



Public Service Commission of Wisconsin

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PSC Reduces Rate Request for Xcel Energy Customers

MADISON – Today, the Public Service Commission of Wisconsin (PSC) approved an increase of Xcel Energy’s electric and natural gas rates. The approved amount was less than that requested by the utility and will help cover costs associated with meeting growing energy demands, requirements outlined in 2005 Wisconsin Act 141 and emissions control equipment.

“Today’s rate adjustment will help Xcel Energy meet the state’s energy efficiency and renewable requirements and will allow the utility to make the improvements necessary to meet growing energy demands and reduce emissions,” said Chairperson Dan Ebert. “Xcel Energy continues to have some of the lowest rates in the state.”

In a verbal decision today, the Commission set 2008 residential electric rates for Xcel Energy to increase by 8.3 percent, or approximately \$6.00 on the average homeowner’s monthly electric bill. In addition, the Commission approved a 3.3 percent increase in residential natural gas rates, and also approved a 10.75 percent return on equity for Xcel Energy.

“I found the public testimony by Xcel Energy customers in this case to be enlightening and sobering,” said Commissioner Lauren Azar. “The public testimony highlighted the challenges we face in controlling rate increases while investing in our future with things like renewable energy and pollution controls. I am grateful the public took time out of their busy schedules to share their concerns.”

When a utility requests a change in rates, the PSC conducts a thorough audit of the utility’s expenses and revenues. In preparing for today’s decision, the Commission considered the amount Xcel Energy needs to provide a reliable source of energy to customers, which includes costs of fuel, maintenance, new construction and environmental protection.

Public hearings on Xcel Energy’s rate proposal were held in November in Madison, La Crosse and Eau Claire. The testimony provided at the hearings and comments submitted by the public were part of the record the Commission reviewed as it considered all the aspects of the application.

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The Commission will issue a written order to finalize today's decision and the new rates become effective after the order is issued, but not before January 1, 2008.

The documents associated with Xcel Energy's rate application can be viewed on the PSC's Electronic Regulatory Filing System at <http://psc.wi.gov/>. Type case number 4220-UR-115 in the boxes provided on the PSC homepage or click on Electronic Regulatory Filing System button.

(END)