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March 27, 2018

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Re: Wisconsin Electric Power Company
2017 PSCR Reconciliation
Case No. U-20073

Dear Ms. Kale:

Enclosed for electronic filing are the following:

1. Application;
2. Direct Testimony and Exhibits of John G. Guntlisbergen;
3. Motion of Wisconsin Electric Power Company for Entry of a Protective Order with draft Protective Order and Notice of Motion Hearing; and
4. Appearances of Sherri A. Wellman and Paul M. Collins.

A marked-up copy of the Notice of Hearing has been e-mailed to Angela Sanderson of your office.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: _____
Sherri A. Wellman

SAW/kld
Enclosures

cc w/enc: John G. Guntlisbergen
Dennis M. Derricks
Catherine Phillips
Ted Eidukas

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
WISCONSIN ELECTRIC POWER COMPANY)	Case No. U-20073
for reconciliation of its power supply cost recovery)	
plan (Case No. U-18148) for the)	
<u>12-month period ended December 31, 2017.</u>)	

APPLICATION

WISCONSIN ELECTRIC POWER COMPANY d/b/a We Energies (“Wisconsin Electric”) requests the Michigan Public Service Commission (“Commission”) to approve the reconciliation of Wisconsin Electric’s power supply costs and revenues pursuant to 1982 PA 304 (“Act 304”) for the 12-month period January 2017 through December 2017, and represents to the Commission as follows:

1. Wisconsin Electric is a public service corporation organized under the laws of Wisconsin with its principal offices located in Milwaukee, Wisconsin, and is engaged primarily in public utility operations. Wisconsin Electric is also authorized to do business in Michigan.
2. Wisconsin Electric’s retail electric business in Michigan is subject to the Commission’s jurisdiction pursuant to 1909 PA 106, as amended, MCL 460.551 *et seq.*; 1909 PA 300, as amended, MCL 462.2 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; and 1939 PA 3, as amended, MCL 460.1 *et seq.*
3. Incorporated in Wisconsin Electric’s rate schedules is a PSCR clause as authorized by the Commission pursuant to Section 6j(2) of Act 304 in its Opinion and Order, dated March 20, 1984, in Case No. U-7635.
4. For the twelve months of 2017, Wisconsin Electric’s only PSCR customer was Tilden. On January 1, 2017, pursuant to a Settlement Agreement approved by the Commission

on December 9, 2016 in Case No. U-18061 (“U-18061 Settlement Agreement”), Upper Michigan Energy Resources Corporation (“UMERC”) was established as a Michigan regulated utility providing service only to electric and natural gas customers in the Upper Peninsula of Michigan. Pursuant to the U-18061 Settlement Agreement, UMERC provides retail service to the former Michigan electric customers of Wisconsin Electric except, Tilden Mining Company LC (“Tilden”). The U-18061 Settlement Agreement states that Wisconsin Electric will continue to serve Tilden until termination of the 2015-2019 Large Curtailable Special Contract between Wisconsin Electric and Tilden; which was approved by the Commission’s April 23, 2015 Order in Case No. U-17862; at which time Tilden would be transferred as a customer of UMERC.

5. The 12-month reconciliation of Wisconsin Electric’s power supply costs and revenues for 2017 results in a 2017 net over-recovery of \$213,030. The portion of Wisconsin Electric’s 2016 reconciliation that was allocated to Wisconsin Electric in the settlement agreement approved by the Commission’s October 25, 2017 Order in Case No. U-17912-R was an over-recovery amount (including interest during the 2016 plan year) of \$410,829. These amounts, with interest, result in an amount to be reconciled in this proceeding of an over-recovery of \$722,066.

6. In its August 21, 2007 Order in MPSC Case No. U-14707-R, the Commission authorized Wisconsin Electric to implement, beginning in its 2008 PSCR plan, a roll-in methodology to implement the then projected reconciliation refund/surcharge. Pursuant to such Order, Wisconsin Electric requests to roll its over-recovery into the beginning balance of its 2018 PSCR reconciliation.

WHEREFORE, Wisconsin Electric Power Company requests that this Commission:

A. Approve the reconciliation of Wisconsin Electric’s 12-month power supply costs and revenues as presented by Wisconsin Electric;

B. Find and determine that the power supply costs incurred by Wisconsin Electric during 2017, as included in this reconciliation, were reasonably and prudently incurred;

C. Find and determine that Wisconsin Electric's over-recovery of \$722,066, as of December 31, 2017 should be rolled into the beginning balance of its 2018 PSCR reconciliation case; and

D. Grant Wisconsin Electric and such other and additional relief as shall be lawful and proper.

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY

Dated: March 27, 2018

By: _____

One of its Attorneys
Sherri A. Wellman (P38989)
Paul M. Collins (P69719)
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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY) Case No. U-20073
for reconciliation of its power supply cost recovery)
plan (Case No. U-18148) for the)
12-month period ended December 31, 2017.)

DIRECT TESTIMONY AND EXHIBITS OF

JOHN G. GUNT LISBERGEN

ON BEHALF OF

WISCONSIN ELECTRIC POWER COMPANY

March 27, 2018

1 **Q. Please state your name, business address, and position.**

2 A. My name is John G. Guntlisbergen. My business address is WEC Energy Group
3 (“WEC”), 700 North Adams Street, P.O. Box 19001, Green Bay, WI 54307-9001. I am
4 the Manager of Electric Fuel Cost Recovery in the State Regulatory Affairs Department
5 of WEC. Wisconsin Electric Power Company (“Wisconsin Electric” or “WEPCo”) is a
6 wholly owned subsidiary of WEC.

7
8 **Q. Please describe briefly your education, professional, and utility background.**

9 A. In 1981, I graduated from St. Norbert College - De Pere, Wisconsin, with a Bachelor of
10 Business Administration Degree in Accounting. After completing college I was
11 employed by Wisconsin Public Service Corporation (“WPS Corp”) as a Depreciation
12 Analyst and later as the Depreciation Supervisor in the Corporate Tax Department.
13 While in the Corporate Tax Department, I performed depreciation studies on utility plant
14 property, and determined book depreciation, tax depreciation and deferred taxes on an
15 actual and forecasted basis. In 1993, I moved to the Rates and Economic Evaluation
16 Department as a Rates Planner. I performed cost studies and rate impact studies for
17 generation planning and long-range corporate planning. I participated in the analysis of
18 transmission costs and the development of the transmission tariffs for filing with the
19 Federal Energy Regulatory Commission. I performed electric and gas cost of service
20 studies for the Michigan and Wisconsin jurisdictions. I have also worked with the power
21 supply areas for WPS Corp, Upper Peninsula Power Company and Wisconsin Electric to
22 develop Power Supply Cost Recovery (“PSCR”) plans and in the reconciliation of the
23 PSCR costs to revenues.

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Q. Have you testified before a regulatory agency?

A. Yes. I have testified in numerous proceedings before the Public Service Commission of Wisconsin ("PSCW") and the Michigan Public Service Commission ("MPSC" or "Commission").

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to (i) support the reconciliation of Wisconsin Electric's actual power supply costs to the revenues it collected pursuant to its authorized base rates and PSCR factors for the 12-month period ended December 31, 2017; (ii) provide an explanation of outages lasting 14 days or longer; and (iii) provide a comparison of the Elm Road Generating Station ("ERGS") 2017 equivalent availability factor ("EAF") as compared to the most recent five-year industry average EAF.

Q. Are you sponsoring any exhibits?

A. Yes, I am sponsoring Exhibit A-1 (JGG-1) consisting of three pages and Exhibit A-2 (JGG-2) consisting of three pages.

Q. Were Exhibits A-1 (JGG-1) and A-2(JGG-2) prepared by you or under your direction and supervision?

A. Yes, they were.

Q. Please describe Exhibit A-1 (JGG-1).

1 A. Exhibit A-1 (JGG-1) details the Wisconsin Electric 2017 reconciliation calculations,
2 including interest calculations, prepared in a manner consistent with the December 19,
3 2013 Order approving Wisconsin Electric's 2011 PSCR reconciliation in Case No. U-
4 16424-R. Page 1 compares 2017 actual PSCR costs with projected PSCR costs as
5 approved in the April 28, 2017 Order Approving Settlement Agreement in the 2017
6 PSCR Plan in MPSC Case No. U-18148.

7 Page 2 details the calculation of PSCR revenue as well as PSCR costs, interest, and
8 over/(under) recovery for the months of January through December 2017, resulting in a
9 net over-recovery of \$722,066 for the reconciliation period.

10 Page 3 details the Total System Costs for Recovery and the associated Total Net System
11 Requirements by month. The Total System Costs and Total Net System Requirements
12 are used to develop the monthly average cost per MWh as adjusted for line losses. The
13 monthly average cost per MWh is used on Page 2 (line 11) to calculate the costs
14 attributable to the sales.

15
16 **Q. Is the prior year's balance, as stated on Page 2, line 18, the same as the settled**
17 **amount in the 2016 PSCR Reconciliation in Case No. U-17912-R?**

18 A. Yes. Wisconsin Electric Power Company's portion of the total 2016 PSCR over-
19 recovered amount, including interest, is \$410,829, as approved in the 2016 PSCR
20 Reconciliation in Case No. U-17912-R.

21
22 **Q. Please describe in more detail the over-recovery experienced by Wisconsin Electric**
23 **for the 12-month period ending December 31, 2017.**

1 A. Wisconsin Electric attempted to reduce its over-recovery through its 2017 PSCR factors,
2 which included implementing negative PSCR factors during the year. However, the
3 Company still experienced an over-recovery of the 2017 PSCR costs in the amount of
4 \$213,030, as shown on Page 2 of Exhibit A-1 (JGG-1), line 16. Adding the 2016 PSCR
5 over-recovery balance of \$410,829 to the 2017 PSCR over-recovery amount of \$213,030,
6 results in a year-end over-recovery of \$623,859. As stated above, Page 2 of Exhibit A-1
7 (JGG-1) details the over/under-recovery balance by month as well as the monthly interest
8 calculation for the reconciliation period. Interest is calculated on the average recovery
9 balance for each month. All twelve months of 2017 had over-recovered average balances
10 and, as such, the interest rate applied was at Wisconsin Electric’s authorized rate of return
11 on common equity of 10.10% representing interest of \$98,207 as shown on line 27. The
12 2017 over-recovery balance of \$623,859 as shown on line 21, plus the plan year interest
13 of \$98,207 on line 27, results in a net cumulative over-recovery in the amount of
14 \$722,066 as shown on line 28.

15
16 **Q. How does Wisconsin Electric propose to address the PSCR over-recovery balance at**
17 **the end of 2017?**

18 A. Wisconsin Electric proposes that the PSCR over-recovery balance of \$722,066 at the end
19 of 2017 be rolled into the beginning 2018 PSCR balance.

20
21 **Q. Please describe Exhibit A-2 (JGG-2).**

22 A. Page 1 of Exhibit A-2 (JGG-2) is a North American Electric Reliability Corporation
23 (“NERC”) report entitled “2016 Generating Unit Statistical Brochure – Five Years, 2012

1 – 2016, All Units Reporting”. Page 2 of Exhibit A-2 (JGG-2) is a NERC report entitled
2 “2016 Generating Unit Statistical Brochure – Five Years, 2012 – 2016, Units Reporting
3 Events”. Page 3 of Exhibit A-2 (JGG-2) is an analysis of the Elm Road Generating
4 Station availability in 2017.

5
6 **Q. Please summarize the primary reasons for the variance in system costs between the**
7 **2017 PSCR plan as approved compared to the 2017 actual costs incurred.**

8 A. The primary reasons for the decrease in PSCR costs from the approved 2017 PSCR Plan
9 are: (1) lower than forecasted transmission charges of \$42.4 million from the American
10 Transmission Company LLC and the MISO, (2) lower coal fired generation due to
11 increased natural gas-fired and hydro generation and lower requirement sales, resulting in
12 reduced coal costs of \$38.9 million, (3) increased revenues of \$33.3 million from
13 opportunity sales at higher Midcontinent Independent System Operator (“MISO”) market
14 prices, (4) lower than forecasted natural gas prices used as fuel in gas-fired generation,
15 resulting in reduced costs of \$14.9 million, (5) less purchased power at lower prices
16 under purchased power agreements than forecasted, lowering costs by \$11.8 million, (6)
17 lower than forecasted generation at the Rothschild Biomass Cogeneration Plant
18 (“Rothschild”), reducing costs by \$6,5 million, (7) lower MISO charges than forecasted
19 by \$4.6 million, and (8) increased Real Time Market Pricing (“RTMP”) revenues of \$2.3
20 million from higher market prices. The lower PSCR costs were somewhat offset by
21 increased natural gas-fired generation, due to the lower market prices for natural gas,
22 which increased fuel costs by \$56.7 million. The impact of these cost variances are
23 summarized below in millions of dollars:

Lower Transmission Charges	(\$42.4)
Lower Coal-fired Generation	(38.9)
Increased Opportunity Sales Revenue	(33.3)
Lower Natural Gas Prices	(14.9)
Lower PPA Costs	(11.8)
Lower Rothschild Generation	(6.5)
Lower MISO Charges	(4.6)
Increased RTMP Prices	(2.3)
Increased Gas-fired Generation	56.7
Total Variance	(\$98.0)

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3 **PLANT OUTAGES**

4 **Q. Did any of Wisconsin Electric's generating units experience outages during 2017**
5 **that lasted more than 90 days?**

6 A. Yes. Oak Creek Power Plant (“OCPP”) Unit 8 had a planned outage from March 4, 2017
7 through June 5, 2017, which was extended through July 20, 2017. The planned outage
8 work included the following (i) Air Heater Wash; (ii) Condenser cleaning; (iii) Selective
9 Catalytic Reduction (“SCR”) inspections/vacuuming; (iv) Boiler repairs; (v) Flue Gas
10 Desulfurization (“FGD”) inspections; (vi) Turbine control Valve overhauls; (vii) Steam
11 Turbine 7 year overhaul to include Low Pressure Turbine L-1 Hub replacement; (viii) 83
12 Mill Overhaul; (ix) Mill CO Monitoring system replacement; (x) Reheat Piping
13 inspection and Acoustic Monitoring system install; and (xi) 82 Auxiliary Transformer
14 replacement.

