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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**

**September 29, 2006**

*Date of report (date of earliest event reported)*

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Commission File No.	Name of Registrant, State of Incorporation, Address of Principal Executive Offices and Telephone No.	IRS Employer Identification No.
000-49965	<b>MGE Energy, Inc.</b> <i>(a Wisconsin Corporation)</i> 133 South Blair Street Madison, Wisconsin 53703 (608) 252-7000 www.mgeenergy.com	39-2040501
000-1125	<b>Madison Gas and Electric Company</b> <i>(a Wisconsin Corporation)</i> 133 South Blair Street Madison, Wisconsin 53703 (608) 252-7000 www.mge.com	39-0444025

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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))

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**Item 1.01. Entry into a Material Definitive Agreement.**

On September 29, 2006, Madison Gas and Electric Company (MGE) formalized their plans to acquire 29.7 megawatts or 18 turbines in a wind-powered electric generating facility that will be constructed in Worth County, Iowa. Pursuant to these plans, MGE entered into contractual arrangements with Vestas Wind Systems A/S and Midwest Renewable Energy Corporation for the required wind turbines, substation, and land. These contractual arrangements account for approximately \$46 million or over 80% of the estimated total project costs. MGE plans to finance these project costs through short- and long-term debt, operating cash flows, and capital contributions received from its parent, MGE Energy, Inc. (MGE Energy). Construction on this facility is expected to commence immediately and is expected to be completed by no later than December 31, 2007.

This report contains forward-looking statements that reflect management's current assumptions and estimates regarding future performance and economic conditions—especially as they relate to future capital expenditures and financial resources. These forward-looking statements are made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "expect," "anticipate," "estimate," "could," "should," "intend," and other similar words generally identify forward-looking statements. Both MGE Energy and MGE caution investors that these forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those projected, expressed, or implied.

The factors that could cause actual results to differ materially from the forward-looking statements made by a registrant include (a) those factors discussed in MGE Energy's and MGE's 2005 Annual Report on Form 10-K: ITEM 1A. Risk Factors and ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations; and (b) other factors discussed in filings made by MGE Energy and MGE with the Securities and Exchange Commission.

Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. MGE Energy and MGE undertake no obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date of this report.

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## Signature

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.

**MGE Energy, Inc.**  
**Madison Gas and Electric Company**  
(Registrant)

/s/ Jeffrey C. Newman  
Jeffrey C. Newman  
Vice President and Treasurer

Date: October 4, 2006