

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

MICHAEL C. RAMPE
TEL (517) 483-4941
FAX (517) 374-6304
E-MAIL rampe@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
TEL (517) 487-2070
FAX (517) 374-6304
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy

FLORIDA: Tampa
ILLINOIS: Chicago
NEW YORK: New York

CANADA: Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wrocław

September 29, 2017

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

**Re: Wisconsin Electric Power Company
2018 PSCR Plan
MPSC Case No. U-18407**

Dear Ms. Kale:

Enclosed for filing is the Application supported by the Direct Testimonies and Exhibits (Public Version) of Joel R. Gaughan, Christine M. Kane and Meghan M. Count on behalf of Wisconsin Electric Power Company.

Also enclosed for filing is Wisconsin Electric Power Company's Motion for Protective Order.

Finally, enclosed is my appearance.

Additionally, a draft proposed Notice of Hearing is being e-mailed to Angela McGuire at mcguirea@michigan.gov.

Very truly yours,

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

By: _____
Michael C. Rampe

cc: Robert Garvin John Guntlisbergen Vickie Nugent
Theodore Eidukas Joel Gaughan Amy Winkler
Dennis M. Derricks Christine Kane
Catherine Phillips Meghan Count

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
WISCONSIN ELECTRIC POWER COMPANY)	
d/b/a We Energies for approval of a power)	
supply cost recovery plan and authorization)	Case No. U-18407
of monthly power supply cost recovery factors)	
<u>for the calendar year 2018.</u>)	

APPLICATION

WISCONSIN ELECTRIC POWER COMPANY d/b/a We Energies (“Wisconsin Electric,” “WEPCo,” or the “Company”) applies for approval, pursuant to § 6j of 1982 PA 304 (“Act 304”), of its Power Supply Cost Recovery (“PSCR”) plan and five-year forecast, and for authority to implement PSCR factors for the calendar year 2018. In support thereof, Wisconsin Electric respectfully represents to the Michigan Public Service Commission (“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 and in 2018 will provide retail electric service in its service area located in Marquette County in the Upper Peninsula.

2. On December 9, 2016, the Commission approved a settlement agreement in Case No. U-18061 (“U-18061 Settlement Agreement”), pursuant to which, effective January 1, 2017, Upper Michigan Energy Resources Corporation (“UMERC”) was formed as a Michigan jurisdictional regulated utility to provide retail service to the former Michigan electric customers of Wisconsin Electric (except, initially, Tilden Mining Company L.C. (“Tilden”) and the Empire

Iron Mining Partnership (“Empire”) (collectively the “Mines”)) and the former Michigan electric and natural gas customers of Wisconsin Public Service Corporation (“WPS Corp”)¹. The U-18061 Settlement Agreement states that Wisconsin Electric will continue to serve the Mines until termination of both of the 2015-2019 Large Curtailable Special Contracts between Wisconsin Electric and the Mines that were approved by the Commission’s April 23, 2015 Order in Case No. U-17862 (“Mines’ Special Contracts”), at which time the Mines would be transferred as customers of UMERC.

3. In a signed letter appended as Attachment B to Wisconsin Electric’s September 1, 2016 Application Requesting Approval of Amendment in Case No. U-17862, Wisconsin Electric and Empire agreed that Empire’s special contract would terminate no later than October 15, 2016. The Commission approved the termination letter in its December 9, 2016 Order in Case No. U-17862. As a result, for the twelve months of 2018, Wisconsin Electric’s only PSCR customer will be Tilden.

4. 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.

5. Incorporated in Wisconsin Electric’s rate schedules is a PSCR clause as authorized by the Commission pursuant to § 6j(2) of Act 304 in its Opinion and Order, dated March 20, 1984, in Case No. U-7635. Paragraph 5.h. of the U-18061 Settlement Agreement provides:

For purposes of serving the Mines, WEPCo will continue to have a PSCR Clause, and for 2017 and subsequent years for as long as the Mines are a customer of

¹ UMERC’s 2018 PSCR plan and factors to be effective for the former Michigan Wisconsin Electric and WPS Corp electric customers will be addressed in Case No. U-18408.

WEPCo, WEPCo shall file annual PSCR plans and reconciliations for its service to the Mines.

6. Pursuant to § 6j(3) of Act 304, and consistent with ¶ 5.h. of the U-18061 Settlement Agreement, Wisconsin Electric seeks to implement its PSCR clause for the calendar year of 2018 by filing its 2018 PSCR plan and factors for its service to Tilden, together with its five-year forecast, contemporaneously with this Application. Wisconsin Electric is seeking approval of maximum authorized PSCR factors of \$0.00067 per kWh for the calendar months of January 2018 through December 2018. The proposed factors are calculated based upon: (i) the cost base of power supply included in base rates of \$45.47 per MWh at the customer level; (ii) a 2018 PSCR factor of \$0.00067/kWh; and (iii) a prior year's true-up factor of \$0.00000/kWh. Wisconsin Electric proposes to implement for its customer's bills a uniform monthly amount not to exceed the maximum authorized. The 2018 PSCR plan and factors and the five-year forecast are described in and supported by the direct testimony and exhibits of Joel R. Gaughan, Christine M. Kane and Meghan M. Count.

7. Wisconsin Electric represents that its proposed 2018 PSCR plan and factors and five-year forecast are reasonable, prudent and in the public interest.

8. Pursuant to MCL 460.6j(9) and effective January 1, 2018, Wisconsin Electric will self-implement the PSCR factor of \$0.00067 per kWh.

WHEREFORE, Wisconsin Electric prays that this Commission:

A. Determine that decisions underlying Wisconsin Electric's PSCR plan are reasonable and prudent;

B. Approve the PSCR plan as proposed by Wisconsin Electric;

C. Approve the twelve monthly PSCR factors of \$0.00067 per kWh based upon: (i) a current base cost of power supply included in base rates of \$45.47 per MWh at

customer level; (ii) a proposed 2018 PSCR factor of \$0.00067 per kWh; and (iii) the prior year reconciliation credit of \$0.00000 per kWh;

D. Determine that the decisions underlying the five-year forecast are reasonable and prudent and that there are no cost items unlikely to be recovered in customer rates; and

E. Grant Wisconsin Electric such other and further authority as may be lawful and proper.

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY
d/b/a We Energies

Dated: September 29, 2017

By: _____
Its Attorney
Michael C. Rampe (P58189)
MILLER, CANFIELD, PADDOCK
AND STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, MI 48933
(517) 487-2070

29642892.1\130071-00092

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY)
d/b/a We Energies for approval of a power)
supply cost recovery plan and authorization)
of monthly power supply cost recovery factors)
for the calendar year 2018.)

Case No. U-18407

DIRECT TESTIMONY AND EXHIBITS OF

JOEL R. GAUGHAN

ON BEHALF OF

WISCONSIN ELECTRIC POWER COMPANY

September 2017

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

2 A. My name is Joel R. Gaughan. My business address is 231 W. Michigan Street,
3 Milwaukee, WI 53203. I am a Principal Analyst in the Finance department of WEC
4 Business Services LLC (“WBS”), a wholly owned subsidiary of WEC Energy Group.
5 Respective to this testimony, I am testifying on behalf of the applicant, Wisconsin
6 Electric Power Company (“Wisconsin Electric” or “the Company”).

7 **Q. Please describe your educational and business experience.**

8 A. I have a Bachelor of Science Degree in Economics from the University of Wisconsin -
9 Madison and a Master of Science Degree in Economics from the University of Illinois at
10 Urbana - Champaign. I was employed in the Information Systems Department of
11 Wisconsin Gas Company from January 1986 to May 1989, specializing in statistical
12 analysis and planning model support. In May 1989, I was hired by the Wisconsin
13 Electric Power Company where my responsibilities have included various aspects of the
14 development of long-term and short-term forecasts. I testified before this Commission in
15 Wisconsin Electric’s 2015, 2016, and 2017 power supply cost recovery (PSCR) plan
16 cases (Cases U-17674, U-17912, and U-18148 respectively). In addition, I recently
17 submitted testimony on behalf of Upper Michigan Energy Resources Corporation
18 (“UMERC”) in support of its application for a Certificate of Necessity to construct
19 generation capacity in the Upper Peninsula of Michigan (Case U-18224). I have also
20 testified before the Public Service Commission of Wisconsin in several rate cases and
21 dockets to determine the need for generation capacity.

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

2 A. The purpose of my testimony is to present and provide support for the Company's energy
3 and demand forecasts for the period 2018 through 2022.

4 **Q. Are you sponsoring any exhibits to accompany your testimony?**

5 A. Yes, I am sponsoring Exhibits A-1 (JRG-1) and A-2 (JRG-2) (which contains some
6 confidential information) which relate to the Company's forecasts of electric sales,
7 company use, and line losses for the period of 2018 through 2022. Exhibit A-1 (JRG-1)
8 relates to forecasts of the Company's sales, company use, and line losses for its System,
9 *i.e.* Michigan and Wisconsin together. Exhibit A-2 (JRG-2) relates to forecasts of the
10 Company's retail sales in Michigan for service to its sole customer.

11 **Q. Please provide background on why UMERC only has one customer.**

12 A. On December 9, 2016, the Commission issued its Order in Case No. U-18061,
13 authorizing, among other things, the commencement of operation of the Upper Michigan
14 Energy Resources Corporation ("UMERC"), and the transfer of the Company's Michigan
15 retail full-requirements and distribution-only retail access service ("RAS") customers,
16 except for Empire Iron Mining Partnership ("Empire") and Tilden Mining Company, LC.
17 ("Tilden"), to UMERC effective January 1, 2017. The Settlement Agreement approved
18 in Case No. U-18061 provides that Empire and Tilden will remain customers of
19 Wisconsin Electric until termination of both 2015-2019 Large Curtailable Special
20 Contracts approved in Case No. U-17862. On September 1, 2016, Wisconsin Electric
21 filed a Notice of Termination of Special Contract Between Wisconsin Electric Power
22 Company and Empire Iron Mining Partnership, which provided that the Empire Special
23 Contract would terminate no later than October 15, 2016. The Commission approved the

1 Notice of Termination in its December 9, 2016 Order in Case No. U-17862. As such,
2 effective January 1, 2017, WEPCo will have Tilden as its only customer. Upon Tilden
3 becoming a UMERC customer, as contemplated by the settlement agreement approved
4 by the Commission in Case No. U-18061, then WEPCo's Michigan sales forecast would
5 have to be updated as of the date that UMERC became a UMERC customer.

6 **Q. What does Exhibit A-1 (JRG-1) show?**

7 A. The first page shows annual forecasts of the Company's System energy obligation and its
8 components for 2018-2022. The second page shows monthly and annual forecasts of its
9 System native energy and demand requirements for 2018-2022.

10 **Q. What does Exhibit A-2 (JRG-2) show?**

11 A. The first page shows monthly forecasts of the Company's Michigan retail sales for 2018.
12 The second page shows annual forecasts of the Company's Michigan retail sales for
13 2018-2022.

14 **Q. Were these exhibits prepared by you or under your direction and supervision?**

15 A. Yes.

16 **Q. When was this forecast developed?**

17 A. The forecast used in this docket was developed over the summer of 2017 and the results
18 were issued in August 2017.

19 **Q. Please describe generally how a sales forecast is put together.**

20 A. The first step in any sales forecast is to extract the source (billed or booked energy sales)
21 data and transform this data into a series of data files that are ready for forecasting.
22 These files will generally contain monthly (time series) data about electric, gas, and
23 steam energy sales by forecastable customer groupings. This data is further validated

1 with errors and anomalies “scrubbed”. Once the historic energy sales data sets have been
2 created, additional explanatory variables are identified and data collected. These data
3 sets will contain both historical values and future values of the explanatory (weather,
4 price, economic, energy efficiency, etc.) variables. After transformation and merging of
5 all of the data, the forecaster will utilize a set of tools (*e.g.* SAS, Metrix ND, EXCEL, or
6 other statistics package) that allow in-depth analysis and modelling of the data. The
7 forecaster will investigate alternative modelling techniques and assess the results. These
8 processes are iterated to improve forecast accuracy, as measured by a variety of statistics
9 and forecaster knowledge. Once the forecast(s) have been finalized, they are
10 disaggregated into various forecast hierarchies for revenue projections, fuel cost
11 estimation, and demand forecasts, as required.

12 **Q. Please describe some sales forecast modelling techniques.**

13 A. Sales forecasting is the process of estimating future sales based on past and present data
14 using one or more valid forecasting techniques. Three widely used classifications of
15 forecasting techniques are time series analysis, causal or associative modelling, and
16 simulation.

17 Time series models include simple arithmetic averages, moving averages, exponential
18 smoothing, trend projections, and autoregressive integrated moving average (“ARIMA”)
19 models. All of the aforementioned time series (sequence of data points over a time
20 interval) forecasting models are essentially attempting to predict future values based on
21 previously observed values.

22 An alternative quantitative modelling technique involves the use of causal or associative
23 models, whereby the forecasted (dependent) variable is related to another (independent)

1 explanatory variable. In this approach, linear regression is used to develop a “line” that
2 quantifies the historical relationship between the variables and then forecasts the
3 dependent variable based on values of the independent variable(s). For example,
4 historical energy sales (dependent variable) are correlated with historical weather,
5 economic or demographic quantities (independent, explanatory variables), and future
6 values of the weather and economic or demographic variables are fed into the model to
7 project or forecast future energy sales.

8 Another approach can be described as engineering or simulation modelling. In a simple
9 application of this approach, the forecaster estimates the maximum size of a given load
10 and then applies load factors to represent how much of that maximum load is expected to
11 be employed over specific time periods.

12 **Q. Would you please describe the steps involved in the development of the energy and**
13 **peak demand forecasts shown in your exhibits?**

14 A. We used a hierarchical approach made possible by employing the SAS Forecast Studio
15 software system in developing our forecast of retail energy sales. The most detailed level
16 of the hierarchy is the customer account. Accounts comprise rate codes, rate codes
17 comprise rate schedules, and rate schedules comprise rate classes. Our general approach
18 was to construct forecast models for a given jurisdiction and rate class that statistically
19 relate sales to weather, economic data (*e.g.* income, employment, industrial production),
20 calendar data, and trend variables. The models come in a variety of forms, but may be
21 generally described as regression-based econometric models or more statistically based
22 (*e.g.* ARIMA, exponential smoothing) time series models. The models are evaluated on
23 their ability to replicate historical sales (using the mean absolute percentage error or

1 MAPE as the primary criteria) and their ability to produce forecasts which reflect
2 expected seasonal and longer term trends.

3 Once the jurisdiction and rate class forecast is completed, it is disaggregated to the lower
4 levels of the hierarchy using one of the statistical methods such as ARIMA or exponential
5 smoothing.

6 Once the retail forecasts of sales were completed and company use was added, rate
7 schedule and voltage based distribution and transmission loss factors were applied to
8 produce a forecast of total generation and purchase requirements.

9 Forecasts for the Company's Wisconsin Municipal (wholesale) customers were
10 developed using an engineering simulation approach.