15

16 The Steam Turbine overhaul, which included the Low Pressure Turbine L-1 Hub
17 replacement, was the critical path. During repairs to the Low Pressure Turbine L-1 hubs it
18 was determined that two rows of turbine blades needed to be replaced. The time to

1 manufacture and install the turbine blades resulted in extending the outage through July
2 20, 2017.

3
4 The need to replace the two rows of turbine blades could not have been discovered earlier
5 as the need was only identified as a result of the overhaul. Further, it was necessary to
6 extend the outage and make the repairs during the current outage, prior to bringing the
7 unit back on line, in order to avoid the potential for more serious issues.

8
9 **Q. In its Order in Case No. U-16830, the Commission directed Wisconsin Electric to**
10 **include information regarding outages lasting 14 days or longer in all future PSCR**
11 **reconciliation proceedings. Please discuss outages lasting 14 days or longer for the**
12 **Elm Road Generating Station (“ERGS”).**

13 A. The outages lasting 14 days or longer at the ERGS were as follows:

14 1. The ERGS Unit 1 had a planned outage that occurred from April 15, 2017, to
15 May 28, 2017, as scheduled. The key work performed during the planned outage
16 included: (i) Prime mover equipment inspections/repairs and PM; (ii) Steam generator
17 equipment inspections/repairs and PM; (iii) Ash handling equipment inspections/repairs
18 and PM; (iv) Fuel preparation equipment inspections/repairs; (v) Disassemble and
19 inspection of main turbine valves; (vi) Disassemble and inspection of main turbine non
20 return check valves; (vii) Disassemble and inspection of boiler feed pump turbines and
21 valves; (viii) Critical piping weld inspections; (ix) Induced Draft (“ID”) and Forced Draft
22 (“FD”) Fan inspections/repairs and FD fan hub overhauls; (x) Baghouse
23 inspections/repairs and cage/bag replacements; (xi) Absorber (scrubber)

1 inspections/repairs; (xii) Wet Electrostatic Precipitator (“WESP”) field
2 inspections/repairs; (xiii) Burner inspections/repairs; (xiv) Pulverizer and classifier
3 inspections/repairs; (xv) Overhaul of 1A pulverizer; (xvi) Installation of coal silo
4 vibrators and new isolation valves on all 5 coal silos; (xvii) Condenser cleaning and
5 inspections/repairs; (xviii) Submerged flight conveyor chain repairs; (xix) Boiler
6 inspections/repairs, boiler water wall weld cladding, and bull nose tube repairs; (xx) Air
7 heater wash and inspections/repairs; (xxi) Replacement of baghouse outlet expansion
8 joints; (xxii) 345 kv line drop repairs; (xxiii) Evergreen digital control system upgrades
9 completed; (xxiv) Boiler hot reheat, cold reheat, and main steam safety valves
10 disassembled/repared; (xxv) Rebuilding 1A boiler feed pump; (xxvi) Stack inspections
11 completed; (xxvii) Added four new soot blowers in boiler backpass; (xxviii) Added new
12 4th layer of catalyst to the SCR; (xxix) Modified air heater leakage control system;
13 (xxviii) Performance of numerous valve repairs. The unit returned to service on May 28,
14 2017.

15
16 2. The ERGS Unit 2 outage that occurred from June 2, 2017 to June 15, 2017 was an
17 unplanned forced outage. The unit was taken off-line on June 2, 2017 to address a boiler
18 tube leak in the secondary superheater. In addition to repairing the boiler tube leaks other
19 work not impacting the outage was completed. The unit returned to service on June 15,
20 2017.

21
22 3. The ERGS Unit 2 outage that occurred from August 12, 2017 to September 7,
23 2017, was a forced outage. The unit was taken off-line on August 12, 2017 to address a

1 boiler tube leak in the reheater pendant. In addition to repairing the boiler tube leaks, the
2 key work performed during this outage included: (i) Pulverizer inspections and repairs;
3 (ii) Boiler Water cannon maintenance; (iii) Boiler circulating pump discharge relief valve
4 replacement; (iv) Coal feeder calibrations; (v) Completion of numerous other outage-
5 required work orders.

6
7 During the process of returning the unit to service, after the boiler reheater circuit tube
8 repairs, on August 24, 2017, an additional boiler tube leak was discovered on the water
9 wall circuit, aborting the unit start up. The additional repairs were completed on the
10 boiler water wall tubes and the unit returned to service on September 7, 2017.

11
12 4. The ERGS Unit 2 outage that occurred from October 14, 2017, to November 18,
13 2017, was a planned outage, originally scheduled to begin September 29, 2017 and end
14 on November 12, 2017. The outage duration was reduced by a week (from 6 to 5 weeks)
15 due to change in scope, which delayed the start date by one week. The start date was
16 further delayed another week due to a forced outage on Unit 1. Accordingly, the unit was
17 taken offline on October 14, 2017 to begin the outage. The key work performed during
18 this outage included: (i) Baghouse dye injection tests done for leak testing; (ii) Baghouse
19 inspections – numerous bags and cages were changed out based on inspections; (iii) ID
20 Fan inspections – standard outage PM's; (iv) ID fan stall probes – new larger stall probes
21 were installed to prevent plugging and 2 additional probes installed per fan for better stall
22 condition accuracy; (v) Absorber inspections – branch piping connection was found
23 broken off at beginning of outage - as a result - full scaffolding was installed for detailed

1 piping weld inspections and repairs; (vi) WESP field insp. & repair – numerous repairs
2 completed and replaced an expansion joint; (vii) Stack inspections completed; (viii)
3 Replaced wear tile on SFC ramp with hardened plate; (ix) Burner/Ignitor tip & tube
4 inspections completed; (x) Burner inspections / repairs completed on numerous burners;
5 (xi) Pulverizer PMs / repair completed. Two tension rods were replaced based on
6 inspections – one each on 2E and 2C pulverizers; (xii) 2A pulverizer overhaul completed;
7 (xiii) Installed coal silo vibrators and new isolation valves on the silo's; (xiv) Installed
8 zero speed switches on the coal feeders; (xv) Installed pneumatic isolation valves on the
9 feeder outlet gates; (xvi) Condenser cleaning and inspection/repairs completed; (xvii)
10 NERC relay PMs completed; (xviii) GE Mark VI upgrades completed; (xix) PLC
11 upgrades completed; (xx) Boiler tube samples taken for testing; (xxi) Replaced water
12 cannon heat flux sensor tubes #49 and #50; (xxii) Boiler deslag completed – detcord
13 pendants and high pressure washed water walls; (xxiii) Full boiler scaffold installed and
14 bull nose grit blasted for inspections; (xxiv) Boiler inspections/repairs on bullnose,
15 pendants, lower slope tubes, waterwalls, and backpass completed; (xxv) Refractory
16 repairs completed on wall blower and water cannon penetrations in boiler; (xxvi) DA
17 inspections/repairs completed; (xxvii) Air heater wash and inspections/repairs completed;
18 (xxviii) Fuel Flex Projects - added 4 new primary superheat sootblowers in boiler
19 backpass; (xxix) Overhauled 2B BFP and installed newly designed mechanical seals;
20 (xxx) 2-5 feed water heater inspected and tubes plugged; (xxxi) SCR cleaned and catalyst
21 samples taken for reactivity testing; (xxxii) FD fan hub overhauls and inspections
22 completed – replaced both expansion joints; (xxxiii) Air heater sensorless LCS upgrade
23 installed; (xxxiv) Replaced SCR ammonia dilution pumps with new design to improve

1 performance; (xxxv) Numerous high energy drain valves replaced; (xxxvi) Critical piping
2 weld inspections completed, and (xxxvii) Numerous other outage PM work completed.
3 The unit was returned to service on 11/18/17.
4

5 **Q. Please discuss other outages that lasted 14 days or longer at the Oak Creek Power**
6 **Plant (“OCP”).**

7 A. Other outages that lasted 14 days or longer at the OCPP were as follows:

8 1. OCPP Unit 5 had a planned outage from September 8, 2017 to October 23, 2017,
9 which was extended to October 28, 2017. The planned work included the completion of
10 the following: (i) Air Heater Wash; (ii) Condenser cleaning; (iii) SCR
11 inspections/vacuuming; (iv) Boiler repairs; (v) FGD inspections; (vi) Capital; (vii) 480
12 Volt Load centers replacement; (viii) 51 Mill Reclassification of ball charge; (ix) 561
13 Booster Fan overhaul; (x) Unit 5 Major Steam Turbine Valve Rebuilds, (critical path) and
14 (xi) AQCS GGH/SGH/SCR cleaning and modifications.
15

16 The OCPP Unit 5 Planned Outage was extended by 5 days due to a Major Steam valve
17 requiring more work than expected. Several valves required extra machining and
18 replacement of seat which resulted in more time to complete.
19

20 2. OCPP Unit 6 had an unplanned forced outage from February 1, 2017 to February
21 21, 2017 to repair a primary superheat boiler tube leak, replace the bushings to the 4 kv
22 "D" bus and, inspect and repair the EBFP motor.
23

1 3. OCPP Unit 6 also had a planned outage from September 16 to October 12, 2017
2 that included the completion of the following work: (i) O&M; (ii) Air Heater Wash; (iii)
3 Condenser cleaning, (iv) SCR inspections/vacuuming; (v) Boiler repairs; (vi) FGD
4 inspections; (vii) 480 Volt Load centers replacement; (viii) Replace 61 Aux. Transformer
5 (critical path); (ix) 561 Booster Fan overhaul; (x) AQCS GGH/SGH/SCR cleaning and
6 modifications.

7
8 4. OCPP Unit 7 had an unplanned outage from January 28 to February 18, 2017 to
9 repair the turbine control oil system.

10
11 5. OCPP Unit 7 had a planned outage from March 11 to April 17, 2017, which was
12 extended to April 19, 2017. The planned work included: (i) Air Heater Wash; (ii)
13 Condenser cleaning; (iii) SCR inspections / vacuuming; (iv) Boiler repairs; (v) FGD
14 inspections; (vi) 480 Volt Load centers replacement; (vii) Turbine Control Valve
15 Overhauls (critical path); (viii) Precipitator TR Set Control replacements; (ix) 250 Volt
16 Load centers replacement; (x) High Energy Drains component replacement; (xi) Mill CO
17 Monitoring system replacement; and (xii) Boiler flame scanner replacements.

18
19 The planned outage was extended 2 days to address the failure of the DC Turbine lube oil
20 pump, which occurred during the initial startup.

21
22 **Q. Please discuss outages lasting 14 days or longer for the Pleasant Prairie Power Plant**
23 **(“PPPP”).**

1 A. The outages lasting 14 days or longer at the PPPP were as follows:

2 1. PPPP Unit 1 had a planned outage from March 9 to March 27, 2017, which was
3 extended to March 29, 2017. The planned work which was completed included: (i) Air
4 Heater Wash; (ii) Condenser penetration repairs; (iii) SCR inspections / vacuuming; (iv)
5 generator seal oil pump; (v) turbine turning gear oil pump; (vi) FGD inspections; (vii)
6 Installation of ID Booster fans DC lube oil pumps; (viii) Station Battery 1-1 and 1-2 Load
7 tests completed satisfactorily; and (ix) CEMS PM replacement / upgrade.

8

9 The PPPP Unit 1 planned outage was extended 2 days due to excessive vibration, which
10 required the turning gear oil pump to be sent off-site for repair of the upper bearing.

11

12 **Q. Please discuss outages lasting 14 days or longer for the Port Washington Generating**
13 **Station (“PWGS”).**

14 A. The only outage lasting 14 days or longer at the PWGS was the planned outage at Unit 2
15 from April 10 to May 28, 2017 to complete repairs to the following: (i) a steam leak on
16 the high pressure turbine shell and (2) the HP turbine rotor.

17

18 **Q. Please discuss outages lasting 14 days or longer for the Presque Isle Power Plant**
19 **(“PIPP”).**

20 A. The outages lasting 14 days or longer at the PIPP were as follows:

21 1. PIPP Unit 5 had a planned outage from September 8 to October 14, 2017, with the
22 following work scope: (i) major cleaning and repairs; (ii) boiler rear pass/furnace
23 inspections and repairs; and (iii) pulverizer inspections and repairs.

