PSCW ENERGY CASES UPDATE

Presented by: Kira E. Loehr, Executive Director and General Counsel for the Citizens Utility Board – February 27, 2015

Major IOU Electric and Natural Gas Rate and Fuel Cases

- All five of the major IOUs were in for a rate case in 2014
  - Different paths in terms of procedure and resolution of issues
  - Large amount of public participation via PSC website public comment form, written comments, and public hearings
    - Rate design and solar issues were motivators
Major IOU Electric and Natural Gas Rate and Fuel Cases

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Natural Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>WPL Rate – 6680-UR-119</td>
<td>↔ ‘15 &amp; ’16</td>
<td>↓ 2.75%</td>
</tr>
<tr>
<td>WPSC Rate – 6690-UR-123</td>
<td>↑ 2.5%</td>
<td>↓ 4.3%</td>
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<tr>
<td>WEPCO/WG Rate – 5-UR-107 (2015)</td>
<td>↓ 0.39%</td>
<td>↑ 2.63%</td>
</tr>
<tr>
<td>WEPCO/WG Rate – 5-UR-107 (2016)</td>
<td>↑ 0.92%</td>
<td>↑ 3.21%</td>
</tr>
<tr>
<td>MGE Rate – 3270-UR-120</td>
<td>↑ 3.76%</td>
<td>↓ 1.98%</td>
</tr>
<tr>
<td>WPL Fuel – 6680-FR-107</td>
<td>↑ 3.76%</td>
<td>-</td>
</tr>
<tr>
<td>NSPW Rate – 4220-UR-120</td>
<td>↑ 2.2%</td>
<td>↔</td>
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</tbody>
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WPSC Customer Charges

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015 Proposed</th>
<th>PSC Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Charge (per mo.)</td>
<td>$10.40</td>
<td>$25.00</td>
<td>$19.00</td>
</tr>
<tr>
<td>Energy Charge (per kWh)</td>
<td>11.3 ¢</td>
<td>10.2 ¢</td>
<td>10.3 ¢</td>
</tr>
</tbody>
</table>
WEPCO Rate Design Modifications

- Increased residential and small business monthly customer charge from $9.13 to $16.00
- Multiple changes to distributed generation tariffs
- Adds a $3.794 per month charge on each kilowatt of small intermittent distributed generation.

MGE Rate Design Modifications

- Monthly Customer Charge increased from $10.44 to $19.00
- No additional changes at this time.
Major IOU Electric and Natural Gas Rate and Fuel Cases

- PSC decided that customer charges should better align with “fixed costs of providing service.”

- PSC declined, at this time, to adopt a specific definition of “fixed costs,” and it did not endorse any particular cost of service study (COSS) approach.

Electric & Gas Construction Cases

- Valley Conversion – 6630-CU-101 / 6650-CG-233
- West Central Lateral – 6650-CG-233
- Columbia SCR – 5-CE-143

Valley Power Plant
Image Source: We Energies
Quadrennial Planning Process II

- 5-FE-100 - Set the goals, priorities, and measurable targets for Focus on Energy for the 2015 to 2018 planning period

- Notable Outcomes:
  - New revolving loan program for renewables added to grant program
  - Energy savings remain primary goal
  - Energy-Water Nexus

To be continued...

Cases to be decided in the upcoming months include:

- Badger Coulee Transmission – 5-CE-142
- Bay Lake Transmission – 137-CE-166
- WEC acquisition of Integrys – 9400-YO-100
- ERGS fuel flexibility and coal storage – 5-CE-145
Questions?

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