PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, November 7, 2024

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Strand, Commissioner Nieto and Commissioner Hawkins.

Minutes

The Commission approved the minutes of the open meeting of Thursday, October 31, 2024.

5-AE-253 - Joint Application for Approval of a Project Commitment Agreement between American Transmission Company LLC and Wisconsin Power and Light Company

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

3270-TE-2025 - Madison Gas and Electric Company Annual Tariff Updates beginning January 2025 through December 2025

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

4220-EI-112 - Request of Hope Village – Tiny Housing Alternatives, for a Waiver of Wis. Admin. Code § PSC 113.0803(1) Regarding Individual Electric Meters

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

4220-TE-2025 - Northern States Power Company-Wisconsin Annual Tariff Updates beginning January 2025 through December 2025

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

6680-TE-2025 - Wisconsin Power and Light Company Annual Tariff Updates beginning January 2025 through December 2025

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

255-PW-100 - Application of Village of Ashwaubenon, Brown County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates Through its Purchased Water Adjustment Clause

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission.

860-WR-110 - Application of the Village of Butler, Waukesha County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission.

5840-WR-102 - Application of the Village of Taylor, Jackson County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission.

137-CE-208 - Application of American Transmission Company LLC, as an Electric Public Utility, for a Certificate of Public Convenience and Necessity to Construct the Eldorado Substation and Associated Network Upgrades to Lines G-111 and X-50 (Silver Maple Solar Interconnection Project) Located Primarily in the Village of North Fond du Lac and Towns of Eldorado and Friendship, Fond du Lac County, and the City of Oshkosh and Town of Nekimi, Winnebago County, Wisconsin

Withdrawal of Application and Closure of Docket

The Commission approved the draft order that accepts the withdrawal of the application and closes this docket and directed it to be signed by the Secretary to the Commission.

5-ES-112 - Strategic Energy Assessment for January 1, 2024 through December 31, 2030

The Commission approved the Final Strategic Energy Assessment and directed Commission staff to distribute the final report as required by Wis. Stat. § 196.491(2)(gm).

5-UR-111 - Joint Application of Wisconsin Electric Power Company and Wisconsin Gas LLC for Authority to Adjust Electric, Natural Gas, and Steam Rates

Pursuant to Wis. Stat. § 227.45, the Commission accepted into the record for this proceeding a copy of the October 23, 2024 quarterly process report filed with the Commission in docket 5-BS-225, and took official notice of the change of the in-service date for the Darien Solar Generating and BESS project (Darien Solar and BESS), and directed staff to draft an order consistent with its decision.

The Commission reviewed the application of Wisconsin Electric Power Company (WEPCO) and Wisconsin Gas LLC (WG) (together, applicants), for authority to adjust electric, natural gas, and steam rates, and made the following determinations:

1. The Commission accepted the uncontested alternatives identified in the Final Decision Matrix for Issues 4, 6, 12a, 34, 35, 36, 37, 40, 41, 43, 45, 49, 50, 53, 54, 55, 56, 57a, 57f, 61b, 80, and 106.

2. The Commission accepted Commission staff's estimated electric sales forecast for the 2025 and 2026 test years.

3. The Commission accepted Commission staff's estimated natural gas sales forecast for WEPCO's natural gas operation for the 2025 and 2026 test years.

4. The Commission accepted Commission staff's estimated natural gas sales forecast for WG for the 2025 and 2026 test years.

5. The Commission accepted WEPCO's originally filed electric operation and maintenance (O&M) forecast for the Whitewater Generating Station.

6. It is reasonable to allow the inclusion of industry association dues consistent with past Commission practice in the 2025 and 2026 electric, natural gas, and steam revenue requirements. The applicants shall provide specific data in its initial data request responses in their next rate case proceeding demonstrating the specific customer benefits associated with payment of association dues for which the applicants intend to seek recovery in that proceeding.

7. The Commission accepted Commission staff's adjustment to advertising and economic development costs for inclusion in the electric, natural gas and steam revenue requirement for test years 2025 and 2026.

8. It is not necessary for the applicants to provide specific data in their next rate case proceeding demonstrating customer benefit associated with advertising expenses for which applicants seek recovery.

9. The applicants shall provide specific data in their initial data request response in their next rate case proceeding demonstrating the specific customer benefits associated with Board of Director costs for which the applicants seek recovery.

10. The Commission accepted WEPCO's requested forestry management related budget increase and did not authorize or require escrow or deferral accounting treatment for any difference between authorized and actual forestry management expense.

