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Public Service Commission of Wisconsin
RECEIVED: 09/03/10, 1:00:09 PM

September 3, 2010

Ms. Sandra Paske
Secretary to the Commission
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Re: Limited Reopening of Docket No. 05-UR-104

Dear Ms. Paske,

On December 18, 2009, the Commission issued its Final Decision in Wisconsin Electric Power Company's most recent general rate case, Docket No. 05-UR-104. The Final Decision, among other things, established rates for Test Year 2010. The Final Decision also authorized the company to reopen the docket in 2010 in order to review updated 2011 fuel costs.

Wisconsin Electric hereby applies to reopen the docket, as authorized by the Final Decision, for the purpose of reviewing updated 2011 fuel costs and to set rates that reflect those updated costs. In support of this application, we are filing the direct testimony of Jeff Knitter and of Thomas Lorden.

Mr. Knitter explains that a number of factors contribute to the difference between 2011 monitored fuel costs and the level of monitored fuel cost currently in rates. Some of those factors work to decrease fuel costs, while some of them -- principally the delivered cost of coal -- work to increase fuel costs.

As Mr. Lorden explains in his testimony, the Wisconsin jurisdictional portion of the increase in monitored fuel costs in 2011 is \$38.4 million or 1.4% above the electric service rates currently in effect.

Mr. Lorden describes the company proposal to recover the incremental 2011 fuel cost by means of on-peak and off-peak energy surcharges. Mr. Lorden also sets forth the expected impact for the Wisconsin jurisdiction of the proposed energy surcharges on each rate class, which may vary from the overall percentage.

The Commission has recently approved and sent to the Legislature new fuel rules, which call for utilities to file an annual fuel cost plan. So that Wisconsin Electric's fuel cost plan year can run concurrently with the calendar year starting on January 1, 2011, we are also requesting that the level of fuel costs for 2011 established in this reopened docket serve as the company's 2011 fuel cost plan.

A copy of the material being filed today is being provided electronically to all persons who sought full party status in Docket No. 05-UR-104. Questions regarding this application should be directed to Mr. Leslie Durski at (414) 221-3202.

Sincerely,

A handwritten signature in black ink, appearing to read "Roman A. Draba". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Roman A. Draba
Vice President
Regulatory Affairs and Policy