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WIEG-Paper Council: Applaud Recent PSC Rate Case Decisions

Madison – In the last ten days, the Public Service Commission made oral decisions regarding rate cases for three of the state’s investor-owned utilities. The Wisconsin Industrial Energy Group (WIEG) and the Wisconsin Paper Council (WPC) represent the state’s largest energy consumers. Today the two trade associations praised the recent decisions made by the PSC.

“I applaud the PSC for holding the line on rates,” said Jeff Landin, President, Wisconsin Paper Council. *“The PSC approved rate decreases in three recent cases and ordered the lowest return on equity since 1972. That is a welcome sign as energy is one of the top costs for paper companies and Wisconsin’s manufacturing base.”*

- Earlier this year, Madison Gas & Electric requested a rate increase in annual electric revenues of \$6.9 million or an average rate increase of 1.65% (3270-UR-121). The PSC’s decision resulted in an average rate decrease of 0.33%. MGE’s return on equity was reduced from the current 10.2% down to 9.8%. That is the lowest authorized return on equity in Wisconsin since 1972.
- Wisconsin Power and Light originally filed for a \$13 million or an average electric increase of 1.1% for 2017 and another average electric increase of 1.1% in 2018 (6680-UR-120). Today’s decision from the PSC is expected to result in a less than 1% average electric rate increase and a small rate decrease for large customers.
- Wisconsin Electric Power Company submitted their 2017 Fuel Cost Plan with an estimated \$15 million reduction in fuel costs, which represents a 0.5% average rate decrease (6630-FR-106). Today the PSC approved an over \$30 million reduction in 2017 fuel costs or just over a 1% rate decrease for the average WEPCO customer.

“The Commission worked hard to find cost savings and approve rate decreases in the three cases,” concluded Todd Stuart, Executive Director of the Wisconsin Industrial Energy Group. *“The PSC reduced the return on equity and made other tough decisions. Wisconsin is the top manufacturing state and we absolutely must reduce our rates to retain good paying jobs and compete in global markets.”*