

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Madison Gas and Electric
Company for Authority to Adjust
Electric and Natural Gas Rates

Docket No. 3270-UR-125

To the Public Service Commission of Wisconsin:

1. The Applicant, Madison Gas and Electric Company (MGE or the Company), is a Wisconsin corporation that provides electric service in the city of Madison and the surrounding area in Dane County and natural gas service in seven counties in southwestern and south-central Wisconsin. MGE is a public utility as defined in Wis. Stat. § 196.01(5).
2. MGE's present electric and natural gas rates yield revenues that are inadequate to meet operating expenses and to produce a return on equity sufficient to attract and maintain capital at reasonable rates. The Company therefore finds it necessary to apply for an increase in its electric and natural gas rates to take effect on January 1, 2024.
3. For electric rates for Test Year 2024, MGE's electric revenue requirement deficiency supports an increase of electric rates by 3.75% on average. For electric rates for Test Year 2025, MGE's electric revenue requirement deficiency supports an increase of electric rates by 3.41% on average above 2024 rates.
4. For natural gas rates for Test Year 2024, MGE proposes to increase natural gas rates by 2.56% on average. For natural gas rates for Test Year 2025, the Company proposes to increase natural gas rates by 1.66% on average above 2024 rates.
5. The reasons for the proposed increases in the Company's electric and natural gas rates are explained in the testimony and exhibits submitted with this Application, including MGE's proposed 2024 fuel cost plan, which is submitted pursuant to Wis. Admin. Code PSC § 116.03. Further, the Company's Application will also be supported by the additional testimony and exhibits to be submitted before or during the hearings on this Application and the Company's responses to Commission staff data requests, which are incorporated by reference.

WHEREFORE, MGE respectfully requests:

- A. For Test Year 2024, that it be authorized to place in effect on January 1, 2024, electric and natural gas rates that will produce annual revenues sufficient to meet operating expenses and to maintain a just and reasonable return on common stock equity. The rates may be at lesser or greater levels than the initial request, as the final record may support.
- B. For Test Year 2025, that it be authorized to place in effect on January 1, 2025, electric and natural gas rates that will produce annual revenues sufficient to meet operating expenses and to maintain a just and reasonable return on common stock equity. The rates may be at lesser or greater levels than the initial request, as the final record may support.
- C. That it be granted such other and additional relief as may be appropriate.

Dated April 28, 2023.

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