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2. PIPP Unit 6 had a forced outage from January 6 to January 21, 2017 due to cracked rotor bars in the boiler induced draft fan drive motor, making the motor inoperable and the unit unavailable for service. Options to repair or replace the motor were investigated and it was determined to purchase and install a used motor.

3. PIPP Unit 6 had a planned outage from May 1 to May 24, 2017, with the following work scope: (i) minor cleaning and repairs; (ii) boiler rear pass/furnace inspections and repairs; and (iii) pulverizer inspections and repairs.

4. PIPP Unit 8 had a planned outage from December 1 to December 24, 2017, which was extended to December 30, 2017. The planned work scope was as follows: (i) minor cleaning and repairs; (ii) boiler rear pass/furnace inspections and repairs; and (iii) pulverizer inspections and repairs.

The PIPP Unit 8 planned outage was extended by 6 days due to a required rebuild of the boiler air preheater drive gearbox, which was found to be defective during outage inspections.

5. PIPP Unit 9 had a planned outage from March 3 to April 16, 2017, which was extended to April 20, 2017. The planned work scope was as follows: (i) major cleaning and repairs; (ii) boiler rear pass/furnace inspections and repairs; and (iii) pulverizer inspections and repairs.

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The PIPP Unit 9 planned outage was extended by 4 days due to higher than anticipated deterioration of the boiler burners and coal ducts, which were found during the outage. Additional boiler superheat and reheat tube section repairs were also necessary due to leaks found during the boiler pressure test.

Q. Please discuss outages lasting 14 days or longer for Rothschild.

A. Rothschild had a planned outage from September 27 to October 14, 2017 for the following work:

(a) Boiler work: (i) All boiler furnace tuyere heads were removed and either cleaned or replaced. (ii) Installation/replacement of tube shields and baffle plates to prevent erosion. (iii) As needed refractory repairs as well as minor pad welding. (iv) Replaced 3 of 12 Furnace bed thermocouples and thermos-wells. (v) Completed boiler inspection.

(b) Fuel Supply work: (i) Truck dump No. 2 chain and sprocket were replaced. (ii) Drag chain conveyor No. 1 chain, flights, and sprockets replaced. (iii) Fuel feed chute repairs were made in various locations. (iv) Both fuel silo screws were weld repaired and new teeth and holders were installed. (v) Robber screws Nos. 1 and 2 were replaced and Robber screws Nos. 3 and 4 were weld repaired. (vi) Wall screws No. 1 and 2 were replaced and Wall screws Nos. 3 and 4 were weld repaired and bearings and gearbox seals were replaced. (vii) The No. 2 boiler feed conveyor belt was replaced.

1 (c) Water Systems work: (i) All trays were removed from the deaerator for complete weld
2 inspection. (ii) Condensate Pump No. 1 was removed for rebuild. (iii) The condenser
3 tubes were cleaned and the boiler feedwater pump No. 1 motor was sent to a repair shop
4 for inspection and cleaning. (iii) The high pressure feed water heater end cover was
5 removed for machining due to a leak.

6
7 (d) Balance of work: (i) The baghouse was inspected and minor repairs made. (ii) The
8 Bottom Ash Drag Conveyor was disassembled, inspected and repaired.

9
10 **Q. Please discuss outages lasting 14 days or longer for the Valley Power Plant (“VPP”).**

11 **A.** The outages lasting 14 days or longer at the VPP were as follows:

12 1. VPP Unit 1 had a planned outage from May 13 to June 12, 2017, with the
13 following work completed: (i) AVK valve testing (MWV); (ii) BCW tank return/supply
14 inspection; (iii) Main Transformer oil cooler PMs; (iv) 1B1 MCC Bus insulators replace;
15 (v) Battery Load testing; (vi) 1st to 2nd Pt Ext Valve PCV3 repair; (vii) Condenser
16 Cleaning & Hydro, (viii) L.I.T.E. PM for DC Bearing and seal oil pump; (ix) Internal
17 Boiler, Air Heater, Pre-Heater, Burner, and Air gate Inspections; (x) IDF, FDF blade
18 inspections; (xi) DA and Storage tank inspections; (xii) FGR Inspection; (xiii) 1A Low
19 Load Bypass Valve; (xiv) Baghouse Bypass Project; and (xv) CEM Data Logger Upgrade
20 project.

21
22 2. VPP Unit 2 had a planned outage from July 22 to September 27, 2017, with the
23 following work completed: (i) Unit 2 Turning Gear/ V 2 rack Upgrade (ii) Boiler 3 & 4

1 Bag House Modification; (iii) MKVIE Control Project; (iv) Circulating Water Pumps
2 VFD; (v) Boiler 3 & 4 Force draft fan Inlet damper replacement; (vi) Gland Steam Seal
3 regulator repaired; (vii) NRV 4 Piping Replacement; (viii) Boiler 3 & 4 Feedwater Reg
4 Valve replacement; (ix) Boiler #3 & #4 Hydro inspections; (x) Boiler 3 & 4 tube
5 samples; (xi) Unit 2 DC lube oil pump and motor overhaul; (xii) DA tank weld repairs to
6 end plate; (xiii) Repair Boiler 3 & 4 drain manifolds; and (xiv) Replaced Main Steam
7 Bypass Stop Vlv 2MOV1 actuator.

8
9 **Q. Please discuss outages lasting 14 days or longer for the Concord Generating Station**
10 **(Concord).**

11 A. The outages lasting 14 days or longer at the Concord were as follows:

12 1. Concord Unit 1 had a planned outage from April 24 to May 30, 2017 for
13 replacement of exhaust stack baffles.

14 2. Concord Unit 1 had a maintenance outage from August 28 to November 9, 2017
15 for fire protection system upgrades to control systems.

16 3. Concord Unit 2 had a planned outage from April 9 to May 15, 2017 for
17 replacement of exhaust stack baffles.

18 4. Concord Unit 2 had a maintenance outage from August 28 to November 9, 2017
19 for fire protection system upgrades to control systems.

20 5. Concord Unit 3 had a forced outage from March 27 to April 14, 2017 for repair of
21 generator 138kV circuit breaker.

22 6. Concord Unit 3 had a planned outage from December 9 to December 27, 2017 for
23 Turbine Combustor Burner inspection and repair.

1 7. Concord Unit 4 had a planned outage from December 2 to December 21, 2017 for
2 Turbine Combustor Burner inspection and repair.

3
4 **Q. Please discuss outages lasting 14 days or longer for the Germantown Generating**
5 **Station (Germantown).**

6 A. The outages lasting 14 days or longer at the Germantown were as follows:

7 1. Germantown Unit 5 had a planned outage from September 26 to October 25, 2017
8 for Turbine Generator protection relay upgrades and metering replacement.

9 2. Germantown Unit 5 had forced outage from November 3 to November 22, 2017
10 for inspection and repair to DC electrical system grounding issues.

11
12 **Q. Please discuss outages lasting 14 days or longer for the Paris Generating Station**
13 **(Paris).**

14 A. The outages lasting 14 days or longer at the Paris were as follows:

15 1. Paris Unit 1 had a planned outage from November 6 to November 28, 2017 for
16 DCS controls upgrades and turbine exhaust stack baffle repairs.

17 2. Paris Unit 2 had a planned outage from November 6 to November 28, 2017 for
18 DCS controls upgrades and turbine exhaust stack baffle repairs.

19 3. Paris Unit 3 had a planned outage from October 2 to November 15, 2017 for DCS
20 controls upgrades and replacement of exhaust stack baffles.

21 4. Paris Unit 3 had a planned outage from December 6 to December 22, 2017 for
22 Turbine Generator fire protection CO2 upgrade.

1 5. Paris Unit 4 had a planned outage from October 16 to November 22, 2017 for
2 DCS controls upgrades and replacement of exhaust stack baffles.

3
4 **ERGS AVAILABILITY**

5 **Q. In the Company’s last Michigan rate case, Case No. U-16830, the Commission**
6 **ordered the implementation of a performance standard related to ERGS 1 and**
7 **ERGS 2. Can you please describe the standard?**

8 A. The performance standard compares the ERGS 1 and ERGS 2 EAF with that of similarly
9 fueled and sized units as reported to the NERC. WEPCo was ordered to report the ERGS
10 1 and ERGS 2 EAF, as well as the industry average for similarly fueled and sized plants
11 for the most recent five years available, in the PSCR reconciliation covering the same
12 twelve month period. Should the ERGS 1 and ERGS 2 EAF fall below the EAF of the
13 most recent five-year average for like plants less 15%, ratepayers would receive a credit
14 in the PSCR reconciliation.

15
16 **Q. Have you performed this comparison for the 2017 PSCR plan year?**

17 A. Yes. The NERC 2013-2017 Generating Availability Report is not available yet. A
18 comparison of the 2017 ERGS 1 and ERGS 2 EAF was, therefore, made to the industry
19 average, for similarly sized and fueled units, for the five year period ending in 2016. This
20 comparison revealed 81.9% less 15%, or 66.9%, based on data from a NERC report that
21 is included as my Exhibit A-2 (JGG-2) page 2. The NERC report was obtained from the
22 NERC website.¹ The first page of this exhibit is from a NERC report entitled “2016
23 Generating Unit Statistical Brochure – Five Years, 2012 – 2016, All Units Reporting,”

¹ <http://www.nerc.com/pa/rapa/gads/pages/reports.aspx>

1 and contain data on all units, whether they reported event records or not. The second
2 page is from a NERC report entitled “2016 Generating Unit Statistical Brochure – Five
3 Years, 2012 – 2016, Units Reporting Events” containing statistics on only those units
4 that reported events. The NERC report entitled “2016 Generating Unit Statistical
5 Brochure – Five Years, 2012 – 2016, All Units Reporting,” states that “[t]he equations
6 are more accurate if events are reported.” I have, therefore, used the EAF information on
7 the second page of the exhibit, from the “2016 Generating Unit Statistical Brochure –
8 Five Years, 2012 – 2016, Units Reporting Events,” showing statistics on only those units
9 that reported events, which shows an EAF of 81.9% for coal plants with nameplate
10 capacity of between 600-799 MW (see page 2 of the Exhibit A-2 (JGG-2), versus the
11 81.9% EAF shown for the same category on page 1 of the exhibit. For 2016, the EAF
12 percentages for the similarly ERGS sized and fueled units are the same on both reports.

13
14 Page 3 of Exhibit A-2 (JGG-2) provides information on the ERGS unit EAF for 2017
15 using the format set forth in the Commission’s March 15, 2013 Order in Case No. U-
16 17200, Attachment A. In Case No. U-17200, the Company requested and received a
17 limited waiver from the Commission of the ERGS performance standard in order to
18 engage in testing, inspection, and implementation of physical and operational changes at
19 ERGS to provide enhanced fuel flexibility, namely the testing of varying blends of
20 bituminous and sub-bituminous coal. The limited waiver allows the Company to adjust
21 the actual EAF for those times affected by fuel flex testing. The adjustment for fuel flex
22 testing on a plant basis (i.e. Unit 1 and Unit 2), in 2017 was calculated to be 2.0%. Page
23 3 of Exhibit A-2 (JGG-2) shows that in 2017, Unit 1 had an EAF of 79.4% without

1 accounting for fuel flex testing, and that Unit 2 had an EAF of 75% without accounting
2 for fuel flex testing. Applying the fuel flex limited waiver, Unit 1 had an EAF of 79.6%,
3 and Unit 2 had an EAF of 78.8%. Thus, the combined ERGS EAF both with and without
4 the fuel flex adjustment was higher than the five-year industry average EAF less 15%.
5 Therefore an ERGS performance standard-related rate credit would not be applied in the
6 2017 PSCR reconciliation.

8 **COAL COSTS**

9 **Q. Did Wisconsin Electric experience any excess coal inventory during the year?**

10 A. No. During 2017, Wisconsin Electric was able to fulfill contract commitments in most
11 cases. The Company did carry forward 63,851 tons of coal from 2017, but took delivery
12 of it in January 2018.

13
14 **Q. Do the costs included in this reconciliation include any costs attributable to capital
15 investments to transport fuel to or relocate fuel at Wisconsin Electric's facilities, or
16 any costs associated with unloading and handling expenses incurred after receipt of
17 fuel by the utility?**

18 A. No capital investment costs are included in the calculation of the 2017 power supply
19 costs being reconciled, nor are any Wisconsin Electric unloading costs or Wisconsin
20 Electric costs for handling the fuel included. Coal for the PIPP is delivered by rail to
21 MERC Dock and then Wisconsin Electric pays third parties to transfer that coal to PIPP.
22 Since PIPP does not have rail facilities, all coal must be delivered by boat. Wisconsin
23 Electric treats the vessel reloading costs, paid to a firm contracted to do the loading, and

1 the vessel transportation costs as part of the freight costs. In either case, no Wisconsin
2 Electric labor or expenses are included. The transshipping costs are expensed as the coal
3 is burned. This is consistent with the manner in which these costs have been treated in
4 prior PSCR proceedings.

