

## PUBLIC SERVICE COMMISSION OF WISCONSIN

### Minutes and Informal Instructions of the Open Meeting of Thursday, October 27, 2022

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Valcq, Commissioner Nowak and Commissioner Huebner.

#### **Minutes**

The Commission approved the minutes of the open meeting of Wednesday, October 12, 2022.

#### **5-AE-241 - Application for Approval of an Engineering and Procurement Agreement for the Whitetail Wind Energy Facility Between American Transmission Company LLC and ALLETE Inc.**

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

#### **5-BS-258 - Joint Application of Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Madison Gas and Electric Company for Approval to Acquire Ownership Interests in the Koshkonong Solar Electric Generation Facility in the Town of Christiana and the Town of Deerfield, Dane County, Wisconsin**

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

Commissioner Huebner did not participate in the Commission's decision.

#### **1080-CW-101 - Application of the City of Chetek, as a Water Public Utility, for Authority to Construct a New Water Tower and Improvements to Well No. 1 and Well No. 2, in the City of Chetek, Barron County, Wisconsin**

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

#### **1650-CW-101 - Application of the City of Dodgeville, as a Water Public Utility, for Authority to Construct a New Well House No. 6, in the City of Dodgeville, Iowa County, Wisconsin**

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

**2750-CW-104 - Application of the City of Jefferson, as a Water Public Utility, for Authority to Construct a New Well House No. 3, in the City of Jefferson, Jefferson County, Wisconsin**

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

**3460-CW-104 - Application of the City of Mayville, as a Water Public Utility, for Authority to Construct a New Well House and Treatment System at Well No. 4 and Rehabilitate Well No. 4, in the City of Mayville, Dodge County, Wisconsin**

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

**3850-CW-102 - Application of the Village of Monticello, as a Water Public Utility, for Authority to Construct Well No. 4, in the Village of Monticello, Green County, Wisconsin**

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

**5620-CW-103 - Application of the Village of Spencer, as a Water Public Utility, for Authority to Construct a New Well No. 7 with Iron and Manganese Treatment, in the Village of Spencer, Marathon County, Wisconsin**

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

**5810-CW-109 - Application of the City of Sun Prairie, as a Water Public Utility, to Construct Well No. 10, in the City of Sun Prairie, Dane County, Wisconsin**

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

**6130-CW-102 - Application of the Village of Viola, as a Water Public Utility, for Authority to Construct a New Well No. 5 and Improvements to Well No. 3 and Well No. 4, in the Village of Viola, Richland and Vernon Counties, Wisconsin**

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

**6680-AU-121 - Application for Approval of an Affiliated Interest Agreement Between Wisconsin Power and Light Company and Interstate Power and Light Company**

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

**6690-CE-204 - Application of Wisconsin Public Service Corporation, as an Electric Public Utility, for Authority to Construct a New Service Center in the Village of Coleman, Marinette County, Wisconsin**

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

**3320-WR-108 - Application of the City of Manitowoc, Manitowoc 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.

**4220-TE-113 - Application of Northern States Power Company-Wisconsin for Approval of Electric Vehicle Programs**

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

**1-AC-256 - In the Matter of Rulemaking to Update Wisconsin Administrative Code Chapter PSC 119 for Interconnecting Distributed Generation Facilities**

**Notice of Hearing and Proposed Draft Rules**

The Commission discussed the proposed revisions to the rules regarding revisions to Wis. Admin Code ch. PSC 119 and made the following preliminary determinations on the content of the draft proposed rules for hearing:

1. The Commission approved the proposed rules revisions incorporating the advisory committee's comprehensive recommendations.
2. The Commission approved the proposed rule revisions related to dispute resolution.
3. The Commission approved the proposed rule revisions related to fees in Sections 47, 30, and 34.
4. The Commission approved the proposed rule revisions related to insurance requirements.

Commissioner Huebner dissented.

