| Net Income | \$ 27,245 |
| Earnings Per Share of Common Stock (basic and diluted): | |
| Income before cumulative effect of a change in accounting principle | \$1.63 |
| Cumulative effect of a change in accounting principle | (.01) |
| Net Income | \$1.62 |
| Average Shares Outstanding | 16,819 |

| | |
|---|-------------|
| CONSOLIDATED BALANCE SHEETS | |
| December 31, 2001 | |
| <i>(In thousands)</i> | 2001 |
| ASSETS | |
| Utility Plant (at original cost, in service) | |
| Electric | \$506,810 |
| Gas | 207,868 |
| Gross Plant in Service | 714,678 |
| Less accumulated provision for depreciation | (340,660) |
| Net Plant in Service | 374,018 |
| Construction work in progress | 25,376 |
| Nuclear decommissioning fund | 1,855 |
| Nuclear fuel, net | - |
| Total Utility Plant | 401,249 |
| Other Property and Investments | 3,610 |
| Investment in ATC | 26,237 |
| Total Other Property and Investments | 29,847 |
| Current Assets | |
| Cash and cash equivalents | 2,421 |

| | |
|---|------------------|
| Accounts receivable, less reserves of \$3,764 and \$2,071, respectively | 25,061 |
| Unbilled revenue | 16,486 |
| Materials and supplies, at lower of average cost or market | 7,810 |
| Fossil fuel, at lower of average cost or market | 4,266 |
| Stored natural gas, at lower of average cost or market | 16,607 |
| Prepaid taxes | 8,846 |
| Other prepayments | 1,727 |
| Total Current Assets | 83,224 |
| Deferred Charges | 27,131 |
| Total Assets | \$541,451 |
| CAPITALIZATION AND LIABILITIES | |
| Capitalization (see statement) | \$373,892 |
| Current Liabilities | |
| Long-term debt due within one year | 20,000 |
| Short-term debt - commercial paper | 9,500 |
| Accounts payable | 22,156 |
| Accrued taxes | - |
| Accrued interest | 3,110 |
| Accrued payroll-related items | 5,186 |
| Other | 1,827 |
| Total Current Liabilities | 61,779 |
| Other Credits | |
| Deferred income taxes | 56,198 |
| Investment tax credit - deferred | 5,927 |
| Regulatory liability - SFAS No. 109 | 16,235 |
| Other regulatory liabilities | 6,201 |
| Other deferred liabilities | 21,219 |
| Total Other Credits | 105,780 |
| Commitments and Contingencies (see Footnote 8) | |
| Total Capitalization and Liabilities | \$541,451 |

EXHIBIT B

Financial Data Schedule

| | |
|-------------------------------|---------------|
| Fiscal Year End..... | 12/31/2001 |
| Period Year End..... | 12/31/2001 |
| Total Assets..... | \$541,451,000 |
| Total Operating Revenues..... | \$203,178,000 |
| Net Income..... | \$27,245,000 |

EXHIBIT C

An organizational chart showing the relationship of each EWG or foreign utility company to associate companies in the holding-company system.

Not applicable.

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer as of this 28th day of February, 2002.

Madison Gas and Electric Company

By: /s/ Jeffrey C. Newman

Title: Vice President and Treasurer

Name, title, and address of officer to whom notices and correspondence concerning this statement should be addressed:

Jeffrey C. Newman
Vice President and Treasurer
Madison Gas and Electric Company
133 South Blair Street
Madison, Wisconsin 53701-1231