

## How WPS Is *Managing Costs*

We know rate increases are difficult for our customers. You can be certain we're doing what we can to keep costs as low as possible. In fact, the request for 2016 is potentially the first substantial increase in electric rates in 8 years (see following charts). Even so, electricity remains a tremendous value for customers.

Natural gas customers will pay slightly more in distribution costs since 2009. However, natural gas market prices have dropped significantly during the period resulting in overall lower monthly gas bills.

### WPS Electric Rate Changes

Year	Overall	Residential	Commercial/Industrial
2009	0.00%	0.00%	0.00%
2010	0.00%	0.00%	0.00%
2011	0.61%	0.44%	0.20%
2012	0.85%	0.00%	3.62%
2013*	0.00%	0.00%	0.00%
2014**	-1.31%	-1.56%	0.00%
2015	2.52%	2.95%	3.55%

\*Rate increase offset by 2012 fuel refund – subject to true up in future proceedings.  
 \*\*Rate increase offset by 2013 fuel refund and decoupling mechanism.

### WPS Natural Gas Rate Changes

Year	Overall
2009	-0.44%
2010	+3.08%
2011	-2.22%
2012	-1.98%
2013	-1.10%
2014	+1.23%
2015	-4.30%

## Did You Know?

For about the cost of the monthly pay TV plan (\$86 according to market research company NPD Group), WPS customers receive safe and reliable electricity to cool their homes, refrigerate or freeze food, do laundry, operate and/or charge all electric devices in the home, and so much more.

## What You Can Do To *Manage Costs*

Just as we are committed to managing our costs, we are also committed to helping our customers manage their energy use and costs. When you visit the **Saving Energy** section at [wisconsinpublicservice.com](http://wisconsinpublicservice.com), you'll find a wealth of tools and information to help you learn about your energy use and how to better manage it. You can also visit [www.focusonenergy.com](http://www.focusonenergy.com) for information on energy-saving rebates and programs available through Focus on Energy.



## For More *Information*

If you have any questions about the proposed rate changes, please contact WPS. Residential customers can call 24-Hour Customer Service at **800-450-7260**. Business and farm customers can call our Business Solutions Center at **877-444-0888**. For more information about WPS, visit our website at [wisconsinpublicservice.com](http://wisconsinpublicservice.com).

Please note that the Commission oversees the rates we charge to our customers and must approve any rate changes. The amounts approved may change as we work with the Commission and conditions change. As part of the approval process, the Commission will hold hearings to determine if this request is reasonable and advisable. The public is welcome to attend and participate in these hearings.

Customers can contact the Commission online at <http://psc.wi.gov> to submit written comments and learn of any scheduling changes or additions.

## Important *Information* About Your Rates



Public Service Commission of Wisconsin  
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An explanation of proposed changes



## WPS Requests New Electric & Natural Gas Rates For 2016

### Electric Rates Have Remained Relatively Flat During The Period 2008-2015

On April 17, 2015, Wisconsin Public Service filed a request with the Public Service Commission of Wisconsin (the Commission) to increase retail electric rates overall by 9.4% and increase natural gas rates by 2.8% in 2016. On May 6, 2015, we then revised our request to increase retail electric rates overall by 9.7% and increase natural gas rates by 2.7% in 2016.

If approved at the requested level, we estimate that an average residential electric customer using 600 kilowatt-hours (kWh) of electricity each month would see an increase of about \$7.93 per month. The average natural gas customer using 820 therms of natural gas annually would see an increase of approximately \$2.25 per month.

Please refer to the electric and natural gas cost comparison charts on the next page to see more specifically how the proposed changes may affect your bill.



WPS's Proposed 2016 Electric Rates										
Customer Class			2015 Monthly Fixed Charge	Proposed 2016 Monthly Fixed Charge	Monthly Kilowatt Hours (kWh)	Current Authorized Monthly Bill	Proposed 2016 Monthly Bill	Monthly Difference		Annual Dollar Impact
								Dollars	Percent	
Residential	Rg-1	Urban	\$19.00	\$25.00	600	\$80.93	\$88.86	\$7.93	9.8%	\$95
Residential	Rg-3	Optional Time of Use	\$19.00	\$25.00	981	\$112.43	\$123.55	\$11.12	9.9%	\$133
Residential	Rg-5	Optional Time of Use	\$19.00	\$25.00	695	\$88.76	\$97.55	\$8.79	9.9%	\$105
Commercial	Cg-1	<12,500 kWh	\$25.00	\$30.00	1,578	\$199	\$216	\$17.29	8.7%	\$207
Commercial	Cg-3	Optional Time of Use	\$25.00	\$30.00	1,811	\$198	\$215	\$17.37	8.8%	\$208
Commercial	Cg-5	>12,500 kWh	\$63.00	\$68.00	13,437	\$1,404	\$1,526	\$122.19	8.7%	\$1,466
Commercial	Cg-20	> 100 KW	\$93.00	\$103.00	63,746	\$5,343	\$5,875	\$532	10.0%	\$6,387
Industrial	CP	> 1,000 KW	\$776.00	\$853.00	1,782,311	\$113,496	\$124,735	\$11,239	9.9%	\$134,865