11. WEPCO shall file an annual forestry management report, no later than the first quarter of each year beginning in 2025 and ending in 2027 that includes the following information:

    a. Number, identification, and trimming timeline for project.
    b. Details of the progress made during the previous forestry maintenance season and the progress made to-date under this O&M item.
    c. Comparison of total budgeted and actual annual cost.
    d. Tree outage related data for individual projects for pre- and post-forestry maintenance period for the test years that includes outages by tree growing into primary, tree not growing into primary, and service line categories.
    e. Tree outage related data for WEPCO's system for pre- and post-forestry maintenance period for the test years that includes outages by tree growing into primary, tree not growing into primary, and service line categories.
    f. Number of Emerald Ash Borer Infested hazard trees removed by project and cost for such hazard tree removal.
    g. Report on assessment of reliability benefits.

12. The Commission accepted Commission's staff storm damage adjustment.

13. The appropriate amount of Storm Hardening Program expense to include in WEPCO's electric revenue requirement is $44 million for the 2025 test year and $50 million for the 2026 test year.

14. WEPCO shall file an annual Storm Hardening Program pre-construction report, no later than the first quarter of each year beginning in 2025 and a post-construction report, no later than the second quarter of each year beginning in 2025 that includes the following information:

    a. Number, identification, year approved, and timeline for project.

b. Pre-construction report with the 3-year average SAIFI and SAIDI performance and expected level of reliability improvement for all relevant project areas.
c. Details of the progress made during the previous year, status of projects pending from earlier years, and the progress made to-date under this O&M item.
d. Comparison of total budgeted and actual annual cost.
e. Post-construction project area SAIFI and SAIDI level improvements for 21 individual projects.

15. It is reasonable to exclude expenses associated with Leak Detection and Repair (LDAR) from the applicant's natural gas revenue requirement for the 2025 and 2026 test years.

16. The Commission took no action to address at this time the appropriate accounting treatment for future LDAR expenses.

17. It is reasonable to accept Commission staff's full-time equivalent headcount adjustment for part-time seasonal and non-represented employees of the applicants. The applicants' forecast for represented employees is reasonable. It is not reasonable to authorize escrow or deferral accounting treatment related to any changes for any difference between authorized and actual wages and headcount expenses. It is also reasonable to adjust the amount of medical and dental expense to be included in the applicants' 2025 and 2026 test year revenue requirement consistent with this adjustment.

18. The Commission accepted Commission staff's payroll adjustment for WG related to overtime hours for the 2025 and 2026 test year natural gas revenue requirement.

19. The Commission accepted Commission staff's inflation rate wage adjustment.

20. It is reasonable to exclude all incentive compensation from the 2025 and 2026 test year revenue requirements for the applicants' electric, natural gas, and steam operations.

21. The Commission accepted Commission staff's adjustment to the Injuries and Damages expense to be included in the applicants' 2025 and 2026 test year revenue requirements.

22. It is reasonable to include in WEPCO's electric revenue requirement for test years 2025 and 2026 the expense amount for WEPCO's Fund for Lake Michigan.

23. The Commission accepted Commission staff's adjustments to WEPCO's electric, natural gas, and steam utility plant in service and construction work in progress (CWIP) for the 2025 and 2026 test years.

24. The Commission accepted Commission staff's adjustments to WG's plant in service and CWIP for the 2025 and 2026 test years.

25. It is reasonable to include all of the cost overruns associated with Badger Hollow II in WEPCO's 2025 and 2026 test year electric revenue requirement.

26. It is reasonable to accept WEPCO's proposal to amortize the regulatory asset balance associated with the Badger Hollow II deferral over the remaining life of that plant.

27. It is reasonable to include all of the cost overruns associated with Bluff Creek Liquified Natural Gas Plant Project (Bluff Creek LNG) in the 2025 and 2026 test year natural gas revenue requirement for WEPCO.

28. It is reasonable to include all of the cost overruns associated with the Ixonia Liquified Natural Gas Plant Project (Ixonia LNG) in the 2025 and 2026 test year revenue requirement for WG.

29. It is reasonable to accept WG's proposal to amortize the regulatory asset balance associated with the Ixonia LNG deferral over the remaining life of that plant.

30. WEPCO shall defer, for a future rate case proceeding, the cost overruns associated with the Paris Solar Generating and Battery Energy Storage System (Paris Solar and BESS), without carrying costs.

31. It is reasonable to accept WEPCO's proposal to amortize the regulatory liability balance associated with the Paris Solar and BESS deferral due to the change in in-service date over one year (2025) and require a true-up in WEPCO's next rate case proceeding.

32. WEPCO shall defer, for a future rate case proceeding, the cost overruns associated with the Darien Solar and BESS project, without carrying costs.

33. WEPCO shall defer the incremental revenue requirement impact arising from the change in service date for the Darien Solar and BESS project, with carrying costs at the applicant's short term debt rate.

34. It is reasonable to allow recovery of the Michigan Avenue Replacement project in WG's 2025 and 2026 natural gas revenue requirement.

