

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF WISCONSIN**

Application of Wisconsin Power and Light
Company for Authority to Adjust Electric and
Natural Gas Rates for 2022 and 2023 Test
Years

Docket No. 6680-UR-123

APPLICATION

I. INTRODUCTION

Wisconsin Power and Light Company (WPL or the Company) seeks to make things better for its customers and the communities it serves, while meeting its obligation to provide its customers with safe and reliable service.¹ The Company prioritizes managing costs to keep rates affordable, while investing in prudent projects to secure a cleaner and more reliable energy future for customers. Indeed, over the last decade, WPL has invested in projects like its West Riverside natural gas combined cycle facility, the Western Wisconsin Gas Expansion project, and the Kossuth wind farm to meet its customers' need for clean and reliable service. Even with these substantial investments, the Company has collaborated with Commission staff and stakeholders to keep electric and natural gas rates steady and competitive with peer utilities.

With this Application, WPL seeks to advance its objective of investing in a cleaner energy system to benefit customers, while maintaining affordable retail rates. Although WPL was initially planning to file a rate review for a single year (the 2022 test year), it subsequently entered into settlement discussions with the Citizens Utility Board (CUB), Sierra Club, Wisconsin Industrial Energy Group (WIEG), Clean Wisconsin, RENEW Wisconsin, and the Wisconsin Paper Council.² As a result of this collaboration, WPL and the other Settling Parties have negotiated and executed a Settlement for a two-year rate review covering the 2022 and 2023 test years.

¹ WPL is a Wisconsin corporation and public utility, as defined in Wis. Stat. § 196.01(5), that provides retail electric and natural gas service throughout central and southwestern Wisconsin.

² WPL, CUB, WIEG, Sierra Club, Clean Wisconsin, RENEW Wisconsin, and the Wisconsin Paper Council are collectively "the Settling Parties."

As discussed in greater detail in this Application and the accompanying testimony and exhibits, the Settlement furthers WPL's objective of providing safe, reliable, and sustainable service to customers, while prudently managing customer costs. The Settlement addresses WPL's projected \$85.7 million electric and natural gas revenue requirement shortfall with a 6.2 and 8.6 percent increase in WPL's retail electric and natural gas revenue requirements, respectively, for the 2022 test year. For the 2023 test year, WPL has agreed to hold its base electric rates steady and to file a limited reopener in 2022 to establish revenue requirements for its natural gas utility operations. This two-year structure results in a balanced outcome for all Settling Parties by managing customer rate increases, while enabling WPL to continue making investments on behalf of customers, to recover substantial investments already made, and to ensure the Company earns a fair return on those investments.

WPL is cognizant of how rate increases affect its customers, especially as Wisconsin and the rest of the nation continue to recover from the adverse social and economic impacts of the COVID-19 pandemic. Therefore, based on valuable feedback and input from the Settling Parties, and consistent with WPL's practice over the last decade, the Settlement adopts reasonable measures to mitigate the impact of this revenue requirement increase on WPL's customers. These measures include utilizing available regulatory liability balances associated with unprotected excess deferred income taxes (EDIT), lower projected fuel costs, implementing new depreciation rates proposed in Docket No. 6680-DU-109 on January 1, 2023 instead of January 1, 2022 (and not implementing any depreciation rate changes for WPL's retiring coal-fired generating units), and permitting WPL to recover the remaining net book value (NBV) of the retiring Edgewater Unit 5 (Edgewater 5) generating station in a manner that results in near-term customer benefits.

The rate settlement is being submitted as Exhibit A to this Application (Settlement).³ It is the result of a carefully structured, multi-faceted negotiation between WPL and the principal groups working on behalf of WPL's customers and key environmental advocacy organizations. This

³ As noted in the Settlement, Sierra Club and Clean Wisconsin join all but Section H, Attachment A of the Settlement.

Application and the accompanying testimony and exhibits provide substantial evidence supporting each aspect of the Settlement. Taken as a whole, the Settlement reflects a fair resolution to WPL's 2022-2023 rate review and will result in rates that are just and reasonable. Therefore, WPL respectfully requests that the Commission approve the Settlement in its entirety, without modification.

II. BACKGROUND

WPL is proud to provide safe, reliable, and affordable service to its customers, while transitioning to cleaner, more cost-effective, and customer-focused technologies. WPL has worked to achieve these objectives, while prudently managing costs and keeping rates affordable. Since 2011, WPL's average electric residential customer bills have increased at a lower rate than inflation, and residential natural gas customers have experienced an average *decline* in rates of about two percent per year. WPL has been able to serve customers under stable or declining rates due to several factors, including prudent management of operating costs, decreasing commodity costs (including fuel), income tax law changes, and deferral and escrow accounting treatment for certain costs.

WPL maintained rate stability even with the onset of the COVID-19 pandemic in early 2020. Although the Company planned to conduct a full rate review at that time, it recognized the unprecedented financial strain the pandemic was imposing on individuals and businesses throughout the state. Therefore, instead of filing for a rate review, WPL requested, and the Commission approved, a rate stabilization plan to hold customer rates steady through 2021. WPL achieved this outcome by offsetting investments with EDIT, decreases in fuel costs, and deferral accounting treatment. WPL continued to support customers who were struggling through the pandemic by (among other things) suspending disconnections for non-payment, waiving late fees, and creating a new Arrears Management Program through which it has forgiven over \$2 million in past-due bills.

As WPL looks to the future, it will continue to implement its customer-driven approach through its Clean Energy Blueprint (Blueprint) resource plan. This resource plan is the culmination of a multi-year, transparent planning process to transform WPL's generation fleet to more cost-effective

and sustainable resources. The Blueprint resource plan calls for the retirement of WPL's remaining coal-fired generating units (Edgewater 5, Columbia Unit 1, and Columbia Unit 2) by the end of 2024 and replacement of that retired coal-fired capacity with 1,089 megawatts (MW) of new, utility-scale solar generation by the end of 2023.⁴ To mitigate costs to customers, WPL is proposing to partially finance these new projects with tax equity investment, which is expected to lower their overall revenue requirement by approximately \$190 million over their expected 30-year useful life, relative to traditional utility ownership. WPL's analysis indicates that the Blueprint resource plan will: avoid \$2 billion to \$6.5 billion in nominal costs over the next 35 years; maintain the reliability of WPL's service; and substantially reduce water withdrawals, carbon emissions, and emissions of other criteria air pollutants from WPL's generation fleet.

The Blueprint also includes investment in initiatives that will strengthen the resiliency and dynamic operation of its distribution system, including to make it more secure against cyber threats and extreme weather events, further integrate customer-sited technologies into that system, and provide customers with greater control and choice over their energy use. For example, WPL is deploying an advanced distribution management system and fiber communication to better monitor and control the grid and support the integration of distributed energy resources. WPL is also proposing to launch new demand response programs for residential and commercial customers; new electrification pilot programs to support increased electric vehicle (EV) adoption; and enhanced promotion of time-of-use (TOU) rates for residential and small commercial customers, which will give customers greater control over their energy usage, while also providing system benefits.

III. REQUEST FOR APPROVAL

Over the last decade, WPL's ability to successfully collaborate with Commission staff and other stakeholders has provided substantial value to the Company and its customers. Since the 2010

⁴ Pursuant to the Blueprint, WPL requested approval from the Commission to acquire, construct, and install 12 new solar projects in Wisconsin (the Solar Projects). *See* Docket Nos. 6680-CE-182 and 6680-CE-183.

test year, WPL has generally entered into settlements in its base rate proceedings, which the Commission has reviewed and approved. Those settlements have resulted in minimal changes to electric and natural gas base rates: residential electric customers have experienced an average rate increase of less than one percent per year over the last ten years, and residential natural gas customers have experienced an average decline of about two percent per year over the same period.

The Wisconsin Legislature has recognized the value of reaching cooperative solutions such as this to avoid fully litigated rate cases. It expressly encourages parties to settle contested proceedings (in whole or in part) before the Commission where possible. *See* Wis. Stat. § 196.026(1). It authorizes the Commission to approve a settlement agreement if the following conditions are met:

(a) All of the following have been given a reasonable opportunity to present evidence and arguments in opposition to the settlement agreement:

1. Each party that has filed an objection or nonobjection to the settlement agreement under Wis. Stat. § 196.026(6).
2. Each party whose failure to respond in writing constitutes a nonobjection to the settlement agreement under Wis. Stat. § 196.026(6).

(b) The commission finds that the public interest is adequately represented by the parties who entered into the settlement agreement; and

(c) The commission finds that the settlement agreement represents a fair and reasonable resolution to the docket, is supported by substantial evidence on the record as a whole, and complies with applicable law, including that any rates resulting from the settlement agreement are just and reasonable.

Wis. Stat. § 196.026(7)

The Settlement satisfies each of the foregoing criteria, and therefore, WPL respectfully requests that the Commission approve the Settlement in its entirety, without modification. With respect to the first criterion, WPL recognizes that parties aside from the Settling Parties may move to intervene in this proceeding. Under the statute, those parties have a right to participate in a settlement conference (if they do not support the Settlement) and to state their agreement, objection, or nonobjection to the Settlement. *See id.* §§ 196.026(4)-(5). As soon as practicable after this Application is filed, WPL and the other Settling Parties will confer with non-settling parties admitted to this

proceeding to invite them to participate in a settlement conference, or alternatively, seek waivers from the non-settling parties of their right to such a conference.

With respect to the second criterion, CUB, WIEG, Sierra Club, Clean Wisconsin, RENEW Wisconsin, and the Wisconsin Paper Council adequately represent the public interest, including, residential, commercial, and industrial customers located throughout WPL's service territory.

With respect to the third criterion, the Settlement itself is in the public interest. The Settling parties have reached an agreement that establishes just and reasonable revenue requirements for WPL's electric and natural gas utilities for the 2022 and 2023 test years. The Settlement adequately addresses WPL's projected retail and natural gas revenue requirement deficiency for test year 2022 and (subject to a gas reopener) test year 2023, thereby enabling WPL to recover prudent investments it has made on behalf of customers and to earn a fair return on those investments. The agreement limits the impact of rate increases on WPL's customers through (among other things) utilization of WPL's remaining unprotected EDIT, lower projected fuel costs, implementation of new depreciation rates on January 1, 2023, and a creative mechanism that permits WPL to recover the remaining NBV of Edgewater 5, while providing relative revenue requirement benefits to customers over the next ten years. The Settlement also requires WPL to utilize deferral or escrow accounting treatment for potentially material changes in WPL's 2022 and 2023 revenue requirements, which protects both WPL and its customers by ensuring that costs are recovered and that customers do not pay for costs that are not incurred.

For the foregoing reasons, and as explained in further detail in this Application and the accompanying testimony and exhibits, WPL respectfully requests that the Commission approve the Settlement in its entirety, without modification.

IV. SUMMARY OF SETTLEMENT AGREEMENT

The remainder of this Application summarizes the key components of the Settlement and their underlying assumptions. Concurrently with the filing of this Application, WPL is also submitting

testimony and exhibits from witnesses who provide additional background information and support for the Settlement, as well as responses to Commission staff's initial data requests for this proceeding.

A. Settled electric and natural gas revenue requirements for the 2022 and 2023 test years.

The assumptions and inputs underlying WPL's base revenue requirements for the 2022 and 2023 test years are set forth in Exhibit A, which is the Settlement and its incorporated attachments. As shown in the Settlement, WPL's current retail electric and natural gas rates are insufficient to cover its operating expenses and produce a fair and reasonable return on rate base, resulting in a revenue requirement deficiency for WPL's electric and natural gas utility operations for the 2022 and 2023 test years. The revenue requirement increases set forth in the Settlement for WPL's electric and natural gas utilities will align the system benefits that customers are receiving with the reasonable costs that WPL has prudently incurred to serve customers.

1. Electric Utility Revenue Requirement

The Settlement authorizes WPL to increase overall retail electric revenues by approximately \$70.3 million, which equates to an approximately 6.2 percent increase in overall retail electric revenue. As discussed below, the primary drivers associated with this increase include exhaustion of the remaining balance of WPL's unprotected EDIT in the 2022 test year, the Solar Projects that WPL is proposing to place in-service in 2022 and 2023, and changes in WPL's capital structure. These drivers are offset in part by projected reductions in WPL's monitored fuel costs for 2022 and the return of certain regulatory liability credits to customers. In 2023, the revenue requirement impacts associated with completing construction on the Solar Projects and implementing new depreciation rates on January 1, 2023 are largely offset by the utilization of additional regulatory liability balances and incremental operations and maintenance (O&M) cost savings due to the retirement of Edgewater 5.

a. Exhaustion of WPL's unprotected EDIT balance.

A significant driver of WPL's requested revenue requirement increase is the exhaustion of its remaining balance of unprotected EDIT. WPL is using unprotected EDIT in 2021 to offset the

incremental revenue requirement impact associated with the Western Wisconsin Gas Expansion (WWGE) project and the Kossuth wind farm, as authorized in the Commission's final decision in Docket No. 6680-UR-122. In that order, the Commission noted that this approach would result in WPL using almost all unprotected EDIT,⁵ which is consistent with WPL's filings in this proceeding: WPL forecasts that it will fully deplete its remaining unprotected EDIT balance by year-end 2022. The depletion in WPL's unprotected EDIT balance (approximately \$103 million) accounts for more than the entire electric and natural gas revenue requirement increase reflected in the Settlement. WPL proposes to temper this impact through various other measures, as discussed below.

b. Incremental revenue requirement associated with new Solar Projects that WPL expects to place in-service in 2022 and 2023.

As discussed in Docket Nos. 6680-CE-182 (Solar CA I) and 6680-CE-183 (Solar CA II), WPL is proposing to acquire, construct, own, and operate 12 new utility-scale solar generation projects in Wisconsin (the Solar Projects) and to finance a portion of their construction cost with capital from a tax equity investor. This financing arrangement is expected to generate substantial customer benefits: WPL currently estimates that the use of tax equity investment will reduce the Solar Projects' overall net present value revenue requirement by approximately \$190 million over their expected 30-year useful life, relative to traditional utility ownership. Subject to Commission approval, WPL is planning to place in-service four of these new projects by the end of 2022 and the other eight by the end of 2023. Under the Settlement, the incremental revenue requirement impact of these projects (approximately \$15 million for the 2022 test year and \$46 million for the 2023 test year) would be included in retail electric rates, as reflected in WPL's proposed income statement and net investment in rate base (NIRB). Additional details regarding WPL's proposed accounting and regulatory treatment for the Solar Projects are included in the direct testimony of WPL witnesses Neil Michek and Morgan Sondermann.

⁵ See *In Re Application of Wis. Power & Light Co.*, Docket No. 6680-UR-122, *Final Decision*, at 20-21, 29 (Dec. 23, 2020) (PSC REF#: 402140).

c. Increase in depreciation expense associated with revised depreciation rates.

Pursuant to the Commission's final decision in Docket No. 6680-UR-122, WPL is concurrently filing an updated depreciation study in Docket No. 6680-DU-109.⁶ Under the terms of the Settlement, WPL would implement the new depreciation rates on January 1, 2023, which accounts for approximately \$15.6 million of WPL's proposed electric revenue requirement increase. The Settling Parties have agreed that WPL will not implement any depreciation rate changes for the Edgewater 5, Columbia Unit 1, or Columbia Unit 2, which are planned for retirement by the end of 2022, 2023, and 2024, respectively.

d. Offset exhaustion of WPL's unprotected EDIT balance through use of available regulatory liability balances, delayed implementation of depreciation rates, and projected fuel cost reductions.

The Settlement adopts several measures to temper to the rate increases associated with the foregoing drivers, including (1) adjusting net regulatory liabilities and asset amortization schedules; (2) implementing new depreciation rates on January 1, 2023; and (3) lower projected retail share of monitored fuel costs, which are expected to decline by approximately \$23 million for the 2022 test year.⁷ In addition, under the Settlement, WPL's 2023 base electric rates will remain flat, resulting in no incremental change in revenue requirements between the 2022 and 2023 test years. The Settlement achieves this outcome by utilizing reductions in O&M costs due to the retirement of Edgewater 5 and utilization of a larger amount of regulatory liability balances in 2023 instead of 2022.

2. Natural Gas Utility Revenue Requirement

The Settlement authorizes WPL to increase overall retail natural gas revenues by approximately \$15.4 million, which equates to an approximately 8.6 percent increase in overall retail rates for the 2022 test year. The Settlement only addresses WPL's natural gas revenue requirements

⁶ *Id.* at 32.

⁷ The details regarding WPL's proposed fuel cost plan for 2022 are described in greater detail in the direct testimony of WPL witness Neil Michek. WPL proposes to use the fuel cost data presented in Ex.-WPL-Michek-2, Schedule 3, subject to the final approved 2022 FCP, to monitor its 2022 fuel costs, using an annual bandwidth of +/- two percent, as provided in Wis. Admin. Code § PSC 116.03(3).

for the 2022 test year; WPL will file a limited re-opener with the Commission in 2022 to establish 2023 revenue requirements for the natural gas utility.

