

WISCONSIN STATE SENATE

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SENATOR – 3RD DISTRICT

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September 24, 2014

Sen. Paul Farrow
Chair, Senate Committee on Government Operations, Public Works, and
Telecommunications
State Capitol Room 323 S

Dear Sen. Farrow,

This will follow up on my letter of July 9, 2014, requesting that your committee hold a hearing on public utilities trying to increase “fixed charges” on residential consumers. Although you have declined this request, new information has arisen that makes such a hearing more imperative to protect consumers, and I respectfully renew my request.

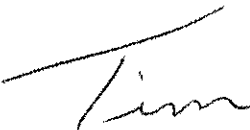
As you are aware, WE Energies is asking the Public Service Commission to require residential customers to pay 5% more per month to cover its costs and profits. WE Energies’ plan is to dramatically shift a greater portion of a residential customer’s monthly bill to a “fixed charge” rather than a charge that fluctuates each month depending on how much power the customer uses.

Now, a new report alleges that WE Energies could be paid double for costs related to keeping open a coal-fired plant in Michigan’s Upper Peninsula. (See, Milwaukee Journal Sentinel, September 23, 2014, a copy of which accompanies this letter.)

Such extra payments related to the Michigan plant have apparently pushed WE Energies reported profit to about 11% every month of this year, beyond the 10.4% maximum profit set by the PSC. Rather than being socked with rate increases, WE Energies residential customers should be receiving refunds.

The very day this potential “double dipping” scandal has emerged, the PSC is going ahead with a hearing on WE Energies’ proposed rate increase request. My constituents have lost confidence that the PSC is proceeding appropriately, and I believe that legislative oversight is appropriate before the next legislative session, and I renew my request for a hearing on this matter.

Best wishes,



Tim Carpenter
State Senator