35. It is reasonable to exclude the impact for the Paris Reciprocating Internal Combustion Engine (Paris RICE) from WEPCO's 2025 and 2026 revenue requirement.

36. It is reasonable to authorize recovery of any undepreciated balance for Oak Creek Power Plant (OCCP) units scheduled for retirement over 17 years using a traditional declining balance, and to authorize carrying costs on the undepreciated balance at WEPCO's authorized weighted average cost of capital, as proposed by WEPCO.

37. WEPCO shall defer the difference between the estimated and actual revenue requirement impact associated with retiring OCPP units 7 and 8 resulting from changes in the units' December 2025 retirement date.

38. It is reasonable to exclude any costs associated with the U.S. Environmental Protection Agency requirements for Coal Combustion Residuals from the 2025 and 2026 test year revenue requirement, and to not address the accounting treatment for any such costs at this time.

39. It is reasonable to include the amount of bad debt expense identified by the applicants in the 2025 and 2026 test year revenue requirements, and to authorize escrow accounting treatment for bad debt expense over two years.

40. It is reasonable to allow the 2025 and 2026 test year revenue deficiencies for WEPCO's steam operations to be levelized.

41. The applicants shall defer, with carrying costs at the applicants' authorized short-term debt rate, any impacts for the U.S Internal Revenue Service Revenue Procedure 2023-15.

42. The applicants shall defer, with carrying costs at the applicants' authorized short-term debt rate, the net impact of any loans or grant funds from programs through the U.S. Department of Energy.

43. The Commission accepted Commission staff's proposed adjustments to the Focus contribution from electric operations and authorized conservation budgets for 2025 and 2026 as adjusted.

44. The applicants shall file a depreciation study for the Commission's approval by no later than January 26, 2027.

45. In future cases, applicants and Commission staff shall calculate revenue deficiencies by consistently rounding to four decimal places when represented as a number and two decimal places when shown as a percentage when calculating revenue requirement deficiencies.

46. The applicants shall present the second year of a 2-year test year rate proceeding at presently authorized rates.

47. The Commission accepted Commission staff’s proposed adjustment to monitored fuel costs for the impact of Commission staff’s proposed adjustment to electric sales accepted by the Commission.

48. The Commission accepted Commission staff’s proposed adjustment to the forced outage rate for the West Riverside units.

49. It is not reasonable to implement an imputed capital structure for WEPCO in the test years.

    Commissioner Hawkins dissented.

50. An appropriate common equity ratio target for WEPCO’s financial capital structure is 53.00 percent equity for 2025 and 2026.

51. The financial capital structure for WEPCO consisting of Commission staff’s audited financial capital structure for both test years and as adjusted for final revenue requirement impacts, is reasonable.

52. The regulatory capital structure for WEPCO consisting of Commission staff’s audited financial capital structure for both test years and as adjusted for final revenue requirement impacts, is reasonable.

53. An appropriate common equity ratio target for WG’s financial capital structure is 53.00 percent equity for 2025 and 2026.

54. The financial capital structure for WG consisting of Commission staff’s audited financial capital structure for both test years and as adjusted for final revenue requirement impacts, is reasonable.

55. The regulatory capital structure for WG consisting of Commission staff's audited financial capital structure for both test years and as adjusted for final revenue requirement impacts, is reasonable.

56. A reasonable rate of return on WEPCO's common equity (ROE) in 2025 and 2026 is 9.80 percent.

57. A reasonable ROE for WG in 2025 and 2026 is 9.80 percent.

58. The forecasted short-term borrowing cost rates for WEPCO of 4.88 percent in 2025 and 4.27 percent in 2026 are reasonable.

59. The forecasted short-term borrowing cost rates for WG of 5.17 percent in 2025 and 4.38 percent in 2026 are reasonable.

60. The forecasted long-term borrowing cost rates for WEPCO of 4.99 percent in 2025 and 5.19 percent in 2026 are reasonable.

61. The forecasted long-term borrowing cost rates for WG of 4.65 percent in 2025 and 4.91 percent in 2026 are reasonable.

62. The applicants shall provide additional information in its next rate case proceeding regarding Commission staff's proposal that the applicants defer the incremental revenue requirement impact of any forecasted costs associated with the issuance of long-term debt that are not issued in the forecasted test year(s), to be returned to customers.

63. The applicants shall not pay dividends in excess of the amount forecasted in this proceeding if such dividends cause the average annual common equity ratio, on a financial basis, to fall below 53.00 percent.

64. The applicants earning sharing mechanism shall be modified to move the threshold at which 100 percent of overearning are returned to customers to 25 basis points above the first 15 basis point threshold, as proposed by CUB.

    Chairperson Strand dissented.

65. The Commission did not adopt a specific electric, natural gas or steam Cost of Service Study (COSS) model and instead relied upon multiple models for revenue allocation and rate design.