5
6 **Q. Did Wisconsin Electric purchase any test/spot market coal during the period under
7 reconciliation?**

8 A. Yes. Wisconsin Electric purchased spot coal as follows: (1) 30,000 tons for Elm Road in
9 February 2017, and (2) 141,000 tons for Elm Road for December 2017 through January
10 2018. In addition, 615,000 tons of coal purchased for the Pleasant Prairie Power Plant
11 was test burned at the Oak Creek and Elm Road generating units in 2017.

12
13 **Q. Did Wisconsin Electric incur any demurrage or penalty charges during the
14 reconciliation period?**

15 A. Yes. Wisconsin Electric incurred charges for vessel delays and credits for unloading in
16 less time than allowed in the contract, which resulted in net demurrage credits totaling
17 \$10,354 for vessel delays for fuel used at PIPP.

18
19 **Q. Please explain the accounting method to determine coal costs and how the monthly
20 expense amount is determined.**

21 A. Coal costs are accounted for through the fuel inventory account. Inventories are
22 maintained for each plant. Coal is recorded at the contract price, including any
23 authorized price adjustments. Invoices and price adjustments are reviewed for

1 conformance to contract prices and are approved by Wisconsin Electric's Wholesale
2 Energy & Fuels Department. Differences between actual price adjustments and the
3 accruals are accounted for as inventory adjustments. The quantity of coal removed from
4 inventory and burned is furnished by Wisconsin Electric's Power Generation
5 Department, which provides consumption figures measured by plant equipment. Coal is
6 removed from inventory at the average inventory cost. This accounting treatment has
7 been applied consistently by Wisconsin Electric.

8
9 **Q. How are other fossil fuels accounted for?**

10 A. Oil inventories are maintained in a manner similar to that described for coal. Invoices for
11 purchases are reviewed and approved by Wisconsin Electric's Wholesale Energy & Fuels
12 Department. Inventory disbursements are at the average inventory price. Natural gas
13 consumption is based on monthly meter readings. When Wisconsin Electric makes use
14 of the natural gas transportation service, it must nominate the amount of gas to be taken.
15 When the usage is less than the nomination, an undertake credit is given and when the
16 usage is more than the nomination, an overtake charge is applied.

17
18 **NATURAL GAS COSTS**

19 **Q. Did Wisconsin Electric purchase any fuel from an affiliated company?**

20 A. No. Wisconsin Electric did not purchase fuel from its affiliates in 2017. However,
21 Wisconsin Electric purchased natural gas distribution service from Wisconsin Electric
22 Gas Operations ("WEGO"). WEGO includes the former gas operations of Wisconsin
23 Natural Gas Company. Effective January 1, 1996, Wisconsin Natural Gas Company was

1 merged into Wisconsin Electric. Natural gas distribution service is provided at tariffs
2 authorized by the PSCW. Wisconsin Electric also purchased natural gas distribution
3 services from Wisconsin Gas LLC (“WG”). Effective January 1, 2000, Wisconsin
4 Electric purchased WICOR Inc., which included the Wisconsin Gas Company subsidiary.
5 Natural gas distribution service from WG is purchased at tariffs authorized by the Public
6 Service Commission of Wisconsin (“PSCW”). Natural gas contributed 23.1% to
7 Wisconsin Electric’s net generation in 2017.

8

9 **RISK MANAGEMENT**

10 **Q. Did Wisconsin Electric include the costs associated with its integrated risk**
11 **management plan as part of this reconciliation?**

12 A. Yes. In Wisconsin, utilities are authorized to include the costs of fuel price risk
13 management hedging tools in their fuel costs, provided the PSCW has approved the plan.
14 On January 27, 2017 the PSCW issued a Final Decision in Docket No. 6630-RM-102
15 approving Wisconsin Electric’s current Integrated Risk Management Plan (“Plan”) for
16 Electric Energy through December 31, 2019.

17

18 **Q. What is the purpose of Wisconsin Electric’s gas risk management program?**

19 A. The purpose of the gas risk management program is to mitigate and protect against
20 natural gas price volatility. The cost of the risk management hedging program is
21 equivalent to an insurance premium against price spikes. Premiums are paid to insure
22 against the occurrence of a damaging event.

1 While managing gas price risk does not equate to guaranteed savings, financially settled
2 hedging can act like insurance and is a proper and prudent action against a negative
3 consequence event such as the price spike experienced during the polar vortex.
4

5 **Q. Were gas risk management costs included in previous PSCR reconciliation cases?**

6 A. Yes, gas risk management costs have been included in all annual PSCR reconciliation
7 cases since 2003.
8

9 **Q. What is the amount of the gas risk management transaction costs included in the
10 2017 PSCR reconciliation?**

11 A. The amount of gas risk management transaction costs included in the 2017 PSCR
12 reconciliation is \$226,293. Wisconsin Electric's hedging of gas costs was done on a
13 reasonable and prudent basis in accordance with the PSCW order approved in Docket No.
14 6630-RM-102.
15

16 **Q. What was the amount of the net benefit/cost of the gas risk management program
17 during 2017?**

18 A. The gas risk management net benefit/cost is considered a component of the cost of gas
19 which is charged to various power plants and power purchases. During the hedging
20 horizon for 2017, Wisconsin Electric was hedging gas costs in a generally increasing
21 market with prices increasing during the first half of the year. This resulted in some
22 hedges being at a lower price than the month's NYMEX settle; the lower cost of gas,
23 which amounted to a net benefit of \$428,085, along with transaction cost of the options

1 and futures of \$226,293, has been included in the cost of gas for a net benefit of
2 \$201,792.

3
4 **Q. What is the purpose of Wisconsin Electric's coal transportation surcharge risk
5 management program?**

6 A. The purpose of the coal transportation surcharge risk management program is to hedge
7 price increases in rail transportation costs through the use of heating oil futures which
8 historically had a strong correlation to diesel fuel prices, and crude oil futures. When
9 diesel fuel prices rise, the Surface Transportation Board allows railroads to apply a fuel
10 surcharge to their tariffs, thereby passing on the increased cost to the utilities' which
11 increases the utilities' delivered cost of coal.

12
13 **Q. Were coal transportation surcharges hedging costs included in previous PSCR
14 reconciliation cases?**

15 A. Yes. Wisconsin Electric began hedging the coal transportation surcharge in February
16 2008 for May 2008 coal deliveries and as such these hedging costs have been included in
17 PSCR reconciliations since 2008. Wisconsin Electric's hedging of coal transportation
18 costs was done on a reasonable and prudent basis in accordance with the PSCW order
19 approved in Docket No. 6630-RM-102.

20
21 **Q. What was the amount of the net benefit/cost of the coal transportation risk
22 management program during 2017?**

1 A. The coal transportation risk management net benefit/cost is considered a component of
2 the cost of coal and is charged to the various power plants when it is consumed. During
3 2017, Wisconsin Electric had coal transportation hedges (heating oil) in place during a
4 time of falling oil prices. This resulted in some hedges being at a higher price than the
5 month's NYMEX settle; the higher cost of oil which amounted to \$736,551, along with
6 transaction cost of the options and futures of \$662,780 was included in the cost of coal
7 for a total of \$1,399,331.

8

9 **Q. Did Wisconsin Electric have any crude oil or electric hedge transactions during**
10 **2017?**

11 A. No.

12

13 **Q. What is the total amount of costs associated with Wisconsin Electric's risk**
14 **management programs included in this reconciliation?**

15 A. The risk management program resulted in a net cost of \$1.2 million.

16

17 **RENEWABLE GENERATION**

18 **Q. Please discuss how Wisconsin Electric has treated the Glacier Hills Wind Farm**
19 **("Glacier Hills"), the Montfort Wind Energy Center ("Montfort") and Rothschild**
20 **costs in this PSCR reconciliation.**

21 A. Consistent with the Order Approving Settlement Agreement dated February 11, 2016, in
22 Wisconsin Electric's 2015 renewable energy ("RE") Plan in Case No. U-17798, Glacier
23 Hills is a system-wide RE resource to be recovered through a transfer price of \$80.41 per

1 MWh in the PSCR and incremental costs through the RE surcharge. Wisconsin Electric
2 is using a transfer price for Glacier Hills as approved by Commission Order in Case No.
3 U-15812 and in Wisconsin Electric's 2015 RE Plan. This is shown on Exhibit A-1 (JGG-
4 1) page 1, line 16. Both Montfort and Rothschild are also system-wide RE resources to
5 be recovered through a transfer price of \$71.20 per MWh in the PSCR and incremental
6 costs through the RE surcharge. Wisconsin Electric is using the transfer price for these
7 two facilities from the transfer price schedule developed by the MPSC Staff and
8 approved by the Commission in its December 19, 2013 Order in Case No. U-16662, and
9 Wisconsin Electric's 2015 RE Plan. This is shown on Exhibit A-1 (JGG-1) page 1, lines
10 17-18.

12 RE PURCHASES

13 **Q. Please describe Wisconsin Electric's RE purchases.**

14 A. Wisconsin Electric's RE purchases include: 1) Iberdrola Renewables – Elm Creek II
15 (2013 & 2014) and 2) Manitoba Hydro. The total of these purchases is included in
16 Exhibit A-1 (JGG-1) page 1, line 26. Wisconsin Electric has also included its surplus RE
17 under its Customer Generating System (CGS) tariffs. The total of the renewable CGS
18 purchases is shown on Exhibit A-1 (JGG-1) page 1, line 25.

19
20 **Q. Are the RE purchases treated as system-wide RE resources?**

21 A. Yes. Wisconsin Electric purchases energy, including RE, on a system-wide basis. These
22 costs are recovered through the PSCR consistent with the RE Plan approved by the
23 MPSC in Case No. U-17798. Moreover, the Commission has previously ruled on this

1 issue in its December 19, 2013 Order in Case No. U-17072, pages 33-34 (and other
2 orders cited therein), which states “Therefore, the Commission finds that for renewable
3 resources used only to meet the Wisconsin RPS, reasonable and prudent costs should be
4 recovered on a system-wide basis through base rates and PSCR”.

5
6 **Q. Has Wisconsin Electric received approval to use an inventory accounting method
7 for renewable energy credit purchases?**

8 A. Yes. Wisconsin Electric was granted approval to use an inventory accounting method for
9 the cost of unbundled renewable energy credit (“REC”) purchases in the February 11,
10 2016 Order Approving Settlement Agreement in Case No. U-17798. Wisconsin Electric
11 is initially putting the costs of system-wide, unbundled RECs into an inventory account
12 and then subsequently expensing them to FERC Account 555 as they are used for Act
13 295 compliance. This method matches the costs – and ratepayer impacts – to the period
14 for which the costs were incurred. This same accounting method is being used for
15 system-wide REC purchases for Wisconsin Electric’s Wisconsin renewable portfolio
16 standard (“RPS”).

17
18 **Q. Please explain the REC inventory cost accounting method respective to Exhibit A-1
19 (JGG-1) page 1, lines 32 and 33.**

20 A. Wisconsin Electric utilizes a RPS Model (“the model”) which tracks actual and forecasts
21 future jurisdictional RPS compliance requirements, records REC procurement costs, and
22 tracks REC inventory levels and associated financial impacts. At present, the model
23 contains actual data for 2008 through (preliminary) 2017 and forecast data for 2018 and

1 beyond. The model establishes allocation percentages and forecasts RPS requirements for
2 multiple jurisdictions based on sales forecasts. The model takes into account both
3 system-wide and direct-assigned jurisdictional REC purchase costs which results in
4 varying average costs per REC among the jurisdictions. Using the model, a System RPS
5 Requirement forecast totaling \$1,694,891 was calculated and expensed for 2017 and is
6 included in line 26 "RE from System-wide Resources". During 2017, the monthly
7 amounts expensed from inventory were not included as purchased power costs nor were
8 they included in the monthly 45 day reports submitted to the Commission. This is shown
9 on line 32 "System RPS Requirement Estimate Reversal", which reverses the expense
10 included in line 26. The 2017 forecast for the Michigan jurisdictional cost was based on
11 the Michigan RPS Retirement quantity of 38,400 RECs, at an average cost of \$0.97925
12 per REC, for a total forecast Michigan RPS Requirement Cost of \$37,603. Further,
13 grossing up this amount using Michigan's forecast load ratio share (5.7878%) resulted in
14 a "MI System-wide REC Expense (Forecast)" in the amount of \$649,692 as shown on
15 line 33.

16
17 **Q. Has Wisconsin Electric included any actual MISO charges, revenues or credits**
18 **related to the Presque Isle Power Plant ("PIPP") System Support Resource ("SSR")**
19 **agreement for 2017 in this reconciliation?**

20 A. No. Based on the 2015-2019 Large Curtailable Special Contracts approved by the
21 Commission in its April 23, 2015 Order Approving Special Contracts in Case No. U-
22 17862, the Mines are not be subject to any charges or adjustments related to costs
23 incurred prior to 2016.

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22

Q. Did Wisconsin Electric receive any costs or credits from the American Transmission Company LLC (“ATC LLC”) or MISO in 2017 related to reduced allowed return on common equity (“ROE”)?

A. Yes. Wisconsin Electric received credits from the ATC LLC and the MISO for the reduced allowed ROE related to transmission investment, which was ordered by the FERC. Only the credits related to charges incurred in 2016 and thereafter were included in the PSCR costs for the Mines in accordance with the 2015-2019 Large Curtailable Special Contracts approved by the Commission in its April 23, 2015 Order Approving Special Contracts in Case No. U-17862.

