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WIEG: Calls on PSC to drastically reduce rate hike request
Wisconsin Electric's rates above the Midwest average for decades

Madison –Today Wisconsin Electric and Wisconsin Gas (05-UR-111) as well as Wisconsin Public Service Corporation (6690-UR-128) filed base rate case applications totaling over \$800 million in higher electric and natural gas rates over two years. The Wisconsin Industrial Energy Group, Inc. (WIEG) called on the Public Service Commission to drastically reduce the rate hike request as Wisconsin's rates are already higher than the Midwest and national averages. Wisconsin's electric rates have now exceeded the Midwest average for over 20 years.

"Wisconsin's ratepayers simply can't afford additional cost burdens. High electric rates are effectively a tax on all Wisconsin homeowners and businesses." Stuart concluded: "Wisconsin's electric rates have been well above the Midwest average for over twenty years and continue to be above the national average. Energy inflation is a real issue in Wisconsin."

WIEG is a non-profit association of 25 of Wisconsin's largest energy consumers. The group has long advocated for policies that support affordable and reliable energy. Since the early 1970s, WIEG has been the premier voice of Wisconsin ratepayers and an engine for business retention and expansion. Each year its members collectively spend more than \$400 million on electricity in Wisconsin. Most of these companies have electric bills of over \$1 million each month, and it is one of their top costs of doing business.

"Our members, Wisconsin's largest manufacturing companies, pay more for electricity than the average rates paid by their competitors in other Midwest states and above the national average," said Todd Stuart, executive director of WIEG. "That's a big cost disadvantage for our members as they pay well over \$1 million a month for electricity."

The cost disadvantage can easily add up to millions of dollars more paid annually in electric bills in Wisconsin versus similarly situated customers in the Midwest. And energy costs have a proportionately much bigger impact in our state, because we typically have the #1 or #2 highest percentage of per capita manufacturing jobs in the country. Manufacturing currently employs nearly half a million people with above average wages across Wisconsin. Manufacturing provides \$68 billion annually or roughly 20 percent of the state's gross domestic product.

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Since 2019, the PSC has approved over \$700 million in electric and natural gas rates for Wisconsin Electric and Wisconsin Gas customers. The PSC has also approved roughly \$189 million in higher rates for WPSC's customers. Today's rate case filings would add over \$800 million to that total for the customers of WEC Energy Group's regulated utilities for 2025 and 2026.

Wisconsin's competitive position is not likely to turn around any time soon without strong regulatory discipline. WEC Energy Group's regulated utilities have recently announced unprecedented levels of new capital plans over the next five to ten years. The publicly available capital plans indicate over \$10 billion for Wisconsin Electric and Wisconsin Gas, plus \$3.5 billion for WPSC in new electricity generation resources. This is occurring when over a gigawatt of coal-fired generation is scheduled to be prematurely retired in the next couple years with roughly \$1 billion in "stranded assets." Adding to these burdens there have been hundreds of millions in cost overruns reported for new solar and battery projects as well. Moreover, transmission costs are significantly rising from increased capital expenditures. Fuel and energy costs are ratcheting up annually for Wisconsin Electric's customers due to commodity price inflation and from the increasingly more expensive Point Beach purchase power agreement.

"Our member companies compete in world markets and electricity is one of their three greatest costs of doing business," said Stuart. "The energy premium we pay for our factories in Wisconsin therefore acts as a large tax on our industries. If you want to move the needle on economic development and jobs, then getting rates under control should be at the top of the list."

With the unprecedented levels of utility capital plans layered on top of chronically high rates, WIEG called on state policymakers to help regain a competitive position. A piece meal approach is most likely not adequate for economic regulation and more innovative and competitive elements or approaches are necessary to control costs.

In unchallenged testimony and legal briefs in multiple rate cases last year, WIEG presented evidence of how the harm to employment opportunities arising from even modest increases in electricity prices in one area but not another erodes the competitiveness of Wisconsin. In one 2021 study, the analysis concluded that just a 10 percent increase in relative electricity prices will result in a 2 percent decline in manufacturing employment. In a second, conducted in 2022, the study concluded similarly that an 8 percent increase in electricity prices would lead to a 2.1 percent decline in manufacturing employment. WIEG's expert witness extrapolated from these studies that with a 10 percent increase in electricity prices with no increase in other competing manufacturing states, nearly 10,000 manufacturing jobs could be lost. And those losses could lead to secondary job losses of nearly 35,000.

