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March 26, 2019

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

Re: Wisconsin Electric Power Company  
2018 PSCR Reconciliation  
Case No. U-20207

Dear Ms. Kale:

Enclosed for electronic filing are the following:

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

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

Very truly yours,

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

By: \_\_\_\_\_  
Sherri A. Wellman

SAW/kf  
Enclosures  
cc w/enc: John G. Guntlisbergen  
Dennis M. Derrick  
Ted Eidukas  
Koby Bailey  
Rich Stasik

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>WISCONSIN ELECTRIC POWER COMPANY</b>	)	Case No. U-20207
for reconciliation of its power supply cost recovery	)	
<u>plan for the 12-month period ended December 31, 2018.</u>	)	

**APPLICATION**

WISCONSIN ELECTRIC POWER COMPANY d/b/a We Energies (“Wisconsin Electric”) requests the Michigan Public Service Commission (“Commission”) to approve the reconciliation of Wisconsin Electric’s power supply costs and revenues pursuant to 1982 PA 304 (“Act 304”) for the 12-month period January 2018 through December 2018, and represents to the Commission as follows:

1. Wisconsin Electric is a public service corporation organized under the laws of Wisconsin with its principal offices located in Milwaukee, Wisconsin, and is engaged primarily in public utility operations. Wisconsin Electric is also authorized to do business in Michigan.

2. Wisconsin Electric’s retail electric business in Michigan is subject to the Commission’s jurisdiction pursuant to 1909 PA 106, as amended, MCL 460.551 *et seq.*; 1909 PA 300, as amended, MCL 462.2 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; and 1939 PA 3, as amended, MCL 460.1 *et seq.*

3. Incorporated in Wisconsin Electric’s rate schedules is a PSCR clause as authorized by the Commission pursuant to Section 6j(2) of Act 304 in its Opinion and Order, dated March 20, 1984, in Case No. U-7635.

4. For the twelve months of 2018, Wisconsin Electric’s only PSCR customer was Tilden. On January 1, 2017, pursuant to a Settlement Agreement approved by the Commission

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

5. The 12-month reconciliation of Wisconsin Electric’s power supply costs and revenues for 2018 results in a 2018 under-recovery of \$603,536. Wisconsin Electric’s 2017 reconciliation that was approved by the Commission’s November 8, 2018 Order in Case No. U-20073 was an over-recovery amount (including interest during the 2017 plan year) of \$722,066. These amounts, with interest of \$124,425, result in an amount to be reconciled in this proceeding of a net over-recovery of \$242,955.

6. In its August 21, 2007 Order in MPSC Case No. U-14707-R, the Commission authorized Wisconsin Electric to implement, beginning in its 2008 PSCR plan, a roll-in methodology to implement the then projected reconciliation refund/surcharge. Pursuant to such Order, Wisconsin Electric requests to roll its 2018 net over-recovery into its 2019 PSCR reconciliation.

WHEREFORE, Wisconsin Electric Power Company requests that this Commission:

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

B. Find and determine that the power supply costs incurred by Wisconsin Electric during 2018, as included in this reconciliation, were reasonably and prudently incurred;

C. Find and determine that Wisconsin Electric's net over-recovery of \$242,955, as of December 31, 2018 should be rolled into its 2019 PSCR reconciliation case; and

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

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY

Dated: March 26, 2019

By: \_\_\_\_\_

Its Attorney  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK  
AND STONE, P.L.C.  
One Michigan Avenue, Suite 900  
Lansing, MI 48933  
(517) 487-2070

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

\* \* \* \* \*

In the matter of the application of )  
**WISCONSIN ELECTRIC POWER COMPANY** ) Case No. U-20207  
for reconciliation of its power supply cost recovery )  
plan for the 12-month period ended December 31, 2018. )

**DIRECT TESTIMONY AND EXHIBITS OF**

**JOHN G. GUNT LISBERGEN**

**ON BEHALF OF**

**WISCONSIN ELECTRIC POWER COMPANY**

March 2019

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

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

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

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

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**Q. Have you testified before a regulatory agency?**

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

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

A. The purpose of my testimony is to (i) support the reconciliation of Wisconsin Electric's actual power supply costs to the revenues it collected pursuant to its authorized base rates and PSCR factors for the 12-month period ended December 31, 2018; (ii) provide an explanation of outages lasting 14 days or longer; and (iii) provide a comparison of the Elm Road Generating Station ("ERGS") 2018 equivalent availability factor ("EAF") as compared to the most recent five-year industry average EAF.