Q. Has Wisconsin Electric included all other actual MISO charges and payments for 2017 in this reconciliation?

A. Yes.

Q. Please provide a brief description of the MISO purchase cost categories included in Exhibit A-1 (JGG-1), page 1, lines 28 through 30.

A. Each cost category consists of charge types, authorized in the MISO tariff and defined in the MISO Market Settlements Business Practice Manual², which represent both charges and credits to Market Participants. Line 28, “MISO-Energy Market,” consists of the net day-ahead and real-time energy costs. This charge is a result of each resource’s net energy volume multiplied by its nodal Locational Marginal Prices. Line 29, “MISO-RSG

² A complete listing of charge types, billing determinants and underlying calculations can be found in the MISO Market Settlements Calculation Guide (<https://www.misoenergy.org/Library/BusinessPracticesManuals>).

1 Make Whole Payments,” consists of day-ahead and real-time Revenue Sufficiency
2 Guarantee Make Whole Payments paid by MISO to Wisconsin Electric which guarantee
3 recovery of total production costs from economically committed resources. Line 30,
4 “MISO-Other Net Charges and Revenues,” consists of the remaining non-volumetric
5 charge type costs and revenues including, but not limited to, Financial Transmission
6 Rights, Distribution and Uplift Amounts as well as various other miscellaneous amounts.
7 All charges and credits are calculated in accordance with the MISO Tariff and the Market
8 Settlements Calculation Guide.

9
10 **Q. Were MISO charges and credits previously approved in PSCR reconciliation cases?**

11 A. Yes. The MPSC has approved MISO charges and credits in Wisconsin Electric’s 2008
12 through 2016 PSCR reconciliation cases.

13
14 **Q. Were there any firm purchases in 2017 which involved capacity charges in excess of
15 six months in duration that were not previously approved by the Commission?**

16 A. No. Wisconsin Electric had one firm purchased power contract with LS Power and
17 various RE contracts in place during 2017 which involved capacity charges in excess of
18 six months. The capacity charges for these contracts have previously been approved by
19 the Commission.

20
21 **Q. During 2017, did Wisconsin Electric buy out any power purchase agreements?**

22 A. No.

23

1 **Q. Please describe the Real-Time Market Pricing (“RTMP”) Rider, the Economic**
2 **Development Rider (“EDR”) and the Real-Time Pricing (“RTP”) Rider tariffs.**

3 A. Under Wisconsin Electric’s General Primary – Real-Time Market Pricing Rider tariff,
4 customers who increase energy usage above a set baseline are charged the incremental
5 cost to provide that energy. Similarly, under the General Primary – Economic
6 Development Rider tariff, customers who increase energy usage above a set baseline are
7 charged the incremental cost. The primary difference has to do with the initial selection
8 and potential re-nomination of a Usage “Initial Baseline” and maintaining a “Current Use
9 Baseline”. The incremental cost of the energy usage above the baseline is removed from
10 Wisconsin Electric’s cost of purchases from the MISO energy market. In addition, in
11 2017 Wisconsin Electric received PSCW approval of a General Primary – Real-Time
12 Pricing (“RTP) Rider tariff that allows large general primary customers to purchase
13 power at market prices, plus a \$/Kwh adder, without any baseline limitations. For 2017,
14 the total RTMP, EDR and RTP sales amounted to \$18 million and 636,392 MWh as
15 shown on page 1, line 36 of Exhibit A-1 (JGG-1).

16
17 **PSCR COST RECONCILIATION**

18 **Q. What is Wisconsin Electric requesting the Commission to approve in this PSCR**
19 **reconciliation filing?**

20 A. Wisconsin Electric requests Commission approval of the 2017 reconciliation of all power
21 supply revenues received, whether included in base rates or collected through the PSCR
22 clause, with the power supply costs incurred by Wisconsin Electric in 2017 and the roll-

1 in of the 2017 ending PSCR over-recovery balance into the 2018 beginning PSCR
2 over/under recovery balance.

3

4 **Q. Were the costs of power supply incurred through reasonable and prudent actions on**
5 **the part of Wisconsin Electric?**

6 A. Yes. Wisconsin Electric's actions with regard to the management of power supply and
7 the resulting PSCR costs incurred during 2017 were reasonable and prudent.

8 **Q. Does this conclude your direct testimony?**

9 A. Yes, it does.

10

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WISCONSIN ELECTRIC POWER COMPANY
 2017 Power Supply Cost Recovery Reconciliation

Line No.	2017 PSCR Plan - As Approved			2017 PSCR - Actual			Change from Plan As Approved		
	Cost (\$)	Generation MWH	Cost \$/MWH	Cost (\$)	Generation MWH	Cost \$/MWH	Cost (\$)	Generation MWH	Cost \$/MWH
1	23,865,336	345,420	69.09	23,050,839	381,619	60.40	(814,497)	36,199	(8.69)
2	106,268,375	5,092,003	20.87	104,915,851	4,717,689	22.24	(1,352,524)	(374,314)	1.37
3	132,673,273	6,604,194	20.09	131,646,476	6,558,248	20.07	(1,026,797)	(45,946)	(0.02)
4	140,548,082	6,796,032	20.68	111,082,088	5,296,270	20.97	(29,465,994)	(1,499,762)	0.29
5	47,310,617	1,676,727	28.22	41,112,718	1,521,381	27.02	(6,197,899)	(155,346)	(1.19)
6	450,665,683	20,514,375	21.97	411,807,971	18,475,207	22.29	(38,857,712)	(2,039,168)	0.32
7									
8	87,031,139	3,298,414	26.39	119,318,620	5,231,862	22.81	32,287,481	1,933,448	(3.58)
9	107,670	1,560	69.04	1,869,529	18,985	98.47	1,761,859	17,426	29.43
10	1,217,606	12,158	100.15	4,513,951	79,543	56.75	3,296,345	67,385	(43.40)
11	703,065	7,508	93.65	5,137,449	102,371	50.18	4,434,384	94,864	(43.46)
12	89,059,480	3,319,639	26.83	130,839,548	5,432,761	24.08	41,780,068	2,113,122	(2.74)
13									
14	-	342,363	-	-	467,431	-	-	125,068	-
15	-	326,088	-	-	257,337	-	-	(68,751)	-
16	32,147,764	399,797	80.41	31,435,485	390,940	80.41	(712,279)	(8,857)	-
17	4,329,080	60,802	71.20	3,439,530	48,308	71.20	(889,551)	(12,494)	-
18	12,527,782	175,953	71.20	6,036,550	84,783	71.20	(6,491,233)	(91,170)	0.00
19	49,004,627	1,305,003	37.55	40,911,565	1,248,799	32.76	(8,093,062)	(56,204)	(4.79)
20	588,729,790	25,139,017	23.42	583,559,084	25,156,767	23.20	(5,170,706)	17,750	(0.22)
21									
22	22,011,592	-	-	21,280,787	-	-	(730,805)	-	-
23	19,485,526	751,483	25.93	15,320,537	648,069	23.64	(4,164,989)	(103,414)	(2.29)
24	421,940,624	8,957,034	47.11	421,884,941	8,950,472	47.14	(55,683)	(6,562)	0.03
25	9,283,344	465,592	19.94	8,133,661	384,034	21.18	(1,149,682)	(81,558)	1.24
26	12,693,897	278,967	45.50	9,890,516	258,888	38.20	(2,803,381)	(20,079)	(7.30)
27	5,815,335	-	-	-	-	-	(5,815,335)	-	-
28	3,870,368	120,260	32.18	10,302,330	114,987	89.60	6,431,962	(5,273)	57.41
29	(7,439,402)	-	-	(6,993,163)	-	-	446,239	-	-
30	4,937,096	-	-	8,673,052	-	-	3,735,956	-	-
31	241,037	10,856	22.20	-	-	-	(241,037)	(10,856)	(22.20)
32	-	-	-	(1,694,891)	-	-	(1,694,891)	-	-
33	-	-	-	649,692	-	-	649,692	-	-
34	492,839,416	10,584,191	46.56	487,447,463	10,356,450	47.07	(5,391,954)	(227,741)	0.50
35	(2,342,016)	(119,247)	19.64	(2,003,443)	(35,016)	57.22	338,573	84,231	37.58
36	(15,277,087)	(607,030)	25.17	(17,950,710)	(636,392)	28.21	(2,673,623)	(29,362)	3.04
37	475,220,313	9,857,914	48.21	467,493,310	9,685,042	48.27	(7,727,003)	(172,872)	0.06
38									
39	(200,061,667)	(8,109,724)	24.67	(233,591,967)	(8,137,182)	28.71	(33,530,300)	(27,458)	4.04
40	(3,182,750)	-	-	(3,182,750)	-	-	0	-	-
41	(824,553)	(9,113)	90.48	(658,403)	(7,286)	90.37	166,151	1,827	(0.11)
42	(204,068,970)	(8,118,837)	25.14	(237,433,120)	(8,144,468)	29.15	(33,364,149)	(25,631)	4.01
43									
44	9,365,164	-	-	-	-	-	(9,365,164)	-	-
45	55,125	1,825	30.21	-	-	-	(55,125)	(1,825)	-
46	9,420,289	1,825		-	-		(9,420,289)	(1,825)	
47									
48	869,301,421	26,879,919	32.34	813,619,274	26,697,341	30.48	(55,682,147)	(182,578)	(1.86)
49									
50	276,341,000	-	-	241,608,009	-	-	(34,732,990)	-	-
51	92,503,248	-	-	84,867,906	-	-	(7,635,342)	-	-
52	368,844,248	26,879,919	13.72	326,475,915	26,697,341	12.23	(42,368,333)	(182,578)	(1.49)
53									
54	1,238,145,668	26,879,919	46.06	1,140,095,189	26,697,341	42.70	(98,050,479)	(182,578)	(3.36)
55									
56			1.04			1.04			1.04
57			47.90			44.41			(3.49)
58			45.47			45.47			
59			2.43			(1.06)			

2016 Generating Unit Statistical Brochure -- Five Years, 2012 - 2016, All Units Reporting

NOTE: This brochure contains data on all units, whether they reported event records or not. For a review of statistics containing only those units that reported events, see the brochure "2012-2016 Generating Unit Statistical Brochure -- Units Reporting Events".
 (The differences between statistics with or without events will appear in equations needing derating information such as EAF, EFOR, and other equations. The equations are more accurate if events are reported.)

Unit Type	MW Trb/Gen Nameplate	# of Units	Unit-Years	
FOSSIL All Fuel Types	All Sizes	1512	6324	
	1-99	382	1505.5	
	100-199	374	1529.08	
	200-299	181	747	
	300-399	123	549.92	
	400-599	226	993.08	
	600-799	148	641	
	800-999	62	288.42	
	1000 Plus	16	65	
	Coal Primary	All Sizes	970	3948.17
1-99		181	641.83	
100-199		255	973	
200-299		131	538.17	
300-399		71	320.25	
400-599		152	685.33	
600-799		120	519.17	
800-999		45	205.42	
1000 Plus		15	60	
Oil Primary		All Sizes	114	351.5
	1-99	32	119.83	
	100-199	24	78.75	
	200-299	5	6.5	
	300-399	15	59.33	
	400-599	18	41.42	
	600-799	13	27.08	
	800-999	6	13.58	
	Gas Primary	All Sizes	460	1605.25
		1-99	146	504.25
100-199		121	448.5	
200-299		61	174.83	
300-399		45	159.33	
400-599		65	236.25	
600-799		15	50.67	
800-999		7	31.42	