The primary drivers associated with the natural gas revenue requirement increase include exhaustion of WPL's unprotected EDIT balance (as discussed above) and recovery of deferred costs primarily related to the WWGE project, a new, approximately 12-mile natural gas pipeline project near Tomah, Wisconsin that will support current and future load growth from WPL's gas customers in western Wisconsin. The Commission approved the project in Docket No. 6680-CG-183, and WPL placed the project in service in 2020. As part of the rate stabilization proposal the Commission approved in 2020, WPL used its remaining unprotected natural gas EDIT balance to offset a portion of the project's incremental revenue requirement in 2021 (approximately \$6.6 million), while deferring the remaining portion (approximately \$8.7 million) as a regulatory asset.⁸ The revenue requirement of WWGE project can no longer be offset by unprotected EDIT and continued deferral; as such, the Settlement authorizes WPL to include the incremental revenue requirement impact associated with this project in retail natural gas rates.

3. Fuel Costs

The Settlement reflects a preliminary fuel cost estimate for WPL's 2022 Fuel Cost Plan (2022 FCP) under Wis. Admin. Code ch. PSC 116. Monitored fuel costs for 2022 are reflected at \$19.19/MWh, which is a 7.5 percent reduction from the 2021 fuel cost plan that the Commission approved in Docket No. 6680-UR-122. Although WPL's 2022 fuel cost plan is not among the settled issues and will proceed to hearing, the Settling Parties have agreed that the retail share of any incremental changes in the 2022 FCP at the time of the Commission's approval of the 2022 FCP will be allocated to all customer classes on a dollar-per-kilowatt hour basis. The Settling Parties have agreed

⁸ See *In Re Application of Wis. Power & Light Co.*, Docket No. 6680-UR-122, *Final Decision*, at 20-21 (Dec. 23, 2020) (PSC REF#: 402140).

that WPL will separately seek Commission review and approval of a 2023 fuel cost plan in accordance with Wis. Admin. Code § PSC 116.03.

B. Return on Equity, Capital Structure, and Other Material Operating Changes Affecting Revenue Requirements

1. Authorize levelized cost recovery of the remaining NBV of Edgewater 5 at a premised return on equity (ROE) of 9.8 percent and effective ROE of 9.2 percent.

Edgewater 5 is an approximately 400 MW coal-fired electric generating facility located in Edgewater, Wisconsin. WPL initially commissioned the unit in 1985. It has supplied safe and reliable service to the state of Wisconsin for more than 35 years. Over the last decade, WPL invested in several pollution control projects to ensure the unit could continue to serve customers reliably and affordably. Those investments, which the Commission approved, were prudent at the time they were made, and WPL's planning analyses indicated that they would produce larger customer benefits than other available alternatives, including retiring the unit.

Since that time, WPL conducted a robust and collaborative planning analysis of its generating fleet to determine the best path forward for customers and the Company. The result of that planning analysis is WPL's Blueprint resource plan, which calls for retiring Edgewater 5 by the end of 2022, retiring its remaining coal units by the end of 2024, and replacing that retired capacity with the Solar Projects. WPL's analysis shows that replacing its remaining coal-fired generation with new, utility scale solar generation will enable customers to avoid more than \$2 to \$6.5 billion in nominal costs over the next 35 years, relative to a scenario in which those coal units continue to operate until fully depreciated (i.e., until the mid-2030s or 2040s).

The Settling Parties have identified a creative means of addressing WPL's recovery of Edgewater 5's remaining NBV after its planned retirement in 2022, which enables WPL to earn a fair return while generating significant customer benefits. Specifically, after the forecasted retirement of Edgewater 5 in September 2022, WPL will (1) transfer the remaining NBV for Edgewater 5 from the applicable utility plant in-service and accumulated depreciation accounts to Account 182.2

(Unrecovered Plant and Regulatory Study Costs), and include the transferred balance in NIRB; (2) record the continued amortization of the remaining NBV and costs of removal in Account 407 (Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs), and include that amortization expense in revenue requirements; and (3) segregate the remaining NBV transferred to Account 182.2 into separate projects to address recovery of the unit's original installed cost (Life NBV) and costs of removal (COR NBV). The Settlement authorizes WPL to recover the Life NBV of Edgewater 5 through June 2045 on a levelized cost recovery basis at a premised 9.8 percent return on equity (ROE), which results in an effective ROE of 9.2 percent due to the specific levelized cost recovery structure.

This aspect of the Settlement reflects a fair and reasonable compromise that adequately balances the interests of WPL, its shareholders, and its customers. It will permit WPL to earn a fair return on the Edgewater 5's remaining NBV, while reducing the near-term revenue requirement impact of such recovery on WPL's customers. Moreover, the Settlement benefits WPL's customers by authorizing an ROE for Edgewater 5's Life NBV (9.8 percent) that is lower than the 10 percent ROE that the Settling Parties have agreed will apply to WPL's remaining rate base. The direct testimony of WPL witnesses Dr. Metin Celebi and Neil Michek provide additional details and support for the aspects of the Settlement concerning cost recovery for Edgewater 5.

2. Authorize WPL to adopt a financial common equity ratio of 52.5 percent.

The Settlement authorizes WPL to increase its financial common equity ratio from 52 percent to 52.5 percent. This will enable WPL to maintain or improve its credit metrics, ensure it has access to capital at just and reasonable costs, and is consistent with the Commission's previous finding that an appropriate long-term range for WPL's financial common equity ratio is 47.5 to 54 percent.⁹ A 52.5 percent financial common equity ratio also falls within the long-term range for financial common

⁹ See *In Re Application of Wis. Power and Light Co.*, Docket No. 6680-UR-121, *Final Decision* (Dec. 20, 2018) (PSC REF #355884).

equity that the Commission has established for other Wisconsin investor-owned utilities and is consistent with the approved equity ratio for other peer utilities. Finally, this aspect of the Settlement is appropriate given recent market volatility and the need for WPL to continue to access capital on reasonable terms. WPL witnesses Ann Bulkley and Neil Michek provide additional support for WPL's request to increase its financial common equity ratio.

3. Maintain WPL's authorized ROE at 10.0 percent.

The Settlement maintains WPL's currently authorized ROE at 10.0 percent for both the electric and natural gas utilities, which the Commission established in Docket No. 6680-UR-120. As discussed in the direct testimony of WPL witness Ann Bulkley, WPL's proposed ROE is supported by analytical results from a range of ROE estimation models. It is also reasonable given the Company's relatively large proportion of fossil fuel-fired generation, its relatively high concentration of commercial and industrial customers, the regulatory environment in which it operates, the fact that it has virtually depleted its remaining balance of unprotected EDIT, and the impact that a potential hike in the federal corporate income tax rate could have on its financial metrics.

4. Authorize modifications to WPL's earnings sharing mechanism (ESM)

The Settlement would continue the ESM that is in place through 2023, with certain modifications that affect WPL's recovery of the Life NBV of Edgewater 5. Specifically, to the extent customers are owed funds under the ESM, WPL would use those funds to offset Edgewater 5's Life NBV: WPL would use 50 percent of earnings between a 10.25 and 10.75 percent ROE and 100 percent of earnings in excess of a 10.75 percent ROE to offset the Edgewater 5 Life NBV. This approach is akin to making an extra principal payment on a loan, as it would reduce the ultimate total cost recovery for Edgewater 5 over time.

5. Authorize escrow or deferral accounting treatment for certain costs.

The Settlement authorizes WPL to continue implementing escrow accounting treatment for certain costs, including transmission, conservation activities, farm rewiring programs, pension and

other post-employment benefits, bad debt, and late payment and credit card fees. WPL's proposal to continue escrow treatment for transmission, conservation activities, and farm wiring is consistent with longstanding Commission practice. For the remaining costs, escrow treatment is appropriate because those costs can—and, given the market volatility associated with the COVID-19 pandemic, are likely to continue to—vary materially depending on broader macroeconomic factors that are largely outside of WPL's control.

In addition to continuation of existing escrow treatment, the Settlement authorizes deferral accounting treatment for potentially material and uncertain changes in WPL's estimated 2022 and 2023 revenue requirements. Specifically, the Settlement contemplates deferral treatment for (1) potential state or federal income tax reform; (2) Wisconsin Public Service Corporation or Madison Gas and Electric Company not exercising joint ownership options and acquiring a partial ownership interest in the West Riverside Energy Center, as currently assumed; (3) Solar Project tax equity cash distributions and associated contracts-for-differences; (4) differences in estimated and actual revenue requirements associated with the Solar Projects due to changes in those projects' in-service dates or other Commission actions; (5) differences in estimated and actual revenue requirements associated with retiring Edgewater 5 due to changes in the unit's retirement date; and (6) differences in estimated and actual O&M costs at the Columbia Generating Station. Broadly speaking, deferral authorization for these uncertainties will provide symmetrical cost protection for WPL and its customers. The direct testimony of WPL witness Neil Michek discusses in greater detail WPL's request for escrow accounting treatment for these costs.

C. Rate Design

With the exception of Sierra Club and Clean Wisconsin, the Settling Parties have agreed that WPL's comprehensive electric and natural gas rate design proposals are reasonable and should be approved by the Commission. WPL's electric rate design includes implementation and promotion of several new innovative programs to help customers better manage their energy use, improve

affordability, and improve system reliability and efficiency. These programs include new residential and small business demand response offerings, new incentive pilot programs for residential customers who own electric vehicles, and an education program to further promote WPL's residential TOU and demand-based rates. The direct testimony of WPL witnesses Jeffrey Ripp and Harvey Dorn discuss these programs in greater detail. The various other changes to WPL's electric and natural gas rates are discussed in greater detail in the direct testimony of WPL witnesses Harvey Dorn and Brian Penington.

V. CONCLUSION

In light of the foregoing, WPL respectfully requests that the Commission approve the Settlement and, following Commission review under Wis. Admin. Code ch. PSC 116, WPL's 2022 fuel cost plan, as described above and in further detail in the accompanying testimony being filed concurrently with this Application.

Respectfully submitted this 27th day of May 2021

WISCONSIN POWER AND LIGHT COMPANY

/s/ Lissa R. Koop

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EXHIBIT A

SETTLEMENT AGREEMENT

This settlement agreement (Agreement) is entered into as of this 26th day of May, 2021 by and between Wisconsin Power and Light Company (WPL or the Company), Citizens Utility Board (CUB), Wisconsin Industrial Energy Group (WIEG), Sierra Club, Clean Wisconsin, RENEW Wisconsin, and the Wisconsin Paper Council (each individually, a Party, and collectively, the Parties), as follows:

WHEREAS: WPL is an investor-owned electric and natural gas public utility as defined in Wis. Stat. s. 196.01(5)(a), providing electric and natural gas service in Wisconsin;

WHEREAS: WPL has initiated Docket No. 6680-UR-123 with the Public Service Commission of Wisconsin (PSCW or Commission), which is WPL's application for authority to adjust retail electric and natural gas rates (Proceeding);

WHEREAS: CUB, WIEG, Sierra Club, Clean Wisconsin, RENEW Wisconsin, and the Wisconsin Paper Council intend to seek full party status in the Proceeding as intervenors pursuant to Wis. Admin Code ch. PSC 2.21;

WHEREAS: The Parties acknowledge that fully litigating the Proceeding would require each Party to invest a substantial amount of time, effort, and expense in pursuit of their respective interests in the Proceeding, and accordingly, entered into settlement discussions prior to WPL's filing of its application in the Proceeding;

WHEREAS: The Parties wish to avoid the time, effort, expense, and uncertainty associated with a fully contested Proceeding by entering into this Agreement pursuant to Wis. Stat. § 196.026;

WHEREAS: The Parties agree that the terms reflected in this Agreement reflect a just and reasonable outcome that appropriately balances WPL's interests with those of its customers, and that appropriately balances the interests between WPL's residential, commercial, and industrial customers;

WHEREAS: The Parties agree that this Agreement is just and reasonable because (among other reasons) it establishes the Company's rates for two test years (2022 and 2023), rather than a single test year; it establishes a reasonable and innovative mechanism by which WPL can continue to recover the remaining, undepreciated book value of the Edgewater 5 coal-fired generating station upon retirement; and it otherwise reasonably aligns the system benefits that WPL's customers are receiving with the reasonable costs that WPL has prudently incurred to serve customers;

WHEREAS: The Parties understand that the electric revenue requirements project certain fuel cost reductions in the 2022 fuel cost plan relative to the approved 2021 fuel cost, but the Parties agree that it is reasonable for the 2022 fuel cost plan to proceed through the hearing process outlined in Wis. Admin. Code ch. PSC 116;

WHEREAS: This Agreement has resulted from arms' length negotiations between and among the Parties; and

WHEREAS: The Parties have had the opportunity to engage and have been advised (as each Party deems appropriate) by counsel and are satisfied that the terms and conditions of this Agreement are fair, adequate and reasonable.

NOW THEREFORE: in consideration of the promises and the mutual agreements contained in this Agreement, and other good and valuable consideration, the sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. Settlement Terms. The settlement terms contained in **Attachments A** and **B** hereto (Settlement Terms) comprise the Parties' substantive agreement as to WPL's base revenue requirements and rate design for the 2022-2023 test years, except that Sierra Club and Clean Wisconsin do not join the other parties as to the terms reflected in Attachment A, Section H (Rate and Service Changes with Associated Revenue Adjustments). The Settlement Terms represent the Parties' negotiated settlement of issues outstanding in the Proceeding, and are incorporated into, and are part of, this Agreement. WPL will propose the Settlement Terms as support for the Commission's findings of fact, conclusions of law, order points, and opinion (as applicable) in the Proceeding.

2. Cooperation of the Parties. WPL will file an application with the PSCW in the Proceeding (Application) attaching this Agreement as an exhibit and seeking an order from the Commission consistent with this Agreement. The Parties will support the Application as reasonably requested by WPL, including by filing supportive testimony, briefing, or correspondence for, or otherwise advocating in favor of, the terms of this Agreement in the Proceeding. Subject to the requirement that the Parties support the Agreement, each Party determines for itself the language it will use in doing so. No Party will oppose, directly or indirectly, any aspect of this Agreement in any venue.

3. Commission Staff Audit. The Parties acknowledge that, upon WPL's filing of the Application and additional information to support its revenue requirements for test years 2022 and 2023, Commission staff will conduct an audit of the Application. Notwithstanding Section 6, to the extent that this audit results in proposed Commission staff adjustments that, in total, result in a \$3 million or greater change in the revenue requirement for test years 2022 and 2023, cumulatively, the Parties shall work in good faith to determine whether and to what extent the Parties support the adjustments and, if so, to negotiate a mutually acceptable amendment to this Agreement to reflect or incorporate those changes into the Settlement Terms. If, following negotiations regarding the Commission staff's adjustments, the Parties are not able to achieve a mutually acceptable amendment to this Agreement, and the limited staff adjustments on which there is disagreement exceeds \$3 million, the Parties will submit their positions in writing to the Commission for determination. The Parties agree that any proposed Commission staff adjustments that, in total, result in a cumulative change in revenue requirement for test years 2022 and 2023 of less than \$3 million shall not change the Settlement Terms. Notwithstanding the foregoing, the Parties agree to support the specific Settlement Terms, including projected capital expenditures, return on equity, equity layer, and levelized recovery of Edgewater Unit 5. The parties further agree that this provision does not apply to Commission staff adjustments to WPL's 2022 Fuel Cost Plan.

4. Precedential Effect of Settlement Terms. The Parties expressly intend that this Agreement is entered into solely for purposes of settling the outstanding issues in the Proceeding. The Parties agree that the substantive details of this Agreement will have no precedential effect on the Parties in later PSCW proceedings or bind the Commission's future decisions in any way except insofar as necessary to effectuate or enforce the terms of this Agreement.

5. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subjects addressed herein. In entering into this Agreement, no Party is relying on any representation or consideration not expressed herein. Any modification of this Agreement may be made only by an instrument in writing signed by or on behalf of all the Parties hereto.

6. Non-severability. Subject to Section 3, this Agreement is not severable, and each provision of the Agreement is dependent upon all other provisions of the Agreement. Failure to comply with any provision of the Agreement constitutes failure to comply with the entire Agreement. If the Commission rejects or modifies the terms of this Agreement, any Party may withdraw its support. In such event, this Agreement will have no binding effect as to such Party, and, as to such Party, no Party may seek to make this Agreement part of the record in any proceeding or use it for any other purpose.

7. Signature by Counterparts. The Parties agree that this Agreement may be executed in counterparts and a signature by copy, facsimile, or PDF is as binding as an original signature.

8. Preamble. The Preamble and Recitals hereto are intended to be an integral part of this Agreement. The Preamble and Recitals hereto (including the definitions set forth therein) are hereby incorporated by reference.