"High rates matter and can hinder economic development. Corporate executives are often asked what factors most affect location decisions." Stuart concluded, "energy ranks alongside labor costs, tax climate and workforce skills consistently impacting where businesses locate. The energy cost differential is therefore no different than a heavy tax on manufacturers in Wisconsin."

Please find attached additional charts and graphs regarding Wisconsin's uncompetitive electric rates.

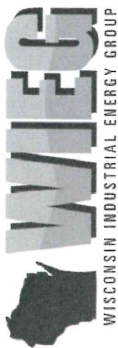
WE Industrial Rates in Wisconsin

Large Industrial Rates in Wisconsin Compared to 44 Midwestern Utilities

<u>Rank</u>	<u>Utility</u>	<u>Rate</u>	<u>Comparison</u> <u>to Median</u>
		cents/kWh	
1	Highest	12.11	
6	WE	9.76	23%
	Wis. Avg.	8.19	4%
22	MEDIAN	7.91	
44	Lowest	4.22	

Wisconsin Average Excludes WE and Is Weighted by Load

Average Large Industrial Rates Per EEI Data, Brubaker Associates Calculations 2023



WE Considerable Stranded Costs

More than \$1 Billion in Stranded Cost Recovery to Retire Coal Units

Oak Creek ~ \$650 million

Pleasant Prairie ~ \$300 million

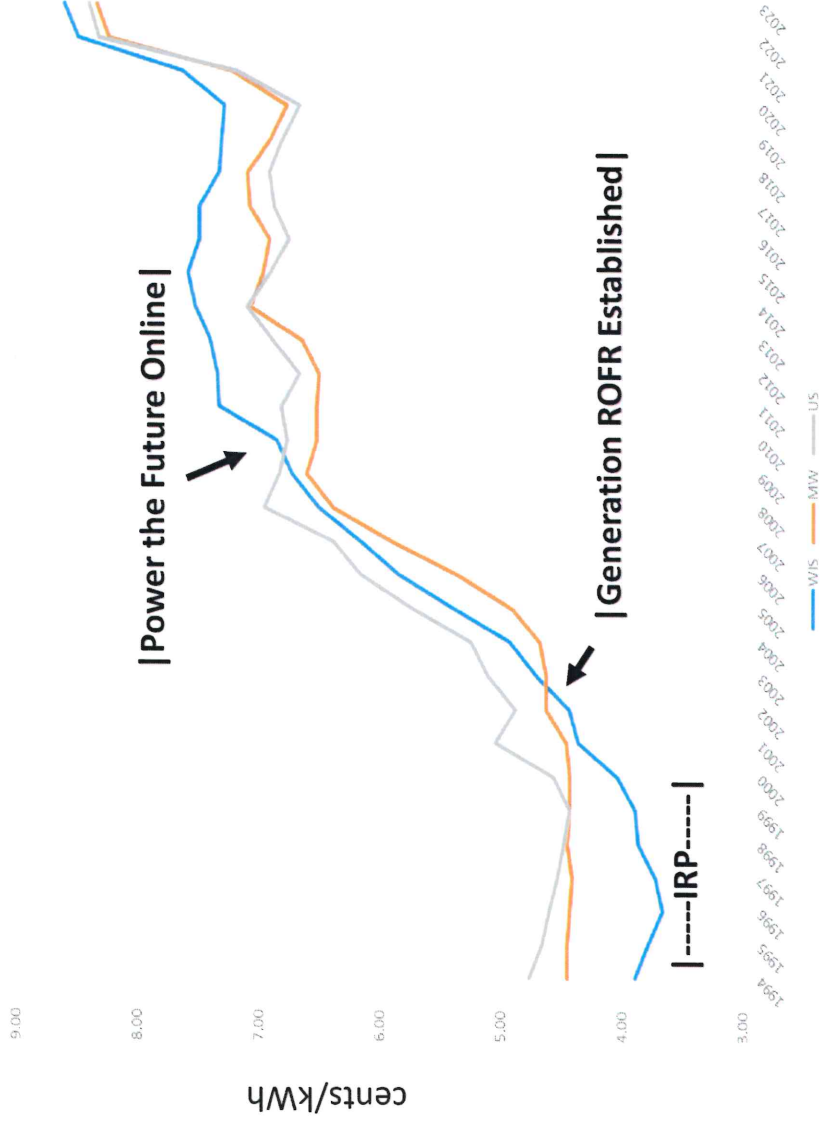
Presque Isle ~ \$180 million

→ *These Retirements Come 10-20 Years Earlier than Expected,
And Ratepayers Are Now Stuck with the Bill.*