**Q. Are you sponsoring any exhibits?**

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

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

A. Yes, they were.

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

1 A. Exhibit A-1 (JGG-1) details the Wisconsin Electric 2018 reconciliation calculations,  
2 including interest calculations, prepared in a manner consistent with the December 19,  
3 2013 Order approving Wisconsin Electric’s 2011 PSCR reconciliation in Case No. U-  
4 16424-R. Page 1 compares 2018 actual PSCR costs with projected PSCR costs as  
5 approved in the May 17, 2018 Order Approving Settlement Agreement in the 2018 PSCR  
6 Plan in MPSC Case No. U-18407.  
7 Page 2, which is confidential, details the calculation of PSCR revenue as well as PSCR  
8 costs, interest, and over/(under) recovery for the months of January through December  
9 2018, resulting in a net over-recovery of \$242,955 for the reconciliation period.  
10 Page 3 details the Total System Costs for Recovery and the associated Total Net System  
11 Requirements by month. The Total System Costs and Total Net System Requirements  
12 are used to develop the monthly average cost per MWh as adjusted for line losses. The  
13 monthly average cost per MWh is used on Page 2 (line 12) to calculate the costs  
14 attributable to the sales.

15  
16 **Q. Is the prior year’s balance, as stated on Page 2, line 18, the same as the settled**  
17 **amount in the 2017 PSCR Reconciliation in Case No. U-20073?**

18 A. Yes. Wisconsin Electric’s portion of the total 2017 PSCR over-recovered amount,  
19 including interest, is \$722,066, as approved in the 2017 PSCR Reconciliation in Case No.  
20 U-20073.

21  
22 **Q. Please describe in more detail the over-recovery experienced by Wisconsin Electric**  
23 **for the 12-month period ending December 31, 2018.**



1 A. Wisconsin Electric attempted to reduce its over-recovery through its 2018 PSCR factors,  
2 which included implementing negative PSCR factors during the year. As a result, the  
3 Company experienced an under-recovery of the 2018 PSCR costs in the amount of  
4 \$603,536, as shown on Page 2 of Exhibit A-1 (JGG-1), line 16. Adding the 2017 PSCR  
5 over-recovery balance of \$722,066 to the 2018 PSCR under-recovery amount of  
6 \$603,536, results in a year-end over-recovery of \$118,530. (line 21) As stated above,  
7 Page 2 of Exhibit A-1 (JGG-1) details the over/under-recovery balance by month as well  
8 as the monthly interest calculation for the reconciliation period. Interest is calculated on  
9 the average recovery balance for each month. All twelve months of 2018 had over-  
10 recovered average balances and, as such, the interest rate applied was at Wisconsin  
11 Electric's authorized rate of return on common equity of 10.10% representing over-  
12 recovery interest of \$124,425 as shown on line 27. The 2018 over-recovery balance of  
13 \$118,530 as shown on line 21, plus the plan year over-recovery interest of \$124,425 on  
14 line 27, results in a cumulative over-recovery in the amount of \$242,955 as shown on line  
15 28.

16

17 **Q. How does Wisconsin Electric propose to address the PSCR over-recovery balance at**  
18 **the end of 2018?**

19 A. Wisconsin Electric proposes that the PSCR over-recovery balance of \$242,955 at the end  
20 of 2018 be rolled into the beginning 2019 PSCR balance.

21

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

1 A. Page 1 of Exhibit A-2 (JGG-2) is a North American Electric Reliability Corporation  
2 (“NERC”) report entitled “2017 Generating Unit Statistical Brochure – Five Years, 2013  
3 – 2017, All Units Reporting”. Page 2 of Exhibit A-2 (JGG-2) is a NERC report entitled  
4 “2017 Generating Unit Statistical Brochure – Five Years, 2013 – 2017, Units Reporting  
5 Events”. Page 3 of Exhibit A-2 (JGG-2) is an analysis of the Elm Road Generating  
6 Station availability in 2018.

