

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: December 7, 2005
(Date of earliest event reported)

<u>Commission File Number</u>	<u>Registrant; State of Incorporation Address; and Telephone Number</u>	<u>IRS Employer Identification No.</u>
1-11337	WPS RESOURCES CORPORATION (A Wisconsin Corporation) 700 North Adams Street P. O. Box 19001 Green Bay, WI 54307-9001 920-433-1727	39-1775292
1-3016	WISCONSIN PUBLIC SERVICE CORPORATION (A Wisconsin Corporation) 700 North Adams Street P. O. Box 19001 Green Bay, WI 54307-9001 (800) 450-7260	39-0715160

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On December 7, 2005, the Board of Directors of WPS Resources approved awards of stock options and performance shares under terms of the WPS Resources Corporation 2005 Omnibus Incentive Compensation Plan to certain executive officers of WPS Resources and its subsidiaries. The form of nonqualified stock option agreement and performance stock right agreement, respectively, serve as the award agreements for these awards. The form of nonqualified stock option agreement and the form of performance stock right agreement referred to above are filed as Exhibits 10.1 and 10.2, respectively, and are incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits. The following exhibits are being filed herewith:
 - 10.1 Form of WPS Resources Corporation Nonqualified Stock Option Agreement
 - 10.2 Form of WPS Resources Corporation Performance Stock Right Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WPS RESOURCES CORPORATION

By: /s/ Joseph P. O'Leary
Joseph P. O'Leary
Senior Vice President
and Chief Financial Officer

Date: December 13, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WISCONSIN PUBLIC SERVICE CORPORATION

By: /s/ Joseph P. O'Leary
Joseph P. O'Leary
Senior Vice President
and Chief Financial Officer

Date: December 13, 2005

WPS RESOURCES CORPORATION

Exhibit Index to Form 8-K
Dated December 7, 2005

**Exhibit
Number**

- | | |
|------|---|
| 10.1 | Form of WPS Resources Corporation Nonqualified Stock Option Agreement |
| 10.2 | Form of WPS Resources Corporation Performance Stock Right Agreement |

WPS RESOURCES CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT is entered into on December 7, 2005 (the "Grant Date"), by and between WPS RESOURCES CORPORATION (the "Company"), and _____ (the "Optionee"). This Agreement sets forth the terms, rights and obligations of the parties with respect to the grant of an option to the Optionee. This option shall not become effective until the Optionee signs and returns the "Acknowledgement Form" attached hereto.

The option is granted under, and is subject to, the terms of the WPS Resources Corporation 2005 Omnibus Incentive Compensation Plan (the "Plan"), which are specifically incorporated by reference in this Agreement. Any terms used in this Agreement which are not defined shall have the meaning set forth in the Plan.

The parties to this Agreement covenant and agree as follows:

1. Grant of Option. Subject to the terms of this Agreement, the Company grants to the Optionee the right and option (the "Option") to purchase _____ shares of Common Stock of the Company, par value \$1.00 (the "Optioned Shares") from the Company, at an option price per share equal to \$54.85 (the closing sales price of a share of Common Stock of the Company as reported on the New York Stock Exchange Composite Transaction reporting system on December 7, 2005).

In the event of certain corporate transactions described in Section 12 of the Plan, the number of Optioned Shares and the per share option price may be adjusted by the Compensation and Nominating Committee of the Board of Directors of the Company (the "Committee"). The Committee's determination as to any adjustment shall be final.

2. Vesting of Option. The Optioned Shares will vest in accordance with the following schedule:

<u>Percentage of Optioned Shares Vested</u>	<u>Date of Vesting</u>
25%	1st anniversary of Grant Date
An additional 25%	2nd anniversary of Grant Date
An additional 25%	3rd anniversary of Grant Date
The final 25%	4th anniversary of Grant Date

provided, however, that, in the event of the Optionee's termination of employment from the Company and its Affiliates for any reason other than retirement on or after age fifty-five, death or disability (as defined in the Company's long-term disability plan), any Optioned Shares not vested as of the date of such termination will be cancelled.

Notwithstanding the vesting schedule described above, the Committee may extend the date(s) of vesting to a later date to take into account any period of the Optionee's leave of absence, unless prohibited by law.

