

SERVICE DATE
Sep 15, 2021

PSC REF#: 420818

Public Service Commission of Wisconsin
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PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Madison Gas and Electric Company for Reconciliation of
Actual Fuel Costs to the Authorized 2020 Fuel Cost Plan

3270-FR-2020

FINAL DECISION ON REOPENING

This is the Final Decision on Reopening in the application of Madison Gas and Electric Company (applicant) for the reconciliation of actual monitored fuel costs of items in its approved fuel cost plan for 2020, pursuant to Wis. Admin. Code § PSC 116.07. As set forth herein, this Final Decision on Reopening amends the Final Decision dated August 11, 2021. ([PSC REF#: 418583](#).) Except as specifically modified by this Final Decision on Reopening, the terms and conditions of the Final Decision remain in full force and effect and are unaffected by this Final Decision on Reopening.

Background

On August 11, 2021 the Commission issued a Final Decision ordering the applicant to refund \$3,228,034, including accrued interest at its authorized short-term debt rate, for the 2020 over-collection of monitored fuel costs using the class level sales allocation method to credit Wisconsin retail electric customer bills in September 2021. ([PSC REF#: 418583](#).)

On August 17, 2021 the applicant filed a Motion to Reopen asking the Commission to reconsider its Final Decision of August 11, 2021, and to instead allow the applicant to refund the 2020 over-collection of monitored fuel costs in October 2021, with additional interest. ([PSC REF#: 418869](#).) The applicant indicated this was necessary to mitigate risks associated with issuing the refund in the same month as installing a new billing system, which was also

scheduled to be implemented in September 2021. The Wisconsin Industrial Energy Group (WIEG) and Citizens Utility Board (CUB) filed letters in support of applicant's Motion to Reopen on August 17, 2021 and August 20, 2021 respectively. ([PSC REF#: 418944](#), [PSC REF#: 419139](#).) WIEG and CUB both found receiving the refund in October 2021 instead of September 2021 to be acceptable.

At its open meeting of August 26, 2021 the Commission considered the Motion to Reopen. On the same date, the Commission issued an Order and Request for Comments. ([PSC REF#: 419464](#).) The Order stayed the effective date of the Commission's August 11, 2021 Final Decision until such time that the Commission could take final action on the Motion to Reopen. The Order further provided notice, and an opportunity to be heard regarding the proposed modifications to the Final Decision that would change the refund date to October, setting a deadline for comments of September 1, 2021. The Order provided notice that the Commission intended to modify Order Point 2 of the Final Decision, and related language in the Final Decision and Appendix A, to reflect the change in refund date the amounts to be refunded, to include additional interest. The Order directed the Commission Secretary to issue this Final Decision on Reopening making the proposed modifications if no comments opposing the changes were received. On September 1, 2021 the applicant filed comments restating its request and the reasons for the proposed modifications. ([PSC REF#: 419843](#).) No other comments, and thus no comments opposing the changes, were received.

Findings of Fact

1. The applicant's reported 2020 monitored fuel costs results in an over-collection outside of the applicant's authorized 2.0 percent bandwidth by \$3,203,924, which increases to

\$3,230,724 when including interest at its authorized cost of short-term debt for a refund provided in October 2021.

2. It is reasonable to require the applicant to refund the over-collected monitored fuel costs, with interest, using the class level sales allocation method to credit Wisconsin retail electric customer bills in October 2021 as shown in amended Appendix A to this Final Decision on Reopening.

3. It is reasonable that the applicant be required to charge the appropriate deferred account, if the actual refund is less than authorized in this Final Decision on Reopening.

4. It is reasonable that the applicant not be allowed to recover any over-refunded amounts resulting from the refund authorized in this Final Decision on Reopening.

Conclusions of Law

1. The Commission has jurisdiction and authority to issue this Final Decision on Reopening under Wis. Stat. §§ 196.02(1), 196.20(4), 196.39, 196.395, and Wis. Admin. Code ch. PSC 116.