7  
8 **Q. Please summarize the primary reasons for the variance in system costs between the**  
9 **2018 PSCR plan as approved compared to the 2018 actual costs incurred.**

10 A. The primary reasons for the decrease in PSCR costs from the approved 2018 PSCR Plan  
11 are: (1) lower fuel costs for coal of \$117.9 million due to the retirement of the Pleasant  
12 Prairie Power Plant and lower economic dispatch of other coal fired generation, (2) lower  
13 than forecasted transmission charges of \$34 million from the American Transmission  
14 Company LLC and the MISO due to federal tax reform and lower ATC and MISO costs,  
15 (3) higher sales and related revenue from real time market pricing resulting in reduced  
16 costs of \$12.1 million (4) lower volumes of purchased power resulting in lower costs of  
17 \$10.8 million, and (5) less renewable power supplied from transfer-priced generation,  
18 resulting in lower costs of \$7.5 million. The lower PSCR costs were somewhat offset by  
19 (1) lower revenues from reduced opportunity sales of \$124.2 million and (2) increased  
20 natural gas costs from higher natural gas fired generation of \$23.3 million. The impact of  
21 these cost variances are summarized below in millions of dollars:

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Lower Coal-fired Generation	(\$117.9)
Lower Transmission Charges	(\$34.0)
Higher RTMP Sales	(\$12.1)
Lower Volumes of Purchased Power	(\$10.8)
Lower Renewable Generation	(\$7.5)
Lower Opportunity Sales	\$124.2
Higher Gas-fired Generation	<u>\$23.3</u>
Total Variance	(\$34.8)

The overall PSCR cost per MWh was lower by \$1.70/MWh, resulting in lower costs of (\$45.8) million, which was somewhat offset by higher costs of \$11 million for increased requirement sales of 247,598 MWh, resulting in the net decrease in PSCR costs of \$34.8 million.

**PLANT OUTAGES**

**Q. Did any of Wisconsin Electric's generating units experience outages during 2018 that lasted more than 90 days?**

A. No.

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

A. ERGS Unit 1 had a planned outage from September 8 to October 11, 2018. The critical path work for the outage was boiler bull nose inspections and repairs. Multiple inspection and repair activities were completed as part of the outage.

1 **Q. Please discuss other outages that lasted 14 days or longer at the Oak Creek Power**  
2 **Plant (“OCPP”).**

3 A. Outages that lasted 14 days or longer at the OCPP were as follows:

4 1. OCPP Unit 5 had a forced outage from June 2 to June 15, 2018, due to a hot air  
5 damper expansion joint rupture. The forced outage was extended through June 25, 2018  
6 to address maintenance issues related to coal silo repairs.

7  
8 2. OCPP Unit 5 had a planned outage from October 13 to November 12, 2018, for  
9 the Water Analysis Room Upgrade and Chemical Skids Upgrade Projects and for Low  
10 Speed Generator Floating End Covers installation.

11  
12 3. OCPP Unit 6 had a planned outage from September 29 through December 8,  
13 2018, for the 4KV Bus 6A and 6B Switchgear Replacement Project. The outage was  
14 extended to December 11, 2018 to address coal leaks on the Burner Cyclones.

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16 4. OCPP Unit 7 had a planned outage from March 2 to May 27, 2018, for a Forced  
17 Draft (“FD”) Fan Replacement Project, Boiler Chemical Clean, and related repair  
18 activities.

19  
20 5. OCPP Unit 7 had a forced outage from June 20 to July 7, 2018 to address Boiler  
21 Feed Pump (“BFP”) high vibrations and related unit trips.

22

1           6.       OCPP Unit 8 had a planned outage from March 9 through May 22, 2018, for the  
2           4KV Bus 8A and 8B Switchgear Replacement Project. The outage was extended to June  
3           1, 2018, to address an oil leak with the 82 Turbine Lube Oil Cooler, a steam leak on a  
4           steam conditioning valve and the 82 hotwell pump motor replacement.