3. Exercise of Option. The Option, to the extent vested in accordance with Paragraph 2, may be exercised during the period beginning December 7, 2006, and ending:

- a. on the first anniversary of the date the Optionee's employment with the Company and its Affiliates terminates for any reason other than retirement on or after age fifty-five, death or disability (as defined in the Company's long-term disability plan); or
- b. in any other case, December 7, 2015.

During the life of the Optionee, this Option may be exercised only by the Optionee (or if the Optionee is incapacitated, by the Optionee's legal representative). If the Optionee dies before exercising all of the vested Option, the executor of the Optionee's estate (or by such person as the executor of the estate certifies as inheriting the Option as a result of the operation of the Optionee's last will and testament or as a result of the laws of interstate succession) may exercise all or any portion of the vested Option that has not been exercised, during the exercise periods described above.

4. Change in Control. Upon the occurrence of a Change of Control (as defined in the Plan), the Option, to the extent then outstanding and unexercised, will become fully vested (if not previously vested) but shall otherwise be subject to the terms of the Plan with respect to such Change in Control.

5. Manner of Exercise and Payment. In order to exercise this Option, the Optionee (or such other person entitled to exercise the Option as provided in Paragraph 3) must provide a written notice to the Company stating that the Optionee would like to exercise all or a portion of the Option and specifying the number of vested Optioned Shares which are being purchased. The exercise notice must be delivered (in person or by mail) to the Secretary of the Company.

The written notice must be, in the case of clauses (a), (b) and (c) below, accompanied by payment equal to the number of Optioned Shares being purchased multiplied by the option price or, in the case of clause (d) below, accompanied by the documents specified in such clause (d), which will result in payment to the Company on the settlement date (i.e., T+3) equal to the number of Optioned Shares being purchased multiplied by the option price. Subject to such rules and restrictions as the Committee may prescribe, payment may be made, at the Optionee's election: (a) in cash or by certified check payable to the Company; (b) by delivering previously acquired shares of Common Stock, duly endorsed in blank or accompanied by stock powers duly endorsed in blank, with a fair market value at the time of exercise, as determined by the Committee, equal to the required payment amount; (c) by any combination of (a) and (b); or (d) by delivering to the Company or its designated agent an executed irrevocable option exercise

form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the Optioned Shares to be exercised and to deliver the sale or margin proceeds directly to the Company to pay the option price.

Option exercise notices postmarked (if mailed) or received by the Secretary of the Company (if by facsimile or hand-delivery) prior to 11:59 p.m. (central time) of the date specified in Paragraph 3 shall be given effect. Any notice postmarked or received after such time shall be null and void.

6. Tax Withholding. Upon exercise of all or any part of the Option, the Company may satisfy its withholding obligations in any manner determined by the Committee, including by withholding a portion of the Optionee's compensation or, in the case of a "cashless" exercise, by withholding a number of the Optioned Shares being purchased that have a fair market value, as determined by the Committee, equal to the amount required to be withheld. The fair market value of fractional shares of Stock remaining after the withholding requirements are satisfied will be paid to the Optionee in cash. The Company may also require the Optionee to deliver a check for the Company's withholding tax obligation prior to effecting the exercise of the option or delivering the shares issuable upon exercise.

7. Miscellaneous.

(a) The Optionee (or his legal representative) shall not be deemed to be a shareholder of the Company with respect to any of the Optioned Shares being purchased until such shares are paid for in full, and the Company's withholding tax liability is satisfied, to the Committee's satisfaction.

(b) The Option shall not be transferable by the Optionee; provided that, following the Optionee's death, the Option, to the extent exercisable in accordance with the terms of the Plan and this Agreement, may be exercised by the executor of the Optionee's estate (or by such person as the executor of the estate certifies as inheriting the Option as a result of the operation of the Optionee's last will and testament or as a result of the laws of intestate succession).

(c) It is fully understood that nothing contained in this Agreement or the Plan shall interfere with or limit in any way the right of the Company or any Affiliate to terminate the Optionee's employment at any time nor confer upon the Optionee any right to continue in the employ of the Company or any Affiliate.

(d) As a condition of the granting of this Option, the Optionee agrees, for himself, his legal representatives, the executor of his estate, and his heirs, that the Plan and this Agreement shall be subject to discretionary interpretation by the Committee and that any interpretation by the Committee of the terms of the Plan and this Agreement shall be final, binding and conclusive on the Optionee, his legal representatives, the executor of his estate and

his heirs. The Optionee, his legal representatives, the executor of his estate and his heirs shall not challenge or dispute the Committee's decisions.

