

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Public Service Commission of Wisconsin  
RECEIVED: 11/12/14, 3:47:34 PM

Fuel		
Issue 1: What level of Powder River Basin (PRB) coal blends should be forecast for the Elm Road Generating Station (ERGS) Units 1 and 2 during the 2015 test year?		
Issue Scope: Since May 2013, Wisconsin Electric Power Company (WEPCO) has been testing a blend of lower-cost PRB coal with bituminous coal at ERGS. In January 2014, WEPCO fully converted Unit 2 to a 40 percent PRB blend and also started burning a 20 percent PRB blend at Unit 1. The issue of blending PRB coal has been addressed in the last two WEPCO rate cases. An interest in consistency would support that whatever decision is made by the Commission in WEPCO’s current rate case about the appropriate blend of PRB coal at each of the ERGS units, also be used for MGE. (Direct-PSC-O’Brien-4.)		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees with Commission staff that whatever decision is made in WEPCO’s current rate case should also be used for MGE. MGE supports WEPCO’s proposal of a PRB blend of 20 percent on Unit 1 and 40 percent on Unit 2, which is Alternative Two.		Note: Neither the record nor MGE’s briefs address this issue, but MGE has used its comments to the draft decision matrix to state its position.
Commission Staff: Commission staff believes that whatever decision made by the Commission in WEPCO’s current rate case, docket 5-UR-107, about the appropriate blend of PRB coal at each of the ERGS units should also be used for MGE.		Direct-PSC-O’Brien-4
COMMISSION ALTERNATIVES		
Alternative One: The 2015 approved fuel cost plan should reflect a forecast of 40 percent blend of PRB to bituminous coal at both ERGS Units 1 and 2.		
Alternative Two: The 2015 approved fuel cost plan should reflect a forecast of 40 percent blend of PRB to bituminous coal at ERGS Unit 2 and a 20 percent PRB blend at ERGS Unit 1.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 2: Should the impact of a pending new rail contract be reflected? (Uncontested)</b>		
<p><b>Issue Scope:</b> Wisconsin Power and Light Company (WP&amp;L) is the operating partner of Columbia Energy Center (Columbia), which is jointly owned by WP&amp;L, Wisconsin Public Service Corporation, and MGE. The current rail transportation contract for Columbia expires on December 31, 2014. Earlier this year, Alliant Energy Corporate Services, Inc., issued a request for proposals for coal transportation and related services for Columbia, as well as for other coal plants with contracts expiring during 2014. (Direct-PSC-O'Brien-2-3) At this time, there are proposed terms for a new contract that have been approved by the joint owners of Columbia. The contract terms have been agreed upon, but a written contract has not yet been executed. Exhibit PSC-O'Brien-2 reflects the results of dispatching the Columbia units with the proposed new rail contract terms compared to Commission staff's forecasted 2015 fuel costs from Ex.-PSC-O'Brien-1. (Tr. 181.)</p>		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE agrees and supports the uncontested alternative.		Second Supplemental Direct-MGE-Johnson-3; Direct-PSC-O'Brien-2-3; Ex.-PSC-O'Brien-2; Tr. 181.
<b>COMMISSION ALTERNATIVES</b>		
<b>Uncontested Alternative:</b> Increase the 2015 monitored fuel forecasts by \$4.241 million to reflect proposed new rail contract terms for the Columbia Energy Center.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 3: Should fuel costs be adjusted to reflect all other adjustments proposed by Commission staff? (Uncontested)</b>		
<b>Issue Scope:</b> Adjustments 1-4 and 5-9 from Ex.-PSC-O'Brien-1 should be made to the company-filed fuel costs for various reasons as described on Direct-PSC-O'Brien-2-6. All of these uncontested issues result in a \$9.047 million increase to the company-filed fuel costs. It is also uncontested that the amount for adjustment 3 will change based on updated New York Mercantile Exchange (NYMEX) futures to be filed in Delayed Ex.-PSC-O'Brien-3.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE agrees and supports the uncontested alternative.		Second Supplemental Direct-MGE-Johnson-3; Direct-PSC-O'Brien-7.
<b>COMMISSION ALTERNATIVES</b>		
<b>Uncontested Alternative:</b> Accept Commission staff's uncontested adjustments to the company-filed 2015 fuel costs.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 4: Should the monitored fuel forecasts be updated for various items relating to NYMEX futures prices at the time of Commission decision and for new coal contracts entered into after Commission staff's audit? (Uncontested)</b>		
<b>Issue Scope:</b> Commission staff plans to file a delayed exhibit approximately seven days prior to the Commission's discussion of the record, which will quantify the impact on the test-year forecasts of natural gas, electricity, and heating oil reflecting updated NYMEX futures settlement prices as close as possible to the Commission's decision and the middle of the month. (Direct-PSC-O'Brien-7.)		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE agrees and supports the uncontested alternative.		Second Supplemental Direct-MGE-Johnson-3; Direct-PSC-O'Brien-7.
<b>COMMISSION ALTERNATIVES</b>		
<b>Uncontested Alternative:</b> The Commission should update the 2015 fuel forecasts to reflect the NYMEX futures settlements as of November 15, 2014.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Issue 5: Should MGE be allowed to escrow network transmission costs from American Transmission Company LLC (ATC) and Midcontinent Independent System Operator, Inc. (MISO), or only the billings from MISO under its System Support Resource (SSR) agreements?**

**Issue Scope:** In the context of a rate freeze proposal for 2016, MGE requested that it be authorized to use escrow accounting treatment for 2015 and 2016 for all electric transmission-related costs from ATC and MISO based on the levels of such costs authorized for recovery in 2015. (Direct-MGE-Johnson-5-6.) Commission staff voiced no objection to the request since these costs are significant, subject to change, outside of MGE's control, and not monitored under the Commission's fuel rules. (Direct-PSC-O'Brien-7.) MGE has withdrawn its request for a two-year rate case and modified its request for escrow accounting treatment for only its 2015 SSR costs. (Second Supplemental Direct-MGE-Johnson-3-4.)

In an order dated April 30, 2013, in docket 4220-UR-118, the Commission found that it is reasonable to defer the net SSR costs through December 31, 2015, and determine the appropriate accounting and ratemaking treatment beyond that date.

PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<p><b>MGE:</b> MGE agrees with Commission staff and supports Alternative 2.</p>		<p>Second Supplemental Direct-MGE-Johnson-3-4.</p> <p>Note: MGE's desire for escrow treatment of transmission costs was first stated in comments to the draft of the Decision Matrix. It was not in MGE's testimony. The citation above relates solely to SSR escrow, not MISO and ATC transmission charges.</p>
<p><b>Commission Staff:</b> Commission staff believes that since transmission-related costs from ATC and MISO are significant, subject to change, outside of MGE's control, and not monitored under the Commission's fuel rules, it is appropriate for MGE to use escrow accounting for 2015. The Commission should determine the appropriate treatment of these costs after December 31, 2015. .</p>		<p>Direct-PSC-O'Brien-7; Ex.-PSC-O'Brien-4</p>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Authorize MGE to use escrow accounting treatment for its 2015 MISO SSR costs but not for any other 2015 electric transmission-related costs from ATC and MISO.
<b>Alternative Two:</b> Authorize MGE to use escrow accounting treatment for its 2015 MISO SSR costs as well as for all other 2015 electric transmission-related costs from ATC and MISO.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Revenue Requirement**

**Issue 6: Should electric revenue requirement include recovery of costs associated with the Wisconsin Pollutant Discharge Elimination System (WPDES) Settlement Agreement between WEPCO, MGE, and WPPI Energy (WPPI) as owners, and Clean Wisconsin (Clean WI) and the Sierra Club that settled all WPDES litigation in respect to the Elm Road Generating Station?**

**Issue Scope:** In 2008 the owners of ERGS (WEPCO, MGE, and WPPI) entered into a settlement agreement with the parties identified above and agreed, subject to rate recovery, to help fund Lake Michigan improvement projects. MGE requests rate recovery of \$333,200 (its ownership share – 8.33 percent of \$4 million) in annual payments for Lake Michigan improvement projects for the 2015 test year. (Second Supplemental Direct-MGE-Johnson-5-8.) The \$333,200 is currently in electric revenue requirement. (Direct-PSC-Bartels-13.)

In the interest of consistency, the treatment of the Lake Michigan funding in WEPCO's 5-UR-107 docket and in this proceeding arguably should be the same. (Direct-PSC-Bartels-14.) The Commission denied recovery of the funding in WEPCO's 2013-2014 test years and stated that future recovery would be decided on a case-by-case basis. (Second Supplemental Direct-MGE-Johnson-7.)

<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE supports Alternative One. MGE requests that the Commission authorize the recovery in rates of MGE's settlement payments. MGE believes the WPDES settlement was prudent and in the interest of its customers and, therefore, the cost to implement the settlement - which includes the Lake Michigan funding – is prudent and should be recoverable in rates.	\$333,200 Currently included in electric revenue requirement	Second Supplemental Direct-MGE-Johnson-5-6-8.
<b>Clean Wisconsin:</b> The Commission should include funding for the Fund for Lake Michigan in the 2015 electric revenue requirement, because the settlement agreement that created the Fund was prudent and in the best interests of ratepayers and because the projects made possible by the Fund also benefit ratepayers.		Ex.-FOTF-Elkin-5, at 9. Direct-FOTF-Scaffidi-4.

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<p><b>FOTF:</b> The Commission should grant MGE rate recovery for all future payments to the Fund for Lake Michigan, unless it decides otherwise in a subsequent proceeding. The settlement saved ratepayers millions of dollars in costs that could have been incurred had the ERGS owners continued the ERGS litigation. Moreover, the settlement funds projects that support the operation of ERGS and produce substantial economic and environmental benefits for MGE's ratepayers. This evidence is unrebutted in the record.</p>		<p>Direct-FOTF-Elkin-4r:8 to 10r:5, 13r:9 to 14r:12; Ex.-FOTF-Elkin-2, at 7-9; Ex.-FOTF-Elkin-3; Ex.-FOTF-Elkin-5, at 10-13; Direct-FOTF-Antoniewicz-2:6 to 3:16; Direct-FOTF-Garman-3:8 to 10:3, 12:19 to 14:3; Direct-FOTF-Graff-3:10 to 7:10; Direct-FOTF-Ladwig-2:1 to 4:7; Direct-FOTF-Luber-2:16 to 3:17; Direct-FOTF-McCormick-2:15 to 4:16; Direct-FOTF-Meaux-2:6 to 5:19; Direct-FOTF-Meeusen-3:1 to 5:18; Direct-FOTF-Nuernberg-3:6 to 5:5, 6:14 to 7:15; Direct-FOTF-Palmer-3:9 to 5:7; Direct-FOTF-Scaffidi-1:15 to 5:9; Direct-FOTF-Weiss-2:15 to 5:9.</p>
<p><b>Commission Staff:</b> The treatment of the settlement payments in this proceeding should mirror the Commission's decision in WEPCO's current case, docket 5-UR-107. If the Commission determines that the settlement payments should not be included in WEPCO's 2015 revenue requirement, they should also be removed from MGE's 2015 revenue requirement.</p>		<p>Direct-PSC-Bartels-13-14</p>