5  
6       **Q.     Please discuss outages lasting 14 days or longer for the Port Washington Generating**  
7       **Station (“PWGS”).**

8       A.     1.       PWGS Unit 1 had a planned outage from March 28 to May 27, 2018, for an  
9           Advanced Hot Gas Path Inspection, Mark 6e turbine control system upgrades and Heat-  
10          Recovery Steam Generator (“HRSG”) inspection work.

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12          2.       PWGS Unit 2 had a planned outage from April 25 to May 14, 2018, for Mark 6e  
13          turbine control system upgrades and HRSG inspection work.

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

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

18  
19          1.       PIPP Unit 6 had a planned outage from April 6 to May 7, 2018, for routine  
20          equipment cleaning and repairs, including boiler rear pass and furnace inspections and  
21          repairs.

1           2.       PIPP Unit 7 had a planned outage from February 23 to March 10, 2018, to prepare  
2           the unit for operation after having been in reserve shutdown for more than a year. The  
3           planned outage was extended due to required coal mill crusher dryer repairs, which were  
4           identified at startup.

5  
6           3.       PIPP Unit 8 had a planned outage from October 5 to October 28, 2018, for routine  
7           equipment cleaning and repairs, including boiler rear pass and furnace inspection and  
8           repairs.

9  
10          4.       PIPP Unit 9 had a planned outage from March 11 to March 31, 2018, for routine  
11          equipment cleaning and repairs, including boiler rear pass and furnace inspection and  
12          repairs.

13  
14   **Q.     Please discuss outages lasting 14 days or longer for Rothschild.**

15   **A.**     Rothschild had the following outages in 2018:

16          1.       Rothschild had an unplanned outage from June 13 to June 28, 2018, in order to  
17          repair a boiler leak. Inspections determined that the Secondary Superheater lower banks  
18          of tubes were experiencing high temperature alkali chloride induced corrosion. Repairs  
19          consisted of replacing 20 bottom rows of tubes.

20  
21          2.       Rothschild had a planned outage from September 7 to September 24, 2018, that  
22          included the following work:

1 (a) Boiler work: (i) Grit blasted and inspected the Secondary Superheater, (ii) 5-year  
2 Attemperator inspections, (iii) Vortex finder internal inspection, (iv) Replaced all 12  
3 Furnace Thermocouples and Thermowells, (v) Full Ultrasonic Thickness mapping of the  
4 furnace wall tubes, (vi) Added 116 tube shields and 2 rows of hanger baffles, (vii) Added  
5 6 vent valves and relocated 2 others to facilitate safe/effective boiler hydros, and (viii)  
6 Other inspections and minor repairs.

7  
8 (b) Fuel Supply work: (i) Replaced Secondary Reclaimer chain, 2 robber screws and 2  
9 wall screws, and (ii) Added adjustable diverter plates to center load on Truck Transfer  
10 Conveyor.

11  
12 (c) Balance of work: (i) The baghouse was inspected and minor repairs made, and (ii)  
13 Other preventative and minor corrective work.

14  
15 **Q. Please discuss outages lasting 14 days or longer for the Valley Power Plant**  
16 **(“VAPP”).**

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

18 VAPP Unit 1 had a planned outage from July 21 to September 25, 2018, for a major  
19 turbine overhaul.

20  
21 **Q. Please discuss outages lasting 14 days or longer for the Concord Generating Station**  
22 **(CCGS).**

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

1 1. CCGS Unit 1 had an unplanned outage from November 1 to December 13, 2018,  
2 due to startup failure following multiple power load shedding (“PLS”) events that tripped  
3 the unit requiring rotor seal air Differential Pressure (“DP”) investigation with support  
4 from General Electric (“GE”). This resulted in a lengthy data request from GE to  
5 determine that the unit could be returned to service with a lower alarm setpoint.

6 2. CCGS Unit 2 had an unplanned outage from July 11 to August 10, 2018, as the  
7 result of an exhaust section nose piece liberation. The manufacturing of the replacement  
8 part extended the duration of the outage.

