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Public Service Commission of Wisconsin  
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May 16, 2024

Mr. Cru Stublely  
Public Service Commission of Wisconsin  
P.O. Box 7854  
Madison, WI 53707-7854

Re: Docket No. 6630-AF-102, Application of Wisconsin Electric Power Company for Approval of Accounting Treatments for Investments to be Made in Distribution Facilities to be Installed in the Village of Mount Pleasant in Racine County, Wisconsin

Dear Mr. Stublely,

This letter is submitted on behalf of Microsoft Corporation (“Microsoft”). Microsoft appreciates Commission staff’s work and the opportunity to provide comment on the memorandum concerning the request of Wisconsin Electric Power Company (“WEPCO”) for approval to accrue Allowance for Funds Used During Construction (“AFUDC”) for its investment in distribution facilities to be installed for the Distribution Project within the Electronics Information Technology Manufacturing (EITM) Zone (PSC REF#: 500600).

Microsoft is developing a multi-billion-dollar state-of-the-art datacenter campus in the EITM Zone. The Distribution Project investments are necessary to serve this project. Microsoft is committed to paying its own way for assets built to serve its datacenter campus, including the costs of the Distribution Project. Microsoft seeks to optimize these costs, meaning Microsoft is committed to 1) facilitating timely investment in these assets, 2) minimizing costs including financing costs, and 3) transparency of costs and cost recovery. Microsoft believes these goals can be achieved in part by making a financial contribution toward the Distribution Project prior to energization.


Regarding WEPCO’s request to accrue AFUDC on construction work in progress (“CWIP”) Microsoft supports the best mechanism for ensuring that all costs are recovered from Microsoft in a transparent and cost-effective manner. Microsoft supports a mechanism for assigning the costs of the Distribution Project directly to it. Therefore, the Commission’s decision should allow room for Microsoft and WEPCO to evaluate and determine the optimal structure for that cost recovery, which may include Microsoft paying some or all of the Distribution Project’s capital construction costs up-front. In reaching its decision in this docket, the Commission should make clear that it is not in any way foreclosing the possibility that Microsoft will invest capital up-front to pay for construction of the Distribution Project. Such an arrangement would not set precedent for the treatment of any other future assets, but would be limited to the situation presented in this docket.

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**Fredrikson**

Thank you for your time and consideration of Microsoft's comments. Please contact me at the phone number or email address listed below with any questions.

Sincerely,



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