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EXECUTION VERSION

WISCONSIN POWER AND LIGHT COMPANY

By: James P. Brummond
James P. Brummond

Title: Vice President, Customer and Community Engagement

WISCONSIN INDUSTRIAL ENERGY GROUP

By: _____
Todd Stuart

Title: Executive Director

CITIZENS UTILITY BOARD

By: _____
Tom Content

Title: Executive Director

RENEW WISCONSIN

By: _____
Heather Allen

Title: Executive Director

WISCONSIN PAPER COUNCIL

By: _____
Scott Suder

Title: Executive Director

SIERRA CLUB (as to all Settlement Terms except those reflected in Attachment A, Section H)

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Greg Wannier

Title: Staff Attorney

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Title: General Counsel

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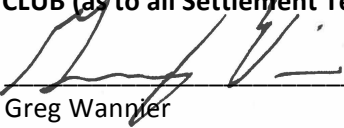
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ATTACHMENT A

SETTLEMENT TERMS: PSCW DOCKET NO. 6680-UR-123

A. WPL's Retail Electric Revenue Requirements Generally

1. For the test year ending December 31, 2022, presently authorized rates for WPL's Wisconsin retail electric utility operations will produce total operating revenues of \$1,126,172,000, resulting in a retail net operating income of \$259,772,000, which is insufficient. For the test year ending December 31, 2023, presently authorized rates for WPL's Wisconsin retail electric utility operations will produce total tariff operating revenues of \$1,127,702,000, resulting in a retail net operating income of \$288,058,000, which is insufficient.
2. For the 2022 test year, it is reasonable to increase WPL's retail electric operating revenues by \$70,325,000 to produce a 7.41 percent return on WPL's average 2022 net investment rate base for Wisconsin retail electric operations of \$4,195,532,000. For the 2023 test year, this increase in WPL's retail electric operating revenues is reasonable to produce a 7.42 percent return on WPL's average 2023 net investment rate base for Wisconsin retail electric operations of \$4,573,190,000. The return on rate base percentages include the impacts of the levelized cost recovery of Edgewater 5. (See **Attachment B**, Schedule 1).
3. WPL's filed electric operating income statement and net investment rate base for the 2022 and 2023 test years, as agreed-to by the settling Parties in **Attachment B**, Schedule 2 are reasonable.

B. WPL's Retail Natural Gas Revenue Requirements Generally

1. For the test year ending December 31, 2022, presently authorized rates for WPL's Wisconsin retail natural gas utility operations will produce total operating revenues of \$180,011,000, resulting in a net operating income of \$23,525,000, which is insufficient.
2. For the 2022 test year, it is reasonable to increase WPL's retail natural gas operating revenues by \$15,397,000 to produce a 7.37 percent return on WPL's average 2022 net investment rate base for Wisconsin retail natural gas operations of \$471,164,000. (See **Attachment B**, Schedule 1).
3. WPL's filed natural gas operating income statement and net investment rate base for the 2022 test year, as agreed to by the settling Parties, are reasonable. (See **Attachment B**, Schedule 3).
4. It is reasonable for WPL to file a natural gas utility reopener in PSCW Docket No. 6680-UR-123 by no later than August 4, 2022 for the 2023 test year, and to limit the issues for review in that reopener to (a) changes in WPL's weighted cost of capital for the 2023 test year, (b) implementation of the natural gas utility depreciation rate changes authorized in PSCW Docket No. 6680-DU-109, and (c) modifications to regulatory asset and regulatory liability amortizations.

C. Treatment of Excess Deferred Income Tax (EDIT) Customer Cost Savings from Enactment of the 2017 Tax Cuts and Jobs Act (P.L. 115-97)

1. It is reasonable for WPL to reflect EDIT balances as a component of Accumulated Deferred Income Taxes in net investment in rate base.
2. It is reasonable for WPL to utilize the remaining unprotected EDIT balances in the 2022 test year as reflected in **Attachment B**, Schedule 4.
3. It is reasonable for WPL to utilize remaining protected EDIT balances in accordance with Internal Revenue Service normalization rules. Current estimates of anticipated utilization of protected EDIT balances as reflected in **Attachment B**, Schedule 4, are reasonable. It is reasonable for WPL to defer any variance between actual protected EDIT balance utilization and the test year forecasts as unprotected EDIT to be utilized in the future.
4. It is reasonable for WPL to defer the revenue requirement impacts of federal or state income tax rate changes, or material changes in federal or state income tax policy until WPL's next rate proceeding or until specifically addressed by the Commission in another appropriate proceeding. It is reasonable for WPL to calculate any such deferral by adjusting the income statement and balance sheet authorized in this proceeding to reflect the tax law changes.
5. It is reasonable for WPL to notify the Commission of the impacts of other material changes in the tax code that impact the revenue requirements established in this proceeding and to propose applicable accounting and ratemaking changes.

D. Material Operating Changes Affecting Revenue Requirements Since WPL's Last Rate Proceeding

1. It is reasonable for WPL to include in retail natural gas rates the incremental revenue requirement impact of the Western Wisconsin Gas Expansion (WWGE) project¹ and that the contribution in aid of construction investment in the WWGE project be recorded in Account 182.3 (Other Regulatory Assets) and included in net investment rate base.
2. It is reasonable for WPL to include in retail electric rates the incremental revenue requirement impact of the Onion River, Crawfish River, Wood County, Bear Creek, Grant County, and North Rock solar projects (Solar CA-1 Projects), which WPL expects to place in service in 2022 and 2023.²
3. It is reasonable for WPL to include in retail electric rates the incremental revenue requirement impact of the Albany, Beaver Dam, Cassville, Paddock, Springfield, Wautoma solar projects

¹ See *Application of Wisconsin Power and Light Company, as a Gas Public Utility for a Certificate of Authority to Construct Natural Gas Distribution Facilities in the towns of Adrian, Greenfield, La Grange, Oakdale, and Tomah, in Monroe County, Wisconsin and for Recovery of Associated Northern Natural Gas and ANR Interstate Pipeline Investment*, Docket No. 6680-CG-168, *Final Decision* (Apr. 15, 2020) (PSC REF#: 387537).

² See *Application of Wisconsin Power and Light Company for a Certificate of Authority for Acquisition, Construction, Installation, and Operation of Six Solar Electric Generation Facilities in Wisconsin*, Docket No. 6680-CE-182; *Application for Approval of Affiliated Interest Agreements Related to Wisconsin Power and Light Company's Ownership and Operation of Solar Projects*, Docket No. 6680-AE-120.

(Solar CA-2 Projects), which WPL expects to place in service in 2023, subject to any required approvals from the Commission.³

4. If WPL does not place the Solar CA-1 Projects or the Solar CA-2 Projects (collectively “the Solar Projects”) in service by year-end 2022 and 2023 as planned and reflected in revenue requirements in this Proceeding, then it is reasonable to require WPL to defer the differential between the actual revenue requirements and the estimated revenue requirements reflected in the 2022 and 2023 test years.
5. It is reasonable for WPL to record its share of investment in the Solar Projects in Account 182.3 (Other Regulatory Assets), the amortization of that investment in Account 407.3 (Regulatory Debits), WPL’s share of partnership Cash distributions from the tax equity partnerships in Account 407.4 (Regulatory Credits), and the impacts contracts for differences (CfD) in either Account 182.3 (Other Regulatory Assets) or Account 254 (Other Regulatory Liabilities).
6. It is reasonable that the WPL share of partnership cash distributions for the Solar CA-1 Projects and Solar CA-2 Projects and accounting for CfD be subject to escrow accounting. Given the tax equity structure and escrow treatment of Partnership Cash Distributions, it is reasonable to exclude the MISO energy market benefits associated with the Solar CA-1 Projects and Solar CA-2 Projects from WPL’s monitored fuel costs.
7. It is reasonable for WPL to transfer the remaining net book value of the approximately 400-megawatt (MW) Edgewater 5 coal-fired generating station (Edgewater 5) upon retirement to Account 182.2 (Unrecovered Plant and Regulatory Study Costs) and for WPL to record the amortization of the remaining net book value to Account 407 (Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs).
8. It is reasonable for WPL to segregate the remaining net book value of Edgewater 5 transferred to Account 182.2 into separate projects to address the remaining net book value of the original installed cost (Life NBV) and the costs of removal (COR NBV). It is reasonable for WPL to continue to account for Asset Retirement Obligation (ARO) costs following current practice until all ARO costs are known and settled. Upon completing ARO obligations it is reasonable to transfer any remaining ARO balance to COR NBV.
9. It is reasonable for WPL to continue to include the revenue requirements associated with recovery of the remaining net book value of Edgewater 5 upon the retirement of the unit and reflect the unamortized balance recorded in Account 182.2 in net investment rate base.
10. It is reasonable that the Life NBV of Edgewater 5 shall be recovered based upon a levelized cost recovery basis upon retirement through June 2045, consistent with the assumed depreciable life of Edgewater 5 in WPL’s depreciation study in Docket No. 6680-DU-109 and prior depreciation studies.

³ See *Application of Wisconsin Power and Light Company for a Certificate of Authority for Acquisition, Construction, Installation, and Operation of Second Set of Six Solar Electric Generation Facilities in Wisconsin*, Docket No. 6680-CE-183; *Application for Approval of Affiliated Interest Agreements Related to Wisconsin Power and Light Company's Ownership and Operation of Solar Projects*, Docket No. 6680-AE-121.

11. The 2022 and 2023 test year Total Company Life NBV amortization expense of Edgewater 5, pursuant to the levelized cost recovery basis, of \$1,819,000 and \$7,685,000, respectively, are reasonable. The 2022 test year amount reflects a partial year of Life NBV amortization expense, consistent with an assumed retirement date on September 30, 2022 for Edgewater 5.
12. The Life NBV levelized cost recovery amortization schedule supported by **Attachment B**, Schedule 5, through June 2045 is reasonable and based on current information.
13. It is reasonable to update the levelized cost recovery basis schedule presented as **Attachment B**, Schedule 5, in WPL's next rate proceeding to reflect the actual Life NBV upon retirement. It is reasonable to maintain the other parameters, such as duration, underlying weighted average cost of capital, and associated levelized cost recovery rate, and to adjust accordingly the amortization schedule thereafter.
14. It is reasonable for WPL to continue to amortize cost of removal (COR) expense, including asset retirement obligation (ARO) expense, at current levels and to accumulate those cost recoveries to the COR NBV project included in Account 182.2. Once Edgewater 5 is decommissioned and dismantled and final COR and salvage value are known, it is reasonable that any over-collection (or under-collection) of COR associated with Edgewater 5 be credited (or debited) to the then-remaining Life NBV of Edgewater 5.
15. The estimated monthly Total Company Edgewater 5 COR NBV amortization upon retirement of \$246,291 is reasonable.
16. It is reasonable for WPL to continue amortizing the equivalent amount of COR expense after decommissioning and dismantlement of Edgewater 5 to Account 407 and crediting that amortization against the Account 182.2 Life NBV of Edgewater 5 until the Life NBV of Edgewater 5 balance is depleted.
17. If WPL retires Edgewater 5 either earlier or later than September 30, 2022, then it is reasonable for WPL to defer the difference between WPL's actual revenue requirement and the assumed revenue requirement reflected in the 2022 and 2023 test years until WPL's next rate proceeding, with carrying costs at WPL's pretax weighted cost of capital.
18. The Parties acknowledge and understand that WPL and the co-owners of the approximately 1,100-MW Columbia coal-fired electric generating station announced their plan to retire Columbia Unit 1 by the end of 2023 and Columbia Unit 2 by the end of 2024.
 - a. It is reasonable that WPL's 2023 test year revenue requirements assume that neither of the Columbia generating units retire until year-end 2023.
 - b. It is reasonable for WPL to defer the difference between WPL's actual revenue requirement associated with operating and maintenance (O&M) costs at those units and the amount included in the revenue requirement associated with O&M costs at those units in the 2023 test year until WPL's next rate proceeding, with carrying costs at WPL's pretax weighted cost of capital.
 - c. If WPL retires either or both of the Columbia generating units prior to year-end 2023, then WPL is authorized to continue to depreciate or amortize the net book value in of the

unit(s) based upon currently authorized depreciation rates until WPL's next rate proceeding.

19. The Parties understand and acknowledge that Wisconsin Public Service Corporation (WPSC) and Madison Gas and Electric Company (MGE) have options to acquire up to 125 megawatts (MW) from WPL's 730-MW West Riverside natural gas combined cycle generating station by year-end 2023.
 - a. It is reasonable that WPL's 2023 test year revenue requirements reflect adjustments based upon the assumption that WPSC and MGE exercise these options to obtain 125-MW joint ownership in the West Riverside generation facility, effective May 31, 2023.
 - b. If WPSC and/or MGE do not exercise the assumed joint ownership option as assumed, or if the Commission denies the exercise of the joint ownership option assumed, or if the timing of the joint ownership option is materially different than assumed, then it is reasonable for WPL to defer the difference between WPL's actual revenue requirement and the assumed revenue requirement reflected in the 2022 and 2023 test years until WPL's next rate proceeding, with carrying costs at WPL's pretax weighted cost of capital.
20. It is reasonable that any customer share of electric utility earnings sharing pursuant to the Earnings Sharing Mechanism be applied as a reduction to the remaining Life NBV of Edgewater 5. Application of the earnings sharing to the remaining Life NBV shall not adjust the future amortization expense. WPL shall apply any customer share of earnings sharing to the remaining Life NBV in January of the year following the year to which the earnings sharing was accrued.

E. WPL's Operating Income Statement

1. It is reasonable to maintain escrow treatment for the retail share of all of WPL's transmission costs in Account 565 through the 2022-2023 biennial test-year period.
2. WPL's estimates of the retail share of transmission escrow expenditures for the 2022 test year and 2023 test year, totaling \$158,755,000 and \$162,176,000, respectively, are reasonable.
3. It is reasonable for WPL to amortize transmission escrow balance of (\$12,264,000) in the 2022 test year and for WPL to record \$146,491,000 of retail transmission escrow expense. It is reasonable for WPL to amortize transmission escrow balance of (\$13,486,000) in the 2023 test year and for WPL to record \$148,690,000 of retail transmission escrow expense.
4. It is reasonable to maintain escrow treatment for the costs of WPL's conservation program through the 2022-2023 biennial test-year period.
5. WPL's conservation escrow budget expenditures for the 2022 test year of \$16,209,000 for retail electric operations, and \$3,892,000 for natural gas operations, are reasonable. WPL's conservation escrow budget expenditures for the 2023 test year of \$16,030,000 for retail electric operations, and \$3,846,000 for natural gas operations, are reasonable.
6. It is reasonable for WPL to amortize conservation escrow balances in the 2022 test year of \$884,000 for retail electric operations and (\$1,924,000) for natural gas operations. It is

reasonable for WPL to amortize conservation escrow balances in the 2023 test year of \$0 for retail electric operations and \$362,000 for natural gas operations.

7. It is reasonable for WPL to record annual conservation escrow expense for retail electric operations of \$17,093,000 and \$1,968,000 for natural gas operations for the 2022 test year. It is reasonable for WPL to record annual conservation escrow expense for retail electric operations of \$16,030,000 and \$44,155,000 for natural gas operations for the 2023 test year.
8. It is reasonable to maintain escrow treatment for the costs of WPL's farm rewiring program through the 2022-2023 biennial test-year period.
9. WPL's annual farm rewiring budgets of \$1,740,000 for the 2022 test year and \$1,754,000 for the 2023 test year are reasonable.
10. It is reasonable for WPL to amortize farm rewiring escrow balances of (\$2,108,000) and to record an annual amount of (\$368,000) for farm rewiring escrow expenses for 2022. It is reasonable for WPL to amortize farm rewiring escrow balances of \$7,000 and to record an annual amount of \$1,761,000 for farm rewiring escrow expenses for 2023.
11. It is reasonable for WPL to utilize escrow accounting treatment for its bad debt expenses for all rate classes in both its Wisconsin retail electric and natural gas utilities through the 2023 test year.
12. WPL's 2022 test year estimated bad debt accruals of \$6,590,000 for retail electric operations, and \$1,710,000 for natural gas operations, are reasonable. WPL's 2023 test year estimated bad debt accruals of \$6,270,000 for retail electric operations, and \$1,633,000 for natural gas operations, are reasonable.
13. It is reasonable for WPL to amortize retail electric bad debt escrow balances of \$1,084,000 and \$732,000 for the 2022 and 2023 test years, respectively. It is reasonable for WPL to amortize natural gas bad debt escrow balance of \$126,000 for the 2022 test year.
14. It is reasonable for WPL to defer, with escrow accounting treatment, its pension and other post-employment benefit (OPEB) expenses, including impacts of settlement charges for both its Wisconsin retail electric and natural gas utilities.
15. WPL's 2022 test year estimated pension and OPEB accruals of \$4,701,659 for retail electric operations and \$838,076 for natural gas operations are reasonable. WPL's 2023 test year estimated pension and OPEB accruals of \$2,725,617 for retail electric operations and \$484,672 for natural gas operations are reasonable.
16. It is reasonable that WPL amortize the regulatory assets and liabilities for the 2022 and 2023 test years as shown on **Attachment B**, Schedules 6 (electric) and 7 (gas), and that they are subject to audit and true-up to actual costs incurred in WPL's next full rate case proceeding, subject to the modifications to the regulatory balances discussed herein.
17. It is reasonable for WPL to implement, on January 1, 2023, the depreciation rates approved in PSCW Docket No. 6680-DU-109, except as noted below:

- a. It is reasonable for WPL to maintain the currently authorized depreciation rates from PSCW Docket No. 6680-DU-108 for the Edgewater 5, Columbia 1, and Columbia 2 generation units. The impact of maintaining Edgewater 5 depreciation rates at current levels has been factored into the levelized cost recovery of the remaining Life NBV of Edgewater 5 after retirement, as shown in **Attachment B**, Schedule 5. The impact of maintaining Columbia 1 and Columbia 2 depreciation rates at current levels will be addressed in future WPL rate proceedings.