* PSCW Filings by WE 2023-2024



Wisconsin Industrial Rates 1994-2023



Average Wisconsin Industrial Rates Per US DOE EIA, 2023 prelim. estimates

Rate Comparisons 2023

- Wisconsin Had the Lowest Industrial Rates 25 Years Ago in the Midwest
- Wisconsin Now has Higher Industrial Rates than the Midwest & National Averages
- Wisconsin Now has Among the Highest Industrial Rates in the North Central Region

Midwest Electricity Rates

*from the Department of Energy, Nov. 2023
Measured in Cents per Kilowatthour*

	Residential	Commercial	Industrial	All Sectors
Michigan	18.44	13.57	8.61	13.68
Wisconsin	16.75	12.52	8.38	12.4
Illinois	16.18	11.17	8.49	11.71
Ohio	15.74	11.14	6.92	11.08
Indiana	14.64	12.18	7.71	10.96
Minnesota	14.39	11.84	8.61	11.63
Kansas	13.26	10.59	7.66	10.48
Iowa	12.81	9.75	6.22	8.65
Missouri	12.19	9.35	7.32	10.2
South Dakota	12.12	9.92	7.83	10.2
Nebraska	11.36	9.08	7.26	8.95
North Dakota	10.74	7.33	6.96	7.75

**2023 Industrial Electric Rates for
Investor Owned Utilities
50,000 kW Demand and 32,500,000 kWh Consumption**

Line	Utility	State	2023 ¢/kWh*
1	AES Ohio (Dayton Power & Light Company)	Ohio	12.11
2	Upper Michigan Energy Resources-We Energies ¹	Michigan	10.91
3	Madison Gas & Electric Company ³	Wisconsin	10.89
4	Northern States Power Company	Michigan	9.93
5	Indianapolis Power & Light Company	Indiana	9.89
6	We Energies (formerly Wisconsin Electric)	Wisconsin	9.76
7	Duke Energy Indiana	Indiana	9.58
8	Northern States Power Company	Minnesota	9.56
9	Upper Michigan Energy Resources-WPS ²	Michigan	9.48
10	Minnesota Power Company	Minnesota	9.43
11	Otter Tail Power Company	Minnesota	9.23
12	Empire District Electric Company	Missouri	8.81
13	Northern States Power Company	North Dakota	8.57
14	Northern States Power Company	South Dakota	8.54
15	AEP (Ohio Power Rate Area)	Ohio	8.54
16	AEP (Columbus Southern Power Rate Area)	Ohio	8.53
17	Westar Energy-KGE	Kansas	8.25
18	Westar Energy-KPL	Kansas	8.25
19	Montana-Dakota Utilities Company	South Dakota	8.06
20	Northern States Power Company	Wisconsin	8.06
21	Southern Indiana Gas & Electric Company	Indiana	7.95
22	Montana-Dakota Utilities Company	North Dakota	7.91
23	Wisconsin Public Service Corporation	Wisconsin	7.90
24	Kansas City Power & Light Company	Kansas	7.78
25	Ohio Edison Company	Ohio	7.74
26	Toledo Edison Company	Ohio	7.67
27	Wisconsin Power & Light	Wisconsin	7.60
28	Duke Energy Ohio	Ohio	7.55
29	Empire District Electric Company	Kansas	7.55
30	Black Hills Power	South Dakota	7.50
31	Interstate Power & Light	Iowa	7.34
32	AEP (Indiana Michigan Power)	Michigan	7.25
33	Cleveland Electric Illuminating Company	Ohio	7.24
34	DTE Electric Company	Michigan	6.85
35	Otter Tail Power Company	South Dakota	6.65
36	AEP (Indiana Michigan Power)	Indiana	6.38
37	Northwestern Energy	South Dakota	6.34
38	MidAmerican Energy	Iowa	6.32
39	Kansas City Power & Light - GMO	Missouri	6.31
40	Kansas City Power & Light Company	Missouri	6.24
41	Otter Tail Power Company	North Dakota	6.21
42	AmerenUE	Missouri	6.05
43	MidAmerican Energy	South Dakota	4.30
44	MidAmerican Energy	Illinois	4.22
45	Northern Indiana Public Service Company ⁴	Indiana	N/A
46	Consumers Energy ⁴	Michigan	N/A
47	Upper Peninsula Power Company ⁴	Michigan	N/A
48	Interstate Power & Light ⁴	Minnesota	N/A
49	Kansas City Power & Light - L&P ⁴	Missouri	N/A
50	Kansas City Power & Light - MPS ⁴	Missouri	N/A