11 To complete the forecast process, peak demand was forecast. This forecast was
12 accomplished by developing a statistical relationship between generation level energy
13 requirements, peak-producing weather, customer counts, appliance saturation rates, and
14 several binary variables and monthly peak demand.

15 **Q. How was the commencement of UMERC's commercial operation reflected in your**
16 **forecast?**

17 A. To reflect the commencement of UMERC's commercial operation (which occurred on
18 January 1, 2017), Wisconsin Electric's Retail sales, excluding sales to the Tilden mine, as
19 well as its Company Use in the Michigan jurisdiction, were reclassified into the
20 Municipal (wholesale) category.

21 **Q. Are deliveries to customers participating in Michigan's RAS program included in**
22 **the forecasts shown in your exhibits?**

1 A. As in Wisconsin Electric's other recent PSCR plans, forecast deliveries to customers who
2 chose to move to Alternative Electric Suppliers (AES) were excluded from the forecast
3 shown in the Exhibits.

4 **Q. Do you consider these forecasts to be reasonable?**

5 A. Yes.

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

7 A. Yes.

WISCONSIN ELECTRIC POWER COMPANY
 Annual System Energy Obligation
 2018-2022 (Megawatthours)

Line No.	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Booked Sales					
1. Residential	7,726,355	7,704,290	7,707,828	7,660,159	7,638,094
2. General Secondary	8,798,662	8,822,790	8,861,567	8,854,587	8,876,911
3. General Primary	8,291,215	8,292,467	8,309,292	8,294,971	8,296,224
4. Public Authority	147,543	147,228	147,378	146,598	146,282
5. Ultimate Retail Sales	24,963,775	24,966,775	25,026,066	24,956,315	24,957,511
6. Municipal Sales	356,859	356,970	358,410	354,108	354,224
7. Company Use	62,767	62,767	62,767	62,767	62,767
8. Calendar - Customer Level	25,383,401	25,386,512	25,447,243	25,373,190	25,374,502
9. Losses: Distribution	859,117	859,075	861,080	858,214	858,092
10. Losses: Transmission	501,232	501,291	502,489	501,020	501,043
11. Total Native System Energy	26,743,750	26,746,878	26,810,812	26,732,424	26,733,636
12. Firm Wholesale Sales	1,295,951	1,182,071	1,070,219	913,619	649,547
13. Total Energy Obligation	28,039,701	27,928,949	27,881,031	27,646,043	27,383,183

WISCONSIN ELECTRIC POWER COMPANY
 Monthly System Native Energy and Peak
 2018-2022

Line **System Native Energy (Megawatthours)**

No.	<u>Year</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
1.	2018	2,352,531	2,075,257	2,170,172	2,028,356	2,113,961	2,286,454	2,580,209	2,535,805	2,194,421	2,098,715	2,069,579	2,238,289	26,743,750
2.	2019	2,352,885	2,075,595	2,170,507	2,028,711	2,114,260	2,286,751	2,580,496	2,536,023	2,194,675	2,098,863	2,069,730	2,238,383	26,746,878
3.	2020	2,352,910	2,143,629	2,170,425	2,028,487	2,113,997	2,286,441	2,580,065	2,535,558	2,194,160	2,098,266	2,069,137	2,237,735	26,810,812
4.	2021	2,351,896	2,074,625	2,169,478	2,027,577	2,113,088	2,285,556	2,579,203	2,534,739	2,193,329	2,097,479	2,068,409	2,237,045	26,732,424
5.	2022	2,351,591	2,074,385	2,169,336	2,027,495	2,113,144	2,285,635	2,579,392	2,534,996	2,193,626	2,097,831	2,068,775	2,237,430	26,733,636

System Native Peak - Net (Megawatts)

	<u>Year</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
6.	2018	3,691	3,572	3,344	3,149	3,630	4,858	5,366	5,242	4,474	3,204	3,485	3,661
7.	2019	3,692	3,573	3,345	3,149	3,632	4,868	5,377	5,253	4,481	3,204	3,485	3,661
8.	2020	3,692	3,573	3,345	3,149	3,634	4,876	5,387	5,263	4,486	3,203	3,484	3,660
9.	2021	3,692	3,572	3,344	3,148	3,636	4,883	5,396	5,272	4,492	3,202	3,484	3,660
10.	2022	3,691	3,572	3,344	3,148	3,638	4,892	5,407	5,283	4,499	3,203	3,484	3,661

WISCONSIN ELECTRIC POWER COMPANY
 Monthly Michigan Retail Sales
 2018 (Megawatthours)

Line No.	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
	Booked Sales												
1. Residential	0	0	0	0	0	0	0	0	0	0	0	0	0
2. General Secondary	0	0	0	0	0	0	0	0	0	0	0	0	0
3. General Primary	[REDACTED]												
4. Public Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Ultimate Retail Sales	[REDACTED]												

WISCONSIN ELECTRIC POWER COMPANY
Annual Michigan Retail Sales
2018-2022 (Megawatthours)

Line No.	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Booked Sales					
1. Residential	0	0	0	0	0
2. General Secondary	0	0	0	0	0
3. General Primary					
4. Public Authority	0	0	0	0	0
5. Ultimate Retail Sales (1)					

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
WISCONSIN ELECTRIC POWER COMPANY)	
d/b/a We Energies for approval of a power)	
supply cost recovery plan and authorization)	Case No. U-18407
of monthly power supply cost recovery factors)	
<u>for the calendar year 2018.</u>)	

DIRECT TESTIMONY AND EXHIBITS OF
CHRISTINE M. KANE
ON BEHALF OF
WISCONSIN ELECTRIC POWER COMPANY

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

2 A. My name is Christine M. Kane. My business address is 231 W. Michigan Street,
3 Milwaukee, Wisconsin 53203. I am a Senior Project Specialist in the State Regulatory
4 Affairs department of WEC Business Services LLC (“WBS”), a wholly owned subsidiary
5 of WEC Energy Group, Inc. Respective to this testimony I am testifying on behalf of the
6 applicant, Wisconsin Electric Power Company (“Wisconsin Electric” or “the Company”).

7 **Q. Please briefly describe your educational and professional experience.**

8 A. With respect to my education, I earned a Bachelor of Business Administration Degree in
9 General Business from The University of Wisconsin – Whitewater in May 1988. I have
10 attended training programs on regulatory and rates-related issues at the New Mexico
11 State University Center for Public Utilities, the Wisconsin Public Utility Institute as well
12 as through Electric Utility Consultants, Inc.

13 With respect to my professional experience, I joined Wisconsin Electric in March 1999.
14 Between 1999 and 2007, I held various positions in the Administrative Services and
15 Customer Operations Departments. In October 2007, I accepted the position of
16 Settlement Analyst in the Wholesale Energy and Fuels Department. My responsibilities
17 required me to develop competency in the operations, transactions, and settlement rules
18 of the competitive energy markets with which the Company transacted so that I was able
19 to calculate wholesale and transmission settlements, prepare reports for various
20 regulatory agencies, and represent Wisconsin Electric’s interests in various forums
21 related to these issues. In February 2011, I joined the State Regulatory Affairs
22 Department. As a Senior Project Specialist, I am responsible for the preparation of fuel
23 cost plans, reconciliations and various other filings for the Company’s Michigan and

1 Wisconsin jurisdictions as well as preparation of the Company's FERC formula rate that
2 is used to bill full requirements wholesale customers. For Power Supply Cost Recovery
3 ("PSCR") matters before the Michigan Public Service Commission ("MPSC" or the
4 "Commission"), I prepare and submit to the Commission the monthly PSCR reports for
5 Wisconsin Electric.

6 **Q. Have you previously testified before the Commission?**

7 Yes. I have provided testimony on behalf of Wisconsin Electric in its 2017 PSCR Plan in
8 MPSC Case No. U-18148, 2016 PSCR Plan in MPSC Case No. U-17912, 2015 PSCR
9 Reconciliation in MPSC Case No. U-17674-R, 2015 PSCR Plan in MPSC Case No. U-
10 17674, and 2014 PSCR Reconciliation in MPSC Case No. U-17312-R. I also provided
11 testimony on behalf of Wisconsin Electric and Upper Michigan Energy Resources
12 Corporation ("UMERC") in the 2016 PSCR Reconciliation in MPSC Case No. U-17912-
13 R. In addition, I have provided direct testimony in Wisconsin Electric's 2015 Renewable
14 Energy ("RE") Reconciliation in MPSC Case No. U-18087 and in the Company's 2016
15 RE Reconciliation in MPSC Case No. U-18247.

16 **Q. Please briefly describe the Settlement Agreement approved by the Commission in**
17 **Case No. U-18061 and what impact it has on this proceeding.**

18 A. On December 9, 2016, a Settlement Agreement was approved by the Commission in
19 Case No. U-18061 ("U-18061 Settlement Agreement") which established UMERC as a
20 Michigan regulated utility providing service only to electric and natural gas customers in
21 the Upper Peninsula of Michigan. Pursuant to the U-18061 Settlement Agreement,
22 Wisconsin Electric transferred all of its Michigan jurisdictional distribution substations,
23 distribution lines, and other distribution assets used in providing retail electric service in

1 Michigan, as well as its Michigan retail full requirements and retail access full service
2 customers to UMERC, except, initially, Tilden Mining Company L.C. (“Tilden”) and the
3 Empire Iron Mining Partnership (“Empire”) (collectively the “Mines”).

4 The U-18061 Settlement Agreement states that Wisconsin Electric will continue
5 to serve the Mines until termination of both of the 2015-2019 Large Curtailable Special
6 Contracts between Wisconsin Electric and the Mines that were approved by the
7 Commission’s April 23, 2015 Order in Case No. U-17862 (“Mines’ Special Contracts”),
8 at which time the Mines would be transferred as customers of UMERC. In a signed letter
9 appended as Attachment B to Wisconsin Electric’s September 1, 2016 Application
10 Requesting Approval of Amendment in Case No. U-17862, Wisconsin Electric and
11 Empire agreed that Empire’s special contract would terminate no later than October 15,
12 2016. The Commission approved the termination letter in its December 9, 2016 Order in
13 Case No. U-17862. As a result, for the twelve months of 2018, Wisconsin Electric’s only
14 PSCR customer will be Tilden.

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

16 A. The purpose of my testimony is to: (1) provide Wisconsin Electric’s estimated PSCR
17 true-up factor for the prior period, (2) propose the monthly PSCR factor for the 12-month
18 period covered by Wisconsin Electric’s 2018 PSCR plan, (3) compare Wisconsin
19 Electric’s 2018 PSCR Plan costs to 2017 approved PSCR Plan costs, and (4) discuss how
20 the 2018 PSCR Plan relates to the Company’s currently approved RE Plan (MPSC Case
21 No. U-17798).

1 **Q. Are you sponsoring any exhibits in this proceeding?**

2 A. Yes, I am sponsoring Exhibits A-3 (CMK-1) (which contains some confidential
3 information) through A-6 (CMK-4).

4 **Q. Were these exhibits prepared by you?**

5 A. Yes.

6 **Prior Year's PSCR True-up Factor**

7 **Q. Have you provided an estimate of the prior year's PSCR under/over-recovered
8 amount and related factor?**

9 A. Yes. Exhibit A-3 (CMK-1) shows the calculation of the estimated prior year's PSCR
10 true-up amount and factor.¹

11 **Q. Please briefly describe the Large Curtailable Special Contract between Wisconsin
12 Electric and Tilden as it relates to this proceeding.**

13 A. The April 23, 2015 Order in Case No. U-17862 approved the Mines' Special Contracts
14 between Wisconsin Electric and Tilden. The Mines' Special Contracts (Attachments A
15 and B to the April 23, 2015 Order) set forth charges to the Mines for electric services and
16 state, at page 1: "For 2016-2019 the Energy Charge per kWh will be set, adjusted and
17 reconciled per Wisconsin Electric's PSCR clause; provided that such Energy Charges
18 shall not include any charges or adjustments related to costs incurred prior to 2016." As
19 such, any over- or under-recovery in 2017 will apply. Adjustments related to the
20 complaint seeking to reduce the base return on equity ("ROE") used in the Midcontinent
21 Independent System Operator, Inc. Transmission Owners' ("MISO TOs") and American

¹ The Company redacted information in line 2 and line 12 due to confidentiality issues surrounding having a single customer. The Company will make such information available for review pursuant to an arrangement that protects this information.

1 Transmission Company's ("ATCs") formula transmission rates² will apply to Tilden as
2 set forth in the settlement agreement approved by the Commission in its April 28, 2017
3 Order in Case No U-18148.

4 **Q. Please describe Exhibit A-3 (CMK-1).**

5 A. The prior year's PSCR true-up factor is based on a projected 2017 under-recovery, with
6 accrued interest, of \$410,370 (consisting of eight months actual and four months
7 estimated), and a prior period reconciliation over-recovery of \$410,829 (as filed in the
8 2016 PSCR Reconciliation in Case No. U-17912-R) resulting in a net projected over-
9 recovery of \$459. Exhibit A-3 (CMK-1) shows that, based on projected 2018 sales
10 subject to PSCR, the estimated prior year's PSCR true-up factor equals \$0.00000 per
11 kWh.

12 **2018 PSCR Factors**

13 **Q. Please describe Exhibit A-4 (CMK-2).**

14 A. Exhibit A-4 (CMK-2) shows the development of the 2018 PSCR factor using the
15 projected monthly power supply costs for January through December 2018 from
16 Company witness Meghan Count's Exhibit A-7 (MMC-1). The calculations demonstrate
17 the monthly PSCR factor for 2018 using a base power supply cost of \$45.47 per MWh.
18 This base cost represents the 2012 test year power supply cost, adjusted for distribution
19 losses, which was authorized by the Commission in Case No. U-16830. Exhibit A-4
20 (CMK-2) shows that Wisconsin Electric's power supply cost recovery factors for January
21 through December 2018 equal \$0.00067 per kWh.

22 **Q. Have you compared the change in power supply costs from the approved 2017**
23 **PSCR plan?**

² Federal Energy Regulatory Commission Docket No. EL14-12.

1 A. Yes. Exhibit A-5 (CMK-3) shows the power supply plan costs for both 2017 and 2018,
2 as well as the difference in cost and MWh. For comparison purposes, the following table
3 shows the contribution by category to the difference between 2017 approved and 2018
4 projected power supply costs:

<u>Description</u>	<u>PSCR Cost per kWh</u>
2017 PSCR Factor Approved	\$0.00243
Fuel	(\$0.00077)
Purchased Power	(\$0.00007)
Opportunity Sales	(\$0.00022)
Other Adjustments	(\$0.00036)
Transmission	(\$0.00033)
Total Change	(\$0.00176)
2018 PSCR Plan Year Factor	<u>\$0.00067</u>

5 **Application of Proposed PSCR Factors**

6 **Q. How does Wisconsin Electric propose to apply the proposed PSCR factors?**

7 A. The Company proposes to apply a uniform monthly factor not to exceed a Maximum
8 Authorized 2018 PSCR Factor of \$0.00067 per kWh, which consists of a 2018 Plan Year
9 PSCR Factor of \$0.00067 per kWh and a Prior Year's True-Up Factor of \$0.00000 per
10 kWh in 2018. Exhibit A-6 (CMK-4) shows the proposed factors by month.