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Include the Lake Michigan funding in the 2015 electric revenue requirement.
<b>Alternative Two:</b> Exclude the Lake Michigan funding from the 2015 electric revenue requirement.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 7: Should the updated estimate of pension and other post-retirement benefit (OPRB) costs relating to the return on pension assets and the discount rate assumption be incorporated in the electric and natural gas revenue requirements?		
<b>Issue Scope:</b> The Commission has historically allowed updates in pension and OPRB expenses based on revised actuarial forecasts. Pensions and OPRB expenses, while still volatile, are not as significant as they were historically. As companies have downsized their pension and OPRB benefits, the size of the expense and the swings have declined. The Commission may wish to reconsider its automatic allowance of those revisions. (Direct-PSC-Bartels-13, Surrebuttal-PSC-Bartels-2.)		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> MGE supports Alternative One. MGE's most recent updated estimates of pension and OPRB costs as reflected in MGE Delayed Ex.-MGE-Johnson-4 should be used. These estimates are based on actuarial assumptions that are provided by Prudential, follow generally accepted accounting principles (GAAP), and are subject to an end-of-year audit by Pricewaterhouse Coopers. MGE's position is consistent with past Commission practice and with its position on Issue 4: NYMEX futures settlements as of October 15, 2014.	\$510,000 electric \$300,000 natural gas  Further update prior to Commission decision:	Direct-MGE-Johnson-5; Second Supplemental Direct-MGE-Johnson-2; Rebuttal-MGE-Johnson-2; Ex.-MGE-Johnson-4.
<b>Commission Staff:</b> Commission staff questions whether it is still appropriate to allow the automatic revisions to pension and OPRB and whether or not use of the long-term actuarial forecast is the best way to forecast the test-year expense. These issues affect all utilities and should be addressed in the next round of rate cases. In this proceeding, the actuals do not support the revisions suggested in Prudential's forecast from a rate case pension and OPRB perspective.	50 basis points lower would equal \$1,482,000 electric and \$870,000 natural gas	Direct-PSC-Bartels-12-13; Surrebuttal-PSC-Bartels-1-3

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Include MGE's updated estimate of pension and OPRB costs relating to return on plan assets and discount rate assumptions.
<b>Alternative Two:</b> Include MGE's updated estimate of pension and OPRB costs relating to return on plan assets and discount rate assumptions. Direct Commission staff to review the issue of automatic pension and benefit updates and their prediction record in the next round of rate cases.
<b>Alternative Three:</b> Do not allow MGE's updated estimate of pension and OPRB costs relating to return on plan assets and discount rate assumptions. Direct Commission staff to review the issue of automatic pension and benefit updates and their prediction record in the next round of rate cases.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 8: Should Commission staff's other audit adjustments made or proposed to the MGE's filed revenue requirements and uncontested corrections be included in the final revenue requirement approved in this proceeding? (Uncontested)</b>		
<b>Issue Scope:</b> There are a number of Commission staff adjustments or proposed adjustments that are not contested by any party that the Commission needs to incorporate in electric and natural gas revenue requirements. (Ex.-PSC-Bartels-1 Schedule 3.)		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE agrees and supports the uncontested alternative.		
<b>COMMISSION ALTERNATIVES</b>		
<b>Uncontested Alternative:</b> Reflect in revenue requirement the Commission staff adjustments and corrections not contested by any party and not listed separately as contested.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Financial		
Issue 9: What is an appropriate capital structure?		
Issue 9a: What is a reasonable long-term range for common equity in MGE's capital structure? (Uncontested)		
Issue Scope: Both MGE and Commission staff supported continuation of the equity range of 55.0 to 60.0 percent.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees and supports the uncontested alternative. Pursuant to a “working stipulation” accepted by MGE, the Wisconsin Industrial Energy Group, and the Citizens Utility Board, Commission staff calculated MGE’s test year revenue requirement using a 10.20 percent return on equity with no changes to MGE’s most recently authorized capital structure.		Direct-MGE-Frassetto-2; Direct-PSC-Bartels-4; Direct-PSC-Bartels-11.
Commission Staff: Continue equity range of 55.0 to 60.0 percent.		Direct-PSC-Bartels-11
COMMISSION ALTERNATIVES		
Uncontested Alternative: A reasonable long-term range for common equity in MGE’s financial capital structure is 55.0 to 60.0 percent.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9b: What is the appropriate common equity ratio target for MGE’s financial capital structure? (Uncontested)		
Issue Scope: Both MGE and Commission staff supported continuation of the common equity ratio target of 55.0 percent.		
Party Positions	Amount*	Transcript References
MGE: MGE agrees and supports the uncontested alternative. Pursuant to a “working stipulation” accepted by MGE, the Wisconsin Industrial Energy Group, and the Citizens Utility Board, Commission staff calculated MGE’s test year revenue requirement using a 10.20 percent return on equity with no changes to MGE’s most recently authorized capital structure.		Direct-MGE-Frassetto-2; Direct-PSC-Bartels-4; Direct-PSC-Bartels-11.
Commission Staff: Continue equity target of 55.0 percent for financial capital structure.		Direct-PSC-Bartels-11
Commission Alternatives		
Uncontested Alternative: A reasonable target level for MGE’s test-year average common equity measured on a financial basis is 55.0 percent.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9c: What is the appropriate amount of debt equivalent for off-balance sheet obligations to be imputed into MGE’s financial capital structure for the test year? (Uncontested)		
Issue Scope: Commission staff calculated imputed debt of \$69,482,000 for MGE for the test year.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees and supports the uncontested alternative. Pursuant to a “working stipulation” accepted by MGE, the Wisconsin Industrial Energy Group, and the Citizens Utility Board, Commission staff calculated MGE’s test year revenue requirement using a 10.20 percent return on equity with no changes to MGE’s most recently authorized capital structure.		Direct-PSC-Bartels-4; Direct-PSC-Bartels-11; Direct-MGE-Frasetto-2-3.
Commission Staff: Include \$69,482,000 of imputed debt in financial capital structure.		Direct-PSC-Bartels-11-12
COMMISSION ALTERNATIVES		
Uncontested Alternative: A reasonable estimate of the debt equivalent to be imputed into the financial capital structure for the test year for MGE is \$69,482,000.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9d: Should MGE file detailed off-balance sheet obligation data in its next rate application? (Uncontested)		
<b>Issue Scope:</b> MGE included information relating to its off-balance sheet obligations and the calculation of the debt imputed into the company’s financial capital structure in its application. The requirement to file such information has been included in rate case orders. No party provided any testimony on Commission staff’s proposal.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> MGE agrees and supports the uncontested alternative.		MGE’s position was first stated in comments to the draft of this Decision Matrix.
<b>Commission Staff:</b> The Commission should continue to require MGE to file off-balance sheet obligation data in its next rate application.		Direct-PSC-Bartels-11
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> It is reasonable that MGE submit, in its next rate case application, detailed information regarding all off-balance sheet obligations for which the financial markets will calculate a debt equivalent. The information shall include, at minimum: 1) the minimum annual lease and purchased power agreement obligations; 2) the method of calculation along with the calculated amount of the debt equivalent; and 3) supporting documentation, including all reports, correspondence, and any other justification that clearly established Standard & Poor’s (S&P) and other major credit rating agencies’ determinations of the off-balance sheet debt equivalent, to the extent available, and publicly available documentation when S&P and other major credit rating agencies documentation is not available.		
<b>Notes:</b>		



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9e: What is a reasonable financial capital structure for MGE in this docket? (Uncontested)		
<b>Issue Scope:</b> Commission staff's financial capital structure shown on Direct-PSC-Bartels-12, is the starting point for the final test-year capitalization and is subject to impacts from the Commission's other determinations. An order point related to the final capital structure will be included in the Commission's order.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> MGE agrees and supports the uncontested alternative. Pursuant to a "working stipulation" accepted by MGE, the Wisconsin Industrial Energy Group, and the Citizens Utility Board, Commission staff calculated MGE's test-year revenue requirement using a 10.20 percent return on equity with no changes to MGE's most recently authorized capital structure.		Direct-PSC-Bartels-4; Direct-PSC-Bartels-11.
<b>Commission Staff:</b> Update Commission staff's capital structure for Commission decisions.		Direct-PSC-Bartels-12
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> For purposes of this proceeding, the financial capital structure consisting of Commission staff's audited financial capital structure for MGE, as adjusted for the impacts of decisions in this proceeding, including the equity target, is reasonable.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9f: What is a reasonable capital structure for ratemaking for MGE in this docket? (Uncontested)		
<b>Issue Scope:</b> Commission staff’s regulatory capital structure shown on Schedule 4 of Ex.-PSC-Bartels-1 is the starting point for the final test-year capitalization and is subject to impacts from the Commission’s other determinations. An order point related to the final capital structure will be included in the Commission’s order.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> MGE agrees and supports the uncontested alternative. Pursuant to a “working stipulation” accepted by MGE, the Wisconsin Industrial Energy Group, and the Citizens Utility Board, Commission staff calculated MGE’s test-year revenue requirement using a 10.20 percent return on equity with no changes to MGE’s most recently authorized capital structure.		Direct-PSC-Bartels-4; Direct-PSC-Bartels-11.
<b>Commission Staff:</b> Update Commission staff’s capital structure for Commission decisions.		Ex.-PSC-Bartels-1
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> For purposes of this proceeding, the regulatory capital structure consisting of Commission staff’s audited regulatory capital structure for MGE, as adjusted for the impacts of decisions in this proceeding, including the equity target, is reasonable.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9g: What is the appropriate wording for MGE’s dividend restriction? (Uncontested)		
Issue Scope: MGE’s dividend restriction has been included in prior rate case orders.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees that the wording of its dividend restriction should be updated as appropriate.		MGE’s position was first stated in comments to the draft of this Decision Matrix.
Commission Staff: The Commission should reiterate and update, as appropriate, the dividend restriction to reflect the test-year equity ratio.		Direct-PSC-Bartels-11
COMMISSION ALTERNATIVES		
Uncontested Alternative: MGE may not pay dividends in excess of the amount forecasted in this proceeding if such dividends cause the average annual common equity ratio, on a financial basis, to fall below the test-year authorized level of 55.0 percent.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 9h: Should MGE file a ten-year financial forecast in its next rate application? (Uncontested)		
Issue Scope: The application included a ten-year financial forecast. The requirement to file such information has been included in rate case orders.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees and supports the uncontested alternative.		MGE’s position was first stated in comments to the draft of this Decision Matrix.
Commission Staff: The Commission should continue to require MGE to file a ten-year financial forecast in its next rate application.		Direct-PSC-Bartels-11
COMMISSION ALTERNATIVES		
Uncontested Alternative: Require MGE to submit a ten-year financial forecast in its next rate case application.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 10: What is an appropriate cost of capital?</b>		
<b>Issue 10a: What is a reasonable return on equity (ROE) for MGE for the test year?</b>		
<b>Issue Scope:</b> The stipulation included a return on equity of 10.2 percent for MGE. The previously authorized ROE was 10.3 percent.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE supports Alternative One and Commission staff’s use of a rate of return of 10.2 percent. Alternative One is consistent with the “working stipulation” accepted by MGE, the Wisconsin Industrial Energy Group, and the Citizens Utility Board, where Commission staff calculated MGE’s test-year revenue requirement using a 10.2 percent return on equity. No party proposed a different ROE.		Direct-PSC-Bartels-4; Direct-PSC-Bartels-11
<b>Commission Staff:</b> Commission staff used a rate of return of 10.2 percent.		Direct-PSC-Bartels-3, 9-11
<b>COMMISSION ALTERNATIVES</b>		
<b>Alternative One:</b> A reasonable rate of return on MGE’s common equity is 10.2 percent.		
<b>Alternative Two:</b> A reasonable rate of return on MGE’s common equity is ____ percent.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 10b: What is a reasonable interest rate for MGE’s short-term borrowing through commercial paper? (Uncontested)		
Issue Scope: Commission staff included a short-term debt rate of 0.40 percent. MGE’s filing was based on 1.00 percent.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees and supports the uncontested alternative.		
Commission Staff: Commission staff’s test year is based on 0.40 percent. Staff considers this a component of the “working stipulation.”		Direct-PSC-Bartels-10-11
COMMISSION ALTERNATIVES		
Uncontested Alternative: A reasonable rate for MGE’s short-term borrowing through commercial paper is 0.40 percent.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 10c: What is a reasonable embedded cost for MGE's long-term debt? (Uncontested)		
Issue Scope: Commission staff included an embedded cost of long-term debt of 5.13 percent for MGE.		
Party Positions	Amount*	Transcript References
MGE: MGE agrees and supports the uncontested alternative.		
Commission Staff: Commission staff’s test year is based on 5.13 percent for MGE. Staff considers this cost to be part of the working stipulation.		Ex.-PSC-Bartels-1
Commission Alternatives		
Uncontested Alternative: A reasonable embedded cost for long-term debt for MGE is 5.13 percent.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Electric COSS and Rate Design**

**Issue 11: Electric Cost of Service – Which electric cost-of-service study (COSS) or studies should the Commission consider when allocating revenue responsibility?**

**Issue Scope:** MGE (Trinh), CUB (Wallach), Airgas (Lyons), city of Madison (Marcus), and Commission staff (Singletary) provided testimony regarding electric COSS methodology. Historically, the Commission has considered the results of multiple COSS approaches for the purposes of allocating revenue responsibility. The results of the various COSS studies prepared by the parties and Commission staff are shown below for the major customer groupings.