ART	SR	NCF	NOF	SF	AF	EAF	FOR	EFOR	EFORd	SOF	FOF	UOF	EUOF	EUOR	POF	MOF
178.57	98.62	45.82	73.04	54.29	84.29	81.97	8.17	10.55	8.34	10.88	4.83	7.8	9.45	15.16	7.91	2.97
139.32	98.99	27.59	63.79	40.74	86.19	84.09	11.52	13.93	9.48	8.51	5.3	7.96	9.26	18.88	5.85	2.66
87.92	99.34	30.99	63.18	47.62	85.89	83.55	7.41	9.81	6.83	10.3	3.81	6.59	8.03	14.71	7.52	2.78
213.82	98.28	37.16	64.32	57.57	81.94	79.35	9.44	12.04	9.91	12.06	6	9.58	11.53	17.08	8.49	3.57
224.8	97.73	35.31	65.12	54.77	83	81.05	7.52	9.71	7.97	12.55	4.45	7.31	8.82	14.15	9.69	2.85
326.72	97.54	48.25	73.46	65.44	82.98	80.32	7.45	10.13	8.93	11.75	5.26	8.37	10.5	14.19	8.65	3.11
541.29	96.65	54.58	77.91	69.99	83.67	81.25	6.22	8.34	7.66	11.68	4.65	7.7	9.66	12.4	8.63	3.06
302.56	97.71	52.23	77.71	66.84	82.89	81.09	5.75	7.66	6.8	13.03	4.08	6.93	8.61	11.66	10.18	2.85
811.67	92.55	59.24	80.81	72.47	77.97	75.23	6.77	8.13	7.78	16.76	5.27	10.85	12.48	14.97	11.17	5.59
344.37	97.92	56.46	77.07	65.36	84.76	82.28	6.67	8.8	7.71	10.57	4.67	7.9	9.67	13.16	7.34	3.23
198.48	98.72	34.08	72	43.58	87.34	85.64	9.08	11.18	8.32	8.31	4.35	7.63	8.81	17.09	5.03	3.28
174.45	98.91	41.2	68.69	59.13	87	84.26	5.82	8.05	6.47	9.35	3.66	6.84	8.48	12.79	6.16	3.18
457.36	97.1	44.44	70.2	63.1	81.57	78.59	9.65	12.26	10.86	11.69	6.74	10.61	12.78	17.27	7.82	3.87
500.6	96.2	51.34	73.18	69.92	83.32	80.81	6.27	8.56	7.83	12	4.67	7.82	9.81	12.59	8.86	3.14
585.57	96.89	61.19	78.2	78.24	84.18	81.51	5.67	7.85	7.51	11.12	4.7	7.52	9.54	11.12	8.31	2.81
682.34	96.7	61.52	79.11	77.6	84.31	81.86	5.56	7.4	7.05	11.12	4.57	7.56	9.48	11.12	8.13	2.99
730.39	95.5	61.23	79.63	76.84	82.98	81.19	5.98	7.47	7.15	12.13	4.89	7.92	9.56	11.28	9.1	3.03
827.08	92.18	62.1	81.9	75.64	78.99	76.25	5.71	7.03	6.83	16.43	4.58	10.08	11.68	13.63	10.93	5.5
87.73	98.69	8.33	42.93	27.12	84.35	83.25	12.42	15.04	9.03	11.81	3.84	7.32	8.28	23.89	8.33	3.48
80.58	99.22	24.8	46.75	45.95	89.5	87.87	4.15	6.85	4.43	8.51	1.99	6.1	7.57	14.52	4.4	4.11
109.79	98.66	9.64	50.01	17.3	85.21	84.29	28.45	31.39	16.63	7.91	6.88	9.13	10	37.44	5.66	2.25
67.92	82.74	3.91	55.58	6.65	94.21	93.92	17.88	21.44	14.97	4.34	1.45	2.19	2.48	28.04	3.6	0.74
167.06	97.44	12.39	42.89	28.35	80.38	79.78	7.68	8.98	6.62	17.26	2.36	5.06	5.51	16.41	14.57	2.7
66.66	98.73	4.24	30.92	12.98	82.37	81.24	34.87	37.75	19.56	10.68	6.95	11.45	12.35	49.54	6.18	4.5
32.67	97.74	4.71	47.44	10.17	80.27	79.55	18.72	22.97	14.63	17.39	2.34	7.33	7.97	44.55	12.4	4.99
39.88	92.17	0.32	19.8	1.61	69.72	69.72	12.56	12.85	8.4	30.05	0.23	2.06	2.06	56.32	28.22	1.83
59.65	98.94	11.77	38	27.49	82.66	81.05	16.23	19.34	10.26	12.02	5.32	7.89	9.13	25.4	9.45	2.57
66.72	98.84	9.82	43.37	18.37	84.56	83.46	26.98	28.8	12.44	8.65	6.79	8.74	9.38	33.95	6.7	1.95
45.62	99.32	11.85	40.3	28.45	83.67	82	11.68	14.67	7.64	12.57	3.76	5.88	7.02	20.17	10.45	2.11
71.51	99.23	14.56	35.81	40.64	81.24	79.65	10.32	13.15	8.41	14.08	4.68	7.87	9.34	19.03	10.89	3.19
62.07	98.6	10.02	33.79	29.75	82.5	81.16	14.47	16.79	9.87	12.47	5.03	7.45	8.45	22.36	10.05	2.42
79.44	98.24	12.87	38.36	33.45	79.16	76.49	16.61	21.76	13.45	14.17	6.66	10.55	12.96	29.05	10.29	3.89
186.85	94.63	11.96	42.39	27.37	78.03	75.57	15.93	21.91	14.96	16.78	5.19	8.99	11.45	30.46	12.98	3.8
23.05	99.13	8.02	33.78	23.57	81.83	80.99	4.83	7.8	3.57	16.97	1.2	5	5.82	19.85	13.17	3.81

WSF	WAF	WEAF	WFOR	WEFOR	WSOF	WFOF
62.73	83.24	80.88	7.07	9.35	11.99	4.77
43.25	86.19	84.13	10.2	12.59	8.9	4.91
49.05	85.61	83.24	7.18	9.6	10.6	3.79
57.78	82.13	79.56	9.15	11.72	12.05	5.82
54.22	82.97	81.07	7.52	9.67	12.62	4.41
65.68	82.91	80.22	7.54	10.24	11.73	5.35
70.05	83.65	81.23	6.2	8.32	11.72	4.63
67.22	83.06	81.27	5.68	7.56	12.89	4.05
73.3	78.19	75.54	6.53	7.87	16.69	5.12
73.26	83.85	81.36	6.05	8.04	11.43	4.72
47.34	87.81	86.1	7.59	9.71	8.31	3.89
59.97	86.87	84.12	5.74	8.02	9.49	3.65
63.3	81.9	78.93	9.31	11.91	11.6	6.5
70.15	83.44	80.96	6.22	8.48	11.9	4.66
78.24	84.13	81.42	5.69	7.92	11.14	4.72
77.76	84.35	81.9	5.56	7.4	11.08	4.57
76.89	83.19	81.43	5.89	7.35	12	4.82
75.83	79	76.35	5.69	7.01	16.43	4.57
19.41	79.64	78.72	17.76	20.28	16.17	4.19
53.05	88.6	86.67	3.58	6.5	9.42	1.97
19.29	84.82	83.84	25.13	28.06	8.71	6.47
7.04	93.88	93.57	17.76	21.34	4.6	1.52
28.88	80.36	79.76	7.4	8.68	17.33	2.31
13.73	81.7	80.58	35.95	38.59	10.59	7.71
9.93	78.96	78.2	18.1	22.81	18.85	2.19
1.6	70.21	70.2	12.73	13.03	29.56	0.23
30.98	80.92	78.97	14.4	18.24	13.87	5.21
22.64	83.7	82.45	23.1	24.84	9.5	6.8
29.42	83.06	81.26	11.51	14.58	13.11	3.83
40.65	81.04	79.49	10.19	12.94	14.34	4.61
29.64	82.37	81.05	14.37	16.67	12.65	4.98
33.56	79.03	76.33	17.05	22.22	14.07	6.9
28.21	78.52	76.06	15.33	21.25	16.37	5.11
23.75	81.7	80.86	4.74	7.68	17.12	1.18

**Caution: EFOR and WEFOR values may be low since deratings during reserve shutdown periods may not have been reported for a large number of these units.
 *** The two methods for calculating combined cycle units is not available at this time.
 **** Less than three generating companies are reporting this type of unit. To retain confidentiality of the data, no data is reported here.

2016 Generating Unit Statistical Brochure -- Five Years, 2012 - 2016, Units Reporting Events

NOTE: This brochure contains data on units reporting events only. For a review of statistics containing all units that reported, see the brochure "2012-2016 Generating Unit Statistical Brochure -- All Units Reporting".

(The differences between statistics with or with events will appear in equations needing derating information such as EAF, EFOR, and other equations. The equations are more accurate if events are reported.)

Unit Type	MW Trb/Gen Nameplate	# of Units	Unit-Years	
FOSSIL <i>All Fuel Types</i>	All Sizes	1509	6302	
	1-99	381	1497.5	
	100-199	374	1528.08	
	200-299	180	741	
	300-399	122	544.92	
	400-599	226	991.08	
	600-799	148	641	
	800-999	62	288.42	
	1000 Plus	16	65	
	Coal <i>Primary</i>	All Sizes	970	3943.17
1-99		181	640.83	
100-199		255	972	
200-299		131	537.17	
300-399		71	319.25	
400-599		152	684.33	
600-799		120	519.17	
800-999		45	205.42	
1000 Plus		15	60	
Oil <i>Primary</i>		All Sizes	114	351.5
	1-99	32	119.83	
	100-199	24	78.75	
	200-299	5	6.5	
	300-399	15	59.33	
	400-599	18	41.42	
	600-799	13	27.08	
	800-999	6	13.58	
	Gas <i>Primary</i>	All Sizes	457	1588.25
		1-99	145	497.25
100-199		121	448.5	
200-299		60	169.83	
300-399		44	155.33	
400-599		65	235.25	
600-799		15	50.67	
800-999		7	31.42	

ART	SR	NCF	NOF	SF	AF	EAF	FOR	EFOR	EFORd	SOF	FOF	UOF	EUOF	EUOR	POF	MOF
177.86	98.62	45.86	73.16	54.2	84.26	81.94	8.2	10.59	8.36	10.9	4.84	7.82	9.48	15.21	7.92	2.98
138.31	99	27.67	64.29	40.57	86.15	84.04	11.59	14.02	9.52	8.53	5.32	7.98	9.29	18.99	5.87	2.66
87.87	99.32	30.99	63.18	47.61	85.88	83.55	7.41	9.82	6.84	10.31	3.81	6.59	8.03	14.72	7.52	2.78
211.59	98.29	37.31	64.79	57.35	81.82	79.22	9.53	12.15	9.99	12.14	6.04	9.64	11.61	17.23	8.54	3.6
222.22	97.75	35.47	65.77	54.48	82.91	80.94	7.61	9.83	8.05	12.61	4.49	7.36	8.89	14.31	9.74	2.87
326.53	97.54	48.22	73.44	65.41	82.98	80.31	7.45	10.14	8.94	11.76	5.27	8.38	10.51	14.21	8.65	3.11
541.29	96.65	54.58	77.91	69.99	83.67	81.25	6.22	8.34	7.66	11.68	4.65	7.7	9.66	12.4	8.63	3.06
302.56	97.71	52.23	77.71	66.84	82.89	81.09	5.75	7.66	6.8	13.03	4.08	6.93	8.61	11.66	10.18	2.85
811.67	92.55	59.24	80.81	72.47	77.97	75.23	6.77	8.13	7.78	16.76	5.27	10.85	12.48	14.97	11.17	5.59
344.27	97.86	56.46	77.07	65.35	84.76	82.27	6.67	8.81	7.72	10.57	4.67	7.9	9.68	13.18	7.34	3.23
197.68	98.72	34.08	72.01	43.48	87.32	85.62	9.12	11.22	8.34	8.32	4.36	7.64	8.82	17.14	5.04	3.28
174.33	98.91	41.2	68.7	59.12	86.99	84.25	5.83	8.06	6.48	9.35	3.66	6.84	8.48	12.8	6.16	3.18
458.02	97.01	44.47	70.2	63.15	81.56	78.57	9.65	12.26	10.87	11.7	6.74	10.62	12.8	17.28	7.82	3.88
500.87	96.27	51.34	73.2	69.9	83.33	80.81	6.28	8.58	7.85	11.98	4.69	7.84	9.83	12.62	8.83	3.15
585.95	96.8	61.16	78.19	78.22	84.17	81.5	5.68	7.86	7.52	11.12	4.71	7.52	9.55	11.13	8.31	2.81
682.34	96.7	61.52	79.11	77.6	84.31	81.86	5.56	7.4	7.05	11.12	4.57	7.56	9.48	11.12	8.13	2.99
730.39	95.5	61.23	79.63	76.84	82.98	81.19	5.98	7.47	7.15	12.13	4.89	7.92	9.56	11.28	9.1	3.03
827.08	92.18	62.1	81.9	75.64	78.99	76.25	5.71	7.03	6.83	16.43	4.58	10.08	11.68	13.63	10.93	5.5
87.73	98.69	8.33	42.93	27.12	84.35	83.25	12.42	15.04	9.03	11.81	3.84	7.32	8.28	23.89	8.33	3.48
80.58	99.22	24.8	46.75	45.95	89.5	87.87	4.15	6.85	4.43	8.51	1.99	6.1	7.57	14.52	4.4	4.11
109.79	98.66	9.64	50.01	17.3	85.21	84.29	28.45	31.39	16.63	7.91	6.88	9.13	10	37.44	5.66	2.25
67.92	82.74	3.91	55.58	6.65	94.21	93.92	17.88	21.44	14.97	4.34	1.45	2.19	2.48	28.04	3.6	0.74
167.06	97.44	12.39	42.89	28.35	80.38	79.78	7.68	8.98	6.62	17.26	2.36	5.06	5.51	16.41	14.57	2.7
66.66	98.73	4.24	30.92	12.98	82.37	81.24	34.87	37.75	19.56	10.68	6.95	11.45	12.35	49.54	6.18	4.5
32.67	97.74	4.71	47.44	10.17	80.27	79.55	18.72	22.97	14.63	17.39	2.34	7.33	7.97	44.55	12.4	4.99
39.88	92.17	0.32	19.8	1.61	69.72	69.72	12.56	12.85	8.4	30.05	0.23	2.06	2.06	56.32	28.22	1.83
58.18	98.95	11.82	38.69	26.99	82.54	80.92	16.57	19.74	10.37	12.1	5.36	7.95	9.19	25.89	9.51	2.59
64.27	98.86	9.93	45.55	17.82	84.45	83.34	27.73	29.59	12.58	8.71	6.84	8.8	9.45	34.8	6.75	1.96
45.62	99.32	11.85	40.3	28.45	83.67	82	11.68	14.67	7.64	12.57	3.76	5.88	7.02	20.17	10.45	2.11
67.17	99.23	14.66	37.26	39.14	80.77	79.14	10.92	13.9	8.71	14.44	4.8	8.07	9.58	20.04	11.17	3.27
57.87	98.61	10.21	36.09	28.31	82.14	80.77	15.35	17.81	10.21	12.72	5.14	7.61	8.62	23.61	10.26	2.47
79.43	98.25	12.88	38.36	33.45	79.16	76.49	16.61	21.76	13.45	14.17	6.66	10.55	12.96	29.05	10.29	3.89
186.85	94.63	11.96	42.39	27.37	78.03	75.57	15.93	21.91	14.96	16.78	5.19	8.99	11.45	30.46	12.98	3.8
23.05	99.13	8.02	33.78	23.57	81.83	80.99	4.83	7.8	3.57	16.97	1.2	5	5.82	19.85	13.17	3.81