11 **Renewable Energy**

12 **Q. How does the Company's proposed treatment of system-wide RE in its RE Plan**
13 **filing relate to the 2018 PSCR Plan?**

1 A. Consistent with the Company’s current RE Plan, as approved on February 11, 2016 in
2 Case No. U-17798, and also consistent with the Company’s pending revised RE Plan in
3 Case No. U-18237, RE resources and the associated Renewable Energy Credits (“RECs”)
4 are grouped into three categories.

5 **Q. Please describe the first category.**

6 The first category is “RE from Existing Renewables.” This category includes existing
7 pre-Act 295 RE primarily purchased from customers under the Company’s Customer
8 Generating System (“CGS”) tariffs. The December 19, 2013 Commission Order in Case
9 No. U-17072 ruled that pre-Act 295 RE costs allocated to Michigan should be collected
10 through traditional rate mechanisms. Therefore, the energy and cost of “RE from
11 Existing Resources” (*see* Exhibit A-5 (CMK-3), line 27) has been included in the
12 determination of the average system-wide power supply costs used to calculate PSCR
13 costs for Michigan. Additionally, in prior PSCR proceedings, Wisconsin Electric has
14 presented testimony that such costs were reasonably and prudently incurred. In each case,
15 the Commission order has approved the PSCR costs, which included the costs of “RE
16 from Existing Resources.”

17 **Q. Please describe Wisconsin Electric’s CGS tariffs included in “RE from Existing
18 Resources”.**

19 A. Wisconsin Electric has tariffs for small (20kW or less) and intermediate to large (over
20 20kW) customer generating systems in which the Company purchases output in excess of
21 the customers' usage. The sources of energy for these generators include landfill gas,
22 wind, hydro, solar photovoltaic, agricultural waste and municipal waste. These purchases
23 represent less than 2% of the system requirements.

1 **Q. Please describe the second category of RE.**

2 A. The second category is “RE from System-wide Allocation.” This category includes new,
3 post-Act 295 RE that the Company purchased under PPAs to meet system-wide needs.
4 The costs of “RE from System-wide Allocation” allocated to Michigan are not
5 incremental costs of compliance with Act 295 RE requirements to be recovered via Act
6 295 rate mechanisms and shall continue to be recovered via traditional rate mechanisms
7 consistent with the Commission’s December 19, 2013 Order in Case No. U-17072.
8 Therefore, the energy and cost of “RE from System-wide Allocation” (*see* Exhibit A-5
9 (CMK-3), line 28) has been included in the determination of the average system-wide
10 power supply costs used to calculate PSCR costs for Michigan.

11 This category also includes post-Act 295 generation from company-owned facilities,
12 specifically the Glacier Hills Wind Park (“Glacier Hills”), the Montfort Wind Energy
13 Center (“Montfort”), and the Rothschild Biomass Cogeneration Plant (“Rothschild”).
14 Consistent with the Company’s current RE Plan approved by the Commission’s February
15 11, 2016 Order in Case No. U-17798 and pending revised RE Plan in Case No. U-18237,
16 the costs of RE generated at these facilities allocated to Michigan are recovered through
17 the PSCR factors at the approved transfer price and the incremental costs are recovered
18 through the RE surcharge. The non-incremental portion of the costs of Glacier Hills (*see*
19 Exhibit A-5 (CMK-3), line 14) proposed to be recovered through the PSCR is
20 \$80.41/MWh, using the transfer price as approved by Commission Order in the Initial RE
21 plan in Case No. U-15812 and affirmed in its October 11, 2012 Order in Case No. U-
22 16367, page 8, December 19, 2013 Order in Case No. U-17072, and the Company’s
23 current approved RE Plan. The non-incremental portion of the costs of Montfort (*see*

1 Exhibit A-5 (CMK-3), line 15) and Rothschild (*see* Exhibit A-5 (CMK-3), line 16) to be
2 recovered through the PSCR is \$72.09/MWh, using the transfer price scheduled
3 developed by the MPSC Staff and approved in the Commission's December 19, 2013
4 Order in Case No. U-16662 and the Company's current approved RE Plan.

5 **Q. Are the RE purchases for Wisconsin Electric's "Energy for Tomorrow" program**
6 **included in PSCR costs?**

7 A. No. The energy and costs associated with the purchase of RE for use by customers that
8 are participating in the "Energy for Tomorrow" program in both Michigan and Wisconsin
9 are not included in PSCR costs. As such, the "Energy for Tomorrow (EFT) Premium"
10 costs are an offset to purchases (*see* Exhibit A-5 (CMK-3), line 32).

11 **Q. Please describe the third category of RE.**

12 A. The third category is RECs-only purchases obtained solely to achieve compliance with
13 the Michigan RPS and Act 295 requirements.

14 **Q. Are the costs of the RECs-only purchases included in the proposed PSCR Plan and**
15 **factors?**

16 A. No. Consistent with the Commission's Order Approving Settlement Agreement, page 4,
17 in Case No. U-17562, the costs of RECs-only purchases incurred for purposes of
18 complying with Act 295 requirements are to be recovered via RE surcharges.

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

20 A. Yes, it does.

Wisconsin Electric Power Company
 PSCR Plan Cost Comparison

Line No.	2017 PSCR Plan as Approved			2018 PSCR Plan			Change in Plan from Prior Year		
	Cost (\$)	Generation MWH	Cost \$/MWH	Cost (\$)	Generation MWH	Cost \$/MWH	Cost (\$)	Generation MWH	Cost \$/MWH
1	106,268,375	5,092,003	20.87	109,764,450	5,350,952	20.51	3,496,075	258,949	(0.36)
2	140,548,082	6,796,032	20.68	146,466,161	7,140,786	20.51	5,918,079	344,754	(0.17)
3	132,673,273	6,604,194	20.09	129,735,265	6,397,905	20.28	(2,938,008)	(206,289)	0.19
4	47,310,617	1,676,727	28.22	51,028,930	1,763,312	28.94	3,718,313	86,586	0.72
5	23,865,336	345,420	69.09	18,721,270	252,287	74.21	(5,144,066)	(93,133)	5.12
6	450,665,683	20,514,375	21.97	455,716,076	20,905,242	21.80	5,050,393	390,866	(0.17)
7	87,031,139	3,298,414	26.39	117,416,035	5,213,712	22.52	30,384,896	1,915,298	(3.87)
8	1,217,606	12,158	100.15	2,045,462	33,854	60.42	827,856	21,696	(39.73)
9	107,670	1,560	69.04	227,376	5,067	44.87	119,706	3,508	(24.17)
10	703,065	7,508	93.65	967,045	15,022	64.38	263,980	7,515	(29.27)
11	89,059,480	3,319,639	26.83	120,655,918	5,267,655	22.91	31,596,438	1,948,016	(3.92)
12	-	342,363	-	-	342,420	-	-	57	-
13	-	326,088	-	-	326,089	-	-	1	-
14	32,147,764	399,797	80.41	32,147,764	399,798	80.41	-	-	-
15	4,329,080	60,802	71.20	4,383,195	60,802	72.09	54,115	-	0.89
16	12,527,782	175,953	71.20	9,182,060	127,369	72.09	(3,345,722)	(48,583)	0.89
17	49,004,627	1,305,003	37.55	45,713,019	1,256,479	36.38	(3,291,608)	(48,525)	(1.17)
18	588,729,790	25,139,017	23.42	622,085,014	27,429,375	22.68	33,355,224	2,290,357	(0.74)
19	19,485,526	751,483	25.93	28,084,842	1,054,191	26.64	8,599,316	302,709	0.71
20	22,011,592	-	-	19,367,976	-	-	-	-	-
21	421,940,624	8,957,034	47.11	426,735,490	8,964,890	47.60	4,794,866	7,856	0.49
22	3,870,368	120,260	32.18	4,698,594	135,158	34.76	828,226	14,898	2.58
23	(7,439,402)	-	-	(3,645,893)	-	-	3,793,509	-	-
24	1,915,440	-	-	1,577,401	-	-	(338,039)	-	-
25	-	-	-	(5,782,043)	-	-	(5,782,043)	-	-
26	3,021,656	-	-	3,528,523	-	-	506,867	-	-
27	9,283,344	465,592	19.94	7,524,340	310,552	24.23	(1,759,004)	(155,040)	4.29
28	12,693,897	278,967	45.50	15,817,582	279,545	56.58	3,123,685	578	11.08
29	5,815,335	-	-	6,228,208	-	-	412,873	-	-
30	241,037	10,856	22.20	241,037	10,855	22.21	-	(1)	0.01
31	492,839,416	10,584,191	46.56	504,376,057	10,755,191	46.90	14,180,257	171,000	0.34
32	(2,342,016)	(119,247)	19.64	(2,559,592)	(130,325)	19.64	(217,576)	(11,078)	-
33	(15,277,087)	(607,030)	25.17	(16,059,817)	(609,650)	26.34	(782,729)	(2,620)	1.17
34	475,220,313	9,857,914	48.21	485,756,649	10,015,216	48.50	13,179,952	157,302	0.29
35	(184,694,854)	(8,109,724)	22.77	(255,769,764)	(10,636,973)	24.05	(71,074,910)	(2,527,249)	1.28
36	(9,430,428)	-	-	-	-	-	9,430,428	-	-
37	(5,936,384)	-	-	(9,057,391)	-	-	(3,121,007)	-	-
38	(3,182,750)	-	-	(12,197,917)	-	-	(9,015,167)	-	-
39	(824,553)	(9,113)	90.48	(852,013)	(9,120)	93.42	(27,460)	(7)	2.94
40	(204,068,970.280)	(8,118,837.400)	25.14	(277,877,085)	(10,646,093)	26.10	(73,808,115)	(2,527,256)	0.96
41	9,365,164	-	-	-	-	-	(9,365,164)	-	-
42	55,125	1,825	30.21	-	-	-	(55,125)	(1,825)	(30.21)
43	9,420,289	1,825	-	-	-	-	(9,420,289)	(1,825)	-
44	869,301,421	26,879,918	32.34	829,964,577	26,798,497	30.97	(36,693,227)	(81,422)	(1.37)
45	276,341,000	-	-	259,196,021	-	-	(17,144,979)	-	-
46	92,503,248	-	-	99,786,420	-	-	7,283,172	-	-
47	368,844,248	26,879,918	13.72	358,982,441	26,798,497	13.40	(9,861,807)	(81,421)	(0.32)
48	1,238,145,669	26,879,918	46.06	1,188,947,018	26,798,497	44.37	(46,555,034)	(81,422)	(1.69)
49			1.04			1.04			1.04
50			47.90			46.14			(1.76)
51			45.47			45.47			-
52			2.43			0.67			-

M.P.S.C. No. 4 – Electric
 Wisconsin Electric Power Company

Eleventh Revised Sheet No. D-3.00
 Replaces Tenth Revised Sheet No. D-3.00

POWER SUPPLY COST RECOVERY

PSCR Factors:

All rates for metered electric service shall include an amount up to the Power Supply Cost Recovery (PSCR) Factor for the specified billing period as set forth below. The PSCR Factor includes an increase or decrease of 0.0104 mills per kWh for each full 0.01 mill increase or decrease in the projected annual power supply costs above or below a cost base of 45.47 mills per kWh, rounded to the nearest one-hundredth of a mill per kWh. The projected power supply costs per kWh shall equal the total projected annual net power cost divided by the projected annual net system energy requirements. Net system energy requirements shall be the sum of net generation and net purchased and interchange power.

An amount not exceeding the PSCR Factor for each month shall be placed into effect in the first billing cycle of that month and shall continue in effect until the first billing cycle of a subsequent month for which a subsequent PSCR Factor becomes operative.

The PSCR Factor applicable to all Power Supply charges for the Mines' Special Contracts and Rate Schedule CpLC shall be as indicated below:

<u>Month</u>	<u>2018 Plan Year PSCR Factor (\$ per kWh)</u>	<u>Prior Period PSCR Reconciliation Factor (\$ per kWh)</u>	<u>Maximum 2018 PSCR Factor (\$ per kWh)</u>	<u>Actual Factor Billed (\$ per kWh)</u>
Jan 2018	0.00067	0.00000	0.00067	
Feb 2018	0.00067	0.00000	0.00067	
Mar 2018	0.00067	0.00000	0.00067	
Apr 2018	0.00067	0.00000	0.00067	
May 2018	0.00067	0.00000	0.00067	
Jun 2018	0.00067	0.00000	0.00067	
Jul 2018	0.00067	0.00000	0.00067	
Aug 2018	0.00067	0.00000	0.00067	
Sep 2018	0.00067	0.00000	0.00067	
Oct 2018	0.00067	0.00000	0.00067	
Nov 2018	0.00067	0.00000	0.00067	
Dec 2018	0.00067	0.00000	0.00067	

Parentheses indicate a credit factor. Should the Company apply lesser factors than those above or if the factors are later revised pursuant to Commission orders or 1982 PA 304, the Company will notify the Commission if necessary and file a revision of the above list.

(Continued on Sheet No. D-4.00)

Issued December 15, 2017
 T. T. Eidukas
 Vice-President,
 Milwaukee, Wisconsin

Effective for bills rendered for
 the 2018 Plan year

Issued under authority of
 Section 6j(9) of 1982 PA304
 For self-implementing
 in Case No. U-18407

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY)
d/b/a We Energies for approval of a power)
supply cost recovery plan and authorization) **Case No. U-18407**
of monthly power supply cost recovery factors)
for the calendar year 2018.)

DIRECT TESTIMONY AND EXHIBITS OF

MEGHAN M. COUNT

ON BEHALF OF

WISCONSIN ELECTRIC POWER COMPANY

(PUBLIC VERSION)

September 2017

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

2 A. My name is Meghan M. Count. My business address is 333 West Everett Street,
3 Milwaukee, Wisconsin 53203. I am the Manager of Fuel Cost Planning for Wisconsin
4 Electric Power Company (“Wisconsin Electric” or the “Company”) and Wisconsin Public
5 Service Corporation (“WPSC”).

6 **Q. Please describe your educational and business experience.**

7 A. I received a Bachelor of Science Degree with a major in Environmental Science from the
8 University of Wisconsin – Green Bay in 2003. In 2005 I received a Bachelor of Science
9 Degree with a major in Civil Engineering from the University of Wisconsin –
10 Milwaukee. In 2010, I earned a Masters of Business Administration Degree from the
11 University of Wisconsin –Whitewater.

12 I have been employed by Wisconsin Electric for 13 years, working in a number of
13 positions in the Environmental, Human Resources, Customer Service, Finance, Federal
14 Regulatory Affairs and Policy, Wholesale Energy and Fuels, Power Generation and
15 Generation Projects areas. For six of the last seven years, I was the Project Manager for
16 the Elm Road Generating Station (“ERGS”) Fuel Flexibility Project.