	MGE 1CP COSS	MGE Standard COSS	MGE TOU COSS‡	Airgas CP4 COSS‡	Madison Standard COSS‡	Madison TOU COSS‡	Madison TOU COSS w/o minimum system‡	Staff TOU COSS	Staff Location COSS	Capacity 1CP COSS	Capacity Standard COSS	Capacity TOU COSS*	Capacity Location COSS
<i>Utility</i>	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%
<i>General Services</i>	3.13%	-0.35%	-1.94%	3.14%	-1.08%	-1.75%	-1.34%	-0.97%	-2.90%	3.36%	-0.31%	-0.89%	-2.82%
<i>Business Services</i>	4.11%	6.52%	7.63%	4.17%	7.03%	7.51%	7.23%	7.68%	9.03%	4.43%	7.22%	7.63%	8.97%
<i>Residential</i>	7.51%	2.14%	0.45%	7.32%	1.32%	0.54%	0.97%	1.32%	-0.80%	7.74%	2.15%	1.40%	-0.72%
<i>Small C/I</i>	-13.98%	-11.40%	-10.96%	-13.26%	-11.72%	-11.85%	-11.72%	-11.32%	-12.00%	-13.70%	-11.17%	-11.24%	-11.92%
<i>Lighting/ Misc. Services</i>	-9.70%	7.135%	-12.79%	-8.59%	5.88%	4.64%	6.84%	8.06%	1.09%	-10.21%	7.12%	8.12%	1.15%
<i>Cg-4</i>	3.02%	4.74%	7.01%	4.20%	5.43%	4.90%	4.56%	4.41%	5.82%	3.50%	5.10%	4.48%	5.89%
<i>Cg-2, Cg-6</i>	5.39%	8.02%	8.94%	6.13%	8.02%	8.25%	7.91%	8.89%	10.40%	5.18%	7.68%	8.06%	9.57%
<i>Cp-1</i>	-2.16%	4.42%	9.62%	-1.26%	9.11%	30.34%	30.34%	25.34%	25.34%	3.63%	33.02%	38.76%	38.76%
<i>Sp-3</i>	4.08%	6.09%	4.69%	-0.62%	6.53%	7.34%	7.41%	8.36%	9.33%	4.87%	6.76%	8.47%	9.44%
<i>Sp-4</i>	0.07%	7.82%	8.32%	2.26%	7.22%	8.29%	8.35%	9.03%	9.87%	0.81%	7.53%	9.14%	9.99%

‡ COSS at staff's audited revenue requirement was not provided.



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> MGE believes that the Standard COSS it prepared provides the single best estimate of cost causation and should be used. However, MGE acknowledges that, as Commission staff witness Corey Singletary testified, the Commission has traditionally looked to a range of COSS studies for such insight as they provide.		Direct-MGE-Trinh-6; Ex.-MGE-Trinh-1r (fourth); Direct-PSC-Singletary-14-15.
<b>Airgas:</b> Airgas continues to believe that the Capacity 1CP COSS best reflects the manner in which customer classes cause MGE to incur costs, but supports the 4CP COSS as the COSS the Commission should use as the starting point for the purpose of class revenue allocation.		Direct-Airgas-Lyons-7-8; Airgas IB, 2-8; Ex.-Airgas-Lyons-3, Schedule 3, page 3 of 3.
<b>CUB:</b> COSS using 1CP should not be considered because 1CP is not supported in the record. It is appropriate for the Commission to consider the range of results from Commission staff's Standard, Capacity, TOU and Locational COSS when allocating 2015 test year revenue deficiency. The Locational COSS classifies and allocates production and distribution plant costs in a fashion that most reasonably reflects each class's responsibility for such costs.		CUB IB, 3, 6-7; Rebuttal-CUB-Wallach-2, 4-5
<b>City of Madison:</b> The Madison Standard COSS, Madison TOU COSS, and Madison TOU COSS without minimum system models are the most appropriate studies to use for the purpose of class revenue allocation.		Direct-City of Madison-Marcus-15-16; Ex.-City of Madison-Marcus-7; Madison IB, p. 26-28
<b>Commission Staff:</b> The Capacity TOU and Capacity Locational COSS models are the most appropriate studies to use for the purpose of class revenue allocation.		Direct-PSC-Singletary-14-16

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> It is reasonable to consider MGE's Standard COSS when allocating test-year 2015 electric revenue responsibility.
<b>Alternative Two:</b> It is reasonable to consider Airgas's 4CP COSS when allocating test-year 2015 electric revenue responsibility.
<b>Alternative Three:</b> It is reasonable to consider range of results for the City of Madison's Standard, TOU, and TOU without minimum system COSS when allocating test-year 2015 electric revenue responsibility.
<b>Alternative Four:</b> It is reasonable to consider the range of results from Commission staff's Capacity TOU, and Capacity Locational COSS when allocating test-year 2015 electric revenue responsibility.
<b>Alternative Five:</b> It is reasonable to consider the range of results from Commission staff's Capacity Standard, Capacity TOU, and Capacity Locational COSS when allocating test-year 2015 electric revenue responsibility.
<b>Alternative Six:</b> It is reasonable to consider the full range of COSS results presented in the record when allocating test-year 2015 electric revenue responsibility.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 12: Electric fixed costs – What utility costs should the Commission consider as fixed for the purpose of setting fixed charge rates for residential and small commercial customers?</b>		
<b>Issue Scope:</b> MGE (Bollom, Krueger), city of Madison, (Marcus), CUB (Wallach), ELPC (Rabago), RENEW Wisconsin (Rabago, Vickerman), and Commission staff (Singletary) provided testimony regarding fixed costs and what costs are appropriate to consider for the purposes of setting fixed charge retail rates.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> For residential customers as a whole, the Commission should consider fixed costs to be \$14.50/month customer costs and \$7.04/month grid connection costs. For small commercial customers as a whole, the fixed costs are \$13.38/month customer charges and \$8.67/month grid connection costs. Pursuant to its agreement with CUB, MGE proposes grid connection charges (\$4.03 per month) that are less than its costs.		Ex.-MGE-Krueger-1r (third), Schedule 2, p. 1.
<b>CUB:</b> CUB has explained in the record why it is not contesting the customer charge and grid connection charge issues in this case. CUB notes that its decision not to contest those issues for the 2015 test year is reflective of the give-and-take between CUB and MGE, does not reflect CUB's position on the appropriateness of those levels, and should not be considered precedential in any proceeding.		CUB IB, p. 9; Loehr, Tr. Vol. 1, p. 10; Direct-CUB-Wallach-4r-5r, 18r-19r
<b>City of Madison:</b> A minimum system method should not be used when determining how to set fixed charges. If used, corrections are needed for poles, conductors and transformers. Also, other policy considerations should be taken into account when determining rate design and fixed charges, including conservation, energy efficiency, impacts on low-income and low-use customers, renewable energy, local government sustainability and equity goals, and state energy policy. Fixed charges should not be set purely based upon COSS determinations.		Direct-City of Madison-Marcus-9-14, 16-29; Surrebuttal-City of Madison-Marcus-5-6; City of Madison IB, pp. 4-10, 22-25
<b>Dane County:</b> Opposes MGE's request to create additional categories of costs to be considered for the purposes of setting fixed charge retail rates.		Direct-City of Madison-Marcus-5-8 Direct- CUB-Wallach-18

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>ELPC/RENEW:</b> ELPC and RENEW agree with staff that the Commission should reject MGE's proposed increase to fixed charges for residential and small commercial customers. ELPC and RENEW do not recommend specific costs to be included in the "fixed" charge. Instead, the Commission should consider policy, fairness, and economic efficiency over the short and long time to set just and reasonable rates. MGE's position that fixed charges should be "aligned" with fixed costs leads to inequitable results.		ELPC/RENEW/NRDC/WOW IB, 8-11; Direct-RENEW-Rabago-15r
<b>NRDC:</b> NRDC agrees with staff, CUB, ELPC, RENEW, and City of Madison that the proposed increase to fixed charges should be rejected. While NRDC does not identify specific fixed costs that should be included in the "fixed" charge, it recommends that the Commission consider state policy, fairness, and economic efficiency over the short and long term to determine just and reasonable rates, including fixed charge rates.		ELPC/RENEW/NRDC/WOW IB, 7-23 Direct-NRDC-Morgan-6-10, 14-33
<b>Commission Staff:</b> Customer classified costs excluding primary voltage distribution costs represent the most appropriate basket of costs upon which to base customer fixed charges. The level of these costs were identified to be \$17.43 (residential) and \$18.97 (small commercial).		Direct-PSC-Singletary-17-18
<b>COMMISSION ALTERNATIVES</b>		
<b>Alternative One:</b> It is reasonable to consider the customer and grid connection costs identified by MGE when setting when setting fixed charge rates for residential and small commercial customers.		
<b>Alternative Two:</b> If used a minimum system analysis, corrections are needed for poles, conductors, and transformers.		
<b>Alternative Three:</b> The fixed or customer charge rate is a policy decision and does not need to match what any party or parties considers fixed costs. It is reasonable to consider state policy, fairness, and economic efficiency over the short and long term to determine just and reasonable rates, including fixed charge rates.		
<b>Alternative Four:</b> It is reasonable to consider customer classified costs, excluding primary voltage distribution costs, when setting fixed charge rates for residential and small commercial customers.		
<b>Alternative Five:</b> It is not appropriate to specify what specific costs are appropriate to consider when setting fixed charge rates for residential and small commercial customers, as doing so would require the Commission to adopt one cost-of-service, which is contrary to long standing Commission practice.		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Notes:**

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Issue 13: What is the appropriate electric revenue allocation?**

**Issue Scope:** Revenue allocation is a determination of how much of the total increase should be collected from each of the rate classes. MGE (James), CUB (Wallach), city of Madison (Marcus), and Commission staff (Singletary) provided testimony regarding electric class revenue allocation. While Airgas, CUB, and the city of Madison provided testimony related to electric COSS and revenue allocation, they did not provide a specific revenue allocation proposal for all classes. A summary of the suggested revenue allocations for each major rate class is provided below.

