

February 18, 2011

Ms. Sandra J. Paske Secretary to the Commission Public Service Commission of Wisconsin 610 N. Whitney Way Madison, WI 53705 Wisconsin Public Service Corporation
(a subsidiary of Integrys Energy Group, Inc.)
700 North Adams Street

P.O. Box 19001 Green Bay. WI 54307-9001

Docket No. 6690-FR-103: Fuel Rules Proceeding to Adjust Wisconsin Public Service Corporation's Electric Rates Originally Set in Docket 6690-UR-119

Re: 2010 Electric Fuel Cost Over-Recovery Subject to Refund

Dear Ms. Paske:

On March 31, 2010 the Public Service Commission of Wisconsin ("PSCW") ordered in docket 6690-FR-103 that as of April 1, 2010, Wisconsin Public Service Corporation's ("WPSC's") Wisconsin electric retail rates were subject to refund with interest based on Section PSC 116 of the Wisconsin Administrative Code on electric fuel cost recovery for the year 2010. The amount of the fuel cost over collection that was subject to refund for 2010 was \$14,600,000, plus interest of \$607,000 based on the interest rate of 10.9% through December 31, 2010. The Company estimates additional interest of \$789,000 in 2011, based on the interest rate of 10.3%. This results in a total amount subject to refund for 2010 fuel cost over-collections of \$15,996,000.

As part of the docket 6690-UR-120 rate case for 2011 and the docket 6690-FR-103 fuels case, the PSCW ordered that \$15,239,000 of the 2010 fuel cost over collection subject to refund should be refunded to customers throughout the year 2010. Due to the issuance of the 6690-FR-103 fuels case rate order on January 13, 2011, the Company expects to refund only \$14,730,000 from January 14 through December 31, 2011. Therefore the remaining 2010 fuel cost over-collection subject to refund plus interest through December 31, 2011 is \$1,266,000.

The Company requests that the PSCW approve the proposed fuel cost refund of \$1,266,000 through a credit rate of (\$0.00151)/kWh on March 2011 Wisconsin electric retail usage. On this basis, a typical residential customer would receive a credit of about (\$0.95).

Attachment 1 shows the determination of the fuel cost refund for 2010, the refund of the \$14,730,000 throughout 2011, and the proposed additional refund of the remaining \$1,266,000 in March 2011.

Attachment 2 shows the proposed tariff sheet. Upon receiving the Commission's approval of the refund and the assignment of an amendment number, the Company will file the tariff sheet in final form, including the table of contents.

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All correspondence and pleadings in this matter should be addressed to:

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Dated this 18th day of February, 2011 WISCONSIN PUBLIC SERVICE CORPORATION

John G. Guntlisbergen

John J. Durdisbergen

Manager of Electric Fuel Cost Recovery

Regulatory Affairs

Mr. Bradley Jackson, Foley & Lardner CC:

Service List – PSCW Docket 6690-UR-119

Wisconsin Public Service Corporation Determination of Credit for Refund of Fuel Costs