* Weighting = 4 Summer Months and 8 Winter Months

¹ Formerly known as We Energies. The change became effective January 1, 2017.

² Formerly known as Wisconsin Public Service Corporation. The change became effective January 1, 2017.

³ Insufficient data were provided by MGE. BAI estimated the price using rates from the PSC website.

⁴ Utilities with missing or insufficient data are reported as N/A.

Note: This report was prepared by Brubaker & Associates, Inc.
using Edison Electric Institute Typical Bills and Average Rates Reports.

Industrial Electric Rates (¢/kWh) for Investor Owned Utilities

50,000 kW Demand and 32,500,000 kWh Consumption

Line	Utility	State	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
1	MidAmerican Energy	Illinois	4.22	5.17	4.38	4.96	4.92	4.67	5.68	4.83	4.64	4.59	3.98
2	Average for Illinois ¹		4.22	5.17	4.38	4.96	4.92	4.67	5.68	4.83	4.64	4.59	3.98
3	AEP (Indiana Michigan Power)	Indiana	6.38	6.40	6.58	6.61	6.11	6.14	5.82	5.59	5.51	5.24	4.85
4	Duke Energy Indiana		9.58	8.70	6.79	6.57	7.16	6.54	6.60	6.00	6.51	7.08	6.42
5	Indianapolis Power & Light Company	Indiana	9.89	8.70	6.96	6.85	7.18	7.90	7.67	6.91	6.63	6.51	6.30
6	Northern Indiana Public Service Company		N/A ⁸	N/A ⁸	N/A ⁸	6.64	6.82	6.95	7.17	6.38	6.92	6.65	6.45
7	Southern Indiana Gas & Electric Company	Indiana	7.95	7.99	7.62	7.42	7.60	7.73	7.56	7.42	7.60	7.42	7.27
8	Average for Indiana		N/A ⁹	N/A ⁹	N/A ⁹	6.70	6.90	6.89	6.87	6.30	6.54	6.54	6.18
9	Interstate Power & Light	Iowa	7.34	6.64	5.91	6.61	6.85	6.52	5.98	5.56	5.56	5.39	5.42
10	MidAmerican Energy		6.32	5.34	5.41	5.14	4.89	4.78	4.63	4.48	4.29	4.06	4.06
11	Average for Iowa		6.61	5.54	5.57	5.45	5.55	5.33	5.13	4.89	4.80	4.61	4.64
12	Empire District Electric Company	Kansas	7.55	8.31	N/A ⁸	N/A ⁸	7.04	6.05	5.82	N/A	6.28	6.07	5.78
13	Kansas City Power & Light Company		7.78	7.90	7.33	7.45	7.67	8.10	7.78	7.61	7.02	6.79	7.04
14	Westar Energy-KGE	Kansas	8.25	7.71	6.64	6.77	6.67	6.65	6.41	6.51	6.45	6.27	6.75
15	Westar Energy-KPL		8.25	7.71	6.64	6.77	6.67	6.65	6.41	6.51	6.62	6.43	7.05
16	Average for Kansas		8.22	7.72	6.67	6.80	6.72	6.71	6.48	6.56	6.54	6.35	6.86
17	AEP (Indiana Michigan Power)	Michigan	7.25	7.37	7.03	6.36	6.06	6.96	6.15	5.99	5.96	5.63	6.06
18	Consumers Energy		N/A ⁸	N/A ⁸	N/A ⁸	5.40	6.19	6.52	6.30	5.88	7.57	7.09	6.90
19	DTE Electric Company	Michigan	6.85	6.49	6.26	5.97	6.05	5.99	6.09	5.64	6.31	6.90	7.37
20	Northern States Power Company		9.93	8.69	8.24	8.07	7.79	8.17	8.93	8.54	8.58	8.74	7.36
21	Upper Peninsula Power Company	Michigan	N/A ⁸	N/A ⁸	N/A ⁸	N/A ⁸	11.40	N/A	14.23	11.07	9.23	9.48	8.79
22	Upper Michigan Energy Resources-We Energies ⁶		10.91	9.01	7.93	N/A ⁸	8.45	8.86	8.91	8.97	8.89	8.70	9.20
23	Upper Michigan Energy Resources-WPS ⁷	Michigan	9.48	7.61	6.42	6.35	6.61	6.81	6.72	6.27	6.50	6.28	6.60
24	Average for Michigan		N/A ⁹	N/A ⁹	N/A ⁹	5.78	6.24	6.40	6.51	6.12	6.92	6.99	7.15
25	Interstate Power & Light	Minnesota	N/A ⁸	N/A ⁸	N/A ⁸	N/A	N/A	N/A	N/A	N/A	6.59	6.24	6.36
26	Minnesota Power Company		9.43	N/A ⁸	N/A ⁸	7.22	6.82	7.44	7.47	6.57	6.09	5.93	5.50
27	Northern States Power Company	Minnesota	9.56	9.58	7.93	7.59	7.96	7.81	7.53	7.48	7.27	7.58	7.35
28	Otter Tail Power Company		9.23	7.86	7.98	7.80	7.93	7.15	7.53	6.90	6.78	6.31	6.17