	MGE	Airgas	City of Madison	CUB	Commission Staff before GPT Revenue	Commission Staff Including GPT Revenue
<i>Utility</i>	3.72%		4.13%	4.13%	4.13%	4.13%
<i>General Services</i>	2.76%		-0.96%	0.07%‡	3.36%	3.56%
<i>Business Services</i>	4.33%		7.69%	6.90%	4.75%	5.06%
<i>Residential</i>	3.33%		1.37%	0.00%	3.51%	3.71%
<i>Small C/I</i>	0.15%		0.00%	0.00%	2.63%	2.85%
<i>Lighting/Misc. Services</i>	5.19%		6.22%	5.50%	4.68%	4.90%
<i>Cg-4</i>	3.54%		5.39%		4.58%	4.84%
<i>Cg-2, Cg-6</i>	4.75%		8.49%		4.82%	5.14%
<i>Cp-1</i>	3.83%	≤1.0%	9.54%		5.30%	5.95%
<i>Sp-3</i>	4.75%		7.52%		4.79%	5.16%
<i>Sp-4</i>	4.75%		8.38%		4.79%	5.16%

‡Imputed

PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> The electric revenue allocation proposed by MGE best reflects the costs appropriately allocated to each customer class and should be adopted by the Commission, with appropriate adjustments in light of the final revenue requirement established for the Company.		Ex.-MGE-James-1r (third)

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Airgas:</b> Airgas proposes a revenue allocation that increases the Cp-1 class by no greater than 1 percent; 4CP COSS results for Cp-1 class is a decrease of more than 1 percent; allocation for other classes should be derived from the same 4CP COSS.		Airgas IB, 9-10.
<b>CUB:</b> MGE's COSS and all COSS supported by Commission staff show a revenue excess for the General Services classes. Thus, the Residential and Small C&I classes should receive no rate increase, and the Commission should adopt CUB's proposed revenue allocation.		CUB IB, 6-7; Rebuttal-CUB-Wallach-4-6
<b>City of Madison:</b> The City proposes a revenue allocation using the average of the City of Madison's three corrected COSS studies, taking mitigating steps for classes with large increases and decreases. Small commercial customers should not receive a decrease where there is an overall increase of 4.13 percent and should be held at zero percent. The Cp-1 increase can mitigated by setting the rate at the increase over system average from the City's corrected Standard COSS, plus the overall increase (9.54 percent).		Direct-City of Madison-Marcus-15-16; Ex.-City of Madison-Marcus-7; Ex.-City of Madison-Marcus-8; City of Madison IB, 26-28
<b>Dane County:</b> Opposes MGE's request to modify its electric rate design in the manner proposed.		Direct-CityofMadison-Marcus-18-23 Direct-NRDC-Morgan-6
<b>Commission Staff:</b> Commission staff proposes a revenue allocation that provides a narrower range of class increases and limits class increases to less than 5.5 percent. Class revenue allocation should be made independent of any changes in Green Power Tomorrow revenue, with any changes in Green Power Tomorrow (GPT) revenue allocated to the classes based on energy.		Direct-PSC-Singletary-16-17, 26; Ex.-PSC-Singletary-1, Schedule 2

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Approve the electric revenue allocation proposed by MGE, as adjusted for the final revenue requirement.
<b>Alternative Two:</b> Approve the electric revenue allocation proposed by the City of Madison, as adjusted for the final revenue requirement.
<b>Alternative Three:</b> Approve the electric revenue allocation proposed by the CUB, as adjusted for the final revenue requirement.
<b>Alternative Four:</b> Approve the electric revenue allocation proposed by Commission staff, excluding the effect of any changes to MGE's GPT rate, as adjusted for the final revenue requirement. The effect of any authorized changes to the GPT rate shall be allocated back to the classes on the basis of energy.
<b>Notes:</b>



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 14: What is the appropriate overall electric rate design?</b>		
<b>Issue Scope:</b> The Commission generally chooses one of the comprehensive electric rate design proposals in addition to making separate decisions on specific rate design sub-issues. Only MGE (James) and Commission staff (Singletary) provided a comprehensive electric rate design proposal that includes rates for all of the customer classes.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> The Commission should adopt the electric rate design proposed by MGE for all proposed rate classes, with appropriate adjustments in light of the final revenue requirement established for the Company. Regardless of the alternative chosen, the Commission should also approve all uncontested rate and tariff changes proposed in Mr. James' testimony.		Direct-MGE-James-7-26; Second Supplemental Direct-MGE-James-2-7; Rebuttal-MGE-James-1-3; Ex.-MGE-James-1r (third); Ex.-MGE-James-2.
<b>Airgas:</b> Supports an electric rate design that provides much better price signals as to the cost of capacity, particularly that which is used infrequently, in the form of a fixed charge.		Direct-Airgas-Lyons-9-10; Airgas IB, 12-14.
<b>City of Madison:</b> The Commission should adopt the rate design proposed by Mr. Marcus taking mitigating steps for classes with large increases and decreases.		Direct-City of Madison-Marcus-15-16; Ex.-City of Madison-Marcus-7; Ex.-City of Madison-Marcus-8; City of Madison IB, 26-28
<b>NRDC:</b> NRDC recommends that the Commission make no changes to the current rate design for the electric residential and small commercial customers. In the event the Commission elects to change the overall electric rate design, NRDC recommends Alternative Five, in which stakeholders review the appropriateness of alternate approaches during a separate statewide process and/or as part of MGE's planned collaborative process in which all intervenors to this docket are included.		ELPC/RENEW/NRDC/WOW IB, 7-23, 26-29 Direct-NRDC-Morgan-6-33, 37-44
<b>Commission Staff:</b> Commission staff generally proposed a narrower range of rate changes designed to help mitigate both customer class and individual customer bill impacts.		Direct-PSC-Singletary-16-17; Ex.-PSC-Singletary-1, Schedule 2

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Approve the electric rate design proposed by MGE, as adjusted for the remaining sub-issues and the final revenue requirement. The uncontested rate and tariff changes proposed in Mr. James' testimony are also approved.
<b>Alternative Two:</b> Approve the electric rate design proposed by the City of Madison, as adjusted for the remaining sub-issues and the final revenue requirement. The uncontested rate and tariff changes proposed in Mr. James' testimony are also approved.
<b>Alternative Three:</b> Approve the electric rate design proposed by Commission staff, as adjusted for the remaining sub-issues and the final revenue requirement. The uncontested rate and tariff changes proposed in Mr. James' testimony are also approved.
<b>Alternative Four:</b> Approve an alternate electric rate design based on the open meeting discussion.
<b>Alternative Five:</b> Approve no change to MGE's overall rate design in this case. Adjustments to MGE's overall rate design shall be considered by the Commission upon completion of a stakeholder review of the appropriateness of alternate approaches during a separate statewide process and/or as part of MGE's planned collaborative process. All intervenors to this docket shall be invited to participate in this process.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Issue 14a: Should fixed charges for electric residential and small commercial customers be increased?**

**Issue Scope:** MGE (Bollom, Krueger, James), Airgas (Lyons), city of Madison (Marcus), CUB (Wallach), ELPC (Rabago) NRDC (Morgan), RENEW Wisconsin (Rabago), Wind on the Wires (DeVito), and Commission staff (Singletary, Stemrich) provided testimony regarding the level of total fixed charge rates for the test year. A summary of MGE's present and proposed total fixed charges is presented below. In MGE's last full rate case (docket 3270-UR-118), MGE requested a 40 percent increase in customer charges for residential and small commercial customers. In that proceeding the Commission authorized a 20 percent increase in customer charges for those classes.

<i>\$/month</i>	<b>MGE Present</b>	<b>MGE Proposed</b>	<b>Staff Proposed</b>
<i>Residential Fixed Charges</i>	\$10.44	\$19.00	\$12.53
<i>Cg-5 Small Commercial Fixed Charges</i>	\$10.44	\$23.93	\$12.53
<i>Cg-3 TOU 1-Phase Small Commercial Fixed Charges</i>	\$10.44	\$22.28	\$12.53
<i>Cg-3 TOU 3-Phase Small Commercial Fixed Charges</i>	\$18.70	\$30.49	\$22.46

<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> Yes, fixed charges should be increased to the levels MGE proposes to more closely reflect the manner in which MGE incurs costs and to enable the Company to recover a greater percentage of its fixed costs through fixed rate elements.		Direct-MGE-Bollom-2r-13r; Rebuttal-MGE-Bollom-1r-7r; Direct-MGE-Krueger-3-6; Ex.-MGE-Krueger-1r (third).
<b>CUB:</b> CUB has explained in the record why it is not contesting the customer charge and grid connection charge issues in this case. CUB notes that its decision not to contest those issues for the 2015 test year is reflective of the give-and-take between CUB and MGE, does not reflect CUB's position on the appropriateness of those levels, and should not be considered precedential in any proceeding.		CUB IB, 9; Loehr, Tr. Vol. 1, p. 10; Direct-CUB-Wallach-4r-5r, 18r-19r

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>City of Madison:</b> Fixed charges should be increased no more than the percentage of overall rate increases for residential and small commercial customers, resulting in a 1.37 percent increase in residential charges (to \$10.58) and no increase in small commercial charges. Alternatively, the residential energy charge could be held constant, with the increase applied to the customer charge (to \$11.64). Finally, a 20 percent increase in customer charges (to \$12.53) could be imposed, with a reduction in the energy charge.		Direct-City of Madison-Marcus-33; City of Madison IB, 17
<b>Clean Wisconsin:</b> The Commission should deny MGE's request to increase fixed charges because MGE has failed to justify any need to do so, it would undermine customer conservation, energy efficiency, and renewable energy initiatives, and is contrary to Wis. Stat. § 1.12(4), State Energy Policy.		Rebuttal-MGE-Bollom-6r; Direct-NRDC-Morgan-22; Tr., 46; Direct-MGE-Bollom-7r.
<b>ELPC/RENEW:</b> No, fixed charges for electric residential and small commercial customers should not be increased. MGE's proposal to increase fixed charges is regressive and inequitable. This proposal will stifle innovation and business growth and encourage greater energy consumption, in conflict with Wisconsin's state energy policy.		ELPC/RENEW/NRDC/WOW IB, 7-18; Direct-RENEW-Rabago-8r-10r, 18r
<b>NRDC:</b> No, NRDC agrees with City of Madison, CUB, ELPC, RENEW, and WOW that total fixed charges for the electric residential and small commercial customers should not be increased. MGE's proposal for these classes is inequitable, will stifle innovation and business growth, is anti-competitive, will encourage greater energy consumption, is in conflict with Wisconsin's state energy policy, and is not needed in the short-term to address any perceived inequities in these classes.		ELPC/RENEW/NRDC/WOW IB, 7-23 Direct-NRDC-Morgan-6-33
<b>Wind on the Wires:</b> The Commission should reject the increase to the fixed customer charge. WOW agrees with staff that the company has not presented sufficient evidence to justify this significant increase.		Direct-WOW-DeVito-3 ELPC, NRDC, RENEW, WOW IB, 19, 26