66. The Commission authorized WEPCO's proposed changes to the customer classes in its electric COSS.

67. The electric revenue allocations for WEPCO's 2025 and 2026 test years proposed by Commission staff, as adjusted for final revenue requirement, are reasonable.

68. The comprehensive WEPCO electric rate designs for the 2025 and 2026 test years proposed by Commission staff in Ex.-PSC-Nye-1 and Ex.-PSC-Nye-2r, respectively, as adjusted for final revenue requirement and revenue allocation are reasonable.

69. The electric rate design for WEPCO's Cg-3 customer class proposed by Commission staff is reasonable.

70. WEPCO shall conduct an analysis to submit in its next rate case proceeding of the impacts of fully phasing in the Cp-1 High-Load Factor Credit.

71. The electric rate design for WEPCO's Cp-1 customer class proposed by Commission staff is reasonable.

72. It is reasonable to authorize WEPCO's proposed credit mechanism changes to the Cp-1 tariff for customers with operations that are categorized under SIC Code 4952.

73. It is reasonable to approve, with the following modifications and conditions, WEPCO's proposal to create a Bring Your Own Device (BYOD) demand response pilot:

    a. WEPCO shall submit a report containing the following information within one year of the effective date of the Final Decision in this docket:
        i. Details on the vendor that was selected, why said vendor was selected, and which vendors were not selected;
        ii. Detailed information on all costs associated with offering this program under the chosen vendor;
        iii. What data are available for collection under the chosen vendor;
        iv. Details on how the chosen vendor will protect the privacy of participating customers;
        v. Anticipated benefits from offering this program and how those benefits will be measured;
        vi. How participating customers will interact with the applicant and chosen vendor;

vii. Provide an updated tariff sheet with rates based on the costs associated with the chosen vendor;
viii. An anticipated timeline for when customers will be able to enroll on the program once a vendor is chosen; and
ix. Information on program evaluation including what entity will conduct an evaluation, what aspects of the program the applicant will evaluate and by what metrics, and the frequency throughout the year with which evaluations will occur.

b. WEPCO shall complete a statistical evaluation on the effectiveness of the BYOD program within 18 months of the implementation date and provide those results to the Commission within 24 months of the implementation date. At the 18 and 24 month points in the program, the evaluation shall identify the costs of the program, participation and savings. As part of this evaluation, WEPCO shall also report on its efforts to collaborate with interested stakeholders regarding potential modifications or extensions to the BYOD program.
c. WEPCO shall report on what other technologies a selected vendor can support and whether the vendor could support natural gas demand response programs.
d. WEPCO shall report on how the BYOD program relates or applies to WEPCO's implementation of FERC Order No. 2222.
e. WEPCO shall modify the participation limit to 64,000 devices as proposed by Vote Solar.
f. The BYOD pilot shall be implemented by January 1, 2026.

74. It is reasonable to approve, with the following modifications and conditions, WEPCO's proposal to close to new customers COEV-R and WHEV-R tariffs and create an EV-R pilot program:

a. WEPCO shall modify the program to include an enrollment cap of 7,500 customers.
b. The EV-R pilot program shall sunset on December 31, 2026 and continuation and/or modifications may be considered in WEPCO's next rate case proceeding.
c. The EV-R pilot shall have a 400 kWh usage cap.
d. It is not necessary for approval of the EV-R pilot for WEPCO to explore other mandatory off-peak charging windows and penalties for charging during peak times.
e. The proposed customer verification plan is reasonable.
f. WEPCO shall submit a report addressing the following within one year from the effective date of the Final Decision in this docket:
    i. Number of enrolled customers;

ii. Total amount of electricity sold, separated into the proposed TOU periods;
iii. Administrative budget and spending;
iv. Survey results regarding customer satisfaction;
v. Aggregated usage data from participating customers;
vi. Amount of load shifted from on-peak to off-peak by participating customers;
vii. How frequently are participating customers using more energy than the maximum threshold for the credit;
viii. How frequently do customers not hit the maximum threshold for off-peak kWh;
ix. At what point in the billing cycle does the average customer begin to consume off-peak energy beyond the maximum threshold that qualifies for the credit;
x. Estimated savings for participating customers;
xi. Details on how the applicants will protect the privacy of participating customers;
xii. Insights from collected data that can be used to inform future load management; and
xiii. Information on the verification process with the Wisconsin Department of Transportation.
xiv. Report on collaboration efforts with stakeholders regarding possible modification or expansion of the program, including but not limited to multifamily solutions as recommended by RENEW and public and fleet transportation initiatives for low-income customers as recommended by Walnut Way, with the first report to be filed one year from effective date of Final Decision, and a second report filed as part of WEPCO’s next rate case proceeding.