(e) The Committee may modify, extend or renew this Option at any time. However, no modification, extension or renewal shall (i) confer on the Optionee any right or benefit which he would not be entitled to if a new option was granted under the Plan at such time or (ii) alter, impair or adversely affect this Option or Agreement without the written consent of the Optionee.

(f) No individual may exercise the Option and no shares will be issued under this Agreement unless and until the Company has determined to its satisfaction that such exercise and issuance comply with all relevant provisions of applicable law, including the requirements of any stock exchange on which the shares may then be traded.

8. Governing Law. This Agreement shall be governed by the internal laws of the State of Wisconsin as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. No legal action or proceeding may be brought with respect to this Agreement more than one year after the later of (a) the last date on which the act or omission giving rise to the legal action or proceeding occurred; or (b) the date on which the individual bringing such legal action or proceeding had knowledge of such act or omission. Any such action or proceeding must be commenced and prosecuted in its entirety in the federal or state court having jurisdiction over Brown County, Wisconsin, and each individual with any interest hereunder agrees to submit to the personal jurisdiction thereof, and agrees not to raise the objection that such courts are not a convenient forum. At the Company's election, such action or other legal proceeding shall be heard pursuant to a bench trial and, if so elected, the parties to such proceeding shall waive their rights to a trial by jury.

9. Severability. In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

10. Terms of Plan Govern. All parties acknowledge that this option is granted under and pursuant to the Plan, which shall govern all rights, interests, obligations and undertakings of both the Company and the Participant.

WPS RESOURCES CORPORATION

By: _____
Title: Senior VP – Human Resources

ACKNOWLEDGEMENT FORM

I have read the terms of the WPS Resources Corporation Nonqualified Stock Option Agreement, dated December 7, 2005, and I hereby declare that I understand and agree to be bound by the terms and conditions of the Agreement.

Optionee

Print name: _____

PLEASE DETACH THIS ACKNOWLEDGEMENT FORM FROM THE OPTION AGREEMENT AND RETURN IT TO CARMINE NELL IN HUMAN RESOURCES. YOUR OPTION WILL NOT BECOME EFFECTIVE UNTIL THE COMPANY RECEIVES THIS ACKNOWLEDGMENT FORM.

WPS RESOURCES CORPORATION
PERFORMANCE STOCK RIGHT AGREEMENT

THIS AGREEMENT is entered into as of December 7, 2005, (the "Grant Date"), by and between WPS RESOURCES CORPORATION (the "Company"), and _____ (the "Participant"). This Agreement sets forth the terms, rights and obligations of the parties with respect to the grant of Performance Stock Rights to the Participant. This agreement shall not become effective until the Participant signs and returns the "Acknowledgement Form" attached hereto.

The Performance Stock Rights are granted under, and are subject to, the terms of the WPS Resources Corporation 2005 Omnibus Incentive Compensation Plan (the "Plan"), which are specifically incorporated by reference in this Agreement. Any capitalized terms used in this Agreement which are not defined shall have the meaning set forth in the Plan.

The parties to this Agreement covenant and agree as follows:

1. Grant of Performance Stock Rights. (a) Subject to the terms of this Agreement, the Company grants to the Participant Performance Stock Rights representing the right to receive _____ shares ("Target Award"), of the common stock of the Company, par value \$1.00 ("Stock"), in the event certain Performance Goals specified herein are satisfied. The Participant obtains no ownership interest in the Company and will not be considered a shareholder of the Company by virtue of the grant of Performance Stock Rights hereunder until such time as Stock may be issued to the Participant as a Final Award.

(b) In the event of certain corporate transactions described in Section 12 of the Plan, the number of Performance Stock Rights may be adjusted by the Compensation Committee of the Board of Directors of the Company (the "Committee"). The Committee's determination as to any adjustment shall be final.

2. Performance Period. Subject to the provisions of Section 7, the period from January 1, 2006 to December 31, 2008.

3. Performance Measures.

(a) Total Shareholder Return ("TSR"). The quotient obtained by dividing (1) the Shareholder Return with respect to a share of common stock, by (2) the Beginning Market Price of a share of common stock. For this purpose:

(1) The Shareholder Return means the cash dividends paid on a share of common stock during the Performance Period, increased by (if positive) or reduced by (if negative) the change in stock price from the Beginning Market Price of a share of common stock to the Ending Market Price of a share of common stock.

