



CHRIS LARSON

STATE SENATOR

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Contact:

Senator Chris Larson
(608) 266-7505

FOR IMMEDIATE RELEASE

Heads WE wins, tails we all lose - Sen. Larson reacts to latest WE Energies rate hike

Milwaukee, WI – Imagine you ran a business with 2.2 million guaranteed customers each year, no real competition, and no matter what your input or distribution costs are, your private investors were guaranteed a 9.8% return. Sound too good to be true? That’s exactly the situation WE Energies finds itself in right now, with no end in sight.

If you had such a sweet deal, what incentive would you have to cut costs or improve efficiency at your business? The answer is very little, if any. Sadly, while shareholders rake in millions of dollars, residential customers are forced to contend with a 10.9% increase in their electric bill and 6.2% increase in home heating costs, according to the latest rate increase from WE Energies. The increase was approved by the Public Service Commission on December 1st over the notable objection of Commission Chair Rebecca Cameron Valcq.

What’s worse, WE Energies wanted to raise rates even more for residential customers (13%), after cutting a sweetheart deal with their corporate customers to drop their increase by 50% just weeks earlier. Adding insult to injury, the company announced at the end of October a \$36 million investment in an Illinois solar farm that will service a single Fortune 100 company. This, while neighbor after neighbor has come forward to say they cannot afford the current rates, which rank among the highest in the Midwest, and WE Energies continues to drag their feet on moving toward renewable energy.

It’s easy to criticize a private utility for enriching shareholders on the backs of poor and middle-income families, and that criticism is certainly warranted, but it raises the question of why we allow a for-profit company to have an energy monopoly over 1/3 of our state’s population in the first place. Cooperative and municipally-owned utilities provide far better bang for the buck across the country. If WE Energies can’t get their act together, perhaps Milwaukee and other municipalities should take their business elsewhere.

The way things stand now, when it comes to energy prices in Wisconsin, it’s “heads WE wins, tails we all lose.”

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WISCONSIN STATE CAPITOL  
P.O. Box 7882 • MADISON, WISCONSIN 53707-7882  
(608) 266-7505 • (800) 361-5487 • FAX: (608) 282-3547  
SEN.LARSON@LEGIS.WI.GOV • SENATORCHRISLARSON.COM