2010

						2010								
					Wisconsi	in Jurisdictiona	al Costs							
		2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Actual Fuel Costs		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Total Costs (\$ 000's)		24,756	21,111	21,095	20,614	22,014	24,851	27,298	30,293	23,968	22,068	22,566	24,879	285,513
Requirement Sales + Buyout (Mwhs)		1,234,005	1,108,597	1,181,843	1,112,282	1,171,915	1,286,474	1,357,781	1,407,204	1,244,589	1,166,866	1,144,047	1,245,390	14,660,993
Less Buyout Mwhs		0	0	0	0	-1,278	-682	-460	-2,327	0	0	0	0	-4,747
Requirement Sales (Mwhs)		1,234,005	1,108,597	1,181,843	1,112,282	1,170,636	1,285,792	1,357,321	1,404,877	1,244,589	1,166,866	1,144,047	1,245,390	14,656,246
Cost \$/KWH		0.02006	0.01904	0.01785	0.01853	0.01881	0.01933	0.02011	0.02156	0.01926	0.01891	0.01972	0.01998	0.019481
		0.02006	0.01958	0.01900	0.01889	0.01887	0.01895	0.01914	0.01949	0.01946	0.01941	0.01943	0.01948	
6690-UR-119 Re-opener for 2010 Fuel Costs		119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	119-REO	
Total Costs (\$ 000's)		31,501	27,988	25,885	21,659	22,713	28,010	31,477	32,187	27,372	26,399	27,145	28,545	330,881
Requirement Sales (Mwhs)		1,324,276	1,219,266	1,277,799	1,183,040	1,226,578	1,329,676	1,419,756	1,415,137	1,296,333	1,270,900	1,244,678	1,312,176	15,519,615
Cost \$/KWH		0.02379	0.02295	0.02026	0.01831	0.01852	0.02107	0.02217	0.02274	0.02111	0.02077	0.02181	0.02175	0.021320
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Wisconsin Retail Sales (Mwhs)		896,385	800,507	850,839	798,742	843,906	901,512	954,211	1,001,895	870,411	842,691	823,286	905,053	10,489,437
Less Buyout Mwhs		0	0	0	0	-1,154	-623	-415	-2,117	0	0	0	0	-4,309
Wisconsin Retail Sales Less Buyout (Mwhs)		896,385	800,507	850,839	798,742	842,752	900,888	953,796	999,778	870,411	842,691	823,286	905,053	10,485,128
Subject to Refund Rate (\$/Kwh)														-0.00184
Subject to Refund Rate (\$/Kwh)		0.00000	0.00000	0.00000	-0.00184	-0.00184	-0.00184	-0.00184	-0.00184	-0.00184	-0.00184	-0.00184	-0.00184	
Wisconsin Retail Subject to Refund (\$ 000's)		0	0	0	-1,469	-1,550	-1,657	-1,755	-1,839	-1,601	-1,550	-1,514	-1,665	-14,600
Applied Refund Rate (\$/Kwh)		0	0	0	0	0	0	0	0	0	0	0	0	
Wisconsin Retail Refund (\$ 000's)		0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin Retail Subject to Refund (\$ 000's) Balance		0	0	0	-1,469	-3,019	-4,676	-6,431	-8,270	-9,871	-11,421	-12,935	-14,600	
ROE from 6690-UR-118		10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	
Average Balance to be Refunded (\$ 000's)		0	0	0	-735	-2,251	-3,875	-5,616	-7,464	-9,252	-10,911	-12,542	-14,246	
Carry Cost (\$ 000's)		0	0	0	-7	-20	-35	-51	-68	-84	-99	-114	-129	-607
Carry Cost Balance (\$ 000's)		0	0	0	-7	-27	-62	-113	-181	-265	-364	-478	-607	
Subject to Refund - Refunded + Carry Cost (\$ 000's)		0	0	0	-1,476	-1,570	-1,692	-1,806	-1,907	-1,685	-1,649	-1,628	-1,794	-15,207
Subject to Refund + Carry Cost Balance (\$ 000's)		0	0	0	-1,476	-3,046	-4,738	-6,544	-8,451	-10,136	-11,785	-13,413	-15,207	
2011 Refund of 2010 Fuel Cost Over-collection Subject to Refund														
	2010	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	
	Balance	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Wisconsin Retail Sales for 2011 (Mwhs)		867,663	805,720	839,900	782,516	822,634	874,846	964,358	931,523	854,661	859,407	824,243	889,423	10,316,893
Applied Refund Rate 1 (\$/Kwh)		0.00086	0.00148	0.00148	0.00148	0.00148	0.00148	0.00148	0.00148	0.00148	0.00148	0.00148	0.00148	
Applied Refund Rate 2 (\$/Kwh)				0.00151										
Wisconsin Retail Subject to Refund (\$ 000's)	-14,600													-14,600
Wisconsin Retail Refund 1 (\$ 000's)		746	1,192	1,243	1,158	1,217	1,295	1,427	1,379	1,265	1,272	1,220	1,316	14,730
Wisconsin Retail Refund 2 (\$ 000's)				1,266										1,266
ROE from 6690-UR-120		10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	
Average Balance to be Refunded (\$ 000's)		-14,834	-13,992	-12,262	-10,534	-9,436	-8,261	-6,971	-5,628	-4,355	-3,123	-1,904	-653	
Carry Cost (\$ 000's) in 2010	-607													-607
Carry Cost (\$ 000's) in 2011		-127	-120	-105	-90	-81	-71	-60	-48	-37	-27	-16	-6	-789
Balance to be Refunded (\$ 000's)	-15,207	-14,589	-13,516	-11,113	-10,045	-8,909	-7,685	-6,317	-4,987	-3,759	-2,514	-1,311	0	0

P.S.C.W. Volume No. 7

26th Rev. Sheet No. E3.20
Replaces 25th Rev. Sheet No. E3.20
Amendment Schedule ACF

Adjustment For Cost of Fuel

Electric

This is a credit of fuel cost over the period January 14, 2011-December 31, 2011.

An adjustment for cost of fuel of (\$0.00148) per kilowatthour shall be applicable to the following rate schedules:

Rg-1	Cg-1	Ср
Rg-2	Cg-2	Cp-RR
Rg3-OTOU	Cg-1/2-RR	Cp-ND
Rg4-OTOU	Cg-5	Ms-31
Rg5-OTOU	Cg5-RR	
Rg6-OTOU	Cg3-OTOU	
Rg-RR	Cg4-OTOU	
	Cg-20	
	Cg20-RR	

Adjustments for cost of fuel, based on (\$0.00148) per kilowatthour of estimated usage, shall be applicable to the following rate schedules:

Ls-1

This is a credit of fuel cost over the period March 1, 2011 - March 31, 2011.

An adjustment for cost of fuel of (\$0.00151) per kilowatthour shall be applicable to the following rate schedules:

N	Rg-1	Cg-1	Ср
N	Rg-2	Cg-2	Cp-RR
N	Rg3-OTOU	Cg-1/2-RR	Cp-ND
N	Rg4-OTOU	Cg-5	Ms-31
N	Rg5-OTOU	Cg5-RR	
N	Rg6-OTOU	Cg3-OTOU	
N	Rg-RR	Cg4-OTOU	
N		Cg-20	
N		Cg20-RR	

Adjustments for cost of fuel, based on (\$0.00151) per kilowatthour of estimated usage, shall be applicable to the following rate schedules:

N Ls-1

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N N

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