29	Average for Minnesota		9.47	N/A ⁹	N/A ⁹	7.54	7.49	7.59	7.51	7.07	6.73	6.78	6.48
30	AmerenUE	Missouri	6.05	5.90	5.42	5.18	5.47	5.75	5.61	5.79	5.69	5.47	5.16
31	Empire District Electric Company		8.81	7.92	N/A ⁸	N/A ⁸	6.98	7.48	6.86	N/A	6.80	6.81	6.41
32	Kansas City Power & Light - GMO ⁵	Missouri	6.31	5.85	5.62	5.99	6.28	7.00	6.07				
33	Kansas City Power & Light - L&P		N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.98	7.03	6.89	6.55
34	Kansas City Power & Light - MPS	Missouri	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.12	6.00	5.80	5.54
35	Kansas City Power & Light Company		6.24	6.23	6.43	6.40	6.87	7.46	7.40	6.61	5.79	5.50	5.12
36	Average for Missouri		6.44	6.19	N/A ⁹	N/A ⁹	6.01	6.45	6.14	6.00	5.87	5.65	5.33
37	Montana-Dakota Utilities Company	North Dakota	7.91	7.91	7.67	7.37	7.84	7.80	7.96	6.73	6.81	6.68	6.18
38	Northern States Power Company		8.57	9.34	8.67	7.07	7.12	6.97	7.09	6.71	7.00	6.62	6.20
39	Otter Tail Power Company	North Dakota	6.21	7.20	6.42	5.91	6.93	6.82	6.47	6.25	6.17	6.17	5.76
40	Average for North Dakota		7.28	7.91	7.48	6.90	7.43	7.33	7.30	6.56	6.59	6.47	6.02
41	AEP (Columbus Southern Power Rate Area)	Ohio	8.53	5.60	5.14	5.27	6.09	5.65	5.69	5.67	6.77	6.12	5.70
42	AEP (Ohio Power Rate Area)		8.54	5.60	5.09	5.27	6.26	6.16	6.34	6.17	7.17	6.65	6.26
43	Cleveland Electric Illuminating Company	Ohio	7.24	N/A ⁸	5.42	5.67	5.79	5.66	5.84	6.42	7.05	6.38	5.81
44	AES Ohio (Dayton Power & Light Company)		12.11	8.23	5.97	7.28	6.92	6.52	6.90	8.00	7.53	7.46	6.85
45	Duke Energy Ohio	Ohio	7.55	5.21	4.89	5.52	5.27	5.45	5.86	6.05	5.89	5.96	5.82
46	Ohio Edison Company		7.74	N/A ⁸	5.64	5.71	5.75	5.89	5.89	6.31	6.68	6.29	5.95
47	Toledo Edison Company	Ohio	7.67	N/A ⁸	5.79	5.72	5.87	6.09	6.01	6.48	6.82	6.39	5.78
48	Average for Ohio		8.26	N/A ⁹	5.42	5.67	6.05	5.96	6.09	6.40	6.96	6.48	6.04
49	Black Hills Power	South Dakota	7.50	7.25	N/A ⁸	7.09	6.87	5.17	5.31	5.12	6.17	6.15	5.78
50	MidAmerican Energy		4.30	5.12	4.94	4.58	3.43	2.94	2.81	3.23	3.72	3.67	3.70
51	Montana-Dakota Utilities Company	South Dakota	8.06	7.61	7.04	6.98	7.39	6.85	6.77	6.71	5.84	5.94	5.82
52	Northern States Power Company		8.54	8.65	7.70	7.11	6.83	8.11	7.35	7.68	7.80	7.24	7.24
53	Northwestern Energy	South Dakota	6.34	6.82	N/A ⁸	6.47	5.66	6.09	5.86	5.68	5.98	5.39	5.16
54	Otter Tail Power Company		6.65	6.53	6.13	6.39	6.14	6.11	5.92	6.01	5.93	5.41	5.11
55	Average for South Dakota		6.91	7.14	N/A ⁹	6.56	6.10	6.24	5.96	6.03	6.28	5.89	5.70
56	Madison Gas & Electric Company	Wisconsin	10.89 ¹¹	9.73 ¹¹	8.67 ¹¹	8.56 ¹¹	8.67	8.78	8.82	8.74	8.99	8.53	8.53
57	Northern States Power Company		8.06	7.34	6.50	6.29	6.31	6.58	6.74	6.56	6.67	6.53	6.43
58	We Energies (formerly Wisconsin Electric)	Wisconsin	9.76	9.06	9.15	8.92	8.27	8.12	8.21	8.36	8.43	8.22	8.11
59	Wisconsin Public Service Corporation		7.90	7.12	6.34	6.43	6.02	6.27	6.26	6.30	6.31	6.14	6.18
60	Wisconsin Power & Light	Wisconsin	7.60	6.97 ¹⁰	6.43 ¹⁰	6.43 ¹⁰	6.74	6.85	6.66	6.97	6.39	6.27	6.07
61	Average for Wisconsin		8.54 ¹³	7.89 ¹²	7.45 ¹²	7.34 ¹²	7.15	7.21	7.22	7.36	7.28	7.11	7.03
62	Midwest Average ²		7.96	7.14	6.53	6.25	6.58	6.63	6.58	6.31	6.47	6.38	
63	U.S. Average		8.25 ³	7.38 ³	6.48 ³	6.07 ³	6.65 ³	6.61 ³	6.47 ³	6.31 ³	6.72 ⁴	6.56 ³	