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Commission Staff:</b> Commission staff's proposed fixed charge rates for residential customers represent a 20 percent increase over present fixed charge rates. Staff's proposed increase is a more incremental approach to aligning rates with estimated costs. A 20 percent increase in fixed charges is consistent with the Commission's decision in MGE's last full rate case.		Direct-PSC-Singletary-17-23
<b>COMMISSION ALTERNATIVES</b>		
<b>Alternative One:</b> Increase total fixed charges for residential and small commercial customers to the levels proposed by MGE.		
<b>Alternative Two:</b> Increase total fixed charges for residential and small commercial customers to the levels proposed by Commission staff.		
<b>Alternative Three:</b> Increase total fixed charges for residential and small commercial customers by no more than the percentage increase for each respective class of customers.		
<b>Alternative Four:</b> Authorize no increase over the current level of fixed charges for residential and small commercial customers.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 14b: Electric grid connection charge.</b>		
<b>Issue Scope:</b> MGE (Bollom, Krueger, James), city of Madison (Marcus), CUB (Wallach), NRDC (Morgan), RENEW Wisconsin (Rabago), Wind on the Wires (DeVito), and Commission staff (Singletary, Stemrich) provided testimony regarding the utility's proposal to institute new Grid Connection Service charge. This charge would be a daily fixed charge separate from the existing customer charge. MGE proposes a Grid Connection Service charge equivalent to \$4.03 per month. Under MGE's proposal the same Grid Connection Service charge is applied to all rate classes, except for Cp-1 and Sp-3.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> The Commission should approve the grid connection service charge, which is intended to reflect the value that customers derive from being connected to the grid, regardless of their level of energy use. Pursuant to an agreement with CUB, MGE has agreed to limit the proposed charge to \$4.03 per month, which is less than MGE's grid connection costs as determined through its COSS.		Direct-MGE-Bollom-5r; Direct-MGE-Krueger-4; Second Supplemental Direct-MGE-Krueger-2-3; Ex.-MGE-Krueger-1r (third).
<b>CUB:</b> CUB has explained in the record why it is not contesting the customer charge and grid connection charge issues in this case. CUB notes that its decision not to contest those issues for the 2015 test year is reflective of the give-and-take between CUB and MGE, does not reflect CUB's position on the appropriateness of those levels, and should not be considered precedential in any proceeding.		CUB IB, 9; Loehr, Tr. Vol. 1, p. 10; Direct-CUB-Wallach-4r-5r, 18r-19r
<b>City of Madison:</b> The City of Madison is opposed to the creation of the grid connection charge and asserts that all fixed charges should be considered together as part of the rate design in light of state energy policy and the impacts the increase in overall fixed costs will have on customers, energy efficiency, conservation, and renewable energy investments.		Direct-City of Madison-Marcus-18-26; City of Madison IB, 4-10
<b>Clean Wisconsin:</b> The Commission should deny MGE's request to institute a Grid Connection Service charge because MGE has failed to justify any need to do so, it would undermine customer conservation, energy efficiency, and renewable energy initiatives, and is contrary to Wis. Stat. § 1.12(4), State Energy Policy.		Rebuttal-MGE-Bollom-6r; Direct-NRDC-Morgan-22; Tr., 46; Direct-MGE-Bollom-7r.

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Dane County:</b> Opposes MGE's request to create a Grid Connection Service Charge because MGE has failed to explain the need to implement such a charge in 2015 despite concerns regarding impacts upon conservation and distributed energy. The Commission should permit MGE's proposed collaborative process to gather stakeholder input before granting MGE's rate design proposal.		Direct-CityofMadison-Marcus-18; Direct-NRDC-Morgan-25; Tr., 56, 64-67; Direct-PSC-Stemrich-4 Tr., 145-146; Tr., 147-148; Direct-NRDC-Morgan-28, 29; Tr. 71-72; Direct-PSC-Stemrich-6 Tr., 51; Tr., 68; Tr., 77, 168, 169; Dane County IB, 2-9.
<b>ELPC/RENEW:</b> ELPC and RENEW object to MGE's proposal to increase fixed charges, including the imposition of a new grid connection charge, for the reasons outlined in response to Issue 14a.		
<b>NRDC:</b> NRDC opposes the proposal to institute a Grid Connection Service Charge for the covered classes. Because this charge is additive to MGE's proposed increase in the fixed charge for residential and small commercial customers, and does not vary with usage, it results in the same inequities as the proposed fixed charge increase, would likewise encourage greater energy consumption, and is in conflict with Wisconsin's state energy policy.		ELPC/RENEW/NRDC/WOW Initial Brief at 7-23 Direct-NRDC-Morgan-6-33
<b>Wind on the Wires:</b> The Commission should reject the proposed new Grid Connection Service charge. The company has not demonstrated that the grid connection service charge is necessary. WOW agrees with staff that the Commission should consider the totality of fixed charges when setting rates.		Direct-WOW-DeVito-3; Tr. 57-58
<b>Commission Staff:</b> Commission staff did not take a position on whether or not a new fixed charge should be instituted, but instead indicated that the total of all fixed charges should be considered when setting rates.		Direct-PSC-Singletary-17, 19-20, 23; Ex.-PSC-Singletary-1, Schedule 2

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Authorize a new grid connection service fixed charge for all rate classes, except for Cp-1 and Sp-3. A uniform grid connection charge would be assessed to all applicable customer classes as proposed by MGE.
<b>Alternative Two:</b> Do not authorized the creation of a new grid connection service fixed charge.
<b>Notes:</b>



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Issue 14c: What are the appropriate individual fixed charge rates for residential and small commercial electric customers?**

**Issue Scope:** If the Commission approves MGE's request to institute a new grid connection service charge, the individual customer charge and grid connection service charges need to be set so as to equal the total fixed charge rate level decided upon by the Commission. If the Commission does not authorize the proposed grid connection charge, existing customer charges can be set to the fixed charge level decided upon by the Commission, and this decision point can be eliminated.

Under MGE's proposal the grid connection charge would be set equal \$4.03 per month, with the same rate charged to all customer classes except for Cp-1 and Sp-3. MGE (James) and Commission staff (Singletary) provided testimony identifying specific fixed charge rates. A summary of MGE and Commission staff's proposed customer charges and grid connection charges is provided below.

	<i>\$/month</i>	<b>MGE Present</b>	<b>MGE Proposed</b>	<b>Staff Proposed</b>
<i>Residential Customer Charge</i>		\$10.44	\$14.97	\$10.44
<i>Cg-5 Small Commercial Customer Charge</i>		\$10.44	\$19.90	\$10.44
<i>Cg-3 TOU 1-Phase Small Commercial Customer Charge</i>		\$10.44	\$18.25	\$10.44
<i>Cg-3 TOU 3-Phase Small Commercial Customer Charge</i>		\$18.70	\$26.46	\$20.37
<i>Grid Connection Service Charge</i>		-	\$4.03	\$2.09

<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE's proposed customer charges and grid connection service charge should be adopted, as they are justified by MGE's costs, help limit intra-rate class cross-subsidies, and have the effect of somewhat leveling the playing field regarding DG provided by customers and by utilities.		Direct-MGE-Bollom-2r-13r; Rebuttal-MGE-Bollom-1r-8r; Direct-MGE-Krueger-3-6; Ex.-MGE-Krueger-1r (third).
<b>CUB:</b> CUB has explained in the record why it is not contesting the customer charge and grid connection charge issues in this case. CUB notes that its decision not to contest those issues for the 2015 test year is reflective of the give-and-take between CUB and MGE, does not reflect CUB's position on the appropriateness of those levels, and should not be considered precedential in any proceeding.		CUB IB, 9; Loehr, Tr. Vol. 1, p. 10; Direct-CUB-Wallach-4r-5r, 18r-19r

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<p><b>City of Madison:</b> Fixed charges should be increased no more than the percentage of overall rate increases for residential and small commercial customers, resulting in a 1.37 percent increase in residential charges (to \$10.58) and no increase in small commercial charges. Alternatively, the residential energy charge could be held constant, with the increase applied to the customer charge (to \$11.64). Finally, a 20 percent increase in customer charges (to \$12.53) could be imposed, with a reduction in the energy charge.</p>		<p>Direct-City of Madison-Marcus-33; City of Madison IB, 17</p>
<p><b>Commission Staff:</b> The customer charge for residential customers should be held constant with the grid connection charge set at \$2.09 to increase total fixed charges for residential customers by no more than 20 percent. Customer charges for small commercial customers should be increased so as to provide for a total fixed charge increase of 20 percent while factoring in the \$2.09 grid connection charge. Commission staff's fixed rate design is based on a 20 percent increase in fixed charges for residential and small commercial customers.</p>		<p>Direct-PSC-Singletary-17, 19-20, 23; Ex.-PSC-Singletary-1, Schedule 2</p>
<p><b>COMMISSION ALTERNATIVES</b></p>		
<p><b>Alternative One:</b> Authorize fixed the customer charge and grid connection service charges proposed by MGE for residential and small commercial customers.</p>		
<p><b>Alternative Two:</b> Maintain the customer charge and the current levels for residential and small commercial customers, and set the grid connection service charge to reflect any authorized increase in total fixed charges over current rates, as proposed by Commission staff.</p>		
<p><b>Notes:</b></p>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 14d: Is it reasonable to authorize a new, optional low income rate for residential electric customers?</b>		
<p><b>Issue Scope:</b> MGE’s rate design proposal includes the creation of a new low-income rate option for residential customers (Rg-6). This rate would be an optional service and would be available to customers who qualify for the federally-funded Low Income Home Energy Assistance Program and/or Wisconsin’s Public Benefits Energy Assistance Program. Once a customer qualifies for either of these programs, the customer is eligible to remain on this tariff for 24 months. At that time, for the customer to continue on this tariff for an additional 24 months, the customer must provide the company with proof that the customer still qualifies for the Low Income Home Energy Assistance Program and/or the Public Benefits Energy Assistance Program. MGE proposed this optional rate so as to provide a rate relief mechanism for low-income residential customers who would be adversely affected by the company’s proposal to increase fixed charges. MGE (Bollom, James), CUB (Wallach), city of Madison (Marcus), ELPC/RENEW (Rabago), NRDC (Morgan), and Commissions staff provided testimony regarding low-income customers.</p>		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> The new, optional low-income rates should be adopted if the Commission approves MGE’s proposed fixed rates. The eligibility criteria for the low-income rates appropriately balance inclusiveness with administrative efficiency.		Direct-MGE-Bollom-14r-15r; Rebuttal-MGE-Bollom-4r-5r; Direct-MGE-James-8-9; Ex.-MGE-James-1r (third), Schedule 4.
<b>City of Madison:</b> The City of Madison recognizes the impact that MGE’s proposal to increase fixed charges will have on low-income customers, but does not take a specific position on the creation of this rate.		Direct-City of Madison-Marcus-17-18; City of Madison IB, 7-9
<b>ELPC/RENEW:</b> It is not reasonable to authorize a new low-income rate because the record does not support MGE’s proposed rate design. The Commission should not consider new rate options without evidence of the need to do so. MGE has not demonstrated a need for significant changes to its current rate design.		
<b>NRDC:</b> To the extent the Commission follows NRDC’s recommendation to reject the proposed fixed charge increase and the addition of a Grid Connection Service Charge, a low-income rate would not be needed. If the Commission approves an increase in these charges, some form of a low-income rate may be appropriate. MGE’s current proposal for a low-income rate would not sufficiently address the inequities in the fixed charge increase for low-income customers.		ELPC/RENEW/NRDC/WOW RB,* 5-6 Direct-NRDC-Morgan-32-33 * “RB” denotes “Reply Brief.”