75. The following changes to WEPCO’s EV-C pilot program are reasonable:

a. It is reasonable to authorize WEPCO to increase the minimum required EV charging installation for its EV-C program from 50 kW to 150 kW. WEPCO shall include in its annual report filed for the EV-R program, on its efforts to collaborate with stakeholders on the impacts associated with the change on minimum charging sizing requirements.
b. It is reasonable to remove the option in the EV-C program for customers to purchase charging equipment directly from WEPCO.

c. It is reasonable to remove the 100 MW enrollment cap.
d. It is reasonable for the EV-C program to continue to be administered as a pilot program.

76. It is reasonable to require WEPCO to investigate changes to its parallel generation tariffs proposed in this proceeding in a separate TE docket that shall be opened by no later than April 1, 2025.

77. It is reasonable to increase the capacity cap on the CGS-CU tariff from 1,000 kW to 5,000 kW.

78. WEPCO's proposal to offer bi-directional metering for the CGS-NM tariff with an implementation date of June 1, 2025 is reasonable.

79. WEPCO's proposal to increase the Real Time Market Pricing rider participation cap to 500 MW is reasonable.

80. WEPCO shall add language clarifying its annual deadline for firm demand nominations to the Cp-3, Cp3S, Cg-3C, and Cg-3S tariffs.

81. WEPCO's proposed minor administrative changes and clarifications to its electric rate sheets are reasonable.

82. WEPCO's proposed uncontested electric rate design proposals are reasonable.

83. The natural gas revenue allocation for WG for the 2025 and 2026 test years proposed by Commission staff in Ex.-PSC-Nye-3 and Ex.-PSC-Nye-4, respectively, as adjusted for final revenue requirement, are reasonable.

84. The natural gas revenue allocation for WEPCO's natural gas operations for the 2025 and 2026 test years proposed by Commission staff in Ex.-PSC-Nye-5 and Ex.-PSC-Nye-6, respectively, as adjusted for final revenue requirement, are reasonable.

85. It is reasonable to approve the allocation of changes to the 2025 and 2026 final revenue requirement consistent with Commission's discussion.

86. The overall 2025 and 2026 natural gas rate design for WG proposed by Commission staff, adjusted for final revenue requirement, are reasonable.

87. The overall 2025 and 2026 natural gas rate design for WEPCO's natural gas operations proposed by Commission staff, adjusted for final revenue requirement, are reasonable.

88. It is reasonable to eliminate the incremental deterrence component of the Non-Sufficient Funds (NSF) change and reconfigure the charge to consist of the administrative cost added to the average of the range of financial institution fees ($7.24).

89. It is reasonable to consider the cost disparities between physical and remote disconnections and reconnections in a future proceeding.

90. It is reasonable to require the applicants to work with Commission staff on identifying and including additional reporting data for the LIFT program for inclusion in the initial filing for the applicants next rate case proceeding.

91. The steam revenue allocation and rate design proposed in Ex.-PSC-Nye-7 is reasonable.

92. WEPCO shall update and conduct a comprehensive loss study before or as part of its next rate case proceeding.

93. WEPCO shall eliminate the prohibition of on-site generation, regardless of size, from its Experimental Short Term Productivity Rider (STPR) tariff.

94. WEPCO shall revise the Real Time Market Pricing Rider tariff to include a conjunctive billing provision similar to the provision in Cp-1.

95. It is reasonable to include the standard order conditions from the applicants' last rate proceeding in docket 5-UR-110 outlined in Issue 109, as modified consistent with the Commission's decisions in this proceeding.

The Commission directed Commission staff to draft an order consistent with its discussion, and return the draft to the Commission for final approval.

6690-UR-128 - Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates

Pursuant to Wis. Stat. § 227.45, the Commission accepted into the record for this proceeding a copy of the October 23, 2024 quarterly process report filed with the Commission in docket 5-BS-225, and took official notice of the change of the in-service date for the the Darien Solar

Generating and BESS project (Darien Solar and BESS), and directed staff to draft an order consistent with its decision.

The Commission reviewed the application of Wisconsin Public Service Corporation (applicant) for authority to adjust electric and natural gas rates, and made the following determinations:

1. The Commission accepted the uncontested alternatives identified in the Final Decision Matrix for Issues 1a, 8, 10, 21, 22, 24, 25, 26, 29, 30, 31, 33, 37, 38, 41, 42, 43c, 47, 63, and 76.

2. The Commission accepted Commission staff's estimated electric sales forecast for the 2025 and 2026 test years.

3. The Commission accepted Commission staff's estimated natural gas sales forecast for the 2025 and 2026 test years.

4. It is reasonable to accept Commission staff's full-time equivalent headcount adjustment for part-time seasonal and non-represented employees of the applicant. The applicant's forecast for represented employees is reasonable. It is not reasonable to authorize escrow or deferral accounting treatment related to any changes for any difference between authorized and actual wages and headcount expenses. It is also reasonable to adjust the amount of medical and dental expense to be included in the applicant's 2025 and 2026 test year revenue requirement consistent with this adjustment.