Note: Weighting = 4 Summer Months and 8 Winter Months

1) Excludes utilities with open access

2) Data not available for Nebraska

3) Data not available for Nebraska, District of Columbia, or Alaska

4) Data not available for Nebraska, Delaware, District of Columbia, or Alaska

5) Missouri: Kansas City Power & Light - L&P and MPS - have been combined into Kansas City Power & Light - GMO

6) Formerly known as We Energies. The change became effective January 1, 2017.

7) Formerly known as Wisconsin Public Service Corporation. The change became effective January 1, 2017.

8) Utilities with missing or insufficient data are reported as N/A.

9) State average prices are weighted by reported utility loads in the state. Averages are based on the reported prices.

For any state where prices were missing for more than 10% of the statewide load, i.e. IN, MI, MN and OH, no state average was computed.

10) Insufficient data were provided by WPL. BAI estimated the price using rates from the PSC and WPL's websites.

11) Insufficient data were provided by MGE. BAI estimated the price using rates from the PSC website.

12) State average prices are weighted by reported utility loads in the state. BAI calculated using the weightings from 2019, due to data insufficiency in 2020-2022.

13) State average price is weighted by reported utility loads in the state. BAI calculated using the weightings from 2022 and 2023 data.

This report was prepared by Brubaker & Associates, Inc. using Edison Electric Institute Typical Bills and Average Rates Reports