WSF	WAF	WEAF	WFOR	WEFOR	WSOF	WFOF
62.68	83.22	80.86	7.08	9.37	12	4.78
43.05	86.14	84.08	10.27	12.68	8.93	4.93
49.04	85.61	83.24	7.18	9.6	10.6	3.79
57.59	82.03	79.45	9.22	11.81	12.12	5.85
53.94	82.88	80.96	7.6	9.78	12.68	4.44
65.66	82.91	80.21	7.54	10.25	11.74	5.36
70.05	83.65	81.23	6.2	8.32	11.72	4.63
67.22	83.06	81.27	5.68	7.56	12.89	4.05
73.3	78.19	75.54	6.53	7.87	16.69	5.12
73.26	83.85	81.35	6.05	8.05	11.43	4.72
47.32	87.81	86.09	7.59	9.72	8.31	3.89
59.97	86.86	84.11	5.74	8.02	9.49	3.65
63.35	81.88	78.91	9.32	11.92	11.61	6.51
70.14	83.45	80.96	6.24	8.5	11.88	4.67
78.23	84.13	81.41	5.7	7.93	11.15	4.73
77.76	84.35	81.9	5.56	7.4	11.08	4.57
76.89	83.19	81.43	5.89	7.35	12	4.82
75.83	79	76.35	5.69	7.01	16.43	4.57
19.41	79.64	78.72	17.76	20.28	16.17	4.19
53.05	88.6	86.67	3.58	6.5	9.42	1.97
19.29	84.82	83.84	25.13	28.06	8.71	6.47
7.04	93.88	93.57	17.76	21.34	4.6	1.52
28.88	80.36	79.76	7.4	8.68	17.33	2.31
13.73	81.7	80.58	35.95	38.59	10.59	7.71
9.93	78.96	78.2	18.1	22.81	18.85	2.19
1.6	70.21	70.2	12.73	13.03	29.56	0.23
30.56	80.8	78.85	14.64	18.55	13.95	5.24
21.79	83.52	82.26	23.98	25.78	9.6	6.88
29.42	83.06	81.26	11.51	14.58	13.11	3.83
39.35	80.63	79.04	10.7	13.58	14.66	4.71
28.29	82.03	80.68	15.2	17.63	12.89	5.07
33.56	79.03	76.33	17.05	22.22	14.07	6.9
28.21	78.52	76.06	15.33	21.25	16.37	5.11
23.75	81.7	80.86	4.74	7.68	17.12	1.18

**Caution: EFOR and WEFOR values may be low since deratings during reserve shutdown periods may not have been reported for a large number of these units.
 *** The two methods for calculating combined cycle units is not available at this time.
 **** Less than three generating companies are reporting this type of unit. To retain confidentiality of the data, no data is reported here.

**Wisconsin Electric Power Company
2017 Power Supply Cost Recovery Reconciliation**

Case No.: U-20073
Witness: John G. Guntlisbergen
Exhibit: A-2 (JGG-2)
Page 3 of 3

**Elm Road Generating Station
2017 Availability**

NO FUEL FLEX TESTING	
<u>Unit 1</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	756
Fuel Flexibility Forced Outage Hours	-
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	1,031
Available Hours	6,974
Total Hours	8,760
Unit 1 EAF	79.6%
<u>Unit 2</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	1,014
Fuel Flexibility Forced Outage Hours	-
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	845
Available Hours	6,902
Total Hours	8,760
Unit 2 EAF	78.8%
Plant Availability Factor (Units 1 & 2)	79.2%

WITH FUEL FLEX TESTING	
<u>Unit 1</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	756
Fuel Flexibility Forced Outage Hours	19
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	1,031
Available Hours	6,954
Total Hours	8,760
Unit 1 EAF	79.4%
<u>Unit 2</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	1,014
Fuel Flexibility Forced Outage Hours	33
Planned Fuel Flexibility Outage Hours	300
Planned Routine Outage Hours	845
Available Hours	6,569
Total Hours	8,760
Unit 2 EAF	75.0%
Plant Availability Factor (Units 1 & 2)	77.2%

WITH FUEL FLEX TESTING - ADJUSTED	
<u>Unit 1</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	756
Fuel Flexibility Forced Outage Hours	19
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	1,031
Fuel Flexibility Hours Adjustment (A+B)	19
Available Hours - Adjusted	6,974
Total Hours	8,760
Unit 1 EAF - Adjusted	79.6%
<u>Unit 2</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	1,014
Fuel Flexibility Forced Outage Hours	33
Planned Fuel Flexibility Outage Hours	300
Planned Routine Outage Hours	845
Fuel Flexibility Hours Adjustment (A+B)	332
Available Hours - Adjusted	6,902
Total Hours	8,760
Unit 2 EAF - Adjusted	78.8%
Revised Plant Availability Factor (Units 1 & 2)	79.2%

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
WISCONSIN ELECTRIC POWER COMPANY)	Case No. U-20073
for reconciliation of its power supply cost recovery)	
plan (Case No. U-18148) for the)	
<u>12-month period ended December 31, 2017.</u>)	

**MOTION OF WISCONSIN ELECTRIC POWER COMPANY
FOR ENTRY OF A PROTECTIVE ORDER**

Wisconsin Electric Power Company d/b/a We Energies (“Wisconsin Electric”), by its attorneys, pursuant to Rule 432 of the Michigan Administrative Hearing System’s Administrative Hearing Rules, R 792.10432, and MCR 2.302(C)(8), respectfully requests entry of a Protective Order to govern the release, use, and disclosure of confidential information, in any matter or form, in this proceeding. In support of its Motion, Wisconsin Electric states as follows:

1. Wisconsin Electric, a wholly-owned subsidiary of WEC Energy Group, Inc., is a public service corporation organized under the laws of the state of Wisconsin, with its principal office located in Milwaukee, Wisconsin. Wisconsin Electric is authorized to do business in the state of Michigan and provides retail electric service to one customer in Michigan, Tilden Mining company L.C.

2. Wisconsin Electric requests a Protective Order to protect confidential information identified in Exhibit A-1 (JGG-1), which reflects the actual usage of Wisconsin Electric’s sole Michigan customer during the 2017 PSCR Plan year (“Protected Material”). Although the Michigan Public Service Commission’s (“MPSC” or “Commission”) rules do not expressly

address the issuance of protective orders, Rule 403(1) of the Michigan Administrative Hearing System's Administrative Hearing Rules, R 792.10403, states that "[t]hese rules govern practice and procedure in all proceedings before the commission, except as otherwise provided by statute or these rules. In areas not addressed by these rules, the presiding officer may rely on appropriate provisions of the currently effective Michigan court rules." MCR 2.302(C)(8) states:

"On motion by a party or by the person from whom discovery is sought, and on reasonable notice and for good cause shown, the court in which the action is pending may issue any order that justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following orders:

(8) that a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way;"

Also, Section 80 of the Michigan Administrative Procedures Act specifically provides that a presiding officer may "[r]egulate the course of the hearings..." MCL 24.280.

3. The appropriateness of the issuance of protective orders in Commission proceedings for documents which are confidential, proprietary, or involve trade secrets is well established. For example, protective orders have been issued in Case Nos. U-9322 and U-9611 (July 18, 1990), U-10335 (Nov. 29, 1993), U-10491 and U-10492 (July 19, 1992), U-13221 (March 20, 2002), U-14040 (May 11, 2004), U-15988 (August 3, 2009), U-16166 (July 23, 2010), U-16417 (August 5, 2011), U-17672 (November 19, 2014), and U-18148 (November 23, 2016). In its Opinion and Order dated June 30, 1994, Case No. U-10282, the Commission discussed the standards that it applies when considering whether to issue a protective order. The Commission stated that before it will enter a protective order, the moving party must show "(1) that the information at issue is a trade secret or otherwise confidential, and (2) that disclosure would work a clearly defined and serious injury."

4. Wisconsin Electric represents that public disclosure of the Protected Materials would result in serious injury to future power supply negotiations and the ability to secure reasonable supply agreements and, thereby, affect Wisconsin Electric's power supply costs to its customers.

5. Wisconsin Electric represents that the documentation identified in paragraph 2 herein is not in the public domain and is treated as confidential by other regulatory agencies that have jurisdiction over Wisconsin Electric.

6. The proposed Protective Order (Exhibit A hereto) is modeled after other MPSC orders which protected information. The proposed Protective Order identifies the documentation in paragraph 2 as "Protected Material" and provides that any document filed with the Commission that contains Protected Material shall be placed in a sealed envelope with a copy of the Protective Order attached and maintained in the Commission's files. The proposed Order prohibits distribution or dissemination of the protected documentation by MPSC Staff ("Staff") or any properly admitted party except according to the terms of the Protective Order. Further, the proposed Order dictates the use of the documentation in the discovery and litigation phases of this case, and requires that Wisconsin Electric be given notice of any Freedom of Information Act request filed with the Commission (or Attorney General's ("AG") office) seeking access to the documents. Such notice must be given at least five (5) business days prior to the MPSC, Staff or AG, responding to the request so as to provide Wisconsin Electric with an opportunity to take whatever legal actions it deems appropriate to protect the documents from disclosure.

7. The proposed Protective Order will not hinder the Commission's, the Administrative Law Judge's, Staff's or any properly admitted party's review of the Application,

testimony and exhibits in MPSC Case No. U-20073, because all will continue to have full access to the confidential information.

WHEREFORE, for the reasons stated herein, Wisconsin Electric respectfully requests the Commission to grant this Motion and enter the proposed Protective Order, attached as Exhibit A.

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY

Dated: March 27, 2018

By: _____

One of its Attorneys

Sherri A. Wellman (P38989)

Paul M. Collins (P69719)

MILLER, CANFIELD, PADDOCK and STONE, P.L.C.

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(517) 483-4954

Attorneys for Wisconsin Electric Power Company

31002341.2\130071-00094

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
WISCONSIN ELECTRIC POWER COMPANY)	Case No. U-20073
for reconciliation of its power supply cost recovery)	
plan (Case No. U-18148) for the)	
<u>12-month period ended December 31, 2017.</u>)	

PROTECTIVE ORDER

This Protective Order governs the use and disposition of Protected Material that Wisconsin Electric Power Company d/b/a We Energies (Applicant) or any other Party discloses to another Party during the course of this proceeding. The Applicant or other Party disclosing Protected Material is referred to as the “Disclosing Party”; the recipient is the “Receiving Party” (defined further below). The intent of this Protective Order is to protect non-public, confidential information and materials. This Protective Order defines “Protected Material” and describes the manner in which Protected Material is to be identified and treated. Accordingly, it is ordered:

I. “Protected Material” and Other Definitions

A. For the purposes of this Protective Order, “Protected Material” consists of trade secrets or confidential, proprietary, or commercially sensitive information provided in Disclosing Party’s exhibits, work papers, testimony, and/or information provided in connection with Part III of the rate case filing requirements describing the Protected Material, which has been redacted in Disclosing Party’s filing. Subject to challenge under Paragraph IV.A, Protected Material also includes the following information disclosed during the course of this case if it is marked as required by this Protective Order:

1. Trade secrets or confidential, proprietary, or commercially sensitive information provided in response to discovery, in response to an order issued by the

presiding officer or the Michigan Public Service Commission (MPSC or Commission), in testimony or exhibits filed later in this case, or in arguments of counsel.

2. Information obtained under license from a third-party licensor, to which the Disclosing Party or witnesses engaged by the Disclosing Party is a licensee, that is subject to any confidentiality or non-transferability clause. This information includes reports; analyses; models (including related inputs and outputs); trade secrets; and confidential, proprietary, or commercially sensitive information that the Disclosing Party or one of its witnesses receives as a licensee and is authorized by the third-party licensor to disclose consistent with the terms and conditions of this Protective Order.

3. Information that could identify the bidders and bids, including the winning bid, in a competitive solicitation for a power purchase agreement or in a competitively bid engineering, procurement, or construction contract at any stage of the selection process (i.e., before the Disclosing Party has entered into a power purchase agreement or selected a contractor).