5. The Commission accepted Commission staff's payroll adjustment related to overtime hours for the 2025 and 2026 test year revenue requirement.

6. The Commission accepted Commission staff's inflation rate wage adjustment.

7. It is reasonable to exclude all incentive compensation from the 2025 and 2026 test year revenue requirements.

8. The Commission accepted the applicant's originally filed electric operation and maintenance (O&M) forecast for the Whitewater Generating Station.

9. It is reasonable to allow the inclusion of industry association dues consistent with past Commission practice in the 2025 and 2026 electric and natural gas revenue requirements. The applicant shall provide specific data in its initial data request responses in its next rate case proceeding demonstrating the specific customer benefits associated with

payment of association dues for which the applicant intends to seek recovery in that proceeding.

10. The Commission accepted Commission staff's adjustment to advertising and economic development costs for inclusion in the electric and natural gas revenue requirement for test years 2025 and 2026.

11. It is not necessary for the applicant to provide specific data in their next rate case proceeding demonstrating customer benefit associated with advertising expenses for which applicants seek recovery.

12. The applicant shall provide specific data in its initial data request response in its next rate case proceeding demonstrating the specific customer benefits associated with Board of Director costs for which the applicant seeks recovery.

13. The Commission accepted the applicant's requested forestry management related budget increase and did not authorize or require escrow or deferral accounting treatment for any difference between authorized and actual forestry management expense.

14. The applicant shall file an annual forestry management report, no later than the first quarter of each year beginning in 2025 and ending in 2027 that includes the following information:

    a. Number, identification, and trimming timeline for project.
    b. Details of the progress made during the previous forestry maintenance season and the progress made to-date under this O&M item.
    c. Comparison of total budgeted and actual annual cost.
    d. Tree outage related data for individual projects for pre- and post-forestry maintenance period for the test years that includes outages by tree growing into primary, tree not growing into primary, and service line categories.
    e. Tree outage related data for the applicant's system for pre- and post-forestry maintenance period for the test years that includes outages by tree growing into primary, tree not growing into primary, and service line categories.
    f. Number of Emerald Ash Borer Infested hazard trees removed by project and cost for such hazard tree removal.
    g. Report on assessment of reliability benefits.

15. It is reasonable to exclude expenses associated with Leak Detection and Repair (LDAR) from the applicant's natural gas revenue requirement for the 2025 and 2026 test years.

16. The Commission took no action to address at this time the appropriate accounting treatment for future LDAR expenses.
17. The Commission accepted Commission staff's adjustments to the applicant's electric and natural gas plant in service and construction work in progress (CWIP) for the 2025 and 2026 test years.

18. The applicant shall defer, for a future rate case proceeding, the cost overruns associated with the Paris Solar Generating and Battery Energy Storage System (Paris Solar and BESS), without carrying costs.

19. It is reasonable to accept the applicant's proposal to amortize the regulatory liability balance associated with the Paris Solar and BESS deferral due to the change in in-service date over one year (2025) and require a true-up in the applicant's next rate case proceeding.

20. The applicant shall defer, for a future rate case proceeding, the cost overruns associated with the Darien Solar and BESS project, without carrying costs.

21. The applicant shall defer the incremental revenue requirement impact arising from the change in service date for the Darien Solar and BESS project, with carrying costs at the applicant's short term debt rate.

22. The Commission accepted Commission staff's adjustment decreasing O&M Account 501 by $600,000 in 2025 and $25,000,000 in 2026 to remove the impact of new U.S. Environmental Protection Agency requirements for Coal Combustion Residuals.

23. It is reasonable to authorize escrow accounting treatment for bad debt expense over two years.

24. As of June 1, 2026 (day after date of scheduled retirement) and until December 31, 2026, the applicant shall recover the applicant's share of any undepreciated balance for Columbia Energy Center units 1 and 2 using a levelized approach over 25 years as proposed by WIEG, with carrying costs on the undepreciated balance at the applicant's authorized weighted cost of capital. The applicant shall submit additional analysis in its next rate case proceeding of alternatives for addressing the remaining undepreciated balance for Columbia units 1 and 2.

25. The applicant shall defer the difference between the estimated and actual revenue requirement impact associated with retiring Columbia units 1 and 2 resulting from changes in the units' May 31, 2026 retirement date.

26. The applicant shall defer, with carrying costs at the applicant's authorized short-term debt rate, any impacts for the U.S Internal Revenue Service Revenue Procedure 2023-15.

27. The applicant shall defer, with carrying costs at the applicant's authorized short-term debt rate, the net impact of any loans or grant funds from programs through the U.S. Department of Energy.