17 I became the Manager of Fuel Cost Planning in March, 2016. In this position I am
18 responsible for supporting all of Wisconsin Electric’s and WPSC’s fuel cost filings in the
19 Wisconsin and Michigan jurisdictions.

20 **Q. Do you have previous experience testifying before the Michigan Public Service
21 Commission (“MPSC” or “Commission”)?**

22 A. Yes. As the Manager of Fuel Cost Planning, I provided testimony supporting Wisconsin
23 Electric’s power supply cost recovery (“PSCR”) in 2017 and presented the five-year

1 PSCR forecast. I have also provided testimony on behalf of WPSC and Wisconsin
2 Electric to the n Public Service Commission of Wisconsin (“PSCW”) in a rate case and
3 fuel cases.

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

5 A. The purpose of my testimony is to support Wisconsin Electric’s 2018 PSCR plan costs
6 and net system output, and to present the five-year PSCR forecast.

7 **Q. Are you sponsoring any exhibits to accompany your testimony?**

8 A. Yes. I am sponsoring Exhibits A-7 (MMC-1) through A-14 (MMC-8), some of which
9 contain confidential information, and which relate to the Company's procurement of
10 fossil fuels, projected fuel costs, the operation of the Company's generating units, and the
11 estimates of purchased power and energy, for the 2018 plan year and for the 2018
12 through 2022 forecast period.

13 **Q. Were these exhibits prepared by you or under your direction and supervision?**

14 A. Yes.

15 **Q. What customer(s) will WEPCO be serving in Michigan?**

16 A. On December 9, 2016, a Settlement Agreement was approved by the Commission in
17 Case No. U-18061 (“U-18061 Settlement Agreement”) which provided the Michigan
18 regulatory approvals needed to establish UMERC as a Michigan regulated utility
19 providing service only to electric and natural gas customers in the Upper Peninsula of
20 Michigan. Pursuant to the U-18061 Settlement Agreement, effective January 1 2017
21 Wisconsin Electric transferred all of its Michigan jurisdictional distribution substations,
22 distribution lines, and other distribution assets used in providing retail electric service in
23 Michigan, as well as its Michigan retail full requirements and retail access full service

1 customers to UMERC, except, initially, Tilden Mining Company L.C. (“Tilden”) and the
2 Empire Iron Mining Partnership (“Empire”) (collectively the “Mines”).

3 The U-18061 Settlement Agreement states that Wisconsin Electric will continue
4 to serve the Mines until termination of both of the 2015-2019 Large Curtailable Special
5 Contracts between Wisconsin Electric and the Mines that were approved by the
6 Commission’s April 23, 2015 Order in Case No. U-17862 (“Mines’ Special Contracts”),
7 at which time the Mines would be transferred as customers of UMERC. In a signed letter
8 appended as Attachment B to Wisconsin Electric’s September 1, 2016 Application
9 Requesting Approval of Amendment in Case No. U-17862, Wisconsin Electric and
10 Empire agreed that Empire’s special contract would terminate no later than October 15,
11 2016. The Commission approved the termination letter in its December 9, 2016 Order in
12 Case No. U-17862. As a result, for the twelve months of 2018, Wisconsin Electric’s only
13 PSCR customer will be Tilden.

14 15 **OVERVIEW**

16 **Q. What types of electric generating facilities does the Company own or lease?**

17 A. Wisconsin Electric has a diversified portfolio of generation capacity which includes coal,
18 natural gas nuclear, hydro, wind, and biomass. Much of this capacity is owned or leased
19 by Wisconsin Electric, while some is obtained via power purchase agreements (“PPAs”)
20 with other parties.

21 **Q. Does the Company operate a steam utility system in addition to its electric**
22 **generation?**

1 A. Yes, the Company operates a steam utility system in downtown Milwaukee. Steam is
2 supplied to the system from the Valley Power Plant. Fuel costs applicable to the steam
3 utility are calculated on a cost per million BTU basis and allocated from the electric
4 utility to the steam utility.

5 **Q. Please provide an overview of the process by which the fuel and purchased power**
6 **expenses were projected for this PSCR plan.**

7 A. The first step in the process was to forecast the electrical energy and demand
8 requirements of Wisconsin Electric customers. Company witness Mr. Joel Gaughan will
9 address this process in his testimony. The second step in the process was to develop both
10 the unit generation projections and the fuel cost projections using these sales forecasts.

11 **Q. How were the generation and cost projections developed from the sales forecasts?**

12 A. The Company used the PROMOD security-constrained production cost model to project
13 how its generating resources could be utilized economically and reliably under the
14 Midcontinent Independent System Operator (“MISO”) dispatch given the generating unit
15 operating characteristics, fuel costs, planned outage schedules, and transmission
16 availability. The PROMOD scheduling simulation is, in turn, used to estimate coal, gas
17 and fuel oil commodity costs, energy costs from PPAs, generator revenue and associated
18 margin, projected Locational Marginal Prices (“LMPs”), and the cost of hourly net
19 energy purchases from and sales to MISO. The use of PROMOD has been accepted in
20 past Michigan PSCR and Wisconsin fuel cases. The Company believes that PROMOD
21 provides a reasonable projection of unit utilization within its modeling footprint.

22 **Q. Would you please identify and describe the exhibits you are sponsoring which**
23 **contain the generation and cost projections for the PSCR plan year?**

1 A. Yes.

2 • Exhibit A-7 (MMC-1) reflects the projected monthly output and fuel cost for each
3 generating facility on the Wisconsin Electric system for the 2018 PSCR plan year.

4 • Exhibit A-8 (MMC-2) shows the monthly summary of projected megawatt hour
5 production and fuel consumption and cost by various fuel types as well as the
6 summary of these factors for the 2018 PSCR plan year.

7 • Exhibit A-9 (MMC-3) itemizes the capacity and reserve requirement forecast for the
8 peak month of July 2018.

9 • Exhibit A-10 (MMC-4) provides PPA and sales agreement estimates for the 2018
10 PSCR plan year.

11 • Exhibit A-11 (MMC-5) identifies Wisconsin Electric's as-burned coal costs by
12 generating plant.

13 **Q. Is the cost of renewable energy included in your exhibits?**

14 A. Yes. Company witness Christine Kane addresses this issue in her direct testimony.
15

16 **BULK POWER OPERATIONS**

17 **Q. Please describe the responsibility of the Company's Power Traders in the Wholesale
18 Energy and Fuels Department.**

19 A. The Power Traders forecast Day-Ahead and Real-Time system loads, evaluate generation
20 availability and market opportunities, and develop generation resource offers and demand
21 bids to reliably meet, at minimal system costs, the real time electric load requirements of
22 the Company.

1 **Q. How do the Power Traders project what load conditions will occur over the next 24-**
2 **hour period?**

3 A. The Power Traders use a variety of load-forecasting programs that integrate forecasted
4 weather and historic data and simulate and calculate the various factors and conditions
5 which affect load levels. The programs produce hour-by-hour projections of system load
6 levels for the next seven days. The Power Traders develop load forecasts using the
7 output of these programs along with adjustments based on current conditions, weather
8 expectations and experience.

9 **Q. Please describe how the energy forecasts are utilized in the MISO Energy Market**
10 **and the role these transactions play in Wisconsin Electric's overall cost of power**
11 **supply.**

12 A. Under the MISO Energy Market, the Company is required to offer all available
13 generation into both Day-Ahead and Real-Time energy and operating reserve markets
14 and bid its load into the Day-Ahead market. MISO pays the Company for energy
15 generated and operating reserves carried at the hourly LMP for each product and charges
16 the Company hourly for energy purchased at each load node. The MISO financial
17 settlement for each operating day nets these payments and charges along with other
18 charges and credits. The net of hourly generation revenue and load cost represents short-
19 term energy purchases or sales within the MISO energy market.

20 **Q. How do the Power Traders minimize the cost of meeting electric load requirements?**

21 A. This is done by effectively and continuously assessing and utilizing available resources,
22 including company-owned or contracted generating assets, load assets, MISO energy
23 market transactions, virtual bids and offers, transmission resources, and load management

1 programs. The Power Traders are supported by sophisticated computer hardware and
2 software programs that produce updated generator offer price matrices using recent fuel
3 cost data and perform analysis on large amounts of market operations data. These
4 programs consider such factors as unit heat rates, unit fuel costs, ramp rates, maximum
5 and minimum operating levels, and historic market operations data. Power Traders use
6 these programs and tools to create demand bids in each of the Wisconsin Electric load
7 zones (currently MIUP and WEC South) and develop and adjust generation resource
8 offers for each generator owned or under contract to Wisconsin Electric. This information
9 is submitted to the MISO Market, a bid/offer-based energy market using security
10 constrained economic dispatch to produce LMPs for the MISO market footprint.

11 **Q. You have described how the Power Traders plan for the Day-Ahead operation. How**
12 **do they operate in the Real-Time?**

13 A. The Power Traders monitor current and projected generation status, load, and market
14 conditions, along with the operating plan represented by the Day-Ahead schedule,
15 modifying resource offers or, in some cases, utilizing load management programs as
16 necessary to minimize the overall cost to serve load. Aided by the computerized,
17 automatic generation control system, the Power Traders work with Electric System
18 Operations personnel to schedule the generating units both on- and off-line according to
19 actual and anticipated MISO energy market results. In response to increases and
20 decreases in load, and changes in the MISO generator set point instructions, the
21 automatic generation control system adjusts loading on generating units consistent with
22 the MISO energy market and reliability standards in order to achieve minimum system
23 production costs while maintaining the reliability of the electric power grid.

1 **Q. Is it your evaluation that the Company's decisions to provide power supply in the**
2 **manner described in your testimony are reasonable and prudent?**

3 A. Yes, in my opinion such decisions are reasonable and prudent.
4

5 **MISO ENERGY MARKET TRANSACTIONS**

6 **Q. What is the Company's projection for the net of MISO generation revenue and load**
7 **cost for 2018?**

8 A. Exhibit A-7 (MMC-1) provides the Company's fuel run, which is a monthly forecast of
9 generation and energy market transactions necessary to meet the load requirements of our
10 customers. As mentioned earlier in my testimony, the fuel run is developed using the
11 PROMOD security-constrained production cost model. This exhibit shows, by plant,
12 how much generation will be required by MISO each month plus how much additional
13 energy the Company will purchase from MISO at market prices in order to meet the
14 forecasted load requirements.

15 **Q. Please describe any other impacts on power supply costs related to the MISO**
16 **Energy Market in the PSCR plan.**

17 A. In addition to energy transactions (sales and purchases) with MISO, other MISO costs
18 and revenues associated with operating in the energy and Ancillary Service Market
19 ("ASM") are included in Exhibit A-7 (MMC-1). Those elements include Day-Ahead and
20 Real-Time Revenue Sufficiency Guarantee ("RSG") uplift charges and Make-Whole
21 Payment ("MWP") revenues, Financial Transmission Rights ("FTR") and Auction
22 Revenue Rights ("ARR") sales revenues, and ASM charges and revenues, to name a few.

1 **Q. How did the Company project these charges and credits for 2018?**

2 A. With the exception of FTR and MWP revenues, the Company used 12 months of actual
3 MISO charges and credit amounts for the period June 1, 2016 through May 31, 2017 to
4 establish monthly and annual amounts for 2018.

5 **Q. How are the FTR and MWP revenues calculated?**

6 A. FTR and MWP revenues are calculated based upon the specific hourly congestion and
7 dispatch predicted by the PROMOD model. This ensures that the same transmission
8 topology and transmission events used to calculate the plan year dispatch and pricing are
9 used to value the FTR and MWP revenues. It also matches the LMPs used to calculate
10 generator revenue and load costs to the LMPs used to calculate the plan year FTR and MWP
11 revenues. Specifically, the marginal congestion component of the hourly LMPs calculated in
12 the PROMOD dispatch forecast is used to determine the value of each specific FTR path.
13 Applying the estimated value of each specific FTR path to the actual FTR quantities obtained
14 in the most recent FTR auction provides the total FTR revenue estimate for the test year. For
15 units offered as economic, MWP revenues are assumed to be realized for any dispatch hours
16 in which the unit cost exceeds the hourly LMP.

17

18 **CAPACITY AND RESERVE REQUIREMENTS**

19 **Q. Have you performed a calculation of the Company's total capacity and reserve**
20 **requirements for the PSCR plan year?**

21 A. Yes. The detailed calculation is provided in Exhibit A-9 (MMC-3).

22 **Q. How has the Company's generation and purchased power capacity portfolio**
23 **changed since the filing of the last PSCR plan?**

1 A. The maximum capacities of the Company-owned resources in its portfolio from the peak
2 month of July, 2017 to July, 2018 have been updated, [REDACTED]
3 In 2018, there are [REDACTED] (Exhibit A-9 (MMC-3), adding lines 5 and 6 and
4 subtracting line 1) [REDACTED] in the 2017 PSCR plan.

5 **Q. Based on the projected peak demand for the PSCR plan year and the resource**
6 **supply plan in place to meet that peak demand, does the Company have capacity in**
7 **excess of the Minimum Reserve Requirement?**

8 A. [REDACTED] as demonstrated on Exhibit A-9 (MMC-3), the Company expects to have [REDACTED]
9 [REDACTED] [REDACTED] the Minimum Reserve Requirement in the 2018 PSCR plan year. This
10 has [REDACTED] from [REDACTED] in 2017. This [REDACTED] in capacity is due to an [REDACTED]
11 [REDACTED]

12 **Q. What are the Company's plans regarding capacity above the Minimum Reserve**
13 **Requirement?**

14 A. The Company continues to pursue the sale of firm capacity to other market participants
15 and utilities under both short and long-term contracts.

16 **Q. What has the Company assumed for revenue related to all 2018 projected capacity**
17 **sales?**

18 A. The Company has projected that the capacity sold under short-term contracts will yield
19 [REDACTED] [REDACTED] of revenues to offset 2018 power supply costs. Those revenues are
20 included in Exhibit A-7 (MMC-1) as "Capacity Sales." The Company also has Federal
21 Energy Regulatory Commission ("FERC")-approved tariff-based wholesale long-term
22 capacity and energy sales agreements for 2018 which total approximately [REDACTED] of
23 firm capacity (see Exhibit A-14 (MMC-8). There are also revenues coming from the

1 Resource Adequacy Auction (capacity auction) which, for the 2018 Plan Year, starts June
2 1, 2017, and ends May 31, 2018. Wisconsin Electric cleared [REDACTED] of capacity in
3 Zone 2, which cleared at \$1.50/MW-day (\$547/MW-year). This had a total dollar impact
4 of [REDACTED] in sales, with [REDACTED] occurring in January through May 2018.

5 **Q. What did you assume for MISO Resource Adequacy Auction for the 2018-2019 Plan**
6 **Year, particularly as it relates to June through December 2018?**

7 A. Since the results of the MISO Resource Adequacy Auction are highly volatile and
8 difficult to predict we assumed zero MISO Resource Adequacy Auction revenues. This is
9 consistent with the results of the most recent Auction where the revenues were virtually
10 null.