5. The Commission approved the proposed rule revisions establishing IEEE 1547-2018 and MISO guidelines requirements, as well as UL 1741 listed paralleling equipment requirements, and directed that the draft rules be modified to require the public utility to constructively work with the regional transmission operator to provide a recommendation whether abnormal performance category III is the proper category assignment for inverter-based DG facilities.
6. The Commission approved the proposed rule revisions with specific size thresholds of Category 1 generating and non-exporting energy storage systems, as well as specific size thresholds of non-exporting energy storage systems for Categories 2 through 4 in order to use the export capacity definition instead of nameplate rating.

Commissioner Huebner dissented.

7. The Commission approved the proposed rule revisions establishing pre-application requirements.
8. The Commission approved all proposed forms and related proposed rule revisions.
9. The Commission approved the proposed rule revisions establishing public application queue requirements.

Commissioner Nowak dissented.

The Commission approved the Notice of Hearing and directed Commission staff to make the necessary filings.

#### **5-ES-111 - Strategic Energy Assessment for January 1, 2022 through December 31, 2028**

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).

**4220-AF-109 - Application of Northern States Power Company-Wisconsin, for Deferred Accounting Treatment of Western Mustang Solar Electric Generating Facility**

The Commission approved the application of Northern States Power Company-Wisconsin (applicant) request for deferred accounting treatment of Western Mustang Solar Electric Generating Facility and with carrying costs at the applicant's short-term debt rate.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

**6630-PL-2022 - 2022 Pipeline Safety Enforcement for Wisconsin Electric Power Company**

The Commission approved Wisconsin Electric Power Company's request for waiver of 49 C.F.R. § 193.2321(b) with all conditions outlined by Commission staff in its memorandum dated October 17, 2022.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

**6650-PL-2022 - 2022 Pipeline Safety Enforcement for Wisconsin Gas LLC**

The Commission approved Wisconsin Gas LLC's request for waiver of 49 C.F.R. § 193.2321(b) with all conditions outlined by Commission staff in its memorandum dated October 17, 2022.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

**3280-WR-116 - Application of the City of Madison, Dane County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates**

The Commission reviewed the application of City of Madison (MWU) for authority to adjust water rates and made the following determinations:

1. The Commission accepted the uncontested alternatives for Issues 4, 5, 6, 6A, 7, 9 set forth in the Final Decision Matrix ([PSC REF#: 449793](#)).
2. The Commission approved MWU's proposal to cash fund 0.4 percent of main replacements through an increase in depreciation, which in this case would provide cash funding of \$5,000,000 for replacement of mains.
3. The Commission approved the \$148,714 two-year pilot Customer Assistance Program (CAP), with conditions discussed below in Item 11.

Commissioner Nowak dissented.

4. The Commission approved the draft tariff language as offered by MWU and received it into the record.

Commissioner Nowak dissented.

5. MWU shall file an updated financial plan within 60 days of the Commission's final decision.

6. The Commission approved the revenue allocation proposed by Commission staff without a main replacement charge.

Commissioner Nowak dissented.

7. The Commission denied MWU's proposal to add a fixed main replacement charge to its rates.

Commissioner Nowak dissented.

8. All of the following standard conditions are necessary for approval of the proposed rate increase:

- a. The Final Decision takes effect one day after the date of service.
- b. The authorized rate increases and tariff provisions shall take effect no sooner than one day after MWU has: (a) filed these rates and tariff provisions with the Commission; and (b) made them available to the public at locations where customer payments are accepted, on MWU's website, or in a form and place that is otherwise readily accessible to the public, pursuant to Wis. Stat. § 196.19 and Wis. Admin. Code § PSC 185.33(1)(f). If a copy of the new rates and tariff provisions is not made available to the public when they are filed with the Commission, the new rates and tariff provisions shall take effect one day after the date they are made available to the public.
- c. The rates approved in this docket shall take effect no later than 90 days from the service date of this Final Decision or as directed by the Commission or Commission staff.
- d. Jurisdiction is retained.

