



Public Service Commission of Wisconsin

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PSC Decision Holds Line on Northern States Power Company Electric Rates

MADISON – Applauding the collaborative work between Northern States Power Company - Wisconsin (NSPW), customer groups, local business and Public Service Commission (PSC) staff, today the Commission approved an agreement among the interested parties that takes advantage of lower than expected fuel costs to avoid an electric rate increase.

Made possible by a steep drop in fuel costs, the agreement uses funds from the interim fuel surcharge set in 2008 for NSPW to offset increases in the company's 2009 energy rates by the same amount, resulting in a no net increase for ratepayers.

“The drop in fuel costs offsets the need to increase rates to cover higher electric generation and transmission costs, making this very good news for ratepayers during challenging economic times,” said PSC Chairperson Eric Callisto. “The agreement not only allows us to hold the line on electric rates for these customers, but reduces administrative burdens on the utility and lessens customer confusion that can result from receiving a rate increase, only to be notified of a refund shortly thereafter.”

Without the agreement, base electric rates for NSPW customers would have likely increased in January of 2009 with a separate refund being issued a few months later as a result of lower fuel costs in 2008.

“I want to commend all parties in this case for working hard on an agreement that truly is in the best interest of the ratepayer,” said Commissioner Mark Meyer. “The PSC will continue to encourage utilities and interested parties to look at innovative ways to help the ratepayer where it matters most, their pocket book.”

“In these hard economic times for the people of Wisconsin, citizens have had to look closely at curbing personal spending by tightening their belts to make ends meet,” said Commissioner Lauren Azar. “What is refreshing in this case is NSPW's clear objective to also tighten their belts, lessening the burden on its customers. This is something I would encourage all utilities in Wisconsin to work towards.”

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Projecting higher fuel costs and purchased power prices in 2009, the utility submitted a request to the commission in August 2008, asking to raise rates by \$47.1 million. 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 NSPW needs to provide a reliable source of energy to customers.

Public hearings on NSPW's request were held in November in Madison, Eau Claire and La Crosse. 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.

Documents associated with the NSPW rate case can be viewed on our Electronic Regulatory Filing System at: <http://psc.wi.gov>. Type case numbers 4220-UR-115 in the boxes provided on the PSC homepage, or click on the Electronic Regulatory Filing System button.

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