WPS's Proposed 2016 Natural Gas Rates									
Customer Class	Annual Therms	Current Authorized Annual Bill	Proposed 2016 Annual Bill	2016 Annual Increase/Decrease	% Change	2015 Monthly Fixed Charge	Proposed 2016 Monthly Fixed Charge	Current Authorized Volumetric Charge per Therm	Proposed 2016 Volumetric Charge per Therm
Rg-3	820	\$745	\$772	\$27	3.6%	\$17.00	\$20.00	\$0.0811	\$0.0701
Cg-FST	820	\$745	\$772	\$27	3.6%	\$17.00	\$20.00	\$0.0811	\$0.0701
Cg-FS	6,800	\$5,038	\$4,990	(\$48)	-1.0%	\$30.00	\$35.00	\$0.1094	\$0.0935
Cg-FM	55,800	\$38,896	\$38,775	(\$121)	-0.3%	\$150.00	\$185.00	\$0.0862	\$0.0765
Cg-FL	841,000	\$543,484	\$542,040	(\$1,444)	-0.3%	\$632.00	\$806.00	\$0.0462	\$0.0420
Cg-IM	289,800	\$158,407	\$157,422	(\$985)	-0.6%	\$162.00	\$191.00	\$0.0839	\$0.0793
Cg-IEGM	175,000	\$96,427	\$95,970	(\$457)	-0.5%	\$162.00	\$191.00	\$0.0839	\$0.0793
Cg-IL	1,032,600	\$553,266	\$551,017	(\$2,249)	-0.4%	\$632.00	\$806.00	\$0.0452	\$0.0410
Cg-ISL	6,265,100	\$3,118,795	\$3,160,669	\$41,874	1.3%	\$3,894.00	\$3,781.00	\$0.0286	\$0.0355
Cg-IEGL	1,520,700	\$872,890	\$858,645	(\$14,245)	-1.6%	\$7,007.00	\$6,010.00	\$0.0216	\$0.0201
Cg-SOS-M	15,500	\$10,168	\$10,517	\$349	3.4%	\$150.00	\$185.00	\$0.0839	\$0.0793
Cg-TSA	21,900	\$2,851	\$2,797	(\$54)	-1.9%	\$67.50	\$63.00	\$0.0932	\$0.0932
Cg-TS	19,100	\$2,734	\$2,608	(\$126)	-4.6%	\$79.50	\$69.00	\$0.0932	\$0.0932
Cg-TMA	62,900	\$6,735	\$7,041	\$306	4.5%	\$187.50	\$213.00	\$0.0713	\$0.0713
Cg-TM	97,300	\$9,331	\$9,565	\$234	2.5%	\$199.50	\$219.00	\$0.0713	\$0.0713
Cg-TLA	356,700	\$23,099	\$24,896	\$1,797	7.8%	\$657.50	\$828.00	\$0.0347	\$0.0340
Cg-TL	885,100	\$48,305	\$49,659	\$1,354	2.8%	\$669.50	\$834.00	\$0.0347	\$0.0340
Cg-TSL	6,265,100	\$221,010	\$264,022	\$43,012	19.5%	\$3,931.50	\$3,809.00	\$0.0220	\$0.0291

### Primary Reasons For The Electric Increase Request

- Construction costs of the ReACT Emissions Control Project at the Weston 3 Plant.
- Transmission costs.
- Costs to convert overhead electric lines to underground, increasing reliability in areas prone to wind and storm damage.
- Upgrades to units 1 & 2 at the Fox Energy Center.
- Costs to improve customer service processes.
- General inflation.

### Primary Reasons For The Natural Gas Increase Request

- The elimination of the “decoupling” refund of \$8 million last year.
- Increased non-fuel operating and maintenance costs.

Even with continued improvements to ensure safe and reliable electricity for our customers, WPS is still finding ways to manage and reduce costs. You'll see below that while electricity rates have increased over the years, they have done so at a pace much less than ordinary inflation — making electricity an even better value for customers.