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Commission Staff:</b> Commission staff's proposed rate design eliminates the proposed low-income rate option due to the smaller increase in fixed charges suggested by staff. Commission staff has some concerns regarding whether or not the proposed low-income rate is discriminatory. If the Commission chooses to authorize total fixed charges closer to or equal to that proposed by MGE, the Commission may wish to consider whether a low-income rate is appropriate.		Direct-PSC-Singletary-24-25
<b>COMMISSION ALTERNATIVES</b>		
<b>Alternative One:</b> Authorize the new, optional low-income rate for residential electric customers as proposed by MGE.		
<b>Alternative Two:</b> Do not authorize the new, optional low-income rate for residential electric customers proposed by MGE.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 14e: Should the residential lifeline rate be cancelled?		
<b>Issue Scope:</b> MGE’s rate design proposal includes the elimination of the Rg-3 residential lifeline rate. The lifeline rate provides qualifying customers discounted customer charges and an inclining block rate with the first 300 kW billed at a lower rate than the standard residential energy charge. This rate schedule is optional for residential customers living in an individually metered residential unit who satisfy the eligibility requirements as follows: (1) The customer must have annual household income below 150 percent of the Department of Health and Human Services poverty levels; or (2) the head of the household and/or spouse must be receiving Supplemental Security Income. MGE’s residential lifeline rate has been closed to new customers since July 30, 1985, and currently has 12 customers enrolled under the rate. Over the past few base rate cases, the Commission has gradually adjusted the Rg-3 rates to more closely align with the standard Rg-1 residential rates, with a stated desire to eventually eliminate the rate. MGE is the only Wisconsin investor-owned utility that still has a lifeline rate in place. MGE (James) and Commission staff (Singletary) provided testimony specifically addressing the Rg-3 lifeline rate.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> Due to its limited applicability, the time has come for the elimination of the Rg-3 residential lifeline rate.		Direct-MGE-James-7-8.
<b>Commission Staff:</b> Commission staff does not have a strong objection to MGE’s proposal to cancel the Rg-3 lifeline rate in this proceeding. Doing so and transferring all Rg-3 customers to the standard Rg-1 rate would produce, on average, a 62 percent increase in rates for these customers. It has been the Commission’s intent to phase out MGE’s lifeline rate and transition those customers to a standard rate offering over the course of a number of proceedings.		Direct-PSC-Singletary-24-25
COMMISSION ALTERNATIVES		
<b>Alternative One:</b> Cancel the Rg-3 residential lifeline rate.		
<b>Alternative Two:</b> Do not cancel the Rg-3 residential lifeline rate.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 14f: Should new rate options be created for existing residential and commercial customers who own distributed generation (DG) systems?</b>		
<p><b>Issue Scope:</b> MGE's rate proposal includes the creation of new Rg-7, Cg-7, and Cg-8 distributed generation (DG) tariffs. These rates would be available to existing DG customers, and would provide a fixed/variable rate structure consistent with MGE's currently authorized rate design. The new DG rates are intended to provide a grandfathering mechanism for existing DG customers and would continue until December 31, 2029. Under the utility's proposal, the new rates would be available to customers who have their DG facilities installed before June 1, 2014. MGE (Bollom, James, Krueger), ELPC (Rabago), NRDC (Morgan), RENEW Wisconsin (Rabago, Vickerman), and Commission staff (Singletary) provided testimony regarding the utility's proposed Rg-7, Cg-7, and Cg-8 tariffs.</p>		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<p><b>MGE:</b> The Commission should approve the new Rg-7, Cg-7, and Cg-8 distributed generation (DG) tariffs proposed to be available to customers who have a fully executed Distributed Generation Interconnection Agreement effective on or before December 31, 2014.</p>		<p>Direct-MGE-Bollom-23; Direct-MGE-James-9-10; Second Supplemental Direct-MGE-James-5-6; Second Supplemental Direct-MGE-Krueger-4-5.</p>
<p><b>ELPC/RENEW:</b> The Commission should not consider new rate options for DG customers without evidence of the need to do so. MGE has not demonstrated a need for significant changes to its current rate design. MGE has not studied the costs to serve DG customers or determined the benefits that DG brings to the electric grid as a whole. Because MGE has not provided supporting evidence to require new rate options, these new rate classes should not be created.</p>		<p>ELPC/RENEW/NRDC/WOW IB, 19-26; Direct-RENEW-Vickerman-13r; Direct-RENEW-Rabago-16r</p>
<p><b>NRDC:</b> Should the Commission approve the new DG tariffs, NRDC does not oppose the proposal to grandfather the approximately 170 existing DG customers on MGE's system. However, the grandfathering period should respect the investments made by these customers and be extended beyond the current 15 years to the 30-year expected useful life for each system. The proposal to grandfather existing DG customers does not address the appropriate policy for the remaining 99.88 percent of MGE's customers.</p>		<p>Direct-RENEW-Rabago-15</p>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Commission Staff:</b> Because it includes a smaller fixed charge increase than that proposed by MGE, Commission staff's rate design proposal does not include the new Rg-7, Cg-7 and Cg-8 tariffs.		Direct-PSC-Singletary-23-24
<b>COMMISSION ALTERNATIVES</b>		
<b>Alternative One:</b> Authorize the Rg-7, Cg-7, and Cg-8 distributed generation tariffs as proposed by MGE.		
<b>Alternative Two:</b> Authorize the Rg-7, Cg-7, and Cg-8 distributed generation tariffs as proposed by MGE, modified to allow qualifying customers to continue to take service under these rates until December 31, 2044.		
<b>Alternative Three:</b> Do not authorize the Rg-7, Cg-7, and Cg-8 distributed generation tariffs as proposed by MGE.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 14g: Should the Green Power Tomorrow (GPT) rates be lowered? (Uncontested)		
<b>Issue Scope:</b> Commission staff (Singletary) provided an analysis of the cost premium associated with MGE’s voluntary green pricing program, marketed as GPT. Commission staff proposes to lower the GPT rate from the current level of \$0.0400 per kWh to \$0.0244 per kWh. Commission staff’s analysis used an adapted version of the green pricing premium calculation method used by Northern States Power Company-Wisconsin. This method was reviewed by the Commission in docket 4220-UR-118, and was deemed reasonable at that time. At the hearing, MGE (Bollom) indicated that MGE did not object to the GPT rate proposed by Commission staff. In MGE’s last full rate case, the Commission increased the GPT premium from \$0.0250 per kWh to \$0.0400 per kWh. The GPT premium is meant to cover the difference in cost between the renewable energy used to supply the GPT program and the utility’s standard energy mix.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> The Company agrees with this adjustment.		Bollom, Tr. 79.
<b>Commission Staff:</b> Commission staff’s analysis of the cost premium associated with the GPT program suggests that the rate should be lowered to \$0.0244 per kWh.		Direct-PSC-Singletary-26-27
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> It is reasonable to lower the Green Power Tomorrow rate to \$0.0244 per kWh.		
<b>Notes:</b>		



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 14h: Should MGE’s proposed plug-in electric vehicle experimental tariffs be approved? (Uncontested)		
<b>Issue Scope:</b> The company proposes to implement two experimental programs relating to plug-in electric vehicles (PEVs). Both programs are intended to provide the company with more information on how individuals with PEVs use MGE’s system and how best to integrate the use of PEVs into the company’s operations. MGE proposes an experimental pilot rider (EV-1 rider) that will involve a limited number of customers who charge their electric vehicles at home. Under the EV-1 rider, the company will install and operate Level 2 charging equipment at the customers’ homes. Customers will be billed per day for the use of the equipment, and will pay rates under the Rg-1, Rg-2, or Rg-3 schedule, whichever applies to the particular customer. The company proposes an experimental tariff (Schedule EV-2) associated with the use of MGE’s 26 public charging stations. Currently, all public charging stations are available at no cost. In exchange, MGE receives information from the PEV drivers about their vehicles and their driving and charging patterns and preferences. Under the proposed EV-2, drivers will be charged based on the amount of time they are connected to the stations (similar to parking meters). Further, MGE proposes to reduce charges for drivers who share information about themselves, their vehicles, their driving patterns, and their PEV charging decision-making and sessions.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> The Commission should approve the proposed plug-in electric vehicle experimental tariffs, Schedules EV-1 and EV-2.		Direct-MGE-James-19-23; Ex.-MGE-James-1r (third), Schedule 5, pp. 52-54.
<b>Commission Staff:</b> Commission staff did not take a position on MGE’s proposed PEV tariffs.		
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> Authorize the proposed plug-in electric vehicle experimental tariffs, Schedules EV-1 and EV-2.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 14i: Should the revised Sp-3 billing statistics presented by MGE be used for developing the final rate design? (Uncontested)		
<b>Issue Scope:</b> MGE developed a forecast of anticipated 2015 energy usage and demand levels by the UW-Madison for purposes of the Sp-3 rate, a special rate designed to serve the unique characteristics of the UW. Since the original filing in this case, MGE had the opportunity to meet with UW staff to review and discuss the forecast. Based on those discussions, MGE believes that the demand billing statistics used to develop the Sp-3 demand charges are too low. MGE provided revised Sp-3 billing statistics and asks the Commission to use the revised billing statistics when setting the final rate levels for the Sp-3 rate.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> Based on discussions with University of Wisconsin staff, the Company has modified the demand billing statistics for the Sp-3 rate to better reflect coincident demands from the Charter Street facility and to incorporate the correct winter/summer split for the energy components. The Commission should base the final Sp-3 rate design on these updated billing statistics.		Rebuttal-MGE-James-1-2; Ex.-MGE-James-2, Schedule 1.
<b>Board of Regents:</b> Yes, the revised Sp-3 billing statistics presented by MGE should be used for developing the final rate design. Utilization of these statistics will result in more accurate rate calculations, and will enhance UW’s ability to make long-term planning decisions.		Rebuttal-MGE-James-1-2; UW comment to draft Decision Matrix.
<b>Commission Staff:</b> Commission staff did not take a position on MGE’s revised Sp-3 billing statistics.		
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> Base the final Sp-3 rate design on the updated Sp-3 billing statistics.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 14j: Should MGE be directed to develop new rate classes?		
Issue Scope: Airgas (Lyons) provided testimony regarding the appropriateness of MGE’s current rate class structure and whether or not those rate classes are appropriately defined so as to reflect customer consumption patterns. Airgas requests that the Commission direct MGE to “develop new customer class breakouts that better reflect similar load profiles among customers within the class.”		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE does not believe it is necessary at this time for the Commission to direct the Company to develop new rate classes.		MGE position stated in comments to draft of this Decision Matrix.
Airgas: MGE should develop new customer classes that share similar load profiles (in contrast to simply similar energy usage) because long-term utility costs are being driven by peak demand which require acquisition of infrequently used capacity resources.		Direct-Airgas-Lyons-9-10; Airgas Initial Brief, at 10-12.
NRDC: In the event the Commission elects to direct MGE to develop these new rate classes, such a process should be undertaken with the input of all intervenors to this docket either in MGE’s collaborative process addressed in Issue 14k, or in a separate statewide proceeding on utility rate design addressed in Issue 14l.		
Commission Staff: Commission staff did not take a position on Airgas’ proposal.		
COMMISSION ALTERNATIVES		
Alternative One: Direct MGE to develop new customer class breakouts that better reflect similar load profiles among customers within the class.		
Alternative Two: Direct MGE to evaluate the possible development new customer class breakouts that better reflect similar load profiles among customers within the class. The results of the company’s evaluation shall be provided in its next full rate case filing.		
Alternative Three: Take no action.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 14k: Commission direction, if any, to MGE rate design collaborative</b>		
<b>Issue Scope:</b> During the course of this proceeding, MGE agreed to revise its rate design proposal and initiate a rate design collaborative process. It is anticipated that this collaborative process will involve MGE ratepayers as well as interested parties. A number of parties to this proceeding provided extensive testimony regarding utility rate design. The Commission may wish to provide specific guidance to MGE and any parties involved with the rate collaborative regarding specific issues the Commission wishes to see considered.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE welcomes whatever guidance the Commission chooses to provide with respect to the rate design collaborative.		Bollom, Tr. 33-35; Direct-CUB-Wallach-4r-5r.
<b>Airgas:</b> Supports a collaborative process and wants to participate in that process.		
<b>CUB:</b> Utilities and stakeholders should work collaboratively to develop comprehensive strategies to accommodate changes in the electric energy industry that go beyond rate restructuring.		CUB IB, pp. 8-11; Direct-CUB-Wallach-17r-23r
<b>City of Madison:</b> The City concurs with Commission staff recommendations regarding the collaborative process, in addition to directing that the parties also consider the impact of rate design issues on low income customers, as well as municipal equity and sustainability plans. Moreover, the City suggests that the Commission should reject MGE's rate design proposal in this case, and direct MGE not to seek a new rate design from the Commission until first completing this process.		City of Madison IB, 13-14, 16; City of Madison RB, 4-5; City of Monona IB, 1-2; Dane County IB, 6-9
<b>Dane County:</b> Supports Commission staff's suggestion that the Commission should direct MGE's proposed rate design collaborative.		Direct-PSC-Singletary-19, 24-25.
<b>ELPC/RENEW:</b> MGE's planned community engagement process is insufficient to address the serious flaws in its rate design proposal. MGE has not developed its engagement plan and the issues facing MGE are also facing other utilities in Wisconsin. Thus, the Commission should open a separate stakeholder process to address the issues that Commission staff suggests, among others.		ELPC/RENEW/NRDC/WOW IB, 26-29