(2) The Beginning Market Price of a share of common stock is the average closing market price of a share of common stock for the 30 trading days immediately preceding the first day of the Performance Period as reported by the securities exchange on which such stock is principally traded.

(3) The Ending Market Price of a share of common stock is the average closing market price of a share of common stock for the 30 trading days immediately preceding the last day of the Performance Period as reported by the securities exchange on which such stock is principally traded.

(b) Comparison Group. All major publicly traded electric power companies.

4. Determination of Final Awards.

(a) Presumptive Award. As soon as practicable following the completion of the Performance Period, the Committee will determine the TRS of the Company and of each company in the Comparison Group. The Committee's determination will be final and binding on all persons. The Participant's presumptive award shall be determined in accordance with the following table; provided that any fractional share of Stock that would otherwise result from the foregoing calculation shall be disregarded.

Company TSR In Relation to TSR of All Comparison Group Companies	Presumptive Award Equal to the Following Percentage of <u>the Target Award</u>
90 th Percentile or Greater	200%
80 th Percentile	175%
70 th Percentile	150%
60 th Percentile	125%
50 th Percentile	100%
45 th Percentile	75%
40 th Percentile	50%
35 th Percentile	25%
Below the 35 th Percentile	0%

The presumptive award will be interpolated for Company TSR that is above the 35th percentile and below the 90th percentile and that is between the percentiles enumerated in the foregoing table.

(b) Final Award. The Presumptive Award is used as a guideline for the Committee in determining the Final Award to be made to the Participant, and the Participant obtains no rights as a result of the determination of the Presumptive Award. In determining the

Final Award to be made to the Participant, the Committee, in its sole discretion, may increase or decrease the amount of the Presumptive Award; provided that the Committee will not increase the amount of the Presumptive Award applicable to the Participant if the Participant is a Covered Executive (as defined in the Plan) for purposes of Section 162(m) of the Internal Revenue Code. Except with respect to the portion (if any) of the Final Award payment of which is deferred in accordance with the WPS Resources Corporation Deferred Compensation Plan, the Final Award will be distributed to the Participant by March 15 of the calendar year following the calendar year in which the Performance Period ends, or as soon thereafter as is administratively practicable.

5. Dividend Equivalents. The Participant shall not receive any cash or other consideration to reflect dividends that would have been paid or accrued had the Performance Stock Rights been actual shares of Stock during the Performance Period.

6. Effect of Termination of Employment.

(a) Except as set forth in subsection (b) below and Section 8 below, or as otherwise determined by the Committee, the Performance Stock Rights will be cancelled immediately and without notice to the Participant, and no Final Award will be made, in the event of the Participant's termination of employment from the Company and its Affiliates prior to the last day of the Performance Period.

(b) The Participant's Performance Stock Rights will not be cancelled upon termination of employment, and the Participant (or the Participant's estate) may be eligible to receive a Final Award, determined in accordance with Section 4 and this Section 6(b) following the conclusion of the Performance Period, if: (i) the Participant's termination of employment is on account of death or disability (as defined in the Company's long-term disability plan), or (ii) the Participant terminates employment on or after December 31 of the calendar year in which the Performance Period began and such termination is on account of retirement on or after age fifty-five. Except with respect to the portion (if any) of the Final Award payment of which is deferred in accordance with the WPS Resources Corporation Deferred Compensation Plan, the Final Award will be distributed to the Participant by March 15 of the calendar year following the calendar year in which the Performance Period ends, or as soon thereafter as is administratively practicable.

7. Change in Control. Upon the occurrence of a Change of Control (as defined in the Plan), the Performance Period shall be terminated, and the Participant will be entitled to a Final Award based upon the Target Award (or, if greater, the then projected Final Award) prorated for the portion of the Performance Period that has been completed as of the date of the Change in Control. Distribution will be made as soon as is administratively practicable following the Change of Control; provided, that if distribution following the Change of Control would result in the Participant being subject to imposition of an additional tax under Code Section 409A, distribution of the Final Award will be made (without interest) as soon as administratively practicable following the earlier to occur of (i) the date on which the Participant separates from the service of the Company and all affiliates (six months following the date of

separation if Participant qualifies as a “key employee” as that term is defined for purposes of Section 409A of the Internal Revenue Code), or (ii) the date that distribution would otherwise have been made under Section 4 had the Change of Control not occurred.