F. Fuel Cost Plan

1. The 2022 test year revenue requirements and proposed 2022 fuel cost plan include total company monitored fuel costs of \$257,311,000. The fuel cost plan year monitored fuel cost divided by the authorized level of native requirements of 13,412,011 megawatt-hours (MWh) results in an average net monitored fuel cost per MWh of \$19.19.
2. The parties agree that the 2022 fuel cost plan will proceed through the hearing process outlined in Wis. Admin. Code ch. PSC 116.
3. It is reasonable to update fuel costs to reflect the New York Mercantile Exchange (NYMEX) commodity futures settlement price for locational marginal prices, coal, rail, natural gas, and opportunity sales revenues as of the date ordered by the Commission in WPL's 2022 fuel cost plan proceeding.
4. The parties agree that the total retail electric revenue requirement change for 2022 will reflect the final, Commission-approved 2022 fuel cost plan.
5. The parties agree that the retail share of the changes in the 2022 fuel cost plan will be allocated to all customer classes on a dollar-per-kilowatt hour basis.
6. It is reasonable to monitor WPL's fuel costs using an annual bandwidth of plus or minus 2.0 percent, as provided in Wis. Admin. Code § PSC 116.06(3).
7. The parties agree that WPL shall file a 2023 fuel cost plan in accordance with Wis. Admin. Code ch. PSC 116 and that the native requirements and jurisdictional allocators are reflected in **Attachment B**, Schedule 8.

G. WPL's Capital Structure, Return on Equity and Dividend Restriction:

1. It is reasonable to authorize a rate of return on WPL's common equity of 10.00 percent.
2. Effective January 1, 2022, a reasonable target level for WPL's test year average common equity measured on a financial capital structure basis is 52.50 percent. (See **Attachment B**, Schedule 9).
3. The financial capital structure and regulatory capital structure for the 2022 and 2023 biennial test-year period, as shown in **Attachment B**, Schedule 9, is reasonable.

4. It is reasonable to include the off-balance sheet debt equivalents of land leases associated with the Solar CA-1 Projects and the Solar CA-2 Projects in the calculations of the Financial Equity ratio based upon the expected life of the projects and associated land leases.
5. It is reasonable that WPL's dividend restrictions be based on the financial capital structure in this proceeding. It is further reasonable that WPL not to pay dividends, including any passthrough of subsidiary dividends, in excess of the forecasted levels in 2022 or 2023 if its actual average common equity ratio, on a financial basis, is or will fall below the test year level of 52.50 percent for 2022 or 2023.
6. A reasonable weighted average composite cost (WACC) of capital is 7.25 percent for 2022 and 7.21 percent for 2023.
7. Authorized returns on net investment rate base (NIRB), excluding Edgewater 5 Life NBV, for WPL's retail electric utility that reflect adjustments to the WACC for current return on construction work in progress (CWIP), accumulated deferred income tax (ADIT) proration for the impacts of current return on CWIP, and the Ratio of NIRB and CWIP to Capital Applicable to Utility Operations and Accumulated Deferred Income Tax Credits (Ratio) of 7.43 percent for 2022 and 7.48 percent for 2023 are reasonable, as shown on **Attachment B**, Schedule 10.
8. An authorized return on WPL's Edgewater 5 Life NBV balance of 6.84 percent for 2022 and 2023 is reasonable. The authorized return on the Life NBV balances reflects a premised 9.8 percent ROE, adjusted to an effective ROE of approximately 9.2 percent as a result of the levelized cost recovery treatment, as shown on **Attachment B**, Schedule 7.
9. Authorized returns on NIRB for WPL's natural gas utility of 7.37 percent for is reasonable and reflect adjustments to the WACC for current return on CWIP, ADIT proration for the impacts of current return on CWIP, and the Ratio.
10. RATIO calculations for 2022 and 2023 as reflected in **Attachment B**, Schedule 11, are reasonable.
11. Reasonable AFUDC rates for 2022 and 2023 are 7.29 percent and 7.36 percent, respectively.
12. It is reasonable for WPL to apply AFUDC to 50 percent of CWIP, except that WPL shall continue to apply AFUDC to 100 percent of Solar CA-1 Projects and Solar CA-2 Projects investments. It is reasonable for WPL to apply 100 percent AFUDC to all new construction projects requiring a Certificate of Authority or Certificate of Public Convenience and Necessity approval upon such approval from the Commission.
13. It is reasonable to establish an Earnings Sharing Mechanism (ESM) for 2022 and 2023. In determining whether earnings are excessive, it is reasonable to measure the ROE on a Fuel Rules basis under Wis. Admin. Code ch. PSC 116.
 - a. WPL would retain all earnings if the ROE is between 10.00 and 10.25 percent.
 - b. WPL would offset the Life NBV of Edgewater 5 by an amount equal to 50 percent of earnings between 10.25 and 10.75 percent ROE.

- c. WPL would offset the Life NBV of Edgewater 5 by an amount equal to 100 percent of earnings in excess of an ROE of 10.75 percent.

H. Rate and Service Changes with Associated Revenue Adjustments

1. WPL's comprehensive electric rate design proposal, as shown in **Attachment B**, Schedule 12, is reasonable.
2. It is reasonable to approve the bring-your-own-thermostat, controlled water heating, and thermal energy storage pilot demand response programs included in WPL's *Smart Hours* program and to permit WPL to recover the costs of these programs in the 2022 and 2023 test years through its electric retail rates.
3. It is reasonable to approve WPL's E-Charge and SmartCharge E-Perks pilot programs and to permit WPL to recover the costs of these programs in the 2022 and 2023 test years through its electric retail rates.
4. It is reasonable for the 2022 and 2023 test year revenue requirements include the estimated costs and benefits of WPL's Customer Hosted Solar projects and Community Solar projects.
5. It is reasonable to include a conjunctive billing provision under WPL's rate schedule Cp-2, which will be available (subject to Company approval) to customers with multiple Cp-2 premises that operate together to provide a single and common process and will allow a customer On-peak Firm Demand to be billed on a coincident basis for their qualifying Cp-2 accounts.
6. A monthly demand charge of \$4.80 and a monthly customer charge of \$10.00 for residential electric customers enrolled in WPL's Rd-1 retail electric rate schedule is reasonable.
7. It is reasonable to use WPL's Rd-1 time-of-use (TOU) with demand as the default retail electric rate schedule for new residential premises with 320 amp or greater service.
8. It is reasonable to make WPL's Gd-1 TOU with demand the default retail electric rate schedule for new general premises with 320 amp or greater service.
9. It is reasonable for WPL to transition customers from its closed Rw-1, Rw-3, and Gw-1 rate schedules to its new *Smart Hours* controlled water heating program.
10. It is reasonable for WPL to bill customers enrolled in its Ms-1 streetlighting rate schedule by category based on the LED Lumen range, as shown in **Attachment B**, Schedule 12.
11. It is reasonable to permit customers enrolled in the Day Ahead Market Rider under WPL's Cp-2 retail electric rate schedule to enter into subsequent contracts when their contracts have expired.
12. It is reasonable for WPL to update its Cp-INT retail electric rate schedule to comply with Midcontinent Independent System Operator, Inc. ("MISO") testing requirements, which are intended to ensure that interruptible load will be shed in case an emergency event occurs.

13. The interruptible demand rate changes under WPL's Cp-INT retail electric rate schedule, as shown in **Attachment B**, Schedule 12, are reasonable.
14. It is reasonable to eliminate WPL's rate schedule Cp-4 (Industrial Power Combined Metering Rider).
15. WPL's comprehensive natural gas rate design proposal, as shown in **Attachment B**, Schedule 13, is reasonable.
16. It is reasonable to increase from 65 feet to 100 feet the length of the standard natural gas service line that WPL provides to new retail natural gas customers at no charge.
17. WPL's renewable natural gas tariff, as shown at **Attachment B**, Schedule 14, is reasonable.
18. It is reasonable to eliminate the minimum payment option for WPL's retail customers.
19. It is reasonable for WPL to use the amount of late fees that WPL recovers in excess of WPL's costs of collection to offset the arrears management write-offs, which will not result in any incremental change in revenue requirements, but rather reflects the relationship between late fees as a deterrent to delinquency and the arrears management program, which helps financially disadvantaged customers.
20. It is reasonable for WPL to extend the arrears management program through the 2022 and 2023 test years.
21. CUB and WPL agree to discuss, during the remainder of 2021, opportunities for rate design focused on financially disadvantaged customers, with the intent, but not the obligation, to file a rate design by the end of 2021. It is reasonable for CUB and WPL to consider as part of those discussions the household energy burden analysis. CUB and WPL further agree to identify and, as appropriate, advocate for opportunities to more efficiently provide energy assistance funds to financially disadvantaged customers.
22. During the 2022 and 2023 test years, WPL, CUB, WIEG, Wisconsin Paper Council, and RENEW Wisconsin agree to collaborate on the development of potential energy innovation pilot programs that benefit customers, such as customer-hosted renewable generation, innovative industrial rate options, energy storage, micro-grid deployment, vehicle electrification, parallel generation, and customer-centric rate solutions for the benefit of residential, commercial, and industrial customers.

	Description	Corresponding Exhibit
Schedule 1	Utility Net Investment Rate Base and Revenue Deficiency	Ex.-WPL-Sondermann-1, Schedule 1
Schedule 2	Electric Utility Income Statement	Ex.-WPL-Sondermann-1, Schedule 3, Page 1
Schedule 3	Gas Utility Income Statement	Ex.-WPL-Sondermann-1, Schedule 3, Page 2
Schedule 4	Excess Deferred Income Taxes (EDIT)	Ex.-WPL-Sondermann-1, Schedule 10
Schedule 5	Edgewater 5 Levelized Cost Recovery	Ex-WPL-Michek-4, Page 2
Schedule 6	Electric Regulatory Asset and Liability Amortizations	Ex.-WPL-Sondermann-1, Schedule 6, Page 1
Schedule 7	Gas Regulatory Asset and Liability Amortizations	Ex.-WPL-Sondermann-1, Schedule 6, Page 2
Schedule 8	Fuel Cost Plan Native Requirements and Jurisdictional Allocators	Ex.-WPL-Michek-2, Schedule 4
Schedule 9	Average Cost of Capital	Ex.-WPL-Sondermann-1, Schedule 3, Page 4
Schedule 10	Required Rate of Return on Net Investment Rate Base	Ex.-WPL-Sondermann-1, Schedule 3, Page 3
Schedule 11	Ratio of Net Investment Rate Base to Capital	Ex.-WPL-Sondermann-1, Schedule 3
Schedule 12	Rate Design - Electric	Ex.-WPL-Dorn-1, Schedule 3
Schedule 13	Rate Design - Gas	Ex.-WPL-Penington-1, Schedule 1
Schedule 14	Renewable Natural Gas Tariff	Ex.-WPL-Penington-3, Schedule 2a

2022 and 2023 Test Years
Wisconsin Power and Light Company
Utility Net Investment Rate Base and Revenue Deficiency
Thousands of Dollars

Attachment B
Schedule 1

	2022		2023
	Wisconsin Retail Electric	Wisconsin Retail Gas	Wisconsin Retail Electric
1 Average Net Investment Rate Base:			
2 Utility Plant in Service	6,763,643	786,538	6,496,528
3 Accumulated Depreciation	(1,980,376)	(283,739)	(1,929,625)
4 Net Plant in Service	4,783,267	502,798	4,566,903
5 Unrecovered Plant	133,095		412,824
6 Tax Equity Partnership	163,871		526,570
7 Western Wisconsin		51,062	
8 Fuel Inventory/Gas Storage	24,905	10,986	16,927
9 Materials and Supplies Inventory	30,570	14,118	32,111
10 Investments in Associated Company	163		163
11 Accumulated Deferred Income Taxes	(905,726)	(105,991)	(944,376)
12 Customer Advances	(34,614)	(1,808)	(37,933)
13 Other Deferred Debits and Misc. Liabilities			
14 Average Net Investment Rate Base	4,195,532	471,164	4,573,190
15			
16 Average Net Investment Rate Base	4,060,871	471,164	4,139,709
17 Average Net Investment Rate Base - Edgewater 5	134,661		433,481
18			
19 Rate of Return Required on Net Investment Rate Base	7.43%	7.37%	7.48%
20 Return on Net Investment Rate Base - Edgewater 5	6.84%		6.84%
21			
22 Allowed Return on Net Investment Rate Base - All Other	301,723	34,728	309,650
23 Allowed Return on Net Investment Rate Base - Edgewater 5	9,217	-	29,669
24 Allowed Return on Net Investment Rate Base	310,940	34,728	339,319
25 Operating Income at Current Rates	259,772	23,525	288,058
26 Earnings Deficiency	51,168	11,203	51,261
27 Revenue Requirement Gross Up Multiplier (1/(1-Composite Effective Tax Rate))	1.37	1.37	1.37
28 Revenue (Deficiency)/Sufficiency	70,325	15,397	70,454
29			
30 Revenue at Present Rates	1,126,172	180,011	1,127,702
31			
32 Percent Change Calculation	6.24%	8.55%	6.25%

0.0742

2022 & 2023 Test Year
Wisconsin Power and Light Company
Electric Utility Income Statement
Thousands of Dollars

Attachment B
Schedule 2

	2022		2023	
	Total Company Electric	Wisconsin Retail Electric	Total Company Electric	Wisconsin Retail Electric
1 Operating Revenues:				
2 Revenue From Sales	1,251,869	1,126,172	1,254,050	1,127,702
3 Interruptible Credits	-	(1,199)	-	(1,210)
4 Market Energy Sales	111,327	94,427	111,327	94,396
5 Other Operating Revenues	11,297	10,362	11,513	10,688
6 Total Operating Revenues	1,374,493	1,229,762	1,376,891	1,231,576
7				
8 Operating Expenses:				
9 Fuel and Purchased Power	400,343	339,770	400,190	339,524
10 Operation and Maintenance expenses	182,398	170,363	159,246	150,659
11 Transmission Expenses	179,658	163,714	183,343	167,185
12 Depreciation & Amortization Expenses	245,147	223,377	253,841	232,835
13 Regulatory Amortizations	(5,069)	(6,658)	(42,848)	(39,392)
14 Taxes Other Than Income Taxes	44,994	42,413	47,757	45,114
15 Income Taxes				
16 Federal	(24,791)	(21,278)	21,112	17,806
17 State	(9,188)	(7,871)	9,004	7,440
18 Deferred Income Taxes	73,749	66,160	22,844	22,349
19 Total Operating Expenses	1,087,241	969,990	1,054,489	943,519
20				
21 Net Operating Income	287,251	259,772	322,401	288,058
22				
23 Average Net Investment Rate Base	4,603,628	4,195,532	5,019,664	4,573,190
24				
25 Earned Rate of Return on Rate Base	6.24%	6.19%	6.42%	6.30%

2022 & 2023 Test Year
Wisconsin Power and Light Company
Gas Utility Income Statement
Thousands of Dollars

Attachment B
Schedule 3

	<u>2022</u>	<u>2023</u>
	<u>Wisconsin</u>	<u>Wisconsin</u>
	<u>Retail</u>	<u>Retail</u>
	<u>Gas</u>	<u>Gas*</u>
1 Operating Revenues:		
2 Revenue From Sales (Includes Gas Cost)	180,011	178,587
3 Other Operating Revenues	602	585
4 Total Operating Revenues	<u>180,614</u>	<u>179,172</u>
5		
6 Operating Expenses:		
7 Purchased Gas	95,901	93,077
8 Operation and Maintenance expenses	32,081	36,040
9 Depreciation & Amortization expenses	21,029	22,953
10 Regulatory Amortizations	380	6,298
11 Taxes Other Than Income Taxes	2,935	3,130
12 Income Taxes		
13 Federal	4,145	2,872
14 State	1,680	930
15 Deferred Income Taxes	(1,063)	(1,880)
16 Investment Tax Credit		
17 Total Operating Expenses	<u>157,088</u>	<u>163,420</u>
18		
19 Net Operating Income	<u>23,526</u>	<u>15,752</u>
20		
21 Average Net Investment Rate Base	471,164	488,656
22		
23 Earned Rate of Return	4.99%	3.22%

*2023 Retail Gas Subject to Re-opener

2022 & 2023 Test Year
Wisconsin Power and Light Company
Excess Deferred Income Taxes (EDIT)