11
12 **PLANNED OUTAGES**

13 **Q. Does the Company plan any generating unit outages of more than 90 days in**
14 **duration during 2018?**

15 A. No.

16
17 **COAL PROCUREMENT**

18 **Q. Have the Company's methods and procedures for coal procurement changed from**
19 **those described in the 2017 PSCR filing?**

20 A. No, overall the methods and procedures for coal procurement have not changed.

21 **Q. How do the 2018 coal cost projections compare to those in the 2017 PSCR plan?**

1 A. Projected costs for coal generation are unchanged on a \$/MWh basis for the 2018 plan
2 year as compared to the 2017 PSCR plan¹.

3

4 **NATURAL GAS AND OIL PROCUREMENT**

5 **Q. What is the Company's forecast for natural gas in 2018?**

6 A. As demonstrated in Exhibit A-8 (MMC-2), the Company forecasts natural gas costs in
7 2018 at \$3.35/MBtu, for a total estimated cost of approximately \$139.4 million. This
8 includes the use of natural gas as auxiliary fuel at the Company's coal plants, gas used for
9 the Company's combined cycle and combustion turbine generating facilities and Valley
10 Power Plant. Price estimates were based upon the June 28, 2017, closing NYMEX
11 natural gas futures price.

12 **Q. How does the Company procure natural gas for generation at its facilities?**

13 A. The Company procures natural gas for use at its combined cycle units (e.g., Port
14 Washington Generating Station) and at Wisconsin Electric's peaking facilities (e.g.,
15 Paris). There can be significant uncertainty regarding the timing and quantity of natural
16 gas consumption for electric generation, especially for the peaking units. Because of this
17 uncertainty, much of the Company's gas procurement must be in the daily and intra-day
18 cash market rather than purchasing large quantities of natural gas far in advance of an
19 uncertain need.

20 Based upon the plan developed by the Power Traders, the Gas Trading group acquires
21 natural gas through the combination of spot purchases, monthly, and multi month
22 purchases. The Company solicits pricing proposals from multiple suppliers when seeking
23 additional gas purchases and selects the lowest cost option, taking into consideration

¹ See Ex. A-08 (MMC-2), The Total Coal cost divided by MWh on page 2.

1 operational needs, counterparty credit issues, and reliability concerns. This results in the
2 most reliable and economical purchase plan for natural gas because of the variable and
3 unpredictable amount of incremental load for which natural gas is utilized.

4 **Q. Does the Company purchase the natural gas for its PPA at LSP-Whitewater?**

5 A. Yes. The Company follows the same procurement practices for LSP – Whitewater as it
6 does for other gas fired generation.

7 **Q. How does the Company procure oil for generation?**

8 A. Oil is acquired through the use of spot purchases and bulk purchases stored in local
9 terminals.

10 **Q. Does the Company utilize a risk management hedging program in order to mitigate
11 and protect against price spikes in its natural gas and oil procurement plans?**

12 A. Yes. Given historically high volatility in natural gas and oil prices and concerns about
13 storage and supply/demand imbalances, the Company believes it is prudent to seek to
14 protect customers from future price swings. While managing price risk does not equate
15 to guaranteed savings, financially settled hedging can act like insurance and protect
16 customers from the negative effects of price spikes. In its 2018 PSCR plan, the Company
17 has included risk management hedging costs for natural gas for gas-fired generation and
18 for oil for coal transportation.

19 **Q. What is the basis for including hedging program costs in the PSCR plan?**

20 A. The Wisconsin Administrative Code (PSC 116, Electric fuel rules) provides that utilities
21 in Wisconsin may include the costs and benefits of fuel price risk management hedging
22 tools in their fuel costs provided the PSCW has approved a risk management plan. The
23 Company's most recent integrated risk management plan was approved by the PSCW in

1 Docket No. 6630-GF-102, dated January 27, 2017, and is effective through December 31,
2 2019. The cost of the risk management hedging program is equivalent to an insurance
3 premium against higher price spikes, and has accordingly been approved for inclusion in
4 previous Michigan PSCR cases as well.

5 **Q. What is the amount for risk management program costs that the Company is**
6 **requesting to be included in its 2018 PSCR plan?**

7 A. The Company has projected \$1.9 million for risk management costs for 2018.
8

9 **TRANSMISSION COSTS**

10 **Q. How does the Company's participation in American Transmission Company, LLC**
11 **("ATC") impact transmission access and reliability?**

12 A. The transfer of the Company's transmission facilities to ATC, together with ATC's
13 participation in MISO's expansion planning process, benefits customers by improving
14 reliability through the institution of a comprehensive, long-term planning process for
15 making needed transmission enhancements and upgrades on a regional basis.

16 **Q. Is the Company active in reviewing transmission service rate proceedings by ATC**
17 **and MISO?**

18 A. Yes. The Company is active in reviewing transmission rate proceedings and, when
19 appropriate, the Company intervenes in proceedings before FERC. Company personnel
20 also participate in and monitor committee activities within MISO.

21 **Q. What is the amount of transmission costs the Company is proposing to include in its**
22 **2018 PSCR plan costs?**

1 A. As demonstrated in Exhibit A-7, the PSCR plan includes network transmission costs of
2 \$259.2 million and non-network transmission costs of \$99.8 million. In comparison, the
3 2017 PSCR plan forecasts were \$276.3 million and \$92.5 million, respectively. The
4 increase in non-network charges are primarily related to increases in Schedule 26 (MISO
5 Transmission Expansion Charge-Regional Expansion Criteria and Benefits) and Schedule
6 26A (MISO Multi-Value Projects).

7 **Q. Do those projected non-network transmission costs include any Presque Isle Power
8 Plant (“PIPP”) system support resource (“SSR”) “uplift” or fixed cost components
9 of SSR charges or SSR revenues?**

10 A. No, the PIPP SSR Agreement was terminated on January 31, 2015.

11 **Q. Does the 2018 fuel plan assume the amortization of any outstanding deferred
12 balances in Michigan with respect to the PIPP SSR?**

13 A. No, it does not.

14

15 **FIVE-YEAR PSCR FORECAST**

16 **Q. Have you provided the Company's generation, fuel cost, and capacity and energy
17 projections for the extended forecast period of 2018-2022?**

18 A. Yes. These forecasts are included in the following exhibits:

- 19
- Exhibit A-12 (MMC-6) – Annual Purchases and Sales
 - 20 • Exhibit A-13 (MMC-7) – Projected MWH, Fuel, Purchases and Sales by Plant
 - 21 • Exhibit A-14 (MMC-8) – Projected Capacity and Reserve Requirements

22 **Q. Do you consider these exhibits to represent a reasonable forecast for 2019 through
23 2022?**

1 A. Yes, I do. The forecast techniques are consistent with those utilized in preparing the
2 estimates for the 2018 plan year.

3 **Q. Do these forecasts include an estimate of the impacts of reducing greenhouse gas**
4 **emissions under the Environmental Protection Agency’s Clean Power Plan?**

5 A. No, they do not. The Clean power Plan is currently under review by the EPA. It is too
6 early to tell what the final rules might look like and what their impact will be. There may
7 be power supply cost impacts as a result of these changes affecting generation throughout
8 the MISO footprint. For example, the mix of generation resources may change in favor
9 of natural gas or renewables.

10 **Q. Referring to Exhibit A-12 (MMC-6), please describe the terms "Firm Purchases –**
11 **Specific”, “Existing and System-Wide Renewable Energy”, "Net Purchases from**
12 **MISO Market", and “NextEra Energy Point Beach, LLC.”**

13 A. The term "Firm Purchases - Specific" refers to signed contracts in place in the designated
14 years for power purchases from others. The term “System-Wide Renewable Energy”
15 refers to the purchase of energy which comes from natural resources that do not diminish
16 with use, and includes purchases from customer-owned generation. The term "Net
17 Purchases from MISO Market" refers to energy purchased from the MISO Energy
18 Market on an hourly basis. Finally, “NextEra Energy Point Beach, LLC” refers to the
19 purchased power contract for the output from the Point Beach power plant that was
20 approved by the MPSC in Case No. U-15220 on September 25, 2007.

21 **Q. Are the power supply costs addressed in your testimony and exhibits incurred**
22 **pursuant to reasonable and prudent management and actions?**

23 A. Yes.

1 Q. Does this complete your testimony?

2 A. Yes.

29929383.1\130071-00092

CONFIDENTIAL

Wisconsin Electric Power Company
 2018 FUEL RUN

		<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>2018 Total</u>
Totals	MWh - Generation	2,360,889	2,081,475	2,176,931	2,034,379	2,122,263	2,286,951	2,574,859	2,534,143	2,201,006	2,108,500	2,073,677	2,243,425	26,798,497
	\$ - Total Fuel Cost	101,073,196	91,399,889	91,622,627	89,554,640	99,757,784	103,906,139	116,575,948	118,574,613	101,022,798	91,305,266	89,464,496	94,689,621	1,188,947,018
	\$/MWh - Fuel Cost Rate	42.81	43.91	42.09	44.02	47.01	45.43	45.27	46.79	45.90	43.30	43.14	42.21	44.37
\$/MWh - LMP	WEC-South On-Peak Average LMP	30.50	31.38	29.67	27.62	26.82	28.73	34.08	31.31	27.79	27.04	27.51	29.32	29.31
	WEC-South Off-Peak Average LMP	25.92	26.04	25.02	22.89	22.31	22.74	24.86	23.56	21.95	21.83	22.94	25.01	23.75
	WEC-North On-Peak Average LMP	34.44	35.00	31.97	29.66	28.85	32.05	37.82	35.13	30.41	29.66	29.57	32.70	32.27
	WEC-North Off-Peak Average LMP	27.87	28.16	26.57	24.25	23.46	25.26	27.00	26.05	23.62	23.66	24.99	26.68	25.63

FOSSIL STEAM (ELECTRIC ONLY)

OC	MWh - Generation	
	BTU/KWh - Heat Rate	
	\$ - Total Fuel Cost	
	\$/MWh - Fuel Cost Rate	
	\$/Mbtu - Fuel Cost Rate	
P4	MWh - Generation	
	BTU/KWh - Heat Rate	
	\$ - Total Fuel Cost	
	\$/MWh - Fuel Cost Rate	
	\$/Mbtu - Fuel Cost Rate	
ELM	MWh - Generation	
	BTU/KWh - Heat Rate	
	\$ - Total Fuel Cost	
	\$/MWh - Fuel Cost Rate	
	\$/Mbtu - Fuel Cost Rate	
PIPP	MWh - Generation	
	BTU/KWh - Heat Rate	
	\$ - Total Fuel Cost	
	\$/MWh - Fuel Cost Rate	
	\$/Mbtu - Fuel Cost Rate	
VAPP	MWh - Generation	
	BTU/KWh - Heat Rate	
	\$ - Total Fuel Cost	
	\$/MWh - Fuel Cost Rate	
	\$/Mbtu - Fuel Cost Rate	
Account 501	MWh - Total Energy	
	\$ - Total	
	\$/MWh	

CONFIDENTIAL

Wisconsin Electric Power Company
 2018 FUEL RUN

		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018 Total
PW	MWh - Generation BTU/KWh - Heat Rate \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate \$/Mbtu - Fuel Cost Rate													
CON	MWh - Generation BTU/KWh - Heat Rate \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate \$/Mbtu - Fuel Cost Rate													
GTPP	MWh - Generation BTU/KWh - Heat Rate \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate \$/Mbtu - Fuel Cost Rate													
PRS	MWh - Generation BTU/KWh - Heat Rate \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate \$/Mbtu - Fuel Cost Rate													
Total S47-1 (Other Power Generation (CCs and CTs))														
Account 547	MWh - Generation \$ - Total Fuel Cost \$/MWh	436,858 12,064,616 27.62	400,713 11,012,559 27.48	420,792 10,801,860 25.67	304,995 6,937,814 22.75	567,645 11,620,388 20.47	508,208 10,358,576 20.38	687,336 14,698,648 21.38	630,035 12,946,260 20.55	413,302 8,614,433 20.84	221,569 5,078,674 22.92	224,199 5,665,014 25.27	452,003 10,857,076 24.02	5,267,655 120,655,918 22.91
Total Fossil (Electric Only)														
Total Fossil	MWh - Generation \$ - Total Fuel Cost \$/MWh													26,172,896 576,371,995 22.02
Other WE-Owned Generation														
Other Generation	MWh - Hydro MWh - Wind (Blue Sky Green Field) MWh - Solar MWh - Total													
Total WE-Owned Generation														
Total Owned Generation	MWh - Generation \$ - Total Fuel Cost \$/MWh													
SYSTEM WIDE RENEWABLE RESOURCES														
Glacier Hills	MWh - Generation \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate													
Montfort	MWh - Generation \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate													
Rothschild	MWh - Generation \$ - Total Fuel Cost \$/MWh - Fuel Cost Rate													
Total System Wide Renewable Resources														
	MWh - Generation \$ - Total Fuel Cost \$/MWh	70,792 5,527,923 78.09	51,287 3,971,367 77.43	66,878 5,208,377 77.88	53,097 4,151,215 78.18	48,115 3,766,140 78.27	48,062 3,729,737 77.60	32,409 2,479,195 76.50	34,839 2,666,405 76.54	31,377 2,472,947 78.82	45,605 3,565,329 78.18	52,449 4,065,941 77.52	53,059 4,108,442 77.43	587,969 45,713,019 77.75
TOTAL GENERATION (FOSSIL, OTHER, WIND & HYDRO)														
	ENERGY (MWh) \$ - TOTAL \$/MWh	2,579,831 61,608,030 23.88	2,436,304 57,261,589 23.50	2,318,043 54,649,615 23.58	1,465,162 34,397,556 23.48	1,985,294 44,897,881 22.62	2,780,702 60,404,982 21.72	2,897,862 63,302,317 21.84	2,957,783 63,515,567 21.47	2,167,401 46,625,425 21.51	1,355,911 31,598,044 23.30	1,746,702 40,901,745 23.42	2,738,379 62,922,262 22.98	27,429,375 622,085,013 22.68

