

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Wednesday, November 27, 2013

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Montgomery (telephonically), Commissioner Callisto and Commissioner Nowak.

Minutes

The Commission approved the minutes of the open meeting of Friday, November 22, 2013.

4280-SB-140 - Application of Northwestern Wisconsin Electric for Authority to Issue and Have Outstanding During 2014 Short-Term Indebtedness Not to Exceed \$6,500,000

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3830-WR-103 - Application of the City of Montello, Marquette County, Wisconsin, as a Water Public Utility, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1-AC-229 - Applications for Service and the Fair and Accurate Credit Transactions Act**Clearinghouse Rule 13-039**

The Commission modified and approved the draft order adopting proposed rules and the associated report to the Legislature concerning the adoption of applications for service and the Fair and Accurate Credit Transactions Act, and directed Commission staff to make the necessary filings.

The Commission directed Commission staff to modify the proposed rules consistent with the changes suggested by the Water Division of the Municipal Environmental Group.

The Commission clarified that the utilities should have ten calendar days to process applications for residential or commercial service under the rules.

If neither the Governor nor the legislative committees request changes to the rules, Commission staff is directed to change the title of the order to indicate that it is the adoption of final rules and to make the additional required filings without further Commission action.

6630-GF-131 - Application of Wisconsin Electric Power Company for Gas Risk Management Programs

The Commission approved the revised risk management plan, filed on behalf of Wisconsin Electric Power Company for its natural gas operations (WE-GO), through December 31, 2014. WE-GO shall continue to abide by the conditions set forth in the Final Decision in this docket, dated December 14, 2009.

The Commission directed the Gas and Energy Division to draft an order consistent with its decision.

6650-GF-104 - Application of Wisconsin Gas LLC for Gas Risk Management Programs

The Commission approved the revised risk management plan, filed on behalf of Wisconsin Gas LLC (WG) for the natural gas utility, through December 31, 2014. WG shall continue to abide by the conditions set forth in the Final Decision in this docket, dated December 14, 2009.

The Commission directed the Gas and Energy Division to draft an order consistent with its decision.

6630-FR-104 - Application of Wisconsin Electric Power Company for Authorization to Implement New Electric Rates According to its 2014 Fuel Cost Plan

The Commission discussed this matter and made determinations, including the following:

1. The appropriate forecast equivalent forced outage rates (EFOR) for Wisconsin Electric Power Company's (WEPCO) Elm Road Generating Station (ERGS) units shall be based upon the two percent EFOR used in the ERGS certificate of public convenience and necessity in docket 5-CE-130 and subsequent rate and fuel cases.

Commissioner Nowak dissented.

2. In WEPCO's next rate case proceeding, the operational challenges at ERGS shall be explored more fully to examine why the units are not running as much as anticipated and what WEPCO is doing in response.
3. EFORs for WEPCO's non-ERGS coal units reflecting the more recent five-year average of 2008-2012, as adjusted to reflect corrections to the 2012 filed EFORs, are appropriate.

Commissioner Callisto dissented.

4. The New York Mercantile Exchange futures prices used to forecast fuel commodity costs not covered by contract shall not be adjusted to reflect the historical relationship of futures prices to settlement prices.
5. WEPCO shall refund the remaining amount of \$327,315 to its customers related to WEPCO's incremental legal fees associated with the settlement reached with the U.S. Department of Energy (DOE) related to the federal government's failure to take spent nuclear fuel at the Point Beach Nuclear Power Plant. The Commission determined that the record was insufficient to order a refund of any additional legal fees incurred in the DOE litigation, but directed the Chief Legal Counsel to examine more fully the legal costs incurred by WEPCO and the other investor-owned utilities on outside counsel, and to report back to the Commission the findings of this investigation and make recommendations as to how the Commission can review such spending in future rate cases.
6. The Commission accepted all of the uncontested alternatives for the uncontested issues.

The Commission directed the Gas and Energy Division to draft an order consistent with its discussion. The draft order shall be brought to the Commission for final review and approval.

The Commission adjourned the meeting at 11:14 a.m.

Sandra J. Paske
Secretary to the Commission

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