Attachment B
Schedule 4

	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>
	<u>12/31/2019</u>	<u>2020</u>	<u>12/31/2020</u>	<u>2021</u>	<u>12/31/2021</u>	<u>2022</u>	<u>12/31/2022</u>	<u>2023</u>	<u>12/31/2023</u>
1	Deferred Protected EDIT Liability								
2	(Reclassified to Unprotected)								
3	Electric Production	(8,396,659)	8,396,659	-	-	-	-	-	-
4	Electric Distribution - Lines and Substations	(454,188)	454,188	-	-	-	-	-	-
5	Electric Distribution - Transformers	(527,431)	527,431	-	-	-	-	-	-
6	Electric Distribution - Services	(134,555)	134,555	-	-	-	-	-	-
7	Electric Distribution - Meters	(163,714)	163,714	-	-	-	-	-	-
8	Electric Distribution - Street Lights	(83,923)	83,923	-	-	-	-	-	-
9	Electric - General	(634,608)	634,608	-	-	-	-	-	-
10	Gas	-	-	-	-	-	-	-	-
11	Common Utility	1,038,181	(1,038,181)	-	-	-	-	-	-
12	Totals	(9,356,897)	9,356,897	-	-	-	-	-	-
13									
14		<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>
15	Unprotected EDIT Liability	<u>12/31/2019</u>	<u>2020</u>	<u>12/31/2020</u>	<u>2021</u>	<u>12/31/2021</u>	<u>2022</u>	<u>12/31/2022</u>	<u>2023</u>
16	Electric Production	(52,856,886)	16,893,800	(35,963,086)	32,498,307	(3,464,779)	3,464,779	-	-
17	Electric Distribution - Lines and Substations	(52,846,864)	20,624,972	(32,221,893)	32,221,892	-	-	-	-
18	Electric Distribution - Transformers	(1,855,207)	855,287	(999,920)	999,919	-	-	-	-
19	Electric Distribution - Services	(4,313,393)	1,539,585	(2,773,808)	2,773,808	-	-	-	-
20	Electric Distribution - Meters	627,443	(27,232)	600,211	(236,461)	363,750	(363,750)	-	-
21	Electric Distribution - Street Lights	(930,189)	363,485	(566,704)	566,704	-	-	-	-
22	Electric - General	1,423,901	76,738	1,500,638	(1,557,074)	(56,436)	56,436	-	-
23	Gas	(14,619,476)	4,725,595	(9,893,881)	9,893,881	-	-	-	-
24	Common Utility	(11,626,449)	-	(11,626,449)	9,696,481	(1,929,968)	1,929,968	-	-
25	Totals	(136,997,122)	45,052,230	(91,944,892)	86,857,459	(5,087,433)	5,087,433	-	-
26	Grossed Up			(126,369,098)	119,376,928	(6,992,169)	6,992,170	-	-
27									
28		<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>
29	Protected EDIT Liability (Plant & NOL)	<u>12/31/2019</u>	<u>2020</u>	<u>12/31/2020</u>	<u>2021</u>	<u>12/31/2021</u>	<u>2022</u>	<u>12/31/2022</u>	<u>2023</u>
30	Electric Production	(122,377,031)	4,978,309	(117,398,722)	5,483,714	(111,915,009)	5,479,339	(106,435,670)	5,379,211
31	Electric Distribution - Lines and Substations	(68,406,989)	765,242	(67,641,747)	1,254,889	(66,386,858)	1,362,179	(65,024,679)	1,503,240
32	Electric Distribution - Transformers	(16,220,111)	317,792	(15,902,319)	410,227	(15,492,092)	432,013	(15,060,079)	430,196
33	Electric Distribution - Services	(4,409,705)	112,363	(4,297,342)	139,882	(4,157,460)	141,470	(4,015,990)	127,814
34	Electric Distribution - Meters	(12,254,854)	125,558	(12,129,296)	247,035	(11,882,261)	249,790	(11,632,471)	256,957
35	Electric Distribution - Street Lights	(871,069)	44,929	(826,140)	49,878	(776,262)	53,141	(723,121)	50,003
36	Electric - General	(4,726,630)	213,286	(4,513,344)	153,857	(4,359,487)	203,043	(4,156,444)	263,498
37	Gas	(18,793,391)	271,813	(18,521,578)	360,190	(18,161,387)	421,145	(17,740,242)	496,180
38	Common Utility	43,106,517	(1,116,813)	41,989,703	(1,218,375)	40,771,329	(1,220,645)	39,550,683	(1,235,283)
39	Total	(204,953,262)	5,712,479	(199,240,784)	6,881,297	(192,359,487)	7,121,476	(185,238,011)	7,271,815
40	Grossed Up	(291,943,784)		(273,836,616)	9,457,657	(264,378,959)	9,787,759	(254,591,200)	9,994,385
41									
42		<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>	<u>Balance</u>	<u>Amortization</u>
43	Excess Deferred Gross Up	<u>12/31/2019</u>	<u>2020</u>	<u>12/31/2020</u>	<u>2021</u>	<u>12/31/2021</u>	<u>2022</u>	<u>12/31/2022</u>	<u>2023</u>
44	Electric Production	(68,751,365)	11,332,639	(57,418,725)	14,220,485	(43,198,241)	3,348,682	(39,849,559)	2,013,979
45	Electric Distribution - Lines and Substations	(45,567,542)	8,178,553	(37,388,988)	12,533,721	(24,855,267)	510,000	(24,345,267)	562,814
46	Electric Distribution - Transformers	(6,964,877)	636,672	(6,328,205)	527,959	(5,800,246)	161,746	(5,638,500)	161,065
47	Electric Distribution - Services	(3,316,309)	668,868	(2,647,442)	1,090,887	(1,556,555)	52,967	(1,503,588)	47,853
48	Electric Distribution - Meters	(4,414,602)	98,108	(4,316,494)	3,959	(4,312,535)	(42,667)	(4,355,202)	96,205
49	Electric Distribution - Street Lights	(705,812)	184,331	(521,481)	230,848	(290,633)	19,896	(270,737)	18,721
50	Electric - General	(1,474,141)	346,182	(1,127,958)	(525,365)	(1,653,323)	97,149	(1,556,174)	98,654
51	Gas	(12,509,791)	1,871,031	(10,638,760)	3,839,129	(6,799,631)	157,677	(6,641,954)	185,770
52	Common Utility	12,174,846	(806,831)	11,368,015	3,174,207	14,542,221	265,571	14,807,792	(462,491)
53	Totals	(131,529,593)	22,509,554	(109,020,039)	35,095,829	(73,924,209)	4,571,020	(69,353,189)	2,722,570
54	Total Regulatory Liability	(482,836,874)		(400,205,714)	128,834,585	(271,371,129)	16,779,929	(254,591,200)	9,994,385
55	Total Measure	(351,307,281)		(291,185,676)	93,738,755	(197,446,920)	12,208,909	(185,238,011)	7,271,815

2022 & 2023 Test Year
Wisconsin Power and Light Company
Edgewater 5 Life NBV Levelized Cost Recovery

Accounting View of Levelized Cost Recovery										
Line #	Year	Revenue	Amortization	Op. Income	Ave. Bal. Outstandin	Pre-Tax Return	Interest	Income Tax	Net Income	ROE
1	2022	\$ 12,951,739	\$ 1,819,438	\$ 11,132,300	\$ 149,398,427	7.5%	\$ 2,797,201	\$ 2,270,564	\$ 6,064,535	7.5%
2	2023	\$ 51,806,955	\$ 7,684,722	\$ 44,122,233	\$ 507,393,698	8.7%	\$ 9,499,981	\$ 9,431,448	\$ 25,190,805	9.2%
3	2024	\$ 51,806,955	\$ 8,379,806	\$ 43,427,149	\$ 499,366,414	8.7%	\$ 9,349,685	\$ 9,283,042	\$ 24,794,422	9.2%
4	2025	\$ 51,806,955	\$ 9,137,761	\$ 42,669,195	\$ 490,613,061	8.7%	\$ 9,185,795	\$ 9,121,213	\$ 24,362,187	9.2%
5	2026	\$ 51,806,955	\$ 9,964,272	\$ 41,842,683	\$ 481,067,967	8.7%	\$ 9,007,081	\$ 8,944,746	\$ 23,890,855	9.2%
6	2027	\$ 51,806,955	\$ 10,865,542	\$ 40,941,413	\$ 470,659,517	8.7%	\$ 8,812,203	\$ 8,752,318	\$ 23,376,892	9.2%
7	2028	\$ 51,806,955	\$ 11,848,331	\$ 39,958,624	\$ 459,309,622	8.7%	\$ 8,599,698	\$ 8,542,485	\$ 22,816,441	9.2%
8	2029	\$ 51,806,955	\$ 12,920,014	\$ 38,886,941	\$ 446,933,128	8.7%	\$ 8,367,972	\$ 8,313,672	\$ 22,205,297	9.2%
9	2030	\$ 51,806,955	\$ 14,088,631	\$ 37,718,324	\$ 433,437,178	8.7%	\$ 8,115,286	\$ 8,064,164	\$ 21,538,875	9.2%
10	2031	\$ 51,806,955	\$ 15,362,950	\$ 36,444,006	\$ 418,720,518	8.7%	\$ 7,839,744	\$ 7,792,087	\$ 20,812,175	9.2%
11	2032	\$ 51,806,955	\$ 16,752,530	\$ 35,054,425	\$ 402,672,734	8.7%	\$ 7,539,280	\$ 7,495,401	\$ 20,019,744	9.2%
12	2033	\$ 51,806,955	\$ 18,267,799	\$ 33,539,156	\$ 385,173,426	8.7%	\$ 7,211,639	\$ 7,171,879	\$ 19,155,639	9.2%
13	2034	\$ 51,806,955	\$ 19,920,124	\$ 31,886,832	\$ 366,091,303	8.7%	\$ 6,854,362	\$ 6,819,095	\$ 18,213,374	9.3%
14	2035	\$ 51,806,955	\$ 21,721,901	\$ 30,085,054	\$ 345,283,200	8.7%	\$ 6,464,770	\$ 6,434,402	\$ 17,185,882	9.3%
15	2036	\$ 51,806,955	\$ 23,686,650	\$ 28,120,306	\$ 322,593,002	8.7%	\$ 6,039,940	\$ 6,014,912	\$ 16,065,453	9.3%
16	2037	\$ 51,806,955	\$ 25,829,110	\$ 25,977,845	\$ 297,850,473	8.7%	\$ 5,576,683	\$ 5,557,481	\$ 14,843,682	9.3%
17	2038	\$ 51,806,955	\$ 28,165,356	\$ 23,641,599	\$ 270,869,978	8.7%	\$ 5,071,524	\$ 5,058,674	\$ 13,511,401	9.3%
18	2039	\$ 51,806,955	\$ 30,712,916	\$ 21,094,039	\$ 241,449,095	8.7%	\$ 4,520,674	\$ 4,514,750	\$ 12,058,614	9.3%
19	2040	\$ 51,806,955	\$ 33,490,903	\$ 18,316,052	\$ 209,367,089	8.7%	\$ 3,920,000	\$ 3,921,629	\$ 10,474,423	9.3%
20	2041	\$ 51,806,955	\$ 36,520,160	\$ 15,286,796	\$ 174,383,262	8.8%	\$ 3,264,994	\$ 3,274,859	\$ 8,746,942	9.3%
21	2042	\$ 51,806,955	\$ 39,823,413	\$ 11,983,543	\$ 136,235,143	8.8%	\$ 2,550,744	\$ 2,569,589	\$ 6,863,210	9.4%
22	2043	\$ 51,806,955	\$ 43,425,445	\$ 8,381,510	\$ 94,636,522	8.9%	\$ 1,771,889	\$ 1,800,527	\$ 4,809,095	9.5%
23	2044	\$ 51,806,955	\$ 47,353,282	\$ 4,453,673	\$ 49,275,301	9.0%	\$ 922,586	\$ 961,903	\$ 2,569,184	9.7%
24	2045	\$ 25,903,478	\$ 25,259,380	\$ 644,097	\$ 6,359,145	10.1%	\$ 119,063	\$ 143,025	\$ 382,010	11.2%
25	NPV	\$ 545,648,225	\$ 184,810,611	\$ 360,837,615	\$ 4,164,402,914		\$ 77,970,513	\$ 77,055,827	\$ 205,811,274	9.2%
26		Composite Effective Tax Rate		27.24%						
27		Gross Up Multiplier		137.44%						
27		Common Equity	53.77%	9.80%	5.27%					
28		Long Term Debt	44.40%	4.21%	1.87%					
28		Short Term Debt	1.82%	0.25%	0.00%					
29		Weighted Cost of Capital	100.00%		7.14%					
30		Income Tax Impact			1.97%					
31		Pre Tax WACC			9.11%					
30		Carrying Cost Rate to Levelize			8.7%					
31		Effective ROE Test			9.2%					

2022 & 2023 Test Years
Wisconsin Power and Light Company
Electric Regulatory Asset and Liability Amortizations

Attachment B
Schedule 6

	Deferrals	PSCW Deferral Authorization	Amortization Period Remaining	2021	2022 Test Year Amount			2023 Test Year Amount		
				Projected YE Balance	Amortization	Annual Additions & Expenditures	Projected YE Balance	Amortization	Annual Additions & Expenditures	Projected YE Balance
1	Excess AFUDC	ongoing	Lapse Schedule	\$ 59,463	\$ 59,463	\$ -	\$ 0	\$ -	\$ -	\$ -
2	Tax Reform Refunds	05-AF-101	2020	(20,715)	(20,715)	-	-	-	-	-
3	Bad Debt Reserve	05-AF-105; 6680-UR-122	2022	15,861,334	1,084,000	-	14,777,334	732,000	-	14,045,334
4	Late Payment Revenues - Escrow	6680-TE-103:	2022	(6,661)	(6,661)	-	-	-	-	-
5	Credit Card Fees - Escrow	6680-TG-108: 6680-UR-121	2022	(2,139,442)	(1,069,721)	-	(1,069,721)	(1,069,721)	-	-
6	OPEB & Pension Escrow	6680-UR-122	2022	614,216	288,000	-	326,216	326,216	-	-
7	COVID - 19 (estimated YE 2020)	05-AF-105		1,529,068	745,000	-	784,068	784,068	-	-
8	2018 Earnings Sharing	6680-UR-120		(10,962,551)	(5,481,276)	-	(5,481,276)	(5,481,276)	-	-
9	2019 Earnings Sharing	6680-UR-121		(2,366,295)	(1,183,148)	-	(1,183,148)	(1,183,148)	-	-
10	West Riverside Liquidated Damages	6680-UR-122		(43,060,487)	(6,235,000)	-	(36,825,487)	(36,825,487)	-	-
11	Solar Precertification	6680-AF-100; 6680-AF-102		2,420,759	2,420,759	-	-	-	-	-
12	Transmission Escrow Balance Amortization	6680-UR-120	2020	(25,749,996)	(12,264,000)	-	(13,485,996)	(13,485,996)	-	0
13	Kossuth Wind Deferral	6680-UR-121	2020	(198,417)	(198,417)	-	-	-	-	-
14	CWIP Return - UR-122 Settlement	6680-UR-122		(900,000)	(450,000)	-	(450,000)	(450,000)	-	-
15	Subtotal			(64,919,725)	(22,311,715)	-	(42,608,010)	(56,653,344)	-	14,045,334
16	Retired Plant Amortization			14,484,341	15,465,849	481,313,715	480,332,206	14,435,118	130,590,844	596,487,933
17	Tax Equity - Investment Amortization			-	3,341,071	384,144,133	380,803,062	15,516,499	943,123,138	927,606,639
18	Tax Equity - Net Partnership Distributions			-	(1,563,832)	-	-	(16,146,727)	-	-
19	Total Regulatory Amortizations			\$ (50,435,385)	\$ (5,068,627)	\$ 865,457,848	\$ 818,527,258	\$ (42,848,455)	\$ 1,073,713,982	\$ 1,538,139,906
Other Amortizations										
20	Conservation Escrow	ongoing		\$ 883,985	\$ 17,092,655	\$ 16,208,670	\$ -	\$ 16,030,164	\$ 16,030,164	\$ -
21	Farm Wiring Escrow	ongoing		(2,108,081)	(367,877)	1,740,204	-	1,760,665	1,753,710	(6,956)
22	Credit Card Expense			-	1,143,000	-	-	1,143,000	-	-
23	Late Payment Revenue (in Misc Revenue)			-	(2,353,000)	-	-	(2,353,000)	-	-
24	Total Other Amortizations			\$ (1,224,096)	\$ 15,514,778	\$ 17,948,873	\$ -	\$ 16,580,829	\$ 17,783,874	\$ (6,956)
25	Total Electric Amortizations			\$ (51,659,480)	\$ 10,446,150	\$ 883,406,721	\$ 818,527,258	\$ (26,267,625)	\$ 1,091,497,856	\$ 1,538,132,950

Source: IDR-36 Attachment A

2022 Test Year
Wisconsin Power and Light Company
Gas Regulatory Asset and Liability Amortizations

Attachment B
Schedule 7

	Deferrals	PSCW Deferral Authorization	Amortization Period Remaining	2021	2022 Test Year Amount		
				Projected YE Balance	Amortization	Annual Additions & Expenditures	Projected YE Balance
1	Excess AFUDC	ongoing	Lapse Schedule	\$ 3,891	\$ 3,891	\$ -	\$ 0
2	Tax Reform Refunds	05-AF-101	2020	823,620	-	-	823,620
3	Bad Debt Reserve	05-AF-105; 6680-UR-122	2022	1,937,897	126,000	-	1,811,897
4	Late Payment Revenues - Escrow	6680-TE-103; 6680-TG-108; 6680-UR-121	2022	(32,303)	(13,303)	-	(19,000)
5	Credit Card Fees - Escrow		2022	(358,676)	(358,676)	-	-
6	OPEB & Pension Escrow	6680-UR-122	2022	112,708	-	-	112,708
7	COVID - 19 (estimated YE 2020)	05-AF-105		125,944	-	-	125,944
8	2018 Earnings Sharing	6680-UR-120		(2,296,410)	(2,296,410)	-	-
9	2019 Earnings Sharing	6680-UR-121		(244,832)	(244,832)	-	-
10	Western Wisconsin Gas Expansion Deferral	6680-UR-122		3,999,591	-	-	3,999,591
11	Subtotal			4,071,430	(2,783,330)	-	6,854,760
12	Western Wisconsin Gas Expansion CIAC	6680-CG-168		52,451,817	2,778,888	-	49,672,929
13	Total Amortizations			\$ 56,523,246	\$ (4,442)	\$ -	\$ 56,527,689