CONFIDENTIAL

Wisconsin Electric Power Company
 2018 FUEL RUN

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018 Total
Energy For Tomorrow (EFT) Premium (Offset to Renewable Purchases)													
EFT Premium													
MWh - Owned													
MWh - NonOwned													
\$ - Offset to Renewable Purchases													
\$/MWh - NonOwned													
MWh - Total													
Incremental Energy Tariff (Offset to Market Purchases)													
Market Rate Tariff													
Sales													
MWh - Energy													
\$ - Energy													
\$/MWh													
Total Fuel Purchases													
Total Purchases	831,535	745,470	794,086	853,411	859,929	831,209	866,290	837,940	794,752	931,745	839,143	829,703	10,015,216
MWh - Generation													
\$ - Total Fuel Cost	37,888,170	34,971,498	32,148,808	32,941,304	43,150,139	45,405,645	54,106,937	56,568,601	43,009,187	35,580,898	32,818,113	37,167,348	485,756,649
\$/MWh	45.56	46.91	40.49	38.60	50.18	54.63	62.46	67.51	54.12	38.19	39.11	44.80	48.50
SALES													
MISO Market - Net Sales													
MISO Net Sales													
MWh - Net Energy Sales													
\$ - Net Energy Sales													
\$/MWh - Net Energy Sales													
\$ - MISO Other Revenues													
\$ - MISO ASM Market - Revenues													
\$ - Total MISO Market Sales Revenues													
\$/MWh - Total Net Sales													
Capacity Sale Revenue													
Capacity Sales													
\$ - Total Revenues													
Energy Sale Revenue													
MFT Sale													
MWh - Generation													
\$ - Total Revenues													
\$/MWh													
Total Sales													
Total Sales	-1,050,478	-1,100,299	-935,199	-284,194	-722,961	-1,324,961	-1,189,293	-1,261,580	-761,147	-179,156	-512,168	-1,324,657	-10,646,093
MWh - Generation													
\$ - Total Revenues	-28,554,702	-30,413,729	-24,880,130	-7,130,600	-17,861,039	-32,217,387	-31,656,982	-32,217,441	-18,622,587	-5,351,545	-13,757,132	-35,213,809	-277,877,085
\$/MWh	27.18	27.64	26.60	25.09	24.71	24.32	26.62	25.54	24.47	29.87	26.86	26.58	26.10
TRANSMISSION													
Transmission													
Transmission Costs													
Network Transmission	21,610,474	21,542,467	21,561,609	21,522,190	21,556,322	21,663,633	21,729,526	21,714,353	21,619,169	21,543,342	21,547,429	21,585,507	259,196,021
Non-Network Transmission (Schedule 1, 2, 9, 10, 16, 17, 25, 26 & PJM)	8,521,224	8,038,064	8,142,725	7,824,191	8,014,482	8,649,266	9,094,150	8,993,533	8,391,603	7,934,526	7,954,342	8,228,314	99,786,420
Total Transmission	30,131,698	29,580,531	29,704,334	29,346,381	29,570,804	30,312,899	30,823,676	30,707,886	30,010,772	29,477,868	29,501,771	29,813,821	358,982,441
Total Fuel Costs													
Total Fuel Costs	2,360,889	2,081,475	2,176,931	2,034,379	2,122,263	2,286,951	2,574,859	2,534,143	2,201,006	2,108,500	2,073,677	2,243,425	26,798,497
MWh - Generation													
\$ - Total	101,073,196.2	91,399,889.2	91,622,627.5	89,554,640.3	99,757,784.3	103,906,139.2	116,575,947.7	118,574,613.2	101,022,797.6	91,305,265.8	89,464,495.7	94,689,621.3	1,188,947,018
\$/MWh	42.81	43.91	42.09	44.02	47.01	45.43	45.27	46.79	45.90	43.30	43.14	42.21	44.37

**2018
 GENERATION BY FUEL TYPE**

	<u>Fuel Type</u>	<u>MWh</u>	<u>Quantity(1)</u>	<u>\$/MBtu (2)</u>	<u>Total Cost (2)</u>
January	Coal	1,987,147	1,170,264	\$ 1.98	\$ 41,984,319
	Gas/Prop.	461,031	4,717,003	\$ 3.97	\$ 14,095,788
	Oil	0	0	\$ -	\$ -
	Wood	13,735	30,435	\$ 72.09	\$ 990,122
	Hydro	26,969	0	\$ -	\$ -
	Wind	90,950	0	\$ -	\$ 4,537,801
	SYSTEM	2,579,831			\$ 61,608,030
February	Coal	1,900,757	1,111,555	\$ 2.00	\$ 40,259,540
	Gas/Prop.	424,746	4,279,176	\$ 4.00	\$ 13,030,682
	Oil	0	0	\$ -	\$ -
	Wood	12,798	27,542	\$ 72.09	\$ 922,584
	Hydro	26,179	0	\$ -	\$ -
	Wind	71,824	0	\$ -	\$ 3,048,783
	SYSTEM	2,436,304			\$ 57,261,589
March	Coal	1,742,707	1,049,399	\$ 1.95	\$ 36,615,731
	Gas/Prop.	446,089	4,108,047	\$ 3.74	\$ 12,825,507
	Oil	0	0	\$ -	\$ -
	Wood	13,658	29,468	\$ 72.09	\$ 984,577
	Hydro	29,042	0	\$ -	\$ -
	Wind	86,548	0	\$ -	\$ 4,223,800
	SYSTEM	2,318,043			\$ 54,649,615
April	Coal	1,016,722	623,807	\$ 1.97	\$ 21,470,180
	Gas/Prop.	331,783	3,602,896	\$ 3.32	\$ 8,776,160
	Oil	0	0	\$ -	\$ -
	Wood	7,886	19,163	\$ 72.09	\$ 568,518
	Hydro	33,140	0	\$ -	\$ -
	Wind	75,631	0	\$ -	\$ 3,582,697
	SYSTEM	1,465,162			\$ 34,397,556
May	Coal	1,268,190	727,451	\$ 2.06	\$ 27,766,008
	Gas/Prop.	595,460	5,529,803	\$ 2.97	\$ 13,365,733
	Oil	0	0	\$ -	\$ -
	Wood	6,048	13,182	\$ 72.09	\$ 436,000
	Hydro	42,981	0	\$ -	\$ -
	Wind	72,616	0	\$ -	\$ 3,330,140
	SYSTEM	1,985,294			\$ 44,897,881
June	Coal	2,143,635	1,265,308	\$ 1.97	\$ 44,804,256
	Gas/Prop.	535,030	5,026,028	\$ 2.96	\$ 11,870,989
	Oil	0	0	\$ -	\$ -
	Wood	11,530	25,660	\$ 72.09	\$ 831,185
	Hydro	32,192	0	\$ -	\$ -
	Wind	58,315	0	\$ -	\$ 2,898,552
	SYSTEM	2,780,702			\$ 60,404,982
July	Coal	2,115,516	1,242,736	\$ 1.99	\$ 44,707,553
	Gas/Prop.	711,515	6,684,868	\$ 3.02	\$ 16,115,569
	Oil	0	0	\$ -	\$ -
	Wood	12,762	25,993	\$ 72.09	\$ 920,047
	Hydro	24,715	0	\$ -	\$ -
	Wind	33,354	0	\$ -	\$ 1,559,148
	SYSTEM	2,897,862			\$ 63,302,317

**2018
 GENERATION BY FUEL TYPE**

	<u>Fuel Type</u>	<u>MWh</u>	<u>Quantity(1)</u>	<u>\$/MBtu (2)</u>	<u>Total Cost (2)</u>
August	Coal	2,257,126	1,329,856	\$ 1.98	\$ 47,357,627
	Gas/Prop.	632,239	5,480,457	\$ 3.04	\$ 13,491,535
	Oil	0	0	\$ -	\$ -
	Wood	13,761	29,550	\$ 72.09	\$ 992,050
	Hydro	20,329	0	\$ -	\$ -
	Wind	34,328	0	\$ -	\$ 1,674,355
	SYSTEM	2,957,783			\$ 63,515,567
September	Coal	1,678,456	1,013,509	\$ 1.97	\$ 35,086,567
	Gas/Prop.	413,302	3,695,967	\$ 3.12	\$ 9,065,911
	Oil	0	0	\$ -	\$ -
	Wood	3,040	6,608	\$ 72.09	\$ 219,169
	Hydro	22,946	0	\$ -	\$ -
	Wind	49,657	0	\$ -	\$ 2,253,777
	SYSTEM	2,167,401			\$ 46,625,425
October	Coal	1,015,345	622,382	\$ 2.00	\$ 21,740,556
	Gas/Prop.	237,811	2,749,338	\$ 3.43	\$ 6,292,159
	Oil	0	0	\$ -	\$ -
	Wood	6,969	15,789	\$ 72.09	\$ 502,389
	Hydro	24,753	0	\$ -	\$ -
	Wind	71,033	0	\$ -	\$ 3,062,941
	SYSTEM	1,355,911			\$ 31,598,044
November	Coal	1,384,816	841,346	\$ 1.99	\$ 29,357,746
	Gas/Prop.	249,099	3,065,553	\$ 3.65	\$ 7,478,057
	Oil	0	0	\$ -	\$ -
	Wood	11,356	25,399	\$ 72.09	\$ 818,670
	Hydro	27,377	0	\$ -	\$ -
	Wind	74,054	0	\$ -	\$ 3,247,271
	SYSTEM	1,746,702			\$ 40,901,745
December	Coal	2,142,536	1,255,180	\$ 2.02	\$ 45,844,719
	Gas/Prop.	481,837	4,805,683	\$ 3.43	\$ 12,969,100
	Oil	0	0	\$ -	\$ -
	Wood	13,826	29,633	\$ 72.09	\$ 996,748
	Hydro	31,798	0	\$ -	\$ -
	Wind	68,380	0	\$ -	\$ 3,111,694
	SYSTEM	2,738,379			\$ 62,922,262
Total	Coal	20,652,954	12,252,794	\$ 1.99	\$ 436,994,805
	Gas/Prop.	5,519,942	53,744,820	\$ 3.35	\$ 139,377,190
	Oil	0	0	\$ -	\$ -
	Wood	127,369	278,422	\$ 72.09	\$ 9,182,060
	Hydro	342,420	0	\$ -	\$ -
	Wind	786,689	0	\$ -	\$ 36,530,959
	SYSTEM	27,429,375	66,276,036		\$ 622,085,013

(1) Fuel Units: Coal- Tons; Gas CF; Oil-Gallons,Wood-Tons
 (2) Gas/Prop. cost and \$/Mbtu do not include fixed gas pipeline costs

CAPACITY AND RESERVE REQUIREMENTS
 FOR PEAK MONTH JULY 2018

<u>Line No.</u>	<u>Description</u>	<u>2018 (MW)</u>
1	Demand (a)	5,520
2	Capacity Sales Including Reserves	██████████
3	Minimum Reserve Requirement (b)	441
4	Demand w/Reserves (1 + 2 + 3)	██████████
5	Company Generation	3,707
6	Company Leased Capacity (c)	2,136
7	Committed Long-term Capacity Purchases	
8	Appleton Hydro	██████████
9	LSP-Whitewater	██████████
10	NextEra Energy Point Beach, LLC (Point Beach PPA)	██████████
11	Total Committed Capacity Purchases	██████████
12	Load Management	318
13	Total Resources (5 + 6 + 11 + 12)	<u>7,396</u>
14	Capacity above/(below) Minimum Reserve Requirement -	
15	Long-Term Capacity Purchases (13 - 4)	██████████
16	Capacity Sales Excluding Reserves	██████████
17	Total Capacity above/(below) Minimum Reserve Requirement (15 - 16)	<u>756</u>
18	Notes:	
19	(a) Based on 8/30/2016 System Demand Forecast including mine load	
20	(b) Minimum Planning reserves at 7.8% based on MISO 2016 LOLE Study Report	
21	(c) The Company leases the Port Washington Generating Station and Elm Road from WE Power.	

WISCONSIN ELECTRIC POWER COMPANY

Case No.: U-18407
 Exhibit A-10 (MMC-4)
 Witness: Meghan M. Count
 Date: September 2017
 Page: 1 of 2

*****CONFIDENTIAL*****
Power Purchase Agreements

Supplier	2018 During Year	MW	2018 CAPACITY \$	\$/kw -mo	MWh	2018 ENERGY \$	\$/MWh	Total Capacity and Energy \$
<u>Long-term Capacity & Energy Agreements (1)</u>								
LS Power Whitewater LP	12 Months							
Existing and System Wide Renewable Energy	12 Months							
Total Long-Term Capacity & Energy Agreements								
NextEra Energy Point Beach, LLC								
Net Energy Purchase from MISO Market (Net of energy sales)								
Total Purchase Power Costs \$								
Auxiliary Load Cost								\$ 6,228,208
RSG - Make Whole Payments-								\$ (3,645,893)
MISO Market Other Costs/Revenues								\$ (4,204,641)
MISO Ancillary Services Market Costs/Revenues								\$ 3,528,523
Total Purchases \$								
Total Purchase Power Costs \$/MWh								\$ 48.72

(1) Agreements under contract or planned

WISCONSIN ELECTRIC POWER COMPANY

Case No.: U-18407
 Exhibit A-10 (MMC-4)
 Witness: Meghan M. Count
 Date: September 2017
 Page: 2 of 2

*****CONFIDENTIAL*****
Sales Agreements

BUYER	Duration During Year	2018 CAPACITY		MWh	2018 ENERGY		Total Capacity and Energy \$
		July MW	\$ /kW -mo		\$	\$/MWh	
Capacity Sale Contracts							
Contract A	[REDACTED]						[REDACTED]
Contract B	[REDACTED]						[REDACTED]
Contract C	[REDACTED]						[REDACTED]
Contract D	[REDACTED]						[REDACTED]
Total Capacity Sales Contracts							
	[REDACTED]						[REDACTED]
Net Energy Sales to MISO (Net of energy purchases)				10,636,973	\$ 255,769,764	\$	255,769,764
MISO Market Other Costs/Revenues						\$	-
MISO Ancillary Services Market Costs/Revenues						\$	9,057,391
Montfort	[REDACTED]						[REDACTED]
Total Sales \$	[REDACTED]						[REDACTED]
Total Sales \$/MWh						\$	26.10

WISCONSIN ELECTRIC POWER COMPANY

COAL PRICING

2018

<u>Plant</u>	<u>2018 As-Burned Price \$/Mmbtu</u>
Oak Creek	\$ 2.100
Pleasant Prairie	\$ 1.860
Elm Road	\$ 2.230
Presque Isle	\$ 2.420

ANNUAL INTERCHANGE PURCHASES FOR 2018 - 2022

Dollars in (000)

<u>DESCRIPTION</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Firm Purchases - Specific					
LSP Whitewater LP					
GWh					
Total Cost					
Existing and System Wide Renewable Energy					
GWh	590	590	591	559	559
Total Cost	\$ 23,342	\$ 23,456	\$ 23,978	\$ 22,580	\$ 23,447
Net Purchases from MISO Market					
GWh	135	101	80	44	33
Total Cost	\$ 4,699	\$ 3,870	\$ 3,306	\$ 1,786	\$ 1,643
Aux Load cost	\$ 6,228	\$ 6,357	\$ 6,801	\$ 7,043	\$ 7,543
NextEra Energy Point Beach, LLC					
GWh					
Total Cost					
MISO Make Whole Payments- \$	\$ (3,646)	\$ (4,341)	\$ (100)	\$ (4,445)	\$ (4,016)
MISO Energy Market Costs/Revenues - \$	\$ (4,205)	\$ (4,318)	\$ (4,343)	\$ (4,347)	\$ (6,189)
MISO - Ancillary Services Market \$	\$ 3,529	\$ 3,529	\$ 3,529	\$ 3,529	\$ 3,529
Incremental Market-Priced Tariff Energy & EFT					
GWh	(740)	(774)	(795)	(795)	(795)
Total Cost	\$ (18,619)	\$ (19,822)	\$ (21,673)	\$ (22,376)	\$ (23,749)
Other Purchases (CGS non-renewable)					
GWH	11	11	11	11	11
Cost	\$ 241	\$ 241	\$ 241	\$ 241	\$ 241
Total Purchases					
GWh	10,015	10,136	10,227	10,228	10,090
Total Cost	\$ 485,757	\$ 512,558	\$ 548,950	\$ 575,058	\$ 598,515