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<p><b>NRDC:</b> This collaborative process should either be combined with the separate statewide proceeding addressed in Issue 141, or be expanded to include all intervenors to this current docket. In addition to the elements staff recommends, any such process should include an examination of alternatives to MGE's proposals, a study of DG customers' costs of service, and an independent, comprehensive study of the costs and benefits that energy efficiency and DG bring to the system.</p>		<p>ELPC/RENEW/NRDC/WOW IB, 26-29 Direct-NRDC-Morgan-37-44</p>
<p><b>Wind on the Wires:</b> WOW agrees with staff that the Commission should formally direct MGE to collaborate with stakeholders. The Commission should direct the Company to include renewable energy industry representatives in this process. Given that MGE has not provided sufficient evidence to warrant its proposed increase of fixed charges, the Commission should direct MGE to carry out this rate collaborative before the Commission approves any fundamental changes to its rate design.</p>		<p>Direct-WOW-DeVito-3 ELPC, NRDC, RENEW, WOW IB, 19, 26, 27-29</p>
<p><b>Commission Staff:</b> Commission staff suggests that the Commission direct that the rate design collaborative following this case include, but not be limited to, a consideration of the following:</p> <ul style="list-style-type: none"> <li>• Fixed costs and utility rate design</li> <li>• Low income rates</li> <li>• Rates for DG customers</li> <li>• Long run avoided costs</li> </ul>		<p>Direct-PSC-Singletary-19, 24-25</p>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Issue guidance to MGE and any parties involved with the rate design collaborative, consistent with the open meeting discussion.
<b>Alternative Two:</b> Issue no guidance to the rate collaborative.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 14l: Should the Commission open a separate investigation to consider statewide utility rate policy?</b>		
<b>Issue Scope:</b> During the course of this proceeding city of Madison (Marcus), NRDC (Morgan), RENEW Wisconsin (Rabago, Vickerman), and Commission staff (Singletary) suggested that a statewide investigation into utility rates and rate design issues in lieu of the approach of handling these issues in individual utility rate cases.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> The Commission should decide the rate design issues this case presents, based on the record that the parties have developed. The Commission can provide valuable policy guidance for the benefit of all parties by addressing the issues in this proceeding.		Bollom, Tr. 80-82.
<b>City of Madison:</b> The City of Madison agrees with Commission staff that a separate investigation of the utility rate and rate design issues raised in this and other pending cases would be proper in order to set a statewide policy.		Direct-City of Madison-Marcus-29-30; Direct-NRDC-Morgan-6, 37-44; Tr. 208-210; City of Madison IB, 12-16
<b>Clean Wisconsin:</b> The Commission should open a separate, statewide investigation to consider rate design issues.		Clean Wisconsin IB, 11
<b>Dane County:</b> Supports Commission staff suggestion that a statewide investigation into utility rates and rate design be opened.		Tr., 208-210 Surrebuttal-PSC-Singletary-11 Direct-CityofMadison-Marcus-29 Direct-CUB-Wallach-4r, 5r. Direct-NRDC-Morgan-9
<b>ELPC/RENEW:</b> ELPC and RENEW agree with Commission staff that the Commission should convene a collaborative stakeholder process in order to examine alternatives to the rate designs of MGE and other Wisconsin utilities. The process should include an independent study of the comprehensive costs and benefits of DG to determine whether customer-generators provide net benefits or net costs to non-participating ratepayers, utilities, and the State of Wisconsin.		ELPC/RENEW/NRDC/WOW IB, 26-29

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<p><b>NRDC:</b> Yes, the Commission should reject the proposed fixed charge increases and open a separate investigation into statewide utility rate policy, to include all investor-owned utilities in Wisconsin and all interested parties. In addition to the elements staff recommends, any such process should include an examination of alternatives to MGE's proposals, a study of DG customers' costs of service, and a study of the costs and benefits that efficiency and DG bring to the system.</p>		<p>ELPC/RENEW/NRDC/WOW IB, 26-29 Direct-NRDC-Morgan-37-44</p>
<p><b>Commission Staff:</b> Commission staff believes that a separate investigation into statewide utility rates and rate design issues could assist the Commission in future rate design policy decisions.</p>		<p>Tr. 209; Surrebuttal-PSC-Singletary-11</p>
<p><b>COMMISSION ALTERNATIVES</b></p>		
<p><b>Alternative One:</b> Open a separate investigation to consider statewide utility rate policy.</p>		
<p><b>Alternative Two:</b> Decline to open a separate investigation to consider statewide utility rate policy.</p>		
<p><b>Notes:</b></p>		



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Natural Gas COSS and Rate Design		
Issue 15: What COSS should the Commission consider when allocating natural gas revenue responsibility?		
<b>Issue Scope:</b> MGE’s proposed revenue allocations (Ex.-MGE-Minor-1) is based on the single Standard COSS. Commission staff witness Bauer provided two COSS. COSS A is a customer oriented study and allocates 36.89 percent of MGE’s investment in distribution mains to the customer function and the remaining to commodity and demand functions. COSS B is a commodity oriented study that allocates all costs to commodity and demand functions. Together, COSS A and COSS B provide the “bookends” for determining natural gas revenue allocations. In the past the Commission has found that one objectively “correct” COSS does not exist.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> MGE recommends that the Commission utilize the proposed revenue allocations shown in Ex.-MGE-Minor-1 and Ex.-MGE-Minor-2r, Schedule 1 that are based on the Standard COSS Mr. Minor prepared, but the Company recognizes that the Commission has traditionally relied upon a range of COSS.		Direct-MGE-Minor-2-14; Ex.-MGE-Minor-1 and Ex.-MGE-Minor-2r, Schedule 1.
<b>Commission Staff:</b> Commission staff’s COSS A and COSS B provide the bookends of a range of reasonableness for rate design.		Direct-PSC-Bauer-3-12; Ex-PSC-Bauer-1
COMMISSION ALTERNATIVES		
<b>Alternative One:</b> Rely on only one COSS method when determining final rates for natural gas service.		
<b>Alternative Two:</b> Rely on several COSS methods when determining final rates for natural gas service.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 16: What natural gas rate design should the Commission consider when evaluating the reasonableness of rates with respect to cost recovery?</b>		
<b>Issue Scope:</b> MGE proposed fixed residential monthly charges of \$21.87, consisting of an increase to the Basic Customer Charge from \$12.17 to \$13.42 per month and implementation of a System Connection Service Charge of \$8.45 per month. Commission staff witness Bauer recommends an increase in the residential fixed charge of 20 percent to \$14.60 and prefers a single charge in lieu of separate treatment in a Basic Customer Charge and a System Connection Service Charge.		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> The Commission should adopt MGE's proposed natural gas rate design, including the proposed residential fixed monthly charges of \$21.87, and all other rate design and tariff changes identified in Mr. Minor's testimony and exhibits. The proposed fixed charges help alleviate intra-class subsidies between space heating and general use customers and better reflect the way MGE actually incurs its service investment costs.		Direct-MGE-Krueger-10; Direct-MGE-Minor-12-13; 15-16; Second Supplemental Direct-MGE-Minor-1-2; Ex.-MGE-Minor-2r (second).
<b>Clean Wisconsin:</b> Rely on Commission staff's rate design when determining final rates for natural gas service.		Position first stated in comments to draft of this Decision Matrix.
<b>NRDC:</b> NRDC recommends that the total fixed charges for residential natural gas customers should not be increased. MGE's proposal for these classes is inequitable and in conflict with Wisconsin's state energy policy.		ELPC/RENEW/NRDC/WOW Initial Brief at 3 Direct-NRDC-Morgan-4-6
<b>Commission Staff:</b> A single residential monthly service charge of \$14.60 is appropriate. This is a 20 percent increase, similar to staff's proposal for the electric residential monthly service charge. This falls within the range of the monthly residential service availability cost under COSS A and COSS B. Staff's proposed monthly service charge is more in line with customer expectations than MGE's proposal and discourages wasteful use.		Direct-PSC-Bauer-16-19; Ex-PSC-Bauer-2

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

COMMISSION ALTERNATIVES
<b>Alternative One:</b> Rely on MGE's rate design when determining final rates for natural gas service.
<b>Alternative Two:</b> Rely on Commission staff's rate design when determining final rates for natural gas service.
<b>Alternative Three:</b> Do not increase fixed charges for residential customers above their current level.
<b>Notes:</b>