9. All of the following conditions relating to cash funding the mains through expense depreciation are necessary for approval of the proposal:
  - a. MWU shall record the additional depreciation accrual monthly in a subaccount, starting in the month the rate increase takes effect, until the depreciation accrual is changed by the Commission.
  - b. MWU shall invest the approved depreciation expense only in water main replacements, except the funds may be used by MWU to make debt payments if necessary. If the funds are needed to make debt payments, MWU shall notify the Commission and apply for a rate increase within 45 days of fund use.
  - c. MWU shall keep the funds that are collected through the additional depreciation in a segregated account.
  - d. MWU shall report annually, at the time it files its PSC Annual Report with the Commission, the funds that have been collected through expense depreciation, the use of the funds, and the balance of funds remaining. MWU shall report the number of miles of water main replaced, the percentage of the water main replaced, and the age of the main replaced under this program, as well as any changes to the scope of its water main replacement plan.
  - e. If MWU increases rates through the Simplified Rate Case (SRC) process, the \$5,000,000 designated for the water main replacement program shall also be increased by the rate increase factor. The increased amount shall be segregated and used only for the water main replacement program.
  - f. MWU shall file the amended CIP budget of \$5,000,000 that has been approved by the Common Council within 90 days of the Final Decision this case.
  - g. MWU shall be required to invest at least 80 percent of the funds collected in the same year in which funds are collected and spend any remaining unspent funds from a given year within 24 months of the end of the year in which the funds were collected.
10. MWU shall provide in its Annual Report detailed descriptions of work completed using expense depreciation funds.
11. MWU shall report on the following metrics relating to its Customer Assistance Program (CAP):

- a. Number of households participating in the CAP
- b. Number of households participating as a percentage of eligible households, and usage
- c. Reduction in utility arrears attributable to CAP
- d. Annual administrative cost
- e. Number of CAP participants that participated in Project Home conservation programs and other conservation qualifiers, and respective usage
- f. The number of households participating that are renters vs. owners with the usage of each type participant (renters vs. owners) segregated
- g. Average incomes of participants in each category
- h. Average reduction in water bill as a percentage of the bill
- i. Administrative costs attributable to the program and savings
- j. Monthly program enrollment numbers
- k. The utility operational savings attributable to the program

MWU shall work with Commission staff to finalize the details of the above reporting requirements.

12. In connection with the authorized cash adder:

- a. MWU shall maintain the incremental funds provided by the cash adder in a segregated account, which is restricted to limit the use of those funds for purposes of debt service and the funding of capital expenditures.
- b. MWU's revenues and retained earnings shall not be pledged for indebtedness or expenses unrelated to its operation without prior Commission approval.

13. The Commission confirmed MWU's compliance with Order Point No. 4 from docket 3280-WR-115 and directed continuation of this requirement in this docket.

14. The Commission confirmed MWU's compliance with Order Point No. 5 from docket 3280-WR-115 and directed continuation of this requirement in this docket.

15. The Commission confirmed MWU's compliance with Order Point No. 6 from docket 3280-WR-115.

16. The Commission confirmed MWU's compliance with Order Point No. 7 from docket 3280-WR-115 and directed continuation of this requirement in this docket.

17. The Commission confirmed MWU's compliance with Order Point No. 8 from docket 3280-WR-115 and directed continuation of this requirement in this docket..



18. The Commission confirmed MWU's compliance with Order Point No. 9 from docket 3280-WR-115.
19. The Commission confirmed MWU's compliance with Order Point No. 10 from docket 3280-WR-115 and directed continuation of this requirement in this docket.
20. The Commission confirmed MWU's compliance with Order Point No. 11 from docket 3280-WR-115 and directed continuation of a modification to this requirement in this docket that directs MWU to report to the Commission on a semi-annual basis.
21. MWU shall file for another conventional rate case based on a 2025 test year within two years of the Final Decision issued in this docket.

The Commission directed the Division Water Utility Regulation and Analysis to draft an order consistent with its discussion.

The Commission adjourned the meeting at 12:30 p.m.

A handwritten signature in black ink, appearing to read 'Cru Stublely', with a stylized, flowing script.

Cru Stublely  
Secretary to the Commission

DL:01913797