ANNUAL INTERCHANGE SALES FOR 2018 - 2022

Dollars in (000)

<u>DESCRIPTION</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Non-firm Sales					
Net MISO Sales Transactions					
GWh	(10,637)	(13,610)	(12,674)	(14,991)	(13,549)
Total Cost	\$ (264,827) \$	(346,586) \$	(347,481) \$	(421,430) \$	(417,540)
Montfort					
GWh					
Total Sales					
Capacity Sales					
Contracted - \$					
Undesignated - \$					
Total Capacity Sales					
Total Sales					
GWh	(10,646)	(13,619)	(12,683)	(15,000)	(13,549)
Total Sales	\$ (277,877) \$	(364,238) \$	(355,303) \$	(422,547) \$	(417,540)

WISCONSIN ELECTRIC POWER COMPANY
Projected MWH, Fuel, and Purchase Energy Expense

For Year 2018

<u>PLANT</u>	<u>FUEL</u>	<u>GWH</u>	<u>GBTU</u>	<u>Cost</u> (\$000)	<u>\$/MWh</u>	<u>\$/MMBTU</u>
Oak Creek 5-8	Coal	5,351	52,388	\$ 109,764	\$ 20.51	2.10
Elm Road Generating Station 1-2	Coal	6,398	58,150	\$ 129,735	\$ 20.28	2.23
Port Washington 1-2	Gas	5,214	36,485	\$ 117,416	\$ 22.52	3.22
Valley Unit 1-2	Gas	252	4,472	\$ 18,721	\$ 74.21	4.19
Pleasant Prairie 1-2	Coal	7,141	78,924	\$ 146,466	\$ 20.51	1.86
Presque Isle 5-9	Coal	1,763	21,115	\$ 51,029	\$ 28.94	2.42
Combustion Turbine	Gas	54	708	\$ 3,240	\$ 60.06	4.58
Hydro		342	0	\$ -	\$ -	-
Wind Generation BSGF		326	0	\$ -	\$ -	-
System Wide Renewable Resources (Wind)		461	0	\$ 36,531	\$ 72.09	-
System Wide Renewable Resources (Wood)		127	2,759	\$ 9,182	\$ 72.09	3.33
TOTAL GENERATION		27,429	255,000	\$ 622,085	\$ 22.68	2.44
Purchase Energy		10,165		\$ 459,760	\$ 45.23	
Existing and System-Wide Renewable Energy Purchases		590		\$ 23,342	\$ 39.56	
Auxiliary Load cost				\$ 6,228		
Purchase Capacity				\$ 19,368		
Open Market (MISO costs)				\$ (7,851)		
Ancillary Services Market				\$ 3,529		
Incremental Market-Priced Tariff Energy		(740)		\$ (18,619)	\$ 25.16	
Sales Energy		(10,646)		\$ (265,679)	\$ 24.96	
Sales Capacity				\$ (12,198)		
NET OUTPUT		26,798.50		\$ 829,965	\$ 30.97	
Non-Network Transmission Service				\$ 99,786		
Network Transmission Service				\$ 259,196		
Other Adjustments		0		\$ -		
TOTAL POWER SUPPLY COSTS		26,798		\$ 1,188,947	\$ 44.37	

WISCONSIN ELECTRIC POWER COMPANY
Projected MWH, Fuel, and Purchase Energy Expense

For Year 2019

<u>PLANT</u>	<u>FUEL</u>	<u>GWH</u>	<u>GBTU</u>	<u>Cost</u> (\$000)	<u>\$/MWh</u>	<u>\$/MMBTU</u>
Oak Creek 5-8	Coal	5,495	53,901	\$ 118,493	\$ 21.56	2.20
Elm Road Generating Station 1-2	Coal	6,672	60,610	\$ 143,195	\$ 21.46	2.36
Port Washington 1-2	Gas	6,706	46,275	\$ 137,228	\$ 20.46	2.97
Valley Unit 1-2	Gas	510	7,920	\$ 26,517	\$ 51.96	3.35
Pleasant Prairie 1-2	Coal	7,678	85,065	\$ 164,367	\$ 21.41	1.93
Presque Isle 5-9	Coal	1,706	20,492	\$ 51,460	\$ 30.16	2.51
Combustion Turbine	Gas	113	1,477	\$ 5,356	\$ 47.21	3.63
Hydro		343	0	\$ -	\$ -	-
Wind Generation BSGF		326	0	\$ -	\$ -	-
System Wide Renewable Resources (Wind)		461	0	\$ 36,614	\$ 79.49	-
System Wide Renewable Resources (Wood)		127	2,756	\$ 9,314	\$ 73.46	3.38
TOTAL GENERATION		30,137	278,496	\$ 692,544	\$ 22.98	2.49
Purchase Energy		10,320		\$ 487,432	\$ 47.23	
Existing and System-Wide Renewable Energy Purchases		590		\$ 23,456	\$ 39.78	
Auxiliary Load cost				\$ 6,357		
Purchase Capacity				\$ 20,265		
Open Market (MISO costs)				\$ (8,659)		
Ancillary Services Market				\$ 3,529		
Incremental Market-Priced Tariff Energy		(774)		\$ (19,822)	\$ 25.63	
Sales Energy		(13,619)		\$ (347,466)	\$ 25.51	
Sales Capacity				\$ (16,772)		
NET OUTPUT		26,654.11		\$ 840,864	\$ 31.55	
Non-Network Transmission Service				\$ 109,626		
Network Transmission Service				\$ 266,519		
Other Adjustments		0		\$ -		
TOTAL POWER SUPPLY COSTS		26,654		\$ 1,217,009	\$ 45.66	

WISCONSIN ELECTRIC POWER COMPANY
Projected MWH, Fuel, and Purchase Energy Expense

For Year 2020

<u>PLANT</u>	<u>FUEL</u>	<u>GWH</u>	<u>GBTU</u>	<u>Cost</u> (\$000)	<u>\$/MWh</u>	<u>\$/MMBTU</u>
Oak Creek 5-8	Coal	5,274	51,716	\$ 116,906	\$ 22.16	2.26
Elm Road Generating Station 1-2	Coal	6,378	57,983	\$ 141,492	\$ 22.18	2.44
Port Washington 1-2	Gas	6,547	44,945	\$ 135,104	\$ 20.64	3.01
Valley Unit 1-2	Gas	557	8,357	\$ 28,037	\$ 50.30	3.36
Pleasant Prairie 1-2	Coal	7,125	78,833	\$ 158,248	\$ 22.21	2.01
Presque Isle 5-9	Coal	1,723	20,695	\$ 53,820	\$ 31.23	2.60
Combustion Turbine	Gas	172	2,205	\$ 7,744	\$ 45.09	3.51
Hydro		342	0	\$ -	\$ -	-
Wind Generation BSGF		327	0	\$ -	\$ -	-
System Wide Renewable Resources (Wind)		463	0	\$ 36,859	\$ 79.61	-
System Wide Renewable Resources (Wood)		129	2,775	\$ 9,603	\$ 74.34	3.46
TOTAL GENERATION		29,039	267,510	\$ 687,814	\$ 23.69	2.57
Purchase Energy		10,431		\$ 519,508	\$ 49.80	
Existing and System-Wide Renewable Energy Purchases		591		\$ 23,978	\$ 40.59	
Auxiliary Load cost				\$ 6,801		
Purchase Capacity				\$ 21,251		
Open Market (MISO costs)				\$ (4,443)		
Ancillary Services Market				\$ 3,529		
Incremental Market-Priced Tariff Energy		(795)		\$ (21,673)	\$ 27.25	
Sales Energy		(12,683)		\$ (348,391)	\$ 27.47	
Sales Capacity				\$ (6,912)		
NET OUTPUT		26,583.31		\$ 881,461	\$ 33.16	
Non-Network Transmission Service				\$ 114,957		
Network Transmission Service				\$ 279,216		
Other Adjustments		0		\$ -		
TOTAL POWER SUPPLY COSTS		26,583		\$ 1,275,634	\$ 47.99	

WISCONSIN ELECTRIC POWER COMPANY
Projected MWH, Fuel, and Purchase Energy Expense

For Year 2021

<u>PLANT</u>	<u>FUEL</u>	<u>GWH</u>	<u>GBTU</u>	<u>Cost</u> (\$000)	<u>\$/MWh</u>	<u>\$/MMBTU</u>
Oak Creek 5-8	Coal	5,477	53,740	\$ 125,451	\$ 22.90	2.33
Elm Road Generating Station 1-2	Coal	6,662	60,550	\$ 152,083	\$ 22.83	2.51
Port Washington 1-2	Gas	7,286	49,938	\$ 150,989	\$ 20.72	3.02
Valley Unit 1-2	Gas	652	9,492	\$ 31,388	\$ 48.15	3.31
Pleasant Prairie 1-2	Coal	7,868	86,943	\$ 180,319	\$ 22.92	2.07
Presque Isle 5-9	Coal	1,721	20,652	\$ 55,305	\$ 32.14	2.68
Combustion Turbine	Gas	195	2,508	\$ 8,895	\$ 45.66	3.55
Hydro		343	0	\$ -	\$ -	-
Wind Generation BSGF		326	0	\$ -	\$ -	-
System Wide Renewable Resources (Wind)		461	0	\$ 36,753	\$ 79.79	-
System Wide Renewable Resources (Wood)		133	2,819	\$ 10,041	\$ 75.75	3.56
TOTAL GENERATION		31,122	286,642	\$ 751,224	\$ 24.14	2.62
Purchase Energy		10,464		\$ 550,835	\$ 52.64	
Existing and System-Wide Renewable Energy Purchases		559		\$ 22,580	\$ 40.42	
Auxiliary Load cost				\$ 7,043		
Purchase Capacity				\$ 22,239		
Open Market (MISO costs)				\$ (8,793)		
Ancillary Services Market				\$ 3,529		
Incremental Market-Priced Tariff Energy		(795)		\$ (22,376)	\$ 28.14	
Sales Energy		(15,000)		\$ (422,341)	\$ 28.16	
Sales Capacity				\$ (206)		
NET OUTPUT		26,349.79		\$ 903,735	\$ 34.30	
Non-Network Transmission Service				\$ 115,295		
Network Transmission Service				\$ 285,909		
Other Adjustments		0		\$ -		
TOTAL POWER SUPPLY COSTS		26,350		\$ 1,304,939	\$ 49.52	

WISCONSIN ELECTRIC POWER COMPANY
Projected MWH, Fuel, and Purchase Energy Expense

For Year 2022

<u>PLANT</u>	<u>FUEL</u>	<u>GWH</u>	<u>GBTU</u>	<u>Cost</u> (\$000)	<u>\$/MWh</u>	<u>\$/MMBTU</u>
Oak Creek 5-8	Coal	5,215	51,159	\$ 123,119	\$ 23.61	2.41
Elm Road Generating Station 1-2	Coal	6,353	57,735	\$ 149,212	\$ 23.49	2.58
Port Washington 1-2	Gas	6,753	46,168	\$ 142,976	\$ 21.17	3.10
Valley Unit 1-2	Gas	673	9,646	\$ 32,471	\$ 48.28	3.37
Pleasant Prairie 1-2	Coal	7,289	80,364	\$ 171,802	\$ 23.57	2.14
Presque Isle 5-9	Coal	1,749	20,975	\$ 57,373	\$ 32.80	2.74
Combustion Turbine	Gas	255	3,265	\$ 11,968	\$ 46.89	3.67
Hydro		343	0	\$ -	-	-
Wind Generation BSGF		326	0	\$ -	-	-
System Wide Renewable Resources (Wind)		461	0	\$ 36,845	\$ 79.99	-
System Wide Renewable Resources (Wood)		138	2,863	\$ 10,685	\$ 77.26	3.73
TOTAL GENERATION		29,555	272,176	\$ 736,452	\$ 24.92	2.71
Purchase Energy		10,326		\$ 575,629	\$ 55.74	
Existing and System-Wide Renewable Energy Purchases		559		\$ 23,447	\$ 41.98	
Auxiliary Load cost				\$ 7,543		
Purchase Capacity				\$ 22,322		
Open Market (MISO costs)				\$ (10,206)		
Ancillary Services Market				\$ 3,529		
Incremental Market-Priced Tariff Energy		(795)		\$ (23,749)	\$ 29.86	
Sales Energy		(13,558)		\$ (418,451)	\$ 30.86	
Sales Capacity				\$ -		
NET OUTPUT		26,086.91		\$ 916,516	\$ 35.13	
Non-Network Transmission Service				\$ 117,619		
Network Transmission Service				\$ 291,627		
Other Adjustments		0		\$ -		
TOTAL POWER SUPPLY COSTS		26,087		\$ 1,325,762	\$ 50.82	

CAPACITY AND RESERVE REQUIREMENTS
 FOR PEAK MONTH 2018 - 2022

<u>Line No.</u>	<u>Description</u>	<u>2018</u> (MW)	<u>2019</u> (MW)	<u>2020</u> (MW)	<u>2021</u> (MW)	<u>2022</u> (MW)
1	Demand (a)	5,520	5,289	5,296	5,478	5,308
2	Capacity Sales Including Reserves					
3	Minimum Reserve Requirement (b)	441	423	423	434	416
4	Demand w/Reserves (1 + 2 + 3)					
5	Company Generation (d)	3,706	3,706	3,706	3,706	3,706
6	Company Leased Capacity (c) (d)	2,136	2,136	2,136	2,136	2,136
7	Total Committed Capacity Purchases					
8	Load Management	318	139	139	139	139
9	Total Resources (5 + 6 + 7 + 8)	<u>7,396</u>	<u>7,216</u>	<u>7,216</u>	<u>7,216</u>	<u>7,216</u>
10	Capacity above/(below) Minimum Reserve Requirement - Long-Term Capacity Purchases (8 - 4)					
11	Capacity Sales Excluding Reserves					
12	Total Capacity above/(below) Minimum Reserve Requirement (9 - 10)					

- 13 Notes:
 14 (a) Based on 8/30/2016 System Demand Forecast including mine load
 15 (b) Minimum UCAP Planning reserves at 7.8% based on MISO 2016 LOLE Study Report
 16 (c) The Company leases the Port Washington Generating Station and Elm Road from WE Power.
 17 (d) All generation capacity is UCAP

WISCONSIN ELECTRIC POWER COMPANY

**Total WE-Owned/Operated Capacity
 FOR PEAK MONTH 2018 - 2022**

<u>Line No.</u>	<u>Plant</u>	<u>2018</u> (MW)	<u>2019</u> (MW)	<u>2020</u> (MW)	<u>2021</u> (MW)	<u>2022</u> (MW)
1	Oak Creek 5-8	995	995	995	995	995
2	Valley 1-2	240	240	240	240	240
3	Pleasant Prairie 1-2	1,188	1,188	1,188	1,188	1,188
4	Presque Isle 5-9	358	358	358	358	358
5	Germantown 1-5	278	278	278	278	278
6	Concord 1-4	354	354	354	354	354
7	Paris 1-4	358	358	358	358	358
8	Other Combustion Turbines	-	-	-	-	-
9	Solar	-	-	-	-	-
10	Biomass	49	49	49	49	49
11	Hydro	42	42	42	42	42
12	Wind	45	45	45	45	45
13	Total WE-Owned Capacity	<u>3,907</u>	<u>3,907</u>	<u>3,907</u>	<u>3,907</u>	<u>3,907</u>
15	PTF Leased Units					
16	Port Washington Generating Station 1-2	1,140	1,140	1,140	1,140	1,140
17	Elm Road Generating Station	1,057	1,057	1,057	1,057	1,057
18	Total WE-Owned/Leased Operated Capacity	<u>6,103</u>	<u>6,103</u>	<u>6,103</u>	<u>6,103</u>	<u>6,103</u>

19 No generating unit limitations, Upgrades or retirements are assumed in the 2018 through 2022 time period.
 20 All generation capacity is UCAP

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
WISCONSIN ELECTRIC POWER COMPANY)	
d/b/a We Energies for approval of a power)	
supply cost recovery plan and authorization)	Case No. U-18407
of monthly power supply cost recovery factors)	
<u>for the calendar year 2018.</u>)	

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

Wisconsin Electric Power Company (“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 the public in service areas located in the Upper Peninsula, including the Counties of Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee, and Ontonagon.