8. Tax Withholding. Upon the issuance of Stock pursuant to a Final Award, the Company may satisfy its withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant’s compensation or by withholding a number of the shares of Stock included in any Final Award that have a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of fractional shares of Stock remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check for the Company’s withholding tax obligation prior to effecting the transfer of shares pursuant to a Final Award.

9. Miscellaneous.

(a) The Participant (or his legal representatives, the executor of his estate or his heirs) shall not be deemed to be a shareholder of the Company with respect to any of the Performance Stock Rights until shares of Stock have been issued pursuant to a Final Award and the Company’s withholding tax liability has been satisfied, to the Committee’s satisfaction.

(b) The Performance Stock Rights shall not be transferable by the Participant; provided that following the Participant’s death, any Final Award made with respect to the Participant will be paid to the Participant’s estate or to such person as the executor of the estate certifies as being entitled to such payment as a result of the operation of the Participant’s last will and testament or as a result of the laws of intestate succession.

(c) It is fully understood that nothing contained in this Agreement or the Plan shall interfere with or limit in any way the right of the Company or any Affiliate to terminate the Participant’s employment at any time nor confer upon the Participant any right to continue in the employ of the Company or any Affiliate.

(d) As a condition of the granting of Performance Stock Rights under this Agreement, the Participant agrees, for himself and his legal representatives, the executor of his estate, and his heirs, that the Plan and this Agreement shall be subject to discretionary interpretation by the Committee and that any interpretation by the Committee of the terms of the Plan and this Agreement shall be final, binding and conclusive on the Participant, his legal representatives, the executor of his estate and his heirs. The Participant, his legal representatives, the executor of his estate and his heirs shall not challenge or dispute the Committee’s decisions.

(e) The Committee may modify, extend or renew the Performance Stock Rights at any time. However, no modification, extension or renewal shall (i) confer on the Participant any right or benefit which he would not be entitled to if new Performance Stock Rights were granted under the Plan at such time or (ii) alter, impair or adversely affect the Performance Stock Rights or this Agreement without the written consent of the Participant;

provided that the Committee shall not take any such action with respect to a Participant who is a Covered Executive (as defined in the Plan) if such action would cause any Final Award granted to the Participant to cease to qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Internal Revenue Code.

(f) No shares of Stock will be issued pursuant to a Final Award unless and until the Company has determined to its satisfaction that such issuance complies with all relevant provisions of applicable law, including the requirements of any stock exchange on which the Stock may then be traded.

10. Governing Law. This Agreement shall be governed by the internal laws of the State of Wisconsin as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. No legal action or proceeding may be brought with respect to this Agreement more than one year after the later of (a) the last date on which the act or omission giving rise to the legal action or proceeding occurred; or (b) the date on which the individual bringing such legal action or proceeding had knowledge of such act or omission. Any such action or proceeding must be commenced and prosecuted in its entirety in the federal or state court having jurisdiction over Brown County, Wisconsin, and each individual with any interest hereunder agrees to submit to the personal jurisdiction thereof, and agrees not to raise the objection that such courts are not a convenient forum. At the Company’s election, such action or other legal proceeding shall be heard pursuant to a bench trial and, if so elected, the parties to such proceeding shall waive their rights to a trial by jury.

11. Severability. In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

12. Terms of Plan Govern. All parties acknowledge that this option is granted under and pursuant to the Plan, which shall govern all rights, interests, obligations and undertakings of both the Company and the Participant.

WPS RESOURCES CORPORATION

By: _____
Title: Senior VP – Human Resources

ACKNOWLEDGEMENT FORM

I have read the terms of the WPS Resources Corporation Performance Stock Right Agreement, dated December 7, 2005, and I hereby declare that I understand and agree to be bound by the terms and conditions of the Agreement.

Participant

Print name: _____

PLEASE DETACH THIS ACKNOWLEDGEMENT FORM FROM THE PERFORMANCE STOCK RIGHT AGREEMENT AND RETURN IT TO CARMINE NELL IN HUMAN RESOURCES. YOUR PERFORMANCE STOCK RIGHT WILL NOT BECOME EFFECTIVE UNTIL THE COMPANY RECEIVES THIS ACKNOWLEDGMENT FORM.