B. The information subject to this Protective Order does not include:

1. Information that is or has become available to the public through no fault of the Receiving Party or Reviewing Representative and no breach of this Protective Order, or information that is otherwise lawfully known by the Receiving Party without any obligation to hold it in confidence;
2. Information received from a third party free to disclose the information without restriction;
3. Information that is approved for release by written authorization of the Disclosing Party, but only to the extent of the authorization;
4. Information that is required by law or regulation to be disclosed, but only to the extent of the required disclosure; or
5. Information that is disclosed in response to a valid, non-appealable order of a court of competent jurisdiction or governmental body, but only to the extent the order requires.

C. “Party” refers to the Applicant, MPSC Staff (Staff), Michigan Attorney General, or any other person, company, organization, or association that is granted intervention in this Case No. U-20073 under the Commission’s Rules of Practice and Procedure. Mich Admin Code, R 792.10401 et al.

D. “Receiving Party” means any Party to this proceeding who requests or receives access to Protected Material, subject to the requirement that each Reviewing Representative sign a Nondisclosure Certificate attached to this Protective Order as Attachment 1.

E. “Reviewing Representative” means a person who has signed a Nondisclosure Certificate and who is:

1. an attorney who has entered an appearance in this proceeding for a Receiving Party;
2. an attorney, paralegal, or other employee associated, for the purpose of this case, with an attorney described in Paragraph I.E.1;
3. an expert or employee of an expert retained by a Receiving Party to advise, prepare for, or testify in this proceeding; or
4. an employee or other representative of a Receiving Party with significant responsibility in this case.

A Reviewing Representative is responsible for assuring that persons under his or her supervision and control comply with this Protective Order.

F. “Nondisclosure Certificate” means the certificate attached to this Protective Order as Attachment 1, which is signed by a Reviewing Representative who has been granted access to Protected Material and agreed to be bound by the terms of this Protective Order.

II. Access to and Use of Protected Material

A. This Protective Order governs the use of all Protected Material that is marked as required by Paragraph III.A and made available for review by the Disclosing Party to any Receiving Party or Reviewing Representative. This Protective Order protects: 1) the Protected Material; 2) any copy or reproduction of the Protected Material made by any person; and 3) any memorandum, handwritten notes, or any other form of information that copies, contains, or discloses Protected Material. All Protected Material in the possession of a Receiving Party shall

be maintained in a secure place. Access to Protected Material shall be limited to persons authorized to have access subject to the provisions of this Protective Order.

B. Protected Material shall be used and disclosed by the Receiving Party solely in accordance with the terms and conditions of this Protective Order. A Receiving Party may authorize access to and use of Protected Material by a Reviewing Representative identified by the Receiving Party, subject to Paragraphs III and V below, only as necessary to analyze the Protected Material; make or respond to discovery; present evidence; prepare testimony, argument, briefs, or other filings; prepare for cross-examination; consider strategy; and evaluate settlement. These individuals shall not release or disclose the content of Protected Material to any other person or use the information for any other purpose.

C. The Disclosing Party retains the right to object to any designated Reviewing Representative if the Disclosing Party has reason to believe that there is an unacceptable risk of misuse of confidential information. If a Disclosing Party objects to a Reviewing Representative, the Disclosing Party and the Receiving Party will attempt to reach an agreement to accommodate that Receiving Party's request to review Protected Material. If no agreement is reached, then either the Disclosing Party or the Receiving Party may submit the dispute to the presiding officer. If the Disclosing Party notifies a Receiving Party of an objection to a Reviewing Representative, then the Protected Material shall not be provided to that Reviewing Representative until the objection is resolved by agreement or by the presiding officer.

D. Before reviewing any Protected Material, including copies, reproductions, and copies of notes of Protected Material, a Receiving Party and Reviewing Representative shall sign a copy of the Nondisclosure Certificate (Attachment 1 to this Protective Order) agreeing to be

bound by the terms of this Protective Order. The Reviewing Representative shall also provide a copy of the executed Nondisclosure Certificate to the Disclosing Party.

E. Even if no longer engaged in this proceeding, every person who has signed a Nondisclosure Certificate continues to be bound by the provisions of this Protective Order. The obligations under this Protective Order are not extinguished or nullified by entry of a final order in this case and are enforceable by the MPSC or a court of competent jurisdiction. To the extent Protected Material is not returned to a Disclosing Party, it remains subject to this Protective Order.

F. Members of the Commission, Commission staff assigned to assist the Commission with its deliberations, and the presiding officer shall have access to all Protected Material that is submitted to the Commission under seal without the need to sign the Nondisclosure Certificate.

G. A Party retains the right to seek further restrictions on the dissemination of Protected Material to persons who have or may subsequently seek to intervene in this MPSC proceeding.

H. Nothing in this Protective Order precludes a Party from asserting a timely evidentiary objection to the proposed admission of Protected Material into the evidentiary record for this case.

III. Procedures

A. The Disclosing Party shall mark any information that it considers confidential as “CONFIDENTIAL: SUBJECT TO THE PROTECTIVE ORDER ISSUED ON [INSERT DATE] IN CASE NO. U-20073.” If the Receiving Party or a Reviewing Representative makes copies of any Protected Material, they shall conspicuously mark the copies as Protected Material.

Notes of Protected Material shall also be conspicuously marked as Protected Material by the person making the notes.

B. If a Receiving Party wants to quote, refer to, or otherwise use Protected Material in pleadings, pre-filed testimony, exhibits, cross-examination, briefs, oral argument, comments, or in some other form in this proceeding (including administrative or judicial appeals), the Receiving Party shall do so consistent with procedures that will maintain the confidentiality of the Protected Material. For purposes of this Protective Order, the following procedures apply:

1. Written submissions using Protected Material shall be filed in a sealed record to be maintained by the MPSC's Docket Section, or by a court of competent jurisdiction, in envelopes clearly marked on the outside, "CONFIDENTIAL – SUBJECT TO THE PROTECTIVE ORDER ISSUED IN CASE NO. U-20073." Simultaneously, identical documents and materials, with the Protected Material redacted, shall be filed and disclosed the same way that evidence or briefs are usually filed.

2. Oral testimony, examination of witnesses, or argument about Protected Material shall be conducted on a separate record to be maintained by the MPSC's Docket Section or by a court of competent jurisdiction. These separate record proceedings shall be closed to all persons except those furnishing the Protected Material and persons otherwise subject to this Protective Order. The Receiving Party presenting the Protected Material during the course of the proceeding shall give the presiding officer or court sufficient notice to allow the presiding officer or court an opportunity to take measures to protect the confidentiality of the Protected Material.

3. Copies of the documents filed with the MPSC or a court of competent jurisdiction, which contain Protected Material, including the portions of the exhibits, transcripts, or briefs that refer to Protected Material, must be sealed and maintained in the MPSC's or court's files with a copy of the Protective Order attached.

C. It is intended that the Protected Material subject to this Protective Order should be shielded from disclosure by a Receiving Party only to the extent permitted by law. If any person files a request under the Freedom of Information Act with the MPSC or the Michigan Attorney General seeking access to documents subject to this Protective Order, the MPSC's Executive Secretary, Staff, or the Attorney General shall immediately notify the Disclosing Party, and the Disclosing Party may take whatever legal actions it deems appropriate to protect the Protected

Material from disclosure. In light of Section 5 of the Freedom of Information Act, MCL 15.235, the notice must be given at least five (5) business days before the MPSC, its Staff, and/or the Michigan Attorney General grant the request in full or in part.

IV. Termination of Protected Status

A. A Receiving Party reserves the right to challenge whether a document or information is Protected Material and whether this information can be withheld under this Protective Order. In response to a motion or on its own initiative, the Commission or the presiding officer in this case may revoke a document's protected status after notice and hearing. If the presiding officer revokes a document's protected status, then the document loses its protected status after 14 days unless a Party files an application for leave to appeal the ruling to the Commission within that time period. Any Party opposing the application for leave to appeal shall file an answer with the Commission no more than 14 days after the filing and service of the appeal. If an application is filed, then the information will continue to be protected from disclosure until either the time for appeal of the Commission's final order resolving the issue has expired under MCL 462.26 or, if the order is appealed, until judicial review is completed and the time to take further appeals has expired.

B. If a document's protected status is challenged under Paragraph IV.A, then the Disclosing Party bears the burden of proving that the document should continue to be protected from disclosure.

V. Retention of Documents

Protected Material remains the property of the Disclosing Party and only remains available to the Receiving Party until the time expires for petitions for rehearing of a final MPSC order in this Case No. U-20073 or until the MPSC has ruled on all petitions for rehearing in this

case (if any). However, an attorney for a Receiving Party who has signed a Nondisclosure Certificate and who is representing the Receiving Party in an appeal from an MPSC final order in this case may retain copies of Protected Material until either the time for appeal of the Commission's final order resolving the issue has expired under MCL 462.26 or, if the order is appealed, until judicial review is completed and the time to take further appeals has expired. On or before the time specified by the preceding sentences, the Receiving Party shall return to the Disclosing Party all Protected Material in its possession or in the possession of its Reviewing Representatives—including all copies and notes of Protected Material—or certify in writing to the Disclosing Party that the Protected Material has been destroyed.

VI. Limitations and Disclosures

The provisions of this Protective Order do not apply to a particular document, or portion of a document, described in Paragraph II.A if a Receiving Party can demonstrate that it has been previously disclosed by the Disclosing Party on a non-confidential basis or meets the criteria set forth in Paragraphs I.B.1 through I.B.5. A Receiving Party intending to disclose information taken directly from materials identified as Protected Material must—before actually disclosing the information—do one of the following: 1) contact the Disclosing Party's counsel of record and obtain written permission to disclose the information, or 2) challenge the confidential nature of the Protected Material and obtain a ruling under Paragraph IV that the information is not confidential and may be disclosed in or on the public record.

VII. Remedies

If a Receiving Party violates this Protective Order by improperly disclosing or using Protected Material, the Receiving Party shall take all necessary steps to remedy the improper disclosure or use. This includes immediately notifying the MPSC, the presiding officer, and the

Disclosing Party, in writing, of the identity of the person known or reasonably suspected to have obtained the Protected Material. A Party or person that violates this Protective Order remains subject to this paragraph regardless of whether the Disclosing Party could have discovered the violation earlier than it was discovered. This paragraph applies to both inadvertent and intentional violations. Nothing in this Protective Order limits the Disclosing Party's rights and remedies, at law or in equity, against a Party or person using Protected Material in a manner not authorized by this Protective Order, including the right to obtain injunctive relief in a court of competent jurisdiction to prevent violations of this Protective Order.

XXXXXX
Administrative Law Judge

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY)
for reconciliation of its power supply cost recovery)
plan for the 12-months ended December 31, 2017.)
_____)

Case No. U-20073

NONDISCLOSURE CERTIFICATE

By signing this Nondisclosure Certificate, I acknowledge that access to Protected Material is provided to me under the terms and restrictions of the Protective Order issued in Case No. U-20073, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by the terms of the Protective Order. I understand that the substance of the Protected Material (as defined in the Protective Order), any notes from Protected Material, or any other form of information that copies or discloses Protected Material, shall be maintained as confidential and shall not be disclosed to anyone other than in accordance with the Protective Order.

Reviewing Representative

Date: _____

Title:
Representing:

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY) Case No. U-20073
for reconciliation of its power supply cost recovery)
plan (Case No. U-18148) for the)
12-month period ended December 31, 2017.)

NOTICE OF HEARING ON MOTION

PLEASE TAKE NOTICE that the scheduling of an initial hearing on the Motion of Wisconsin Electric Power Company for Entry of a Protective Order will be taken up with the assigned Administrative Law Judge at the prehearing conference in this matter at the Michigan Public Service Commission, 7109 West Saginaw Highway, Lansing, Michigan.

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY

Dated: March 27, 2018

By: _____
One of its Attorneys
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MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

ENTRY OF APPEARANCE IN AN ADMINISTRATIVE HEARING

This form is issued as provided for by 1939 PA 3, as amended, and by 1933 PA 254, as amended. The filing of this form, or an acceptable alternative, is necessary to ensure subsequent service of any hearing notices, Commission orders, and related hearing documents.

General Instructions:

Type or print legibly in ink. For assistance or clarification, please contact the Public Service Commission at (517) 284-8090.

*Please Note: The Commission will provide **electronic** service of documents to all parties in this proceeding.*

THIS APPEARANCE TO BE ENTERED IN ASSOCIATION WITH THE ADMINISTRATIVE HEARING:

Case / Company Name: _____ Docket No. _____

Please enter my appearance in the above-entitled matter on behalf of:

1. (Name)
2. (Name)
3. (Name)
4. (Name)
5. (Name)
6. (Name)
7. (Name)

Name _____

Address _____

City _____ State _____

Zip _____ Phone (____) _____

Email _____

Date _____

I am not an attorney

I am an attorney whose:

Michigan Bar # is P- _____

_____ Bar # is: _____
(state)

Signature: _____

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Name _____

Address _____

City _____ State _____

Zip _____ Phone (____) _____

Email _____

Date _____

<input type="checkbox"/> I am not an attorney
<input type="checkbox"/> I am an attorney whose:
Michigan Bar # is P- _____
_____ Bar # is: _____
(state)

Signature: _____

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