Operations and Maintenance Amortizations

14	Conservation Escrow	ongoing		\$ (1,338,929)	\$ 1,968,364	\$ 3,892,292	\$ 585,000
15	Manufactured Gas Plant Cleanup	ongoing		4,305,959	384,466	-	3,921,493
16	Credit Card Expense			-	234,000	-	-
17	Late Payment Revenue			-	(495,000)	-	-
18	Total O&M Amortizations			\$ 2,967,030	\$ 2,091,830	\$ 3,892,292	\$ 4,506,493
19	Total Gas Amortizations			\$ 59,490,276	\$ 2,087,388	\$ 3,892,292	\$ 61,034,181

Source: IDR-36 Attachment A

Wisconsin Power and Light Company
Fuel Cost Plan Native Requirements and Jurisdictional Allocators

Attachment B
Schedule 8

Line Description	2022	2023
1 Retail Sales	11,103,394	11,120,750
2 Wholesale Sales	2,023,745	2,031,509
3 Fully Allocated Sales		
4 Distribution Losses and Company Use	284,872	287,470
5 Total Native Requirements for Fuel Monitoring	<u>13,412,011</u>	<u>13,439,729</u>
6 Transmission Losses	355,649	354,905
7 Total Requirements	<u>13,767,660</u>	<u>13,794,634</u>
8 Retail Sales	11,103,394	11,120,750
9 Allocated Losses and Company Use - Retail	574,345	575,931
10 Retail Energy at Generator	<u>11,677,739</u>	<u>11,696,681</u>
11 Energy at Generator Allocator - Retail	84.82%	84.79%

2022 & 2023 Test Years
Wisconsin Power and Light Company
Average Cost of Capital
Thousands of Dollars

Attachment B
Schedule 9

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Average for 13 Months Ended 12/31/2022				Average for 13 Months Ended 12/31/2023			
	Amount	Ratio	Component Cost	Weighted Cost	Amount	Ratio	Component Cost	Weighted Cost
1 Regulatory Capital Structure								
2 Common Stock Equity	\$ 3,110,321	53.75%	10.00%	5.38%	\$ 3,438,916	54.11%	10.00%	5.41%
3 Preferred Stock	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
4 Long Term Debt	2,569,231	44.40%	4.21%	1.87%	2,750,000	43.27%	4.14%	1.79%
5 Short Term Debt	106,726	1.84%	0.25%	0.00%	166,606	2.62%	0.45%	0.01%
6 Total Capitalization	\$ 5,786,278	100.00%		7.25%	\$ 6,355,522	100.00%		7.21%
7 Income Taxes on Equity Components				2.01%				2.03%
8 Customer or Economic Cost of Capital				9.26%				9.24%
9								
10 <u>Interest Coverages</u>								
11 Before Tax Coverage				4.95				5.13
12 After Tax Coverage				3.87				4.00
13								
14 Financial Capital Structure								
15 Common Stock Equity	\$ 3,115,599	52.50%			\$ 3,444,035	52.47%		
16 Preferred Stock	-	0.00%			-	0.00%		
17 Long Term Debt	2,569,231	43.30%			2,750,000	41.90%		
18 Short Term Debt	106,726	1.80%			166,606	2.54%		
19 Off Balance Sheet Financing	94,285	1.59%			155,151	2.36%		
20 Advances from Associated Companies	48,201	0.81%			48,201	0.73%		
21 Total Capitalization	\$ 5,934,042	100.00%			\$ 6,563,994	100.00%		

Source: IDR-102 Attachment A

2022 and 2023 Test Years
Wisconsin Power and Light Company
Required Rate of Return on Net Investment Rate Base
Thousands of Dollars

Attachment B
Schedule 10

		2022		2023	
		Wisconsin Retail Electric	Wisconsin Retail Gas	Wisconsin Retail Electric	Wisconsin Retail Gas*
1	Weighted Cost of Capital	7.25%	7.25%	7.21%	7.21%
2					
3	Average Percent of Utility Investment Rate Base plus				
4	CWIP to Capital Applicable Primarily to Utility Operations plus	99.44%	99.44%	97.96%	97.96%
5	Deferred Income Tax Credits (Ratio)				
6					
7	Adjusted Cost of Capital to Derive Percent				
8	Return Requirement Applicable to Net	[1] / [4]	7.29%	7.36%	7.36%
9	Investment Rate Base (AFUDC Rate)				
10					
11	Average CWIP Balance Allowed Current Return (Retail)	\$ 61,776	\$ 5,433	\$ 62,162	\$ 5,617
12					
13	Average Net Investment Rate Base (Retail)	\$ 4,195,532	\$ 471,164	\$ 4,573,190	\$ 488,656
14					
15	CWIP Allowed a Current Return as a Percentage				
16	of Average Net Investment Rate Base	[11] / [13]	1.47%	1.36%	1.15%
17					
18	Adjustment to Required Return to Provide a Current Return on CWIP	[8] * [16]	0.11%	0.10%	0.085%
19					
20	Adjustment to Return Requirement to provide				
21	Short Term Debt Return on Reg Assets and ADIT Proration	0.03%	0.00%	0.02%	0.00%
22					
23	Rate of Return Required on Net Investment Rate Base	[8] + [18] + [21]	7.43%	7.48%	7.44%
24					
25	Rate of Return on Net Investment Rate Base - Edgewater 5	6.84%		6.84%	

*2023 Retail Gas Subject to Re-opener

2022 & 2023 Test Years
Wisconsin Power and Light Company
Ratio Rate Base to Capital
Thousands of Dollars

Attachment B
Schedule 11

	2022	2023
1 Net Investment Rate Base:		
2 Utility Plant in Service	\$ 8,156,547	\$ 7,836,756
3 Accumulated Depreciation	(2,457,011)	(2,400,592)
4 Net Plant in Service	<u>\$ 5,699,536</u>	<u>\$ 5,436,164</u>
5 Net Retired Plant	155,734	483,211
6 Tax Equity Partnership	191,746	616,351
7 Western Wisconsin Gas	51,062	48,283
8 Materials and Supplies	44,930	47,198
9 Fossil Fuel Inventory	17,599	9,142
10 Stored Natural Gas	25,881	23,808
11 Subsidiary in Rate Base	190	190
12 CWIP in NIRB	73,516	74,595
13 Customer Advances	(36,422)	(39,679)
14 Deferred Income Taxes (Net)	(1,075,018)	(1,120,918)
15 Net Investment Rate Base (NIRB)	<u>\$ 5,148,755</u>	<u>\$ 5,578,346</u>
16 Construction Work in Progress	614,973	621,736
17 Total NIRB plus CWIP	<u>\$ 5,763,728</u>	<u>\$ 6,200,082</u>
18		
19 Other Assets:		
20 Other Assets	\$ 248,701	\$ 257,129
21 Unamort. Bond Discount(Prem), Debt Exp. & Reacq Cost	23,493	24,936
22 Deferred Debits and Miscellaneous Assets	498,239	521,310
23 Total Other Assets	<u>\$ 770,433</u>	<u>\$ 803,376</u>
24		
25 Other Liabilities:		
26 Other Liabilities	\$ (257,131)	\$ (262,446)
27 Conservation Escrow	(989)	404
28 Transmission Escrow	(20,026)	(7,149)
29 Accounts Payable to Associated Companies	(67,693)	(69,173)
30 Deferred Credits and Miscellaneous Liabilities	(392,376)	(335,778)
31 Tax Reform Regulatory Liability	-	-
32 Total Other Liabilities	<u>\$ (738,215)</u>	<u>\$ (674,142)</u>
33		
34 Net Working Capital	32,217	129,234
35		
36 Total Rate Base Plus CWIP and Other Net Assets	<u><u>\$ 5,795,945</u></u>	<u><u>\$ 6,329,316</u></u>
37		
38 Capitalization:		
39 Utility Common Equity	(3,110,321)	(3,438,916)
40 Preferred Stock	-	-
41 Long Term Debt	(2,569,231)	(2,750,000)
42 Short Term Debt	(106,726)	(166,606)
43 Adjustments:		
44 Consolidated vs Stand Alone	7,957	34,937
45 Temporary Cash Investments	3,888	-
46 Customer Deposits	(227)	(208)
47 Deferred Debits/(Credits) - Net of ADIT	(28,868)	(13,555)
48 Other	12,427	13,831
49 Total Utility Capital	<u>(5,791,101)</u>	<u>(6,320,517)</u>
50		
51 Deferred Investment Tax Credit	(4,845)	(8,798)
52		
53 Total Utility Capital and Deferred Investment Tax Credit	<u><u>(5,795,945)</u></u>	<u><u>(6,329,316)</u></u>
54		
55 Ratio NIRB plus CWIP to Capital	99.4%	98.0%
56		
57 Balance Check	(0)	(0)

Source: IDR-102 Attachment A

WISCONSIN POWER AND LIGHT COMPANY

PRESENT and PROPOSED ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	PROPOSED RATES
RESIDENTIAL SERVICE, Rg-1			
Daily Customer Charge:	Single-phase	\$0.49320	\$0.4932
	Three-phase	\$0.73980	\$0.7397
	Additional Meter	\$0.10000	\$0.1000
Energy Charge (per kWh):	All kwh	\$0.11663	\$0.12690
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
RESIDENTIAL TIME-OF-USE, Rg-5			
Daily Customer Charge:	Single-phase	\$0.49320	\$0.4932
	Three-phase	\$0.73980	\$0.7397
	Additional Meter	\$0.10000	\$0.1000
Energy Charge (per kWh):			
TOU Schedule:	High Rate	\$0.17900	\$0.1920
	Regulator Rate	\$0.13660	\$0.1590
	Low Rate	\$0.07400	\$0.0750
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
RESIDENTIAL DEMAND SERVICE, Rd-1			
Daily Customer Charge:	Single-phase	\$0.49320	\$0.3288
	Three-phase	\$0.73980	\$0.7397
	Additional meter	\$0.10000	\$0.1000
Customer Demand Charge (per kW)		\$0.00000	\$0.0000
On-Peak Demand Charge (per kW)		\$3.00000	\$4.8000
Energy Charge (per kWh):			
TOU Schedule:	High Rate	\$0.16000	\$0.1712
	Regulator Rate	\$0.12000	\$0.1300
	Low Rate	\$0.06500	\$0.0670
Energy Limiter		\$0.15000	\$0.1700
Fuel Cost Surcharge		-\$0.00259	\$0.000000
RESIDENTIAL SERVICE TIME-OF-USE with WATER HEATING, Rw-5			
Daily Customer Charge		\$0.49320	\$0.4932
Energy Charge (per kWh):			
TOU Schedule:	High Rate	\$0.17270	\$0.18430
	Regulator Rate	\$0.13180	\$0.15260
	Low Rate	\$0.07140	\$0.07200
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
GENERAL SERVICE, Gs-1			
Daily Customer Charge:	Single-phase	\$0.55890	\$0.5589
	Three-phase	\$0.83840	\$0.8384
Energy Charge (per kWh):	All kwh	\$0.11420	\$0.12000
Primary Voltage Discount		2.50%	2.50%
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	PROPOSED RATES
GENERAL SERVICE TIME-OF-USE, Gs-3			
Daily Customer Charge:	Single-phase	\$0.55890	\$0.5589
	Three-phase	\$0.83840	\$0.8384
Energy Charge (per kWh):			
TOU Schedule:	High Rate	\$0.16300	\$0.17030
	Regulator Rate	\$0.12250	\$0.13280
	Low Rate	\$0.06366	\$0.06480
Primary Voltage Discount		2.50%	2.50%
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
GENERAL SERVICE DEMAND SERVICE, Gd-1			
Daily Customer Charge:	Single-phase	\$0.55890	\$0.5589
	Three-phase	\$0.83840	\$0.8384
Customer Demand Charge (per kW)		\$2.00000	\$2.0000
On-Peak Demand Charge (per kW)		\$8.00000	\$8.2500
Energy Charge (per kWh):			
TOU Schedule:	High Rate	\$0.12000	\$0.1243
	Regulator Rate	\$0.07550	\$0.0785
	Low Rate	\$0.05600	\$0.0580
Energy Limiter		\$0.15000	\$0.1700
Customer Demand Discount (per kW)		\$0.23000	\$0.2300
Primary Voltage Discount		2.50%	2.50%
Fuel Cost Surcharge		-\$0.00259	\$0.000000
GENERAL SERVICE NON-METERED, Gs-4			
Daily Customer Charge		\$0.40890	\$0.4089
Energy Charge (per kWh)		\$0.09500	\$0.11000
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
CONTROLLED WATER HEATING 17 HR. SERVICE, Rw-1			
Daily Customer Charge		\$0.00000	\$0.0000
Energy Charge (per kWh):			
	All kwh	\$0.11300	\$0.11980
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
CONTROLLED WATER HEATING 11 HR. SERVICE, Rw-3			
Daily Customer Charge		\$0.00000	\$0.0000
Energy Charge (per kWh)			
	All kwh	\$0.10500	\$0.11130
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	PROPOSED RATES
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GENERAL SERVICE TIME-OF-USE with WATER HEATING, Gw-1

Daily Customer Charge	\$0.55890	\$0.5589
Energy Charge (per kWh):		
TOU Schedule:	High Rate	\$0.17030
	Regulator Rate	\$0.13280
	Low Rate	\$0.06480
Fuel Adjustment (per kWh)	-\$0.002593	\$0.000000

COMMERCIAL SERVICE -- Cg-2 TOD

Daily Customer Charge:	Single-phase	\$0.92500	\$0.92500
	Three-phase	\$1.15000	\$1.15000
Firm Demand Charge (per kW)		\$11.42000	\$11.95000
Customer Demand Charge		\$2.20000	\$2.20000
Energy Charge (per kWh):			
TOU Schedule:	High Rate	\$0.08200	\$0.08200
	Regulator Rate	\$0.06000	\$0.06100
	Low Rate	\$0.04710	\$0.04790
Energy Limiter		\$0.15000	\$0.17000
Primary Voltage Discount		2.50%	2.50%
Customer Demand Discount (per kW)		\$0.23000	\$0.23000
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	PROPOSED RATES
INDUSTRIAL SERVICE, Cp-1 -- Secondary/Primary		
Daily Customer Charge	\$6.23000	\$6.23000
Firm Demand	\$13.70000	\$14.02000
Customer Demand Charge	\$2.20000	\$2.20000
Interruptible Demand Charges:		
1 Hr. Notice (12 hr):	\$9.67000	\$9.66000
Instantaneous (12 hr):	\$8.78000	\$8.70000
Energy Charge (per kWh):		
TOU Schedule:		
High Rate	\$0.06986	\$0.06922
Regulator Rate	\$0.05168	\$0.05119
Low Rate	\$0.04048	\$0.04004
Energy Limiter (per kWh):	\$0.15000	\$0.17000
Primary Voltage Discount	2.50%	2.50%
Customer Demand Discount (per kW)	\$0.23000	\$0.23000
Fuel Adjustment (per kWh)	-\$0.002593	\$0.000000
INDUSTRIAL SERVICE, Cp-2 -- Transmission		
Daily Customer Charge	\$35.00000	\$35.00000
Firm Demand	\$13.25000	\$13.25000
Customer Demand Charge	\$0.00000	\$0.00000
Interruptible Demand Charges:		
1 Hr. Notice (12 hr):	\$9.35000	\$9.02000
Instantaneous (12 hr):	\$8.49000	\$8.10000
Energy Charge (per kWh):		
TOU Schedule:		
High Rate	\$0.06757	\$0.06592
Regulator Rate	\$0.04998	\$0.04875
Low Rate	\$0.03915	\$0.03813
Reactive Energy	\$0.00102	\$0.00102
High Load Factor Energy Credit	-\$0.00450	-\$0.00450
Fuel Adjustment (per kWh)	-\$0.002593	\$0.000000

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	PROPOSED RATES
STREET LIGHTING SERVICE, Ms-1		Annual	Annual
Annual Charges (per Unit):			
Concrete Pole and Fixture Contribution		\$38.80000	\$0.00
Pole Contribution Option		\$63.86000	\$0.00
Wood Bracket or Pole		\$83.76000	\$0.00
Wood Master Arm		\$109.56000	\$0.00
Aluminum Bracket or Pole		\$151.56000	\$0.00
Concrete Bracket or Pole		\$237.86000	\$0.00
<u>2022 Fixture Category with Poles Separate</u>			
Category A: 4,500-6,000 LED Lumens		\$0.00000	\$40.50
Category B: 7,500-10,000 LED Lumens		\$0.00000	\$42.70
Category C: 10,001-14,000 LED Lumens		\$0.00000	\$43.00
<u>Poles and Brackets</u>			
Pole Wood		\$0.00000	\$50.16
Pole Concrete		\$0.00000	\$194.82
Pole Aluminum		\$0.00000	\$169.32
Pole Fiberglass		\$0.00000	\$179.52
Concrete Pole and Fixture Contribution (Closed)		\$0.00000	\$41.51
Pole Contribution Option		\$0.00000	\$67.20
Open		\$0.00000	\$0.00
Energy Charge (per kWh):	kWh	\$0.06600	\$0.07000
Credit Provision per fixture (per night of continued outage)			
Category A		\$0.07775	\$0.00000
Category B		\$0.12404	\$0.00000
Category C		\$0.18932	\$0.00000
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	PROPOSED RATES
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DECORATIVE LIGHTING SERVICE, Ms-2

Monthly Charges (per Lamp):		
70 W Single	\$18.75000	\$20.05
70 W Double	\$28.50000	\$30.50
Energy Charge (per kWh):	kwh \$0.06600	\$0.07000
Fuel Adjustment (per kWh)	-\$0.002593	\$0.000000

