

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Wisconsin Electric Power Company
for Approval of Accounting Treatments for Investments
to be Made in Distribution Facilities to be installed in
the Village of Mount Pleasant in Racine County, Wisconsin

Docket 6630-AF-XXX

APPLICATION

Background

Wisconsin Electric Power Company (“Wisconsin Electric” or “the Company”) will be commencing construction of distribution facilities, including transformers, breakers, relays and other ancillary equipment (“Distribution Project”) in the Village of Mount Pleasant in Racine County, Wisconsin.¹ To meet its customer’s electric service needs this construction work needs to be initiated no later than June 2024. Timely construction of the Distribution Project is critical to maintain project timelines and ensure continued business growth and economic development within the EITM Zone. The Distribution Project will require a significant level of investment – the Company’s current estimate for the construction and related costs for the Distribution Project is in the range of \$300 - \$350 million. Additionally, due to factors outside of its control, Wisconsin Electric has also needed to begin making deposits for long-lead time and high-cost equipment such as transformers.

Wisconsin Electric’s current project budget estimates, by cost category and area within the EITM

¹ See the Company’s letter filed September 11, 2023 notifying the Commission of the construction of the Distribution Project to serve a customer in an Electronics Information Technology Manufacturing (“EITM”) Zone and its exemption from being required to obtain a certificate of authority for the Distribution Project.

Zone, are noted below with the approximate mid-point of the range for each category listed in the table:

\$ (in millions)	Area 3B	Area 3A	Area 2A	Total
Transformers				
Engineering				
Labor				
Other Equipment and Below Grade Work				
Total	\$35.0	\$50.0	\$250.0	\$335.0

All estimates are expected to be capital, with none of the costs projected to be operations and maintenance. More precise estimates will become available as the procurement process continues and firm pricing is provided by equipment suppliers and contractors through firm bids and the Company's issuance of purchase orders. The Company will supplement this estimate as additional information becomes available. Because the customer's forecasted load characteristics are still being refined the costs to be funded by contributions from the customer to be served has not been determined.

Accounting Request

Wisconsin Electric respectfully requests authorization to accrue Allowance for Funds Used During Construction ("AFUDC") on 100 percent of the construction work in progress ("CWIP") balance during the procurement of the equipment and construction of the Distribution Project. This authorization, if approved, will allow the Joint Applicants to finance these necessary and time-sensitive investments supporting substantial economic development in Wisconsin.

Wisconsin Electric further respectfully request that the Commission authorize the requested accounting treatment prior to [June 1, 2024] to allow Joint Applicants the opportunity to implement the requested accounting prior to making the first investments in equipment needed to

meet the customer's required service date.

Dated this 22 day of February 2024.

Respectfully submitted,



Richard F. Stasik
Director – State Regulatory Affairs
Wisconsin Electric Power Company
Wisconsin Gas LLC