28. The Commission accepted Commission staff's proposed adjustment to the Focus contribution from electric operations and authorized a conservation budget for 2026 as adjusted.

29. The applicant shall file a depreciation study for the Commission's approve by no later than December 20, 2027.

30. In future cases, applicant and Commission staff shall calculate revenue deficiencies by consistently rounding to four decimal places when represented as a number and two decimal places when shown as a percentage when calculating revenue requirement deficiencies.

31. The applicant shall present the second year of a 2-year test year rate proceeding at presently authorized rates.

32. The Commission accepted Commission staff's proposed adjustment to the forced outage rate for the West Riverside units.

33. The Commission accepted Commission staff's proposed adjustment to monitored fuel costs for the impact of Commission staff's proposed adjustment to electric sales accepted by the Commission.

34. The forecasted short-term borrowing costs rates of 4.72 in 2025 and 3.98 in 2026 are reasonable.

35. The forecasted long-term borrowing costs rates for 4.43 in 2025 and 4.64 in 2026 are reasonable.

36. An appropriate common equity ratio target for applicant's financial capital structure is 53.00 percent equity for 2025 and 2026.
37. The financial capital structure for the applicant consisting of Commission staff's audited financial capital structure for both test years and as adjusted for final revenue requirement impacts, is reasonable.

38. The regulatory capital structure for the applicant consisting of Commission staff's audited financial capital structure for both test years and as adjusted for final revenue requirement impacts, is reasonable.

39. A reasonable rate of return on the applicant's common equity (ROE) in 2025 and 2026 is 9.80 percent.

40. The applicant shall provide additional information in its next rate case proceeding regarding Commission staff's proposal that applicant defer the incremental revenue requirement impact of any forecasted costs associated with the issuance of long-term debt that are not issued in the forecasted test year(s), to be returned to customers.

41. The applicant shall not pay dividends in excess of the amount forecasted in this proceeding if such dividends cause the average annual common equity ratio, on a financial basis, to fall below 53.00 percent.

42. The Commission did not adopt a specific electric or natural gas Cost of Service Study (COSS) model and instead related upon multiple models for revenue allocation and rate design.

43. The Commission authorized the applicant's proposed changes to the customer classes in its electric COSS.

44. The electric revenue allocations for 2025 and 2026 proposed by WIEG, modified to adjust the EV classes to zero percent, and as adjusted for final revenue requirement, are reasonable.

45. The overall electric rate designs for the 2025 and 2026 test years proposed by Commission staff in Ex.-PSC-Jurvich-1 and Ex.-PSC-Jurvich-2r, respectively, as adjusted for final revenue requirement and revenue allocation are reasonable.

46. It is reasonable to approve, with the following modifications and conditions, the applicant's proposal to create a Bring Your Own Device (BYOD) demand response pilot:

a. Applicant shall submit a report containing the following information within one year of the effective date of the Final Decision in this docket:
    i. Details on the vendor that was selected, why said vendor was selected, and which vendors were not selected;
    ii. Detailed information on all costs associated with offering this program under the chosen vendor;
    iii. What data are available for collection under the chosen vendor;
    iv. Details on how the chosen vendor will protect the privacy of participating customers;
    v. Anticipated benefits from offering this program and how those benefits will be measured;
    vi. How participating customers will interact with the applicant and chosen vendor;
    vii. Provide an updated tariff sheet with rates based on the costs associated with the chosen vendor;
    viii. An anticipated timeline for when customers will be able to enroll on the program once a vendor is chosen; and
    ix. Information on program evaluation including what entity will conduct an evaluation, what aspects of the program the applicant will evaluate and by what metrics, and the frequency throughout the year with which evaluations will occur.
b. Applicant shall complete a statistical evaluation on the effectiveness of the BYOD program within 18 months of the implementation date and provide those results to the Commission within 24 months of the implementation date. At the 18 and 24 month points in the program, the evaluation shall identify the costs of the program, participation and savings. As part of this evaluation, applicant shall also report on its efforts to collaborate with interested stakeholders regarding potential modifications or extensions to the BYOD program.
c. Applicant shall report on what other technologies a selected vendor can support and whether the vendor could support natural gas demand response programs.
d. Applicant shall report on how the BYOD program relates or applies to its implementation of FERC Order No. 2222.
e. The applicant shall modify the participation limit to 24,000 devices as proposed by Vote Solar.
f. The BYOD pilot shall be implemented by January 1, 2026.

