



Public Service Commission of Wisconsin

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PSC Approves \$32 Million Refund for We Energies' Customers, \$100 Million Statewide

MADISON – Today the Public Service Commission of Wisconsin (PSC) approved a \$32 million refund for electric customers of Wisconsin Electric Power Company, a subsidiary of We Energies.

“This is good news for ratepayers,” said PSC Chairperson Dan Ebert. “Last year, when we set the 2006 electric rates for We Energies, natural gas prices were at an all time high. We put protections in place at that time to make sure that customers would see refunds as natural gas prices dropped.” He also noted that the Commission has required refunds and rate reductions for customers of other major utilities this year, as well. The Commission has provided \$100 million in rate relief to electric customers across the state so far this year.

The PSC identified that a refund was due to We Energies customers as part of their monthly fuel cost monitoring and audit. The average residential customer can expect to see a refund of approximately \$10.25. The decision today is an interim order, anticipating a final true-up of any over collections for fuel costs at the end of the year.

Commissioner Mark Meyer said, “The timing for the refund to We Energies customers couldn’t be better. We are able to get money back in ratepayers’ pockets as we enter the heating season.” Meyer also noted the amount of statewide rate relief the Commission has approved over the year, “Our main goal in creating a process to get refunds back to Wisconsin customers as fuel costs came down resulted in significant relief to ratepayers, to the tune of \$100 million.”

Mitigating the impacts of increasing costs of fuel to generate electricity has been a major focus of the PSC. Volatile, unregulated natural gas prices have had a significant impact on electric rates, accounting for nearly 70 percent of the electric rate increases in 2006.

Unreliable railroad coal shipments have also played a role in increased electric rates, as evidenced at the public hearing on railroad issues in Milwaukee yesterday. We Energies testified that coal reserves were so low over the past year that they had to use coal conservation programs in which they burned natural gas to replace coal-fired generation or purchased additional power in the wholesale market, often at dramatically higher prices than the cost of their own coal-fueled resources.

Two more fact-finding public hearings on railroad issues, sponsored by the PSC and the Department of Agriculture, Trade and Consumer Protection, are scheduled for Thursday, September 28th in La Crosse and Green Bay.

Documents associated with the We Energies refund can be viewed on our Electronic Regulatory Filing System at: <http://psc.wi.gov>. Type case number 6630-FR-100 in the boxes provided on the PSC homepage, or click on the Electronic Regulatory Filing System button.

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