2. The Commission has provided notice and a reasonable opportunity to be heard in compliance with Wis. Stat. § 196.39(1).

Opinion

The Commission finds it reasonable to accommodate the applicant's request, and to modify the Final Decision of August 11, 2021 in order to mitigate risks associated with refunding the over-collection in the same month a new billing system is being installed. The Commission thus finds it reasonable to modify the Final Decision to require the applicant to

return the over-collection to ratepayers in October 2021, with the requirement that the applicant shall include additional interest to cover the additional time before the refunds are made.

The Commission finds it reasonable to require the applicant to refund a total of \$3,230,724, including accrued interest at its authorized short-term debt rate through the conclusion of the refund period, in October 2021 using the class level sales allocation method described in the Final Decision. The refund shall be based on forecasted Wisconsin retail sales for October 2021, as shown in amended Appendix A to this Final Decision on Reopening.

Order

1. The applicant shall refund \$3,230,724 for the 2020 over-collection of monitored fuel costs, including accrued interest at its authorized short-term debt rate through the conclusion of the refund period.

2. The applicant shall refund the amount described in Order Condition 1 using the class level sales allocation method to credit Wisconsin retail electric customer bills in October 2021 as shown in amended Appendix A to this Final Decision on Reopening.

3. If the actual refund is less than that authorized in this Final Decision on Reopening, the applicant shall charge the remainder to the appropriate deferred account pursuant to Wis. Admin. Code § PSC 116.07(6).

4. If the actual refund is greater than that authorized in this Final Decision on Reopening, the applicant shall not be allowed to recover this difference per Wis. Admin. Code § PSC 116.07(6).

5. The applicant shall file final form tariff sheets consistent with this Final Decision on Reopening and the rates in amended Appendix A in this Final Decision on Reopening.

6. This Final Decision on Reopening takes effect one day after date of service.

7. The stay of the effective date of the Final Decision is lifted and the Final Decision is modified by this Final Decision on Reopening.

8. All other terms and conditions of the Final Decision not specifically modified by this Final Decision on Reopening remain in full force and effect.

9. Jurisdiction is retained.

Dated at Madison, Wisconsin, the 15th day of September, 2021.

By the Commission:

A handwritten signature in black ink that reads "Steffany Powell Coker". The signature is written in a cursive, flowing style.

Steffany Powell Coker
Secretary to the Commission

SPC:AJF:dsa:jlt:pc DL: 01830350

Attachments

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
4822 Madison Yards Way
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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

¹ See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

Madison Gas and Electric Company					
Electric Fuel Refund Calculation for October 2021 Refund					
	2020 Actual Net		Refund	October 2020	Credit Rate
Rate Class	Electric Sales	Allocation %	Allocation \$	Net Sales Forecast	per kWh
Residential	823,666,957	27.22%	\$ 879,368.91	49,730,977	\$ 0.01768
Small Commercial	196,087,749	6.48%	\$ 209,348.54	13,438,413	\$ 0.01558
Medium and Large Commercial & Industrial	1,559,794,619	51.55%	\$ 1,665,278.53	132,801,418	\$ 0.01254
Contract	433,986,378	14.34%	\$ 463,335.49	37,958,558	\$ 0.01221
Miscellaneous	3,799,627	0.13%	\$ 4,056.58	332,422	\$ 0.01220
Streetlighting	8,744,581	0.29%	\$ 9,335.95	741,268	\$ 0.01259
	3,026,079,912	100.00%	\$ 3,230,724.00	235,003,056	\$ 0.01375
Residential	Rg-1, Rg-2, RW-1, Rg-7				
Small Commercial	Cg-5, Cg-3, Cg-7				
Medium and Large Commercial & Industrial	Cg-8, Cg-4(A&B), Cg-2, Cg-6				
Contract	CP-1, SP-3				
Miscellaneous	Gf-1, Mg-2, Interdepartmental, OL-1, MLS				
Streetlighting	SL-1, SL-2, SL-3				