



Public Service Commission of Wisconsin

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For Immediate Release – November 24, 2009

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PSC Orders Rate Adjustment for WP&L Customers

MADISON – In an oral decision today, the Public Service Commission of Wisconsin (PSC) approved in part Wisconsin Power and Light's (WP&L) request to adjust its electricity rates. The PSC approved an electric rate increase of approximately \$60 million, which is less than the utility's updated request, of approximately \$101 million. The PSC's rate adjustment amounts to a roughly 6.4% increase overall for electric rates, and the average residential WP&L customer will see a monthly increase of approximately \$6.10 for electric service, as a result of this adjustment.

The PSC also raised WP&L's natural gas rates by about \$5.5 million, amounting to a monthly increase of approximately \$1.50 for gas distribution service.

"Today's action struck a balance between a utility that needs more revenue to continue to provide reliable service, and a customer base that is working its way through hard economic times," said Chairperson Eric Callisto. "At the end of the day, we cannot allow a regulated utility to fall off the cliff. Today's decision kept the current recession in mind while keeping the lights on and keeping the utility moving forward."

"The commission has a duty to ensure that Wisconsin ratepayers get reliable service at reasonable rates, and to ensure that utilities have the resources necessary to provide that reliable service," said Commissioner Lauren Azar. "I believe today's action found the best balance possible to ensure that we share in the pain of today's economic situation."

"The Commission took very seriously the special circumstances of this case when considering the economic hardships in the effected service territory, such as the closing of the General Motors Plant in Janesville" said Commissioner Mark Meyer. "Today's action was one that shared that hardship fairly."

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Among major drivers behind today's adjustment were costs associated with the construction of the Bent Tree Wind farm and other construction projects and the drop in sales related to the recession.

When a utility requests a change in rates, the PSC conducts a thorough audit of the utility's forecasted expenses and revenues. The agency looked at the amount WP&L needs to provide a reliable source of energy which includes costs for maintenance, new construction, fuels, environmental protection and employee wages.

The Commission will issue a written order to finalize the rates approved in today's decision. The new rates become effective after the written order is issued.

Public hearings were held in October in Madison, Janesville and Fond Du Lac. The testimony provided at the hearings was part of the record the Commission reviewed as it considered all the aspects of the application.

The documents associated with WP&L's application can be viewed on the PSC's Electronic Regulatory Filing System at <http://psc.wi.gov/>. Type case number 6680-UR-117 in the boxes provided on the PSC homepage or click on Electronic Regulatory Filing System button.

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