AREA LIGHTING SERVICE, Ms-3

Monthly Charges (per Lamp):			
113 Watt LED CREE Pole Option Existing	WC113POE	\$14.15000	\$15.14000
86 Watt LED CREE Pole Option Existing	WC86POE	\$12.61000	\$13.49000
108 Watt LED GEN2 New Decorative Pole	WG108RND	\$30.44000	\$32.57000
108 Watt LED GEN2 Pole Option Existing	WG108RPE	\$17.84000	\$19.09000
55 Watt LED GEN2 Existing Wood Pole with URD Service	WG55EUR	\$22.14000	\$23.69000
55 Watt LED GEN2 New Decorative Pole	WG55NDP	\$26.04000	\$27.86000
55 Watt LED GEN2 New Wood Pole with OHD Service	WG55NPO	\$22.96000	\$24.57000
55 Watt LED GEN2 New Wood Pole with URD Service	WG55NUR	\$32.49000	\$34.76000
55 Watt LED GEN2 Pole Option Existing	WG55POE	\$12.61000	\$13.49000
80 Watt LED GEN2 Existing Wood Pole with URD Service	WG80EUR	\$22.96000	\$24.57000
80 Watt LED GEN2 New Decorative Pole	WG80NDP	\$27.47000	\$29.39000
80 Watt LED GEN2 New Wood Pole with OHD Service	WG80NPO	\$24.40000	\$26.11000
80 Watt LED GEN2 Pole Option Existing	WG80POE	\$14.15000	\$15.14000
108 Watt LED GEN1 Pole Option Existing	WN108POE	\$14.15000	\$15.14000
135 Watt LED GEN1 Pole Option Existing	WN135RPE	\$17.84000	\$19.09000
80 Watt LED GEN1 Pole Option Existing	WN80POE	\$12.61000	\$13.49000
100 Watt Rdway Existing Wood Pole with URD Service	WO100EUR	\$22.14000	\$23.69000
100 Watt Rdway New Decorative Pole	WO100NDP	\$26.04000	\$27.86000
100 Watt Rdway New Wood Pole with OHD Service	WO100NPO	\$22.96000	\$24.57000
100 Watt Rdway Pole Option Existing	WO100POE	\$12.61000	\$13.49000
108 Watt LED GEN2 New Wood Pole with OHD Service	WO108NPO	\$28.19000	\$30.16000
108 Watt LED Rdway New Decorative Pole	WO108RND	\$30.44000	\$32.57000
108 Watt LED Rdway Pole Option Existing	WO108RPE	\$17.84000	\$19.09000
119 Watt LED Flood New Decorative Pole	WO119FND	\$32.49000	\$34.76000
119 Watt LED Flood New Wood Pole with OHD Service	WO119FNP	\$29.83000	\$31.92000
119 Watt LED Flood Pole Option Existing	WO119POE	\$19.37000	\$20.73000
150 Acorn Fixture New Concrete New Decorative Pole	WO150ACD	\$41.41000	\$44.31000
150 Acorn Fixture New Fiberglass New Decorative Pole	WO150AFD	\$38.64000	\$41.34000
150 Acorn Fixture Pole Option Existing	WO150APE	\$27.47000	\$29.39000
150 Watt Colonial Fixture Concrete New Decorative Pole	WO150CCD	\$36.39000	\$38.94000
150 Colonial Fixture Fiberglass New Decorative Pole	WO150CFD	\$33.21000	\$35.53000
150 Watt Colonial Fixture Pole Option Existing	WO150CPE	\$22.96000	\$24.57000
150 Watt Rdway Existing Wood Pole with URD Service	WO150EUR	\$22.96000	\$24.57000
150 Watt Rdway New Decorative Pole	WO150NDP	\$27.47000	\$29.39000
150 Watt Rdway New Wood Pole with OHD Service	WO150NPO	\$24.40000	\$26.11000
150 Watt Rdway New Wood Pole with URD Service	WO150NUR	\$33.62000	\$35.97000
150 Watt Rdway Pole Option Existing	WO150POE	\$14.15000	\$15.14000
199 Watt LED AEL Flood Pole Option Existing	WO199FPE	\$21.32000	\$22.81000
199 Watt LED AEL Flood Existing Wood Pole with URD Se	WO199FUG	\$30.44000	\$32.57000
199 Watt LED AEL Flood New Decorative Pole	WO199NDP	\$34.75000	\$37.18000
199 Watt LED AEL Flood New Wood Pole with OHD Servic	WO199NPO	\$31.78000	\$34.00000
199 Watt LED AEL Flood New Wood Pole with URD Servic	WO199NUR	\$41.00000	\$43.87000
216 Watt LED Down Light Fixture New Decorative Pole	WO216DNE	\$51.05000	\$54.62000
216 Watt LED Down Light Fixture Pole Option Existing	WO216DPE	\$27.47000	\$29.39000
250 Watt Down Light Fixture New Decorative Pole	WO250DNE	\$43.97000	\$47.05000
250 Watt Down Light Fixture Pole Option Existing	WO250DPE	\$26.04000	\$27.86000

ELECTRIC RATES		PRESENT	PROPOSED
BY RATE CLASSIFICATION		RATES	RATES
250 Watt Flood Existing Wood Pole with URD Service	WO250FEU	\$27.78000	\$29.72000
250 Watt Flood New Decorative Pole	WO250FND	\$32.49000	\$34.76000
250 Watt Flood New Wood Pole with OHD Service	WO250FNP	\$29.83000	\$31.92000
250 Watt Flood New Wood Pole with URD Service	WO250FNU	\$38.23000	\$40.91000
250 Watt Metal Halide Down Light Fix New Decorative Pole	WO250HDD	\$47.05000	\$50.34000
250 Watt Metal Halide Down Light Fix Pole Opt Exist	WO250HDE	\$29.01000	\$31.04000
250 Watt Rdway New Wood Pole with OHD Service	WO250NPO	\$28.19000	\$30.16000
250 Watt Flood Pole Option Existing	WO250POE	\$19.37000	\$20.73000
250 Watt Rdway Existing Wood Pole with URD Service	WO250REU	\$26.45000	\$28.30000
250 Watt Rdway New Decorative Pole	WO250RND	\$30.44000	\$32.57000
250 Watt Rdway Pole Option Existing	WO250RPE	\$17.84000	\$19.09000
400 Watt Down Light Fixture New Decorative Pole	WO400DNE	\$51.05000	\$54.62000
400 Watt Down Light Fixture Pole Option Existing	WO400DPE	\$27.47000	\$29.39000
400 Watt Flood Pole Option Existing	WO400FPE	\$21.32000	\$22.81000
400 Watt Flood Existing Wood Pole with URD Service	WO400FUG	\$30.44000	\$32.57000
400 Watt Metal Halide Down Light New Decorative Pole	WO400HDD	\$54.12000	\$57.91000
400 Watt Metal Halide Down Light Fix Pole Opt Exist	WO400HDE	\$30.44000	\$32.57000
400 Watt Flood New Decorative Pole	WO400NDP	\$34.75000	\$37.18000
400 Watt Flood New Wood Pole with OHD Service	WO400NPO	\$31.78000	\$34.00000
400 Watt Flood New Wood Pole with URD Service	WO400NUR	\$41.00000	\$43.87000
45 Watt LED Colonial Fixture Concrete New Decorative Po	WO45CCND	\$22.65000	\$24.24000
45 LED Colonial Fiber	WO45CLNF	\$22.65000	\$24.24000
55 Watt LED Rdway Existing Wood Pole with URD Service	WO55EUR	\$22.14000	\$23.69000
55 Watt LED Rdway New Decorative Pole	WO55NDP	\$26.04000	\$27.86000
55 Watt LED Rdway New Wood Pole with OHD Service	WO55NPO	\$22.96000	\$24.57000
55 Watt LED Rdway Pole Option Existing	WO55POE	\$12.61000	\$13.49000
70 Acorn Fixture New Concrete New Decorative Pole	WO70ANCD	\$27.06000	\$28.95000
70 Acorn Fixture New Fiberglass New Decorative Pole	WO70ANFD	\$27.06000	\$28.95000
70 Acorn Fixture Pole Option Existing	WO70APOE	\$24.40000	\$26.11000
70 Watt Colonial Fixture Concrete New Decorative Pole	WO70CCND	\$22.65000	\$24.24000
70 Colonial Fiber	WO70CLNF	\$22.65000	\$24.24000
70 Watt Colonial Fixture Pole Option Existing	WO70CPOE	\$21.32000	\$22.81000
80 Watt LED Rdway New Decorative Pole	WO80NDP	\$27.47000	\$29.39000
80 Watt LED Rdway New Wood Pole with OHD Service	WO80NPO	\$22.96000	\$24.57000
80 Watt LED Rdway Pole Option Existing	WO80POE	\$14.15000	\$15.14000
94 Watt LED Down Light Fixture New Decorative Pole	WO94DNE	\$43.97000	\$47.05000
94 Watt LED Down Light Fixture Pole Option Existing	WO94DPE	\$26.04000	\$27.86000
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000
Fuel Adjustment (per fixture)		-\$0.170000	\$0.0000

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	PROPOSED RATES
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TRAFFIC SIGNAL SERVICE, Mz-1

Daily Customer Charge	\$0.30000	\$0.3200
Energy Charge (per kWh):	kWh \$0.11000	\$0.11800
Fuel Adjustment (per kWh)	-\$0.002593	\$0.000000

CIVIL DEFENSE & FIRE SIRENS SERVICE, Mz-2

Daily Customer Charge:	Single-phase Secondary	\$0.04390	\$0.0470
	Three-phase Secondary	\$0.16750	\$0.1792
	3 Ph Sec - Addtl. 10 kW	\$0.04420	\$0.0473

NON-STANDARD LIGHTING SERVICE, NL-1

Monthly Rate (applies to \$ of investment)		\$0.01800	1.80%
Energy Charge (per kWh):	kWh	\$0.06600	\$0.07000
Fuel Adjustment (per kWh)		-\$0.002593	\$0.000000

PARALLEL GENERATION, Pgs-1

Daily Customer Charge:	For Facilities Rated at 20-200 kW	\$0.32050	\$0.3205
	For Facilities Rated > 100 kW	\$0.64110	\$0.6411
Standard Energy Payments - based on Delivery Voltage (per kWh):			
Transmission Voltage:	High Rate	\$0.04190	\$0.04190
	Regular Rate	\$0.03240	\$0.03240
	Low Rate	\$0.02430	\$0.02430
Primary Voltage:	High Rate	\$0.04280	\$0.04280
	Regular Rate	\$0.03310	\$0.03310
	Low Rate	\$0.02480	\$0.02480
Secondary Voltage	High Rate	\$0.04190	\$0.04190
	Regular Rate	\$0.03240	\$0.03240
	Low Rate	\$0.02430	\$0.02430

SECOND NATURE PROGRAM, Sn-1

Energy Charge (per kWh):	100% Participation	\$0.01000	\$0.010000
	50% Participation	\$0.00500	\$0.005000
	25% Participation	\$0.00250	\$0.002500

**WISCONSIN POWER AND LIGHT COMPANY
NATURAL GAS SERVICE
SUMMARY OF PRESENT AND PROPOSED MARGIN RATES BY RATE CLASS
Forecast Sales**

Description [1]	2022								2023					
	Monthly Customers	Billing Units	UR-120 Rates	Present Revenues	Proposed Rates	Revenues	Change in Revenue	Percent Change	Monthly Customers	Proposed Rates	Billing Units	Revenues	Change in Revenue	Percent Change
GG-1 RESIDENTIAL SERVICE														
Daily Customer Charge	177,469	64,776,185	\$0.4113	\$26,642,445	\$0.4113	\$26,642,445	\$0	0%	179,527	\$0.4113	65,527,355	\$26,951,401	\$308,956	
Distribution Charge		134,818,315	\$0.1785	24,065,069	\$0.2559	34,500,007	10,434,938			\$0.2597	136,387,424	\$35,419,814	\$919,807	
Gas Supply Acquisition Charge		134,818,315	\$0.0113	1,523,447	\$0.0127	1,712,193	188,746			\$0.0127	136,387,424	\$1,732,120	\$19,928	
TOTAL GG-1 DISTRIBUTION REVENUES				\$52,230,961		\$62,854,644	\$10,623,683	20%				\$64,103,336	\$1,248,691	1%
Commodity		134,818,315	\$0.2547	\$34,338,225	\$0.2547	\$34,338,225	-			\$0.2411	136,387,424	\$32,883,008	(\$1,455,217)	
Maximum Daily Demand		100,385,653	\$0.1185	11,895,700	\$0.1185	11,895,700	-			\$0.1185	101,556,197	\$12,034,409	\$138,709	
Annual Demand		134,818,315	\$0.0531	7,158,853	\$0.0531	7,158,853	-			\$0.0531	136,387,424	\$7,242,172	\$83,320	
TOTAL GG-1 GAS SUPPLY REVENUES				\$53,392,777		\$53,392,777	-					\$52,159,590	(\$1,233,187)	
TOTAL GG-1 DISTRIBUTION + GAS SUPPLY REVENUES				\$105,623,738		\$116,247,421	\$10,623,683	10%				\$116,262,925	(\$1,311,837)	-1%
GC-1 SMALL COMMERCIAL & INDUSTRIAL SERVICE														
Daily Customer Charge	16,940	6,183,100	\$0.4741	\$2,931,408	\$0.4741	\$2,931,408	\$0	0%	17,084	\$0.4741	6,235,660	\$2,956,326	\$24,919	
Distribution Charge		25,192,345	\$0.1690	4,257,506	\$0.2248	5,663,239	1,405,733			\$0.2223	25,407,684	\$5,648,128	(\$15,111)	
Gas Supply Acquisition Charge		25,192,345	\$0.0111	279,635	\$0.0124	312,385	32,750			\$0.0124	25,407,684	\$315,055	\$2,670	
TOTAL GC-1 DISTRIBUTION REVENUES				\$7,468,549		\$8,907,032	\$1,438,483	19%				\$8,919,510	\$12,478	-1%
Commodity		25,192,345	\$0.2547	\$6,416,490	\$0.2547	\$6,416,490	-			\$0.2411	25,407,684	\$6,125,793	(\$290,698)	
Maximum Daily Demand		19,672,070	\$0.1185	2,331,140	\$0.1185	2,331,140	-			\$0.1185	19,840,349	\$2,351,081	\$19,941	
Annual Demand		25,192,345	\$0.0531	1,337,714	\$0.0531	1,337,714	-			\$0.0531	25,407,684	\$1,349,148	\$11,435	
TOTAL GC-1 GAS SUPPLY REVENUES				\$10,085,344		\$10,085,344	-					\$9,826,022	(\$259,322)	
TOTAL GC-1 DISTRIBUTION + GAS SUPPLY REVENUES				\$17,553,893		\$18,992,376	\$1,438,483	8%				\$18,745,532	(\$246,844)	-2%
GC-2 COMMERCIAL & INDUSTRIAL SERVICE 5-20														
Daily Customer Charge	2,897	1,057,405	\$1.8902	\$1,998,707	\$1.8902	\$1,998,707	\$0	0%	2,921	\$1.8902	1,066,165	\$2,015,265	\$16,558	
Distribution Charge - Sales	2,881	28,013,742	0.0887	2,484,819	\$0.1170	\$3,277,608	\$792,789			2,905	\$0.1128	28,252,593	\$3,186,892	(\$90,715)
Distribution Charge - Transport	16	239,173	0.0887	21,215	\$0.1170	\$27,983	\$6,769			16	\$0.1128	256,155	\$28,894	\$911
Transport Administration		5,840	1.0634	6,210	\$2.2700	\$13,257	7,047				5,840	\$13,257	\$0	
Transport Remote Metering	1	365	1.2400	453	\$1.2400	\$453	-			1	\$1.2400	0	\$0	(\$453)
Gas Supply Acquisition Charge		28,013,742	0.0111	310,953	\$0.0124	347,370	36,418			\$0.0124	28,252,593	\$350,332	\$2,962	
TOTAL GC-2F DISTRIBUTION REVENUES				\$4,822,356		\$5,665,378	\$843,022	17%				\$5,594,641	(\$70,737)	-2%
Commodity		28,013,742	\$0.2547	\$7,135,100	\$0.2547	\$7,135,100	-			\$0.2411	28,252,593	\$6,811,700	(\$323,400)	
Maximum Daily Demand		20,114,425	\$0.1185	2,383,559	\$0.1185	2,383,559	-			\$0.1185	20,286,188	\$2,403,913	\$20,354	
Annual Demand		28,013,742	\$0.0531	1,487,530	\$0.0531	1,487,530	-			\$0.0531	28,252,593	\$1,500,213	\$12,683	
TOTAL GC-2F GAS SUPPLY REVENUES				\$11,006,189		\$11,006,189	-					\$10,715,826	(\$290,363)	
TOTAL GC-2F DISTRIBUTION + GAS SUPPLY REVENUES				\$15,828,545		\$16,671,567	\$843,022	5%				\$16,310,467	(\$361,100)	-3%

WISCONSIN POWER AND LIGHT COMPANY
NATURAL GAS SERVICE
SUMMARY OF PRESENT AND PROPOSED MARGIN RATES BY RATE CLASS
Forecast Sales