47. It is reasonable to approve, with the following modifications and conditions, the applicant's proposal to close to new customers its COEV-R and WHEV-R tariffs and create an EV-R pilot program.
    a. WPSC shall modify the program to include an enrollment cap of 7,500 customers.
    b. The EV-R pilot program shall sunset on December 31, 2026 and continuation and/or modifications may be considered in applicant's next rate case proceeding.
    c. The EV-R pilot shall have a 400 kWh usage cap.
    d. It is not necessary for approval of the EV-R pilot for applicant to explore other mandatory off-peak charging windows and penalties for charging during peak times.
    e. The proposed customer verification plan is reasonable.
    f. The applicant shall submit a report addressing the following within one year from the effective date of the Final Decision in this docket:

        i. Number of enrolled customers;
        ii. Total amount of electricity sold, separated into the proposed TOU periods;
        iii. Administrative budget and spending;
        iv. Survey results regarding customer satisfaction;
        v. Aggregated usage data from participating customers;
        vi. Amount of load shifted from on-peak to off-peak by participating customers;
        vii. How frequently are participating customers using more energy than the maximum threshold for the credit;
        viii. How frequently do customers not hit the maximum threshold for off-peak kWh;
        ix. At what point in the billing cycle does the average customer begin to consume off-peak energy beyond the maximum threshold that qualifies for the credit;
        x. Estimated savings for participating customers;
        xi. Details on how the applicants will protect the privacy of participating customers;
        xii. Insights from collected data that can be used to inform future load management; and
        xiii. Information on the verification process with the Wisconsin Department of Transportation.
        xiv. Report on collaboration efforts with stakeholders regarding possible modification or expansion of the program with the first report to be filed one year from effective date of Final Decision, and a second report filed as part of applicant's next rate case proceeding.

48. The following changes to the applicant's EV-C pilot program are reasonable:
    a. It is reasonable to authorize the applicant to increase the minimum required EV charging installation for its EV-C program from 50 kW to 150 kW. The applicant shall include in its annual report filed for the EV-R program, on its efforts to collaborate with stakeholders on the impacts associated with the change on minimum charging sizing requirements.
    b. It is reasonable to remove the option in the EV-C program for customers to purchase charging equipment directly from the applicant.
    c. It is reasonable to remove the 100 MW enrollment cap.
    d. It is reasonable for the EV-C program to continue to be administered as a pilot program.

49. It is reasonable to require the applicant to investigate changes to its parallel generation tariffs proposed in this proceeding in a separate TE docket that shall be opened by no later than April 1, 2025.

50. The rate design for the Cg-20 customer class proposed by Commission staff is reasonable.

51. The applicant shall increase the participation limit on the New Load Market Pricing (NLMP) Rider from 145.1 MW to 200 MW.

52. It is not reasonable to authorize at this time replacing the minimum incremental energy rate (IER) associated with the NLPM rider with a fixed adder.

53. The applicant shall conduct an analysis to submit in its next rate case proceeding of the impacts of fully phasing in the Cp-1 High-Load Factor Credit.

54. The applicant shall add language clarifying its annual deadline for firm demand nominations to the Cp-12 tariff.

55. The applicant's proposed minor administrative changes and clarifications to its electric rate sheets are reasonable.

56. It is reasonable to require the applicant to investigate changes to its parallel generation tariffs proposed in this proceeding in a separate TE docket that shall be opened by no later than April 1, 2025.

57. It is reasonable to increase the capacity cap on the PG-2B tariff from 1,000 kW to 5,000 kW.

58. The natural gas revenue allocation for the 2025 and 2026 test years proposed by Commission staff in Ex.-PSC-Jurvich-3 and Ex.-PSC-Jurvich-4, respectively, as adjusted for final revenue requirement, are reasonable.

59. It is reasonable to approve the allocation of changes to the 2025 and 2026 final revenue requirement consistent with Commission's discussion.

60. The overall 2025 and 2026 natural gas rate design proposed by Commission staff, adjusted for final revenue requirement, are reasonable.

61. The Commission authorized the applicant's creation of a 12-month waiting period for Customer Requested Bill Due Date program customers who have fallen into arrears.

62. It is reasonable to eliminate the incremental deterrence component of the NSF change and reconfigure the charge to consist of the administrative cost added to the average of the range of financial institution fees ($7.24).

63. It is reasonable to consider the cost disparities between physical and remote disconnections and reconnections in a future proceeding.

64. It is reasonable to require the applicant to work with Commission staff on identifying and including additional reporting data for the LIFT program for inclusion in the initial filing for the applicant's next rate case proceeding.

65. It is not reasonable to require the applicant to conduct retirement planning to identify replacement resources for Weston Units 3 and 4.

66. It is reasonable to include the standard order conditions from the applicant's last rate proceeding in docket 6690-UR-127 outlined in Issue 82, as modified consistent with the Commission's decisions in this proceeding.

The Commission directed Commission staff to draft an order consistent with its discussion, and return the draft to the Commission for final approval.

The Commission adjourned the meeting at 6:30 p.m.

Cru Stubley
Secretary to the Commission

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