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 17: Should MGE terminate its existing RD-2 lifeline rate?		
Issue Scope: MGE’s current residential lifeline rate, RD-2, has been closed to new customers since July 30, 1985. There are currently eight customers on this tariff. After this tariff was closed, any customer receiving weatherization services was moved to the regular residential rates. MGE proposes to terminate this offering.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: Yes, the residential lifeline rate RD-2 should be terminated. The eight existing RD-2 customers who meet the usage criteria should be provided the option of moving to the new optional Residential Low Income (RLI-1) rate schedule or receiving service under RD-1.		Direct-MGE-Minor-16-17.
Commission Staff: The residential lifeline rate, RD-2, should be considered for termination. It was not the Commission’s intention to grandfather these customers for more than 30 years. MGE should assist the remaining customers in taking advantage of the Department of Administration’s Weatherization Assistance Program.		Direct-PSC-Bauer-19-20
COMMISSION ALTERNATIVES		
Alternative One: Terminate the RD-2 lifeline rate.		
Alternative Two: Terminate the RD-2 lifeline rate. Require MGE to assist the remaining customers in taking advantage of the Department of Administration’s Weatherization Assistance Program.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 18: Should MGE offer its proposed RLI-1 rate?		
<b>Issue Scope:</b> MGE proposes to offer, on an optional basis, RLI-1 to residential customers that have received assistance under the Low Income Home Energy Assistance Program or the Public Benefits Energy Assistance Program within the past two years. This tariff would retain the current fixed/variable split. This new tariff is intended to address the adverse bill impacts increasing the fixed charges would have low use, low-income customers.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> The Commission should adopt the new optional Residential Low Income (RLI-1) tariff in order to mitigate the impact of higher fixed charges on low income, low usage customers. If the Commission does not approve MGE’s proposed fixed charges, then the new rate may not be necessary.		Direct-MGE-Minor-16-17.
<b>NRDC:</b> In the event the Commission approves an increase in the fixed charge for residential customers, some form of a separate rate for low-income customers may be appropriate. However, NRDC agrees with staff that MGE’s current proposal for the RLI-1 rate would not sufficiently address the inequities in any fixed charge increase for higher-use, low-income customers, or for low-income customers who do not qualify for LIHEAP or PBEAP.		ELPC/RENEW/NRDC/WOW RB, 5-6 Direct-NRDC-Morgan-32-33
<b>Commission Staff:</b> MGE’s proposed new tariff, RLI-1, only provides benefits to low use, low-income customers, providing no relief for higher use, low-income customers. The proposed tariff discriminates against all customers who are not low use, low-income customers.		Direct-PSC-Bauer-19-20
COMMISSION ALTERNATIVES		
<b>Alternative One:</b> Make RLI-1 available, on an optional basis, to low-income customers.		
<b>Alternative Two:</b> Do not approve offering of the RLI-1 tariff.		
<b>Alternative Three:</b> Do not approve offering of the RLI-1 tariff. Require MGE to work with Commission staff and interested parties to propose a new low income rate in MGE’s next rate proceeding.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 19: What are the appropriate telemetering charges? (Uncontested)		
Issue Scope: Order point 19 of the Commission's Final Decision in docket 3270-UR-118 required MGE to conduct a comprehensive telemetering study to support its existing per-day telemetering charge or any proposed adjustments. Consistent with the results of the study, MGE proposes to decrease its daily telemetering charge from \$1.50 to \$1.40.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: The Commission should approve MGE’s proposal to decrease its daily telemetering charge from \$1.50 to \$1.40.		Direct-MGE-Minor-11, 23-24; Ex.-MGE-Minor-1, Schedule 6.
Commission Staff: Commission staff accepted MGE’s proposed daily telemetering charge in its proposed rate design.		Ex-PSC-Bauer-2
COMMISSION ALTERNATIVES		
Uncontested Alternative: Daily telemetering charges shall be \$1.40 per day.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 20: Should MGE's proposed SD-2 tariff be approved? (Uncontested)		
<b>Issue Scope:</b> MGE proposes a new Seasonal Off-Peak Distribution Service, SD-2 for new customers signing up for service after January 1, 2015. Customers taking service under the current tariff, SD-1 have a per-day customer charge of \$1.03 and a per-therm volumetric distribution charge of \$0.0831. Customers taking service under the new tariff would have rates of \$4.29 per-day customer charge and a per-therm volumetric distribution charge of \$0.0776.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> The Commission should approve MGE’s proposal to grandfather all SD-1 customers taking service on or before January 1, 2015, under the current SD-1 tariff and to approve MGE’s new SD-2 tariff for new customers. The SD-2 tariff better reflects MGE’s costs. Grandfathering existing SD-1 customers preserves the expectations of customers who may have invested to switch their processes from propane to natural gas.		Direct-MGE-Minor-15, 21-22; Ex.-MGE-Minor-2, Schedule 7.
<b>Commission Staff:</b> MGE’s COSS supports the proposed SD-2 charges.		Direct-PSC-Bauer-20-21
COMMISSION ALTERNATIVES		
<b>Uncontested Alternative:</b> Approve MGE’s proposed SD-2 tariff.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 21: Should MGE’s existing SD-1 customers be grandfathered?		
Issue Scope: MGE proposes to increase rates for its SD-1 customers from \$1.03 to \$1.25 per-day customer charge and \$0.0831 to \$0.1014 per-therm volumetric distribution charge and allow existing customers to remain on this rate instead of moving to the new SD-2 tariff, which has a higher customer charge but lower volumetric charge.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: The Commission should approve MGE’s proposal to grandfather all SD-1 customers taking service on or before January 1, 2015 under the current SD-1 tariff. Grandfathering existing SD-1 customers preserves the expectations of customers who may have invested to switch their processes from propane to natural gas.		Direct-MGE-Minor-15, 21-22.
Commission Staff: Instead of grandfathering current SD-1 customers, MGE should continue making SD-1 available to seasonal customers with usage less than 50,000 therms per year. In future proceedings MGE should consider seasonal customers as a particular service type within their distribution service classes or create new classes.		Direct-PSC-Bauer-20-21
COMMISSION ALTERNATIVES		
Alternative One: Grandfather current SD-1 customers.		
Alternative Two: Do not grandfather current SD-1 customers.		
Alternative Three: In lieu of grandfathering current SD-1 customers, make SD-1 available to seasonal customers with usage less than 50,000 therms per year and require MGE to either consider seasonal customers as a particular service type within their distribution service classes or create new classes for seasonal customers.		
Notes:		



Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 22: Is MGE’s proposal to revise its purchase gas adjustment (PGA) provision reasonable? (Uncontested)</b>		
<p><b>Issue Scope:</b> Currently, MGE’s PGA tariff requires the use of the “remaining PGA year or heating season” when determining a true-up to actual costs. MGE proposes language that will allow it the time frame to use when determining the true-up adjustment. The proposed language is consistent with similar language already approved in other utilities’ PGA tariffs. MGE also proposes to “realign some demand-related costs to be consistent with the seasonal and annual demand recovery descriptions in the Purchased Gas Adjustment and Refund Provision tariff found in tariff sheet G-38.5.”</p>		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> The Commission should approve MGE’s proposed revisions to its purchased gas adjustment (PGA) provision. The revisions will provide the Company with more flexibility to help ensure proper cost recovery for rate payers.		Direct-MGE-Minor-24.
<b>Commission Staff:</b> The described MGE proposals are acceptable.		Direct-PSC-Bauer-21-22
<b>COMMISSION ALTERNATIVES</b>		
<b>Uncontested Alternative:</b> MGE’s proposed changes to its PGA tariff are reasonable.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 23: Should MGE be required to conduct a feasibility study and develop an implementation plan for metered demand charges for its largest volume customers?		
<b>Issue Scope:</b> MGE does not have demand charges for demand cost recovery. Wisconsin Public Service Corporation, WEPCO-Gas Operations, and Wisconsin Gas LLC all have metered demand charges on file with the Commission for service to their largest volume customers. Metered demand charges are one way to recover costs in a more equitable manner within a rate class.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> This proposal is acceptable to MGE.		MGE first stated its position in comments to the draft of this Decision Matrix.
<b>Commission Staff:</b> MGE should conduct a feasibility study and develop an implementation plan for metered demand charges for its largest volume customers in its next natural gas rate application.		Direct-PSC-Bauer-10-11
COMMISSION ALTERNATIVES		
<b>Alternative One:</b> MGE shall conduct a feasibility study and develop an implementation plan for metered demand charges for its largest volume customers in its next natural gas rate application.		
<b>Alternative Two:</b> Decline to require MGE at this time to conduct a feasibility study and develop implementation plan for metered demand charges for largest volume natural gas customers.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 24: What is the appropriate daily transportation (Daily Balancing Service or DBS) administrative fee?		
Issue Scope: MGE proposed an increase to the DBS administrative from \$3.70 to \$4.30 per day. Commission staff’s rate design is based on a \$.3.80 DBS administrative fee.		
Party Positions	Amount*	Transcript References
MGE: The DBS administrative charge should increase to \$4.30 per day. MGE’s COSS indicates that the DBS administrative charge is under recovering test year revenues by nearly 30 percent. The proposed increase from \$3.70 to \$4.30 per day per day falls short of target margin revenues, but it more accurately reflects the Company’s cost of service.		Direct-MGE-Minor-24; Ex.-MGE-Minor-2r (second), Schedule 2.
Commission Staff: The appropriate DBS administrative fee is \$3.80.		Ex-PSC-Bauer-2, Schedule 3
Commission Alternatives		
Alternative One: The appropriate DBS administrative fee is \$4.30 per day.		
Alternative Two: The appropriate DBS administrative fee is \$3.80 per day.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

**Energy Efficiency**

**Issue 25: What are the appropriate 2015 electric and natural gas conservation expense levels to be included in revenue requirement? (Uncontested)**

**Issue Scope:** MGE proposed a conservation escrow budget of \$6,356,814, with \$4,671,702 allocated to electric operations and \$1,685,112 allocated to natural gas operations. MGE's proposed conservation escrow budget consists of required 2015 contributions to Focus on Energy (Focus). MGE also proposed non-escrow conservation and energy efficiency funding for Customer Service Conservation (CSC) activities of \$974,151, with \$517,115 allocated to electric operations and \$457,036 allocated to natural gas operations. MGE's proposed non-escrow funding for CSC activities reflects the 25 percent reduction in CSC expenditures ordered in docket 3270-UR-118 and a reallocation of some previous categorized CSC budgets to non-conservation budgets to comply with the Commission's definition of CSC activities in docket 5-BU-100.

PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
<b>MGE:</b> The Commission should approve MGE's proposed and uncontested conservation escrow budget and non-escrow CSC funding.		Direct-PSC-Stemrich-3; Surrebuttal-PSC-Stemrich-2.
<b>Commission Staff:</b> MGE's proposed conservation escrow budget and non-escrow CSC funding are appropriate.		Direct-PSC-Stemrich-3-4; Surrebuttal-PSC-Carol Stemrich-1-2

**COMMISSION ALTERNATIVES**

**Uncontested Alternative:** The appropriate 2015 electric conservation expense level to be included in revenue requirement is \$5,188,817, consisting of \$4,671,702 for MGE's required contribution to Focus and \$517,115 for CSC activities. The appropriate 2015 natural gas conservation expense level to be included in revenue requirement is \$2,142,148, consisting of \$1,685,112 for MGE's required contribution to Focus and \$457,036 for CSC activities.

**Notes:**

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 26: Are MGE’s proposed 2015 CSC activities appropriate? (Uncontested)		
Issue Scope: The Commission’s July 13, 2012, Order in docket 5-BU-102 defined CSC activities. In the past some of MGE’s proposed CSC activities did not meet this definition because less than 51 percent of the activity was dedicated to energy efficiency. MGE re-categorized some of these budgeted activities to meet the Commission’s definition.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: The Commission should approve MGE’s proposed CSC activities.		Direct-PSC-Stemrich-2
Commission Staff: MGE’s proposed 2015 CSC activities are appropriate.		Direct-PSC-Stemrich-3
COMMISSION ALTERNATIVES		
Uncontested Alternative: MGE’s proposed 2015 CSC activities are appropriate.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

<b>Issue 27: Are MGE's proposed non-substantive changes to its natural gas tariffs appropriate? (Uncontested)</b>		
<b>Issue Scope:</b> MGE proposed several changes to its natural gas tariffs that clarify existing language, remove redundancies, and make necessary corrections to existing language (Ex.-MGE-Minor-3r.)		
<b>PARTY POSITIONS</b>	<b>AMOUNT*</b>	<b>TRANSCRIPT REFERENCES</b>
<b>MGE:</b> MGE agrees and supports the uncontested alternative.		Ex.-MGE-Minor-3r
<b>Commission Staff:</b> MGE’s proposed non-substantive natural gas tariff changes are acceptable.		Direct-PSC-Bauer-23
<b>COMMISSION ALTERNATIVES</b>		
<b>Uncontested Alternative:</b> Accept MGE’s proposed non-substantive natural gas tariff changes.		
<b>Notes:</b>		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 28: Is it appropriate to lower the availability requirement for Steam and Power Gas Generation Distribution Service (SP-1)? (Uncontested)		
Issue Scope: Is it appropriate to lower the availability requirement for Steam and Power Gas Generation Distribution Service (SP-1)?		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
Commission Staff: This proposal is acceptable.		Direct-PSC-Bauer-22
MGE: MGE agrees and supports the uncontested alternative.		Second Supplemental Direct-MGE-Minor-3
COMMISSION ALTERNATIVES		
Uncontested Alternative: Approve MGE’s proposal to lower the availability requirement for SP-1 to 17 million therms annually.		
Notes:		

Decision Matrix  
MADISON GAS AND ELECTRIC COMPANY  
Docket 3270-UR-120  
November 10, 2014

Issue 29: Are MGE's proposed revisions to its Natural Gas Curtailment Plan acceptable? (Uncontested)		
Issue Scope: MGE proposed revisions to its Natural Gas Curtailment Plan that would align the plan’s categories to the Natural Gas Sales Priority of Use Program and the IS-1 gas supply tariff.		
PARTY POSITIONS	AMOUNT*	TRANSCRIPT REFERENCES
MGE: MGE agrees and supports the uncontested alternative.		Second Supplemental Direct-MGE-Minor-3-4
Commission Staff: MGE’s proposed revisions to its Natural Gas Curtailment Plan are acceptable.		Direct-PSC-Bauer-22
COMMISSION ALTERNATIVES		
Uncontested Alternative: Approve MGE’s proposed changes to its Natural Gas Curtailment Plan.		
Notes:		

JJB:cmk:DL: 00947265