2. Wisconsin Electric requests a Protective Order to protect confidential information identified in its pre-filed exhibits, including, but not limited to: (1) Exhibits A-2 (JRG-2) and A-3 (CMK-3), which reflect confidential projected sales for its only customer, Tilden Mining

Company L.C.; (2) Exhibit A-7 (MMC-1), which reflects the confidential projected monthly output and fuel cost for each generating facility on the Wisconsin Electric system for the 2018 PSCR Plan year; (3) Exhibit A-10 (MMC-4), which reflects confidential sales agreement estimates for the 2018 PSCR Plan year; (4) Exhibit A-12 (MMC-6) which contains confidential information on annual interchange sales; (5) Exhibits A-9 (MMC-3) and A-14 (MMC-8) containing confidential information on the Company's capacity and reserve requirements; and (6) any testimony discussing these items. Additional confidential information may be provided in discovery or filed in this docket. 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, excepts 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), and 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. The documentation which is identified in paragraph 2 herein, contains confidential customer information and information which if publicly disclosed would result in a 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 over who have control of 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 also provides that materials which Wisconsin Electric contends are confidential will be marked as “Protected Material.” 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-18407, because all will continue to have full access to the confidential information.

WHEREFORE, for the reasons states 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: September 29, 2017

By: _____
Its Attorney
Michael C. Rampe (P58189)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 487-2070

Attorney for Wisconsin Electric Power Company

29911374.1\130071-00092

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY)
d/b/a We Energies for approval of a power)
supply cost recovery plan and authorization) Case No. U-18407
of monthly power supply cost recovery factors)
for the calendar year 2018.)

PROTECTIVE ORDER

This Protective Order governs the use and disposition of Protected Material (as defined herein) disclosed by Wisconsin Electric Power Company (“Wisconsin Electric”) or any other Party (as defined below) in this case, as set forth herein. The intent of this Protective Order is to protect non-public confidential information and materials, which information and materials contain confidential, proprietary, or commercially sensitive information, and confidential customer information, including confidential information provided in discovery, and any witness’s related testimony and exhibits and arguments of counsel referring to such confidential information (“Protected Material”). This Protective Order describes the manner in which Protected Material is to be identified and treated, and governs its ultimate disposition. Accordingly, IT IS HEREBY ORDERED:

1. This Protective Order shall govern the use of all Protected Material, so identified in paragraph 2 and marked as required by Paragraph 11, that is filed in this case on a confidential basis and/or made available for review, or produced, by or on behalf of any Party to any Party, Reviewing Representative, the Administrative Law Judge (“ALJ”) assigned to this case, or members of the Michigan Public Service Commission (“MPSC”) assigned to assist the MPSC in

Case No. U-18407. Protected Material shall be used and disclosed by the recipient thereof solely in accordance with the terms and conditions of this Protective Order.

2. This Protective Order protects: (1) the Protected Material; (2) any copy or reproduction of the Protected Material made by any person; and (3) any memoranda, handwritten notes, or any other form of information that copies, contains or discloses Protected Material. This Protective Order protects not only the documents described in the preceding paragraph herein, but also protects from disclosure the information contained therein in any form including, but not limited to, affidavits, testimony, exhibits, workpapers, studies, discovery inquiries and responses, and all other data and documentation to the extent provided to the parties or filed with the MPSC in connection with these proceedings.

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

- a. Information lawfully known by the Party or Reviewing Representative at the time of disclosure that is not subject to a confidentiality agreement or arrangement; and
- b. Information that is or becomes available to the general public through no fault of a Party or Reviewing Representative.

4. "Party" shall mean any party to this proceeding, including the Staff and Attorney General, who produces, requests or receives access to the Protected Material, subject to the requirement that each Reviewing Representative must sign a Nondisclosure Certificate.

5. "Reviewing Representative" shall mean a person who has signed a Nondisclosure Certificate and who is:

- a. an attorney who has entered an appearance in this proceeding for a Party;

- b. an attorney, paralegal, or other employee associated for purposes of this case with an attorney described in Paragraph 5a;
- c. an expert or employee of an expert retained by a Party for purposes of advising, preparing for, or testifying in this proceeding; or
- d. an employee or other representative of a Party with significant responsibility for this docket.

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

6. “Nondisclosure Certificate” shall mean a certificate substantially in the form of the certificate attached to this Protective Order by which a Reviewing Representative who has been granted access to Protected Material certifies his or her understanding that such access is provided pursuant to the terms of this Protective Order and that he or she agrees to be bound by it.

7. A Party may authorize access to and use of Protected Material by a Reviewing Representative identified by the Party as being necessary in order to analyze the Protected Material, including consultants employed by the Party, but only for the purposes of analyzing the issues, presenting evidence, and preparing testimony, cross-examination, argument, pleadings, briefs, exceptions or other motions or filings in Case No. U-18407. Such persons may not release or disclose the content of Protected Material to any other person or use such information for any other purpose.

8. All persons authorized to review Protected Material, including copies or reproductions, and copies of notes of Protected Material, must, before reviewing any Protected Material, sign a copy of the Nondisclosure Certificate, which evidences an agreement by such

person to be bound by the terms of this Protective Order. A copy of the executed Nondisclosure Certificate shall be provided to all Parties.

9. Protected Material shall remain the property of the producing Party and shall only remain available to the Party until no later than the conclusion of any appeal of any final order issued in this Case No. U-18407. A Party in Case No. U-18407 who has signed a Nondisclosure Certificate and who is participating in an appeal from a final order in this Case No. U-18407 may retain copies of Protected Material until the date the final order in this Case No. U-18407 is no longer subject to judicial review. On or before the date specified by the preceding sentence, with the exception of the provision made in the second to the last sentence of this paragraph, the Party shall return all Protected Material in its possession or in the possession of its Reviewing Representatives, including all copies thereof and notes of Protected Material or certify in writing that the Protected Material has been destroyed. The Party shall submit to the producing Party written certification stating that all Protected Material and all copies thereof and all notes of Protected Material in its possession, care, custody or control have been returned or destroyed. Notwithstanding, the attorney for a Party may retain copies of non-public pleadings, orders, transcripts, briefs, comment, and exhibits, which contain Protected Material in Case No. U-18407; provided, a list of retained documents, which identifies the documents containing the Protected Materials, is given to the producing Party within 30 days from the date on which the final order in Case No. U-18407 is no longer subject to judicial review. To the extent Protected Material is not returned by a Party or destroyed pursuant to this Protective Order, it shall remain subject to this Protective Order.

10. The Parties to Case No. U-18407 retain the right to seek further restrictions on the dissemination of Protected Material to Parties or to persons who have or may subsequently seek to intervene in this proceeding.

11. Protected Material made available by the producing Party shall be clearly marked as Protected Material subject to this Protective Order, including by labeling such items as “Confidential.” Any copies of Protected Material shall be physically designated as Protected Material by the Party or the person authorized by the Party to make the copy. Notes of Protected Material shall be physically marked as Protected Material by the person making the notes. All Protected Material in the possession of the Party shall be maintained in a secure place. Access to Protected Material shall be limited to persons authorized to have such access subject to the provisions of this Protective Order.

12. Even if no longer engaged or active in this proceeding, every person who has signed a Nondisclosure Certificate shall continue to be bound by the provisions of this Protective Order. The obligations under this Protective Order shall not be extinguished or nullified by entry of a final order in this case and shall be enforceable before the MPSC or in a court of competent jurisdiction.

13. If a Party with access to Protected Material desires to incorporate, utilize, refer to, or otherwise use Protected Material in pre-filed testimony, pleadings, direct or cross-examination, briefs, oral argument, comments or in some other form in this proceeding, such Party shall only do so pursuant to procedures that will maintain the confidentiality of the Protected Material. For purposes of this order, the following procedures are established:

- a. Written submissions using Protected Material shall be filed in a sealed record, to be maintained by the Docket Section of the MPSC in envelopes

clearly marked on the outside, “CONFIDENTIAL – SUBJECT TO PROTECTIVE ORDER ISSUED IN CASE NO. U-18407.”

Simultaneously, identical documents and materials, but with the Protected Material redacted, shall be filed, offered, introduced, or otherwise disclosed in the usual manner for the submissions of evidence or briefs.

- b. Furthermore, with regard to proceedings before the MPSC or presiding officers designated by it, oral testimony, examination of witnesses, or argument on the Protected Material shall be conducted on a separate record to be maintained by the Docket Section of the MPSC. These separate record proceedings shall be closed to all persons except those furnishing the Protected Material and Parties otherwise subject to this Protective Order. The Party presenting the information during the course of the proceeding shall advise the presiding officer receiving testimony of the terms of this Protective Order on sufficient notice to allow the presiding officer an opportunity to take measures within the presiding officer’s control to protect the confidentiality of the Protected Material, and suggest that a separate, protected record be made of all testimony concerning the protected information.
- c. Copies of documents filed with the MPSC that contain Protected Material, including the portions of the exhibits, transcripts, and brief that refer to Protected Material, must be sealed and maintained in the MPSC’s files with a copy of the Protective Order attached.

14. It is intended that the Protected Material subject to this Protective Order should be shielded from disclosure by the Party to the extent permitted by law. If any person files a Freedom of Information Act Request seeking access to documents subject to this Protective Order, the MPSC's Executive Secretary shall immediately notify the producing Party, and the producing Party may take whatever legal actions it deems appropriate to protect the Protected Material from disclosure. In accordance with Section 5 of the Freedom of Information Act, MCL 15.235, the notice must be given at least five days (5) business prior to the MPSC, its Staff, and/or Attorney General responding to the request. This Protective Order does not prohibit disclosure to the extent, but only to the extent, and for the purpose, but only for the purpose, that such disclosure is: (i) required by law; or (ii) in response to a valid order of a court of competent jurisdiction or governmental body; provided that in all instances above, the Party first provides reasonable written advance (at least five (5) business days prior) notice to the producing Party of the proposed disclosure.

15. The provisions of this Protective Order shall not apply to a particular document or portion of a document described in Paragraph 2 if a Party can demonstrate that it has been previously disclosed on a non-confidential basis or meets the criteria set forth in Paragraph 3a or 3b. Before disclosing a particular document or portion of a document described in Paragraph 2, however, the Party must first provide reasonable notice to the producing Party of its conclusion that the document or portion of a document is not subject to this Protective Order because of prior disclosure. The provisions of this Protective Order shall terminate as to the Protected Material described in Paragraph 2 to the extent that the content of such Protected Material are filed with a state, provincial or federal agency and are not subject to protection from public disclosure, or are otherwise lawfully disclosed.

16. If a Party violates this Order by an improper disclosure or use of Protected Material, then that Party shall take all necessary steps to remedy the improper disclosure or use. This includes immediately notifying the MPSC, the presiding officer, and the producing Party, in writing, of the identity of each person known or reasonably suspected to have obtained the Protected Material. Parties that violate this Protective Order remain subject to this paragraph regardless of whether the producing Party could have discovered the violation earlier than it was discovered. This paragraph of this Protective Order applies to both inadvertent and intentional violations. Nothing in this Protective Order limits the producing Party's rights and remedies, at law or in equity, against Parties or persons using Protected Material in a manner not authorized by this Protective Order, including the right to obtain injunctive relief to prevent violations of this Protective Order.

17. Upon motion filed by any Party to Case No. U-18407, the MPSC or any presiding officer designated by it may subsequently declare that the protected status of Protected Material should not be continued and immediately communicate that declaration to the producing Party. Thereafter, this Protective Order shall cease to apply to such Protected Material unless, within twenty-one (21) days, the producing Party files a pleading asserting that the information should continue to be protected and setting forth the basis for that assertion. The producing Party shall bear the burden of proving that the asserted Protected Material is entitled to continuing protection from disclosure. If the MPSC or presiding officer finds that an asserted Protected Material no longer qualifies for treatment as Protected Material, it shall remain subject to the protection afforded by this Protective Order for twenty-one (21) days following the issuance of the MPSC's order or the presiding officer's ruling.

18. The obligations of this Protective Order shall not apply if the Protected Material is approved for release by written authorization of the producing Party, but only to the extent of such authorization.

19. The ALJ and members of the MPSC assigned to assist the MPSC in Case No. U-18407 may review Protected Materials that are a part of confidential pleadings, and Protected Materials that are admitted into the record, for purposes of analyzing the issues, issuing rulings, preparing the proposal for decision, and issuing MPSC orders. Such persons may not release or disclose the Protected Material inconsistent with the terms and conditions of this Protective Order.

Dated: October ____, 2017

Administrative Law Judge

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY)
d/b/a We Energies for approval of a power)
supply cost recovery plan and authorization) Case No. U-18407
of monthly power supply cost recovery factors)
for the calendar year 2018.)

NONDISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Material is provided to me pursuant to the terms and restrictions of the Protective Order issued in Case No. U-18407, 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 am aware that the Joint Applicants and any other producing Party assert that Protected Material, as defined in the Protective Order, includes information that is confidential, proprietary, and commercially sensitive. I understand that the substance of the Protected Material, any notes or other memoranda, or any other form of information that copies or discloses Protected Material, shall be maintained as confidential, shall not be disclosed to anyone other than in accordance with that Protective Order, and shall not be used for any purpose other than in connection with Michigan Public Service Commission Case No. U-18407.

Reviewing Representative

Date: _____

Title:
Representing:

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: _____

Save Form

EAHR1 - 09/29/2016