Description [1]	2022								2023					
	Monthly Customers	Billing Units	UR-120 Rates	Present Revenues	Proposed Rates	Revenues	Change in Revenue	Percent Change	Monthly Customers	Proposed Rates	Billing Units	Revenues	Change in Revenue	Percent Change
GC-3F/I COMMERCIAL & INDUSTRIAL SERVICE 20-200														
Customer Charge	974	355,510	\$3.0000	\$1,066,530	\$3.0000	\$1,066,530	\$0		984	\$3.0000	359,160	\$1,077,480	\$10,950	
Distribution Charge - Firm Supply	792	35,092,323	\$0.0874	3,067,069	\$0.1045	3,667,148	600,079		799	\$0.1023	35,391,552	\$3,620,556	(\$46,592)	
Distribution Charge - Interruptible Supj	15	1,739,346	\$0.0874	152,019	\$0.1045	181,762	29,743		15	\$0.1023	1,754,146	\$179,449	(\$2,313)	
Distribution Charge - Transport	167	13,839,933	\$0.0874	1,209,610	\$0.1045	1,446,273	236,663		170	\$0.1023	14,854,971	\$1,519,664	\$73,391	
Transport Administration	167	60,955	1.0634	64,820	\$2.2700	138,368	\$73,548			\$2.2700	65,984	\$149,784	\$11,416	
Transport Remote Metering	6	2,190	1.2400	2,716	\$1.2400	2,716	\$0		0	\$1.2400	0	\$0	(\$2,716)	
Gas Supply Acquisition Charge-Firm		35,092,323	0.0103	361,451	\$0.0115	403,562	\$42,111			\$0.0115	35,391,552	\$407,003	\$3,441	
Gas Supply Acquisition Charge-Interruptible		1,739,346	0.0100	17,393	\$0.0111	19,307	\$1,913			\$0.0111	1,754,146	\$19,471	\$164	
TOTAL GC-3F/I DISTRIBUTION REVENUES				\$5,941,608		\$6,925,664	\$984,057	17%				\$6,973,406	(\$114,401)	-2%
Commodity		36,831,669	\$0.2547	\$9,381,026	\$0.2547	\$9,381,026	-			\$0.2411	37,145,698	\$8,955,828	(\$425,198)	
Maximum Daily Demand		24,195,262	\$0.1185	2,867,139	\$0.1185	2,867,139	-			\$0.1185	24,401,880	\$2,891,623	\$24,484	
Annual Demand		36,831,669	\$0.0531	1,955,762	\$0.0531	1,955,762	-			\$0.0531	37,145,698	\$1,972,437	\$16,675	
TOTAL GC-3F/I GAS SUPPLY REVENUES				\$14,203,926		\$14,203,926	-					\$13,819,887	(\$384,039)	
TOTAL GC-3F/I DISTRIBUTION + GAS SUPPLY REVENUES				\$20,145,534		\$21,129,591	\$984,057	5%				\$20,793,293	(\$684,502)	-3%
GC-4F/I COMMERCIAL & INDUSTRIAL 200-1300														
Customer Charge	132	48,180	\$21.3500	\$1,028,643	\$21.3500	\$1,028,643	-	0%	134	\$21.3500	48,910	\$1,044,229	\$15,586	
Distribution Charge - Firm Supply	31	12,868,448	\$0.0583	750,231	\$0.0695	894,357	144,127		31	\$0.0679	12,977,865	\$881,197	(\$13,160)	
Distribution Charge - Interruptible Supj	7	2,872,942	\$0.0583	167,493	\$0.0695	199,669	32,177		7	\$0.0679	2,897,227	\$196,722	(\$2,948)	
Distribution Charge - Transport	94	44,418,342	\$0.0583	2,589,589	\$0.0695	3,087,075	497,485		96	\$0.0679	47,801,816	\$3,245,743	\$158,669	
Transport Administration		34,310	1.0634	36,485	\$2.2700	77,884	41,398			\$2.2700	37,262	\$84,584	\$6,700	
Transport Remote Metering	26	9,490	1.2400	11,768	\$1.2400	11,768	-		0	\$1.2400	0	\$0	(\$11,768)	
Gas Supply Acquisition Charge- Firm		12,868,448	\$0.0103	132,545	\$0.0115	147,987	15,442			\$0.0115	12,977,865	\$149,245	\$1,258	
Gas Supply Acquisition Charge-Interruptible		2,872,942	\$0.0100	28,729	\$0.0111	31,890	3,160			\$0.0111	2,897,227	\$32,159	\$270	
TOTAL 4F/I DISTRIBUTION REVENUES				\$4,745,483		\$5,479,272	\$733,790	15%				\$5,633,879	\$154,606	-2%
Commodity		15,741,390	\$0.2547	\$4,009,332	\$0.2547	\$4,009,332	-			\$0.2411	15,875,092	\$3,827,485	(\$181,847)	
Maximum Daily Demand		7,021,335	\$0.1185	\$832,028	\$0.1185	\$832,028	-			\$0.1185	7,081,171	\$839,119	\$7,091	
Annual Demand		15,741,390	\$0.0531	835,868	\$0.0531	835,868	-			\$0.0531	15,875,092	\$842,967	\$7,100	
TOTAL 4F/I GAS SUPPLY REVENUES				\$5,677,228		\$5,677,228	-					\$5,509,571	(\$167,657)	
TOTAL 4F/I DISTRIBUTION + GAS SUPPLY REVENUES				\$10,422,711		\$11,156,501	\$733,790	7%				\$11,143,450	(\$419,175)	-4%
GC-5F/I COMMERCIAL & INDUSTRIAL 1300-7500														
Customer Charge	25	9,125	\$36.2500	\$330,781	\$36.2500	\$330,781	-		25	\$36.2500	9,125	\$330,781	\$0	
Distribution Charge - Firm Supply	0	0	\$0.0407	\$0	\$0.0493	\$0			-		0	\$0	\$0	
Distribution Charge - Transport	25	59,177,946	\$0.0407	2,408,542	\$0.0493	2,917,473	508,930		25	\$0.0476	63,712,961	\$3,032,737	\$115,264	
Transport Administration		9,125	\$1.0634	9,704	\$2.2700	20,714	11,010			\$2.2700	9,704	\$22,027	\$1,313	
Transport Remote Metering	5	1,825	1.2400	2,263	\$1.2400	2,263	-		0	\$1.2400	0	\$0	(\$2,263)	
Gas Supply Acquisition Charge Firm		0	\$0.0103	-	\$0.0115	-	-			\$0.0115	0	\$0	\$0	
Gas Supply Acquisition Charge Interruptible		0	\$0.0100	-	\$0.0111	-	-			\$0.0111	0	\$0	\$0	
TOTAL GC-5 DISTRIBUTION REVENUES				\$2,751,290		\$3,271,231	\$519,941	19%				\$3,385,545	\$114,314	
Commodity		0	\$0.2547	\$-	\$0.2547	\$-	-			\$0.2411	0	\$0	\$0	
Maximum Daily Demand		0	\$0.1185	\$-	\$0.1185	\$-	-			\$0.1185	0	\$0	\$0	
Annual Demand		0	\$0.0531	\$-	\$0.0531	\$-	-			\$0.0531	0	\$0	\$0	
TOTAL 4F/I GAS SUPPLY REVENUES				\$0		\$0	\$0					\$0	\$0	
TOTAL 5F/I DISTRIBUTION + GAS SUPPLY REVENUES				\$2,751,290		\$3,271,231	519,941	19%				\$3,385,545	(\$108,312)	-3%

WISCONSIN POWER AND LIGHT COMPANY
NATURAL GAS SERVICE
SUMMARY OF PRESENT AND PROPOSED MARGIN RATES BY RATE CLASS
Forecast Sales

Description [1]	2022								2023					
	Monthly Customers	Billing Units	UR-120 Rates	Present Revenues	Proposed Rates	Revenues	Change in Revenue	Percent Change	Monthly Customers	Proposed Rates	Billing Units	Revenues	Change in Revenue	Percent Change
GC-6F/I LARGE COMMERCIAL & INDUSTRIAL >7500														
Customer Charge	2	730	\$41.8820	\$30,574	\$41.8820	\$30,574	-	0%	2	\$41.8820	730	\$30,574	\$0	
Distribution Charge - Transport	2	28,299,043	\$0.0311	880,100	\$0.0367	1,038,575	158,475		2	\$0.0362	30,479,084	\$1,103,343	\$64,768	
Transport Administration		730	\$1.0634	776	\$2.2700	1,657	881			\$2.2700	730	\$1,657	\$0	
Transport Remote Metering	2	730	\$1.2400	905	\$1.2400	905	-		1	\$1.2400	0	\$0	(\$905)	
Gas Supply Acquisition Charge Firm		0	\$0.0103	-	\$0.0115	-	-			\$0.0115	0	\$0	\$0	
Gas Supply Acquisition Charge Interruptible		0	\$0.0100	-	\$0.0111	-	-			\$0.0111	0	\$0	\$0	
TOTAL 6F/I DISTRIBUTION + GAS SUPPLY REVENUES				\$912,356		\$1,071,711	\$159,355		17%			\$1,135,574	\$63,863	-1%
GN-9 SMALL GENERATION > 200,000														
Customer Charge	4	1,460	\$36.1598	\$52,793	\$36.1598	\$52,793	\$0		4	\$36.1598	1,460	\$52,793	\$0	
Distribution Charge - Transport	4	67,683	\$0.0402	2,721	\$0.0943	6,383	3,662		4	\$0.0980	67,683	\$6,633	\$250	
Transport Administration		1,460	\$1.0634	1,553	\$2.2700	3,314	1,762			\$2.2700	1,460	\$3,314	\$0	
Transport Remote Metering		0	\$1.2400	-	\$1.2400	-	-				0	-	-	
TOTAL GN-9 GENERATION DISTRIBUTION REVENUES				\$57,067		\$62,490	\$5,423		10%			\$62,740	\$250	0%
S-1 SEASONAL SERVICE														
Customer Charge	252	91,980	\$1.8902	\$173,861	\$1.8902	\$173,861	\$0	0%	260	\$1.8902	94,900	\$179,380	\$5,519	
On-Season Distribution Charge		198,755	\$0.1188	23,612	\$0.1451	28,839	5,227			\$0.1424	204,968	\$29,187	\$348	
Block 1 Off-Season Dist. Chg.		495,644	\$0.1188	58,883	\$0.1451	71,918	13,035			\$0.1424	509,642	\$72,573	\$655	
Block 2 Off-Season Dist. Chg.		675,878	\$0.0814	55,016	\$0.0994	67,182	12,166			\$0.0976	694,966	\$67,829	\$646	
Block 3 Off-Season Dist. Chg.		3,334,332	\$0.0682	227,401	\$0.0833	277,750	50,348			\$0.0817	3,428,498	\$280,108	\$2,358	
Gas Supply Acquisition Charge		4,704,610	\$0.0100	47,046	\$0.0120	56,455	9,409			\$0.0120	4,838,074	\$58,057	\$1,602	
TOTAL S-1 DISTRIBUTION REVENUES				\$585,819		\$676,005	\$90,186		15%			\$687,134	\$11,129	
Commodity		4,704,610	\$0.2547	\$1,198,264	\$0.2547	\$1,198,264	-			\$0.2411	4,838,074	\$1,166,460	(\$31,805)	
Annual Demand		4,704,610	\$0.0531	249,815	\$0.0531	249,815	-			\$0.0531	4,838,074	\$256,902	\$7,087	
TOTAL S-1 GAS SUPPLY REVENUES				\$1,448,079		\$1,448,079	-					\$1,423,361	(\$24,718)	
TOTAL S-1 DISTRIBUTION + GAS SUPPLY REVENUES				\$2,033,898		\$2,124,084	\$90,186		4%			\$2,110,496	(\$152,841)	-7%
CONTRACT RATE REVENUES [2]				\$1,316,356		\$1,316,356						\$1,390,833		
RIVERSIDE AND WEST RIVERSIDE		587,339,079		\$3,278,670		\$3,278,670					587,319,799	\$3,278,670		
TOTAL DISTRIBUTION REVENUES AT PRESENT RATES				\$84,110,514		\$99,508,454	\$15,397,940		18%			\$101,165,267	(\$13,235)	0%
GAS SUPPLY REVENUES				\$95,813,544		\$95,813,544	-		0%			\$93,454,257	(\$3,577,968)	-4%
TOTAL DISTRIB. REV. AT PRESENT RATES + GAS SUPPLY REV.				\$179,924,057		\$195,321,997	\$15,397,940		9%			\$194,619,524	\$194,619,524	-2%
TOTAL THROUGHPUT		978,683,270									992,399,034			
TOTAL GAS SALES (therms)		245,302,071									247,906,565			

[1] Interdepartmental sales excluding generation are included in the otherwise applicable rate schedule Gc-1, Gc-2, and Gc-3 including gas cost and margin

[2] Includes revenue from REC as regulated by FERC and Riverside

WISCONSIN POWER AND LIGHT COMPANY
NATURAL GAS SERVICE
SUMMARY OF PRESENT AND PROPOSED MARGIN RATES BY RATE CLASS
Forecast Sales

Description [1]	2022								2023					
	Monthly Customers	Billing Units	UR-120 Rates	Present Revenues	Proposed Rates	Revenues	Change in Revenue	Percent Change	Monthly Customers	Proposed Rates	Billing Units	Revenues	Change in Revenue	Percent Change
ACT 141 RATES					2022									
GG-1				RESIDENTIAL SERVICE	\$0.0065									
				Capped	\$0.0053									
GC-1				SMALL COMMERCIAL	\$0.0014									
				Capped	\$0.0035									
GC-2				SMALL C&I	\$0.0014									
				Capped	\$0.0035									
GC-3				C&I	\$0.0014									
				Capped	\$0.0035									
GC-4				C&I	\$0.0014									
				Capped	\$0.0035									
GC-5				C&I	\$0.0014									
				Capped	\$0.0036									
GC-6				LARGE C&I	\$0.0014									
				Capped [1]	\$0.0036									
GN-9				SMALL GENERATION	\$0.0014									
				[1]										
GN-10				LARGE GENERATION	\$0.0014									
				[1]										
S-1				SEASONAL	\$0.0014									
				Capped	\$0.0035									
				[1]										

[1] Currently there are no customers served that fall under the Act 141 cap in these classes

RENEWABLE NATURAL GAS SERVICE (RNG) PILOT

GAS

1. Effective In

All territory served by the Company.

2. Availability

Renewable Natural Gas (RNG) is produced from decomposing organic including landfills, dairies/livestock operations, and wastewater treatment plants.

This service is available to customer/producer of RNG for injection and delivery of RNG from the Company's natural gas distribution system consistent with the Company's Rules and Regulations.

The customer and Company must enter into a written contract to define the specific terms of service under this rate schedule.

Service under this rate schedule is available on a best efforts basis.

Customers electing service under this rate schedule must pay for all equipment necessary for the delivery of RNG at the point of interconnection with the Company, including, but not limited to, valves, separators, quality measurement, odorant and other equipment necessary to monitor, regulate and deliver gas at the interconnection point. All equipment installed will be the property of the Company unless otherwise negotiated by contract. The Company will install equipment to monitor daily RNG deliveries.

3. Rates

a. Customer Charge and Distribution Service Rate:

The Customer Charge and Distribution Service Rate from rate schedules Gc-4, Gc-5 and Gc-6 will apply to RNG deliveries according to the volumetric applicability requirements of these rate schedules.

b. Quality Monitoring: \$ 52.9873 per day

c. Maintenance: \$ 13.6986 per day

d. Odorization: \$0.0006 per therm

e. Remote Metering Charge GMP-1 as applicable

RENEWABLE NATURAL GAS SERVICE (RNG) PILOT

GAS

4. Calculation of Main Allowance

The calculation of annual margin for the determination of the customer's Main Allowance per the Gas Extension Rules, Gr-6, will include only the applicable Customer Charge and Distribution Service Rates as described in 3.a.

5. Minimum Monthly Bill

The Customer Charge per day for the billing period.

6. Remote Metering Requirement

The customer is required to install facilities that enable the Company to remotely read the customer's meter per rate schedule GMP-1 as necessary. Installation and operation will include access to electrical power or other equipment as necessary to make the remote meter reading equipment operational.

7. Gas Receipts

The quantity of RNG the Company will accept each day may be limited, and is dependent on:

- (a) The Company's ability to physically accept RNG deliveries at the designated interconnection point.
- (b) The ability of receiving end-users of RNG to consume the total quantities produced.
- (c) The RNG delivered must meet all applicable Company gas quality standards and testing schedule.
- (d) Terms for Company purchases of RNG will be established by written contract with the customer.
- (e) If the Commission objects to any terms of an RNG Delivery Service Agreement, the Company and customer agree to renegotiate the contract in good faith.
- (f) As allowed by physical limitations of RNG at designated interconnection points, RNG may be included as a supply source under the T-1 Transportation Service Rider. Other than exclusion identified for RNG service, terms of T-1 service will apply.
- (g) All RNG injected into the WPL system by a customer must be designated for delivery to either the Company or third-party pooling agent(s). Partial designation of deliveries between the Company and third-party pooling agent(s) are not allowed.

RENEWABLE NATURAL GAS SERVICE (RNG) PILOT

GAS

- (h) RNG sales to a pooling agent/transportation customer are subject to Company monthly and daily balancing charges, DBS-1 and CS-1.