

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Wisconsin Public Service Corporation
for Authority to Adjust Electric and Natural Gas Rates

Docket No. 6690-UR-121

COMMENTS OF RENEW WISCONSIN ON THE SETTLEMENT PROPOSAL

Pursuant to the Motion for Suspension of the Schedule filed by Wisconsin Public Service Corporation (“WPSC”) and granted by the Public Service Commission of Wisconsin (“Commission”) on September 28, 2012 in the above-captioned proceeding, RENEW Wisconsin (“RENEW”) submits the following Comments on the Settlement Proposal.

For the reasons more fully discussed in the Direct Testimony of Michael Vickerman filed in this proceeding (PSC REF# 173225) and incorporated herein, RENEW objects to the Settlement Proposal to the extent it fails to address the issues raised by RENEW related to the current WPSC PG-4 net metering tariff. The Settlement Proposal would defer consideration of such issues until the next full WPSC rate case. (*See* Draft Settlement Proposal at ¶ 12). Given that WPSC proposes to file only a limited reopener in 2013 for the 2014 test year (*See* Draft Settlement Proposal at ¶ 13(cc)), the current WPSC PG-4 net metering tariff would presumably remain in place until at least the 2015 test year if the Settlement Proposal is accepted.

As discussed in the Direct Testimony of Michael Vickerman:

[The] current tariff structure is problematic because it specifies both a two-tier structure and a monthly netting period. Under its tariff, WPS credits generation up to the customer’s consumption each month at the retail rate and credits excess generation at its avoided cost rate. However, instead of carrying forward excess generation over a 12-month netting period, WPS performs a true-up each month and credits the customer-generator for both the output that offsets consumption and any excess generation that occurred that month. . . . [The tariff] effectively penalizes new WPS system owners for seasonal swings in both internal consumption and generation output.

(Direct-RENEW-Vickerman-6). The monthly true-up process used by WPSC is inconsistent with the annual true-up process used by other utilities in the state.

The other utilities that presently offer net metering under a two-tiered rate are Northern States Power-Wisconsin (NSPW) and Madison Gas & Electric (MGE). Like WPS, NSPW and MGE offer net metering for renewable energy systems up to 100 kW. Unlike WPS, these two utilities true up a customer-generator's output over a 12-month period. The Commission approved NSPW's and MGE's use of annual true-up process in their most rate cases.

In its pending rate case, Wisconsin Electric Power Company (WEPCO) proposed numerous changes to its net metering service, including a shift to a two-tiered rate structure and a 12-month carryover for excess generation. If the Commission approves those elements in WEPCO's proposed net metering service, WPS will be the sole outlier in this regard among utilities offering a two-tiered net metering service.

(Direct-RENEW-Vickerman-8-9). In summary, "WPS's policy on net excess generation imposes a penalty on prospective system owners that customers in Eau Claire or Madison do not experience." (Direct-RENEW-Vickerman-10).

To resolve this disparity between WPSC customers and customers of other utilities in the state, RENEW proposes the following.

RENEW requests that WPS be required to carry forward excess energy generation over a 12-month true-up period, consistent with the current practice at NSPW and MGE. NSPW's annual netting process period occurs within a fixed 12-month period, while MGE uses a 12-month rolling average of customer consumption to determine the crediting of generator output each month. Both approaches, in RENEW's view, are practical and reasonable. Annual netting should be offered to all existing customer-generators who took service under the Pg-4 tariff after March 31, 2011.

(Direct-RENEW-Vickerman-10-11).¹ RENEW submits that WPSC customers should not be subjected to this disparate treatment for another two years, which would be the effect of granting the Settlement Proposal in its current form.

¹ RENEW also takes issue with new changes to the PG-4 net metering tariff WPSC has proposed in this proceeding, as discussed in the Direct Testimony of Michael Vickerman. Because WPSC has not included those proposed changes in its Settlement Proposal, RENEW does not address those changes in these Comments.

Accordingly, if the Commission accepts the Settlement Proposal, RENEW respectfully requests that the Commission require WPSC, as a condition to accepting the Settlement Proposal, to include annual netting in its PG-4 net metering tariff, consistent with the comments offered by RENEW herein.

Dated this 5th day of October, 2012.

Respectfully submitted,

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