9 3. CCGS Unit 3 had a planned outage from March 19 to April 27, 2018, to upgrade  
10 the fire protection system to remain in compliance with the 2005 edition of the National  
11 Fire Protection Association NFPA 12.

12 4. CCGS Unit 3 had an unplanned outage from May 21 to July 20, 2018, as the  
13 result of an oil leak that originated from the intermediate shaft seal. Troubleshooting and  
14 investigation with GE determined the cause of the leak with GE replacing the  
15 intermediate shaft seal and oil scraper on the rotor bar coupling casing housing.

16 5. CCGS Unit 4 had a planned outage from March 19 to April 27, 2018, to upgrade  
17 the fire protection system to remain in compliance with the 2005 edition of the National  
18 Fire Protection Association NFPA 12.

19  
20 **Q. Please discuss outages lasting 14 days or longer for the Germantown Generating**  
21 **Station (GTPP).**

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



1 1. GTPP Unit 1 had an unplanned outage from May 16 to June 27, 2018, as the  
2 result of a high temperature differential on A engine. 1A engine had to be uncoupled and  
3 the fuel manifold had to be sent offsite to Turbo Services for repairs.

4 2. GTPP Unit 5 had a forced outage from May 14 to June 4, 2018, as the result of  
5 leaking transfer purge valves. The valves and actuators were sent offsite for repairs, with  
6 1 valve seal and both actuators needing replacement.

7  
8 **Q. Please discuss outages lasting 14 days or longer for the Paris Generating Station**  
9 **(PSGS).**

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

11 PSGS Unit 2 had a maintenance outage from October 22 to November 9, 2018, to change  
12 out the Generator Circuit Breaker (“GCB”).

13  
14 **ERGS AVAILABILITY**

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

18 A. The performance standard compares the ERGS 1 and ERGS 2 EAF with that of similarly  
19 fueled and sized units as reported to the NERC. WEPCo was ordered to report the ERGS  
20 1 and ERGS 2 EAF, as well as the industry average for similarly fueled and sized plants  
21 for the most recent five years available, in the PSCR reconciliation covering the same  
22 twelve month period. Should the ERGS 1 and ERGS 2 EAF fall below the EAF of the

1 most recent five-year average for like plants less 15%, ratepayers would receive a credit  
2 in the PSCR reconciliation.

3  
4 **Q. Have you performed this comparison for the 2018 PSCR plan year?**

5 A. Yes. The NERC 2014-2018 Generating Availability Report is not available yet. A  
6 comparison of the 2018 ERGS 1 and ERGS 2 EAF was, therefore, made to the industry  
7 average, for similarly sized and fueled units, for the five year period ending in 2017. This  
8 comparison revealed 81.5% less 15%, or 66.5%, based on data from a NERC report that  
9 is included as my Exhibit A-2 (JGG-2) page 2. The NERC report was obtained from the  
10 NERC website.<sup>1</sup> The first page of this exhibit is from a NERC report entitled “2017  
11 Generating Unit Statistical Brochure – Five Years, 2013 – 2017, All Units Reporting,”  
12 and contain data on all units, whether they reported event records or not. The second  
13 page is from a NERC report entitled “2017 Generating Unit Statistical Brochure – Five  
14 Years, 2013 – 2017, Units Reporting Events” containing statistics on only those units  
15 that reported events. The NERC report entitled “2017 Generating Unit Statistical  
16 Brochure – Five Years, 2013 – 2017, All Units Reporting,” states that “[t]he equations  
17 are more accurate if events are reported.” I have, therefore, used the EAF information on  
18 the second page of the exhibit, from the “2017 Generating Unit Statistical Brochure –  
19 Five Years, 2013 – 2017, Units Reporting Events,” showing statistics on only those units  
20 that reported events, which shows an EAF of 81.5% for coal plants with nameplate  
21 capacity of between 600-799 MW (see page 2 of the Exhibit A-2 (JGG-2), versus the

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

1 81.5% EAF shown for the same category on page 1 of the exhibit. For 2017, the EAF  
2 percentages for the similarly ERGS sized and fueled units are the same on both reports.

3  
4 Page 3 of Exhibit A-2 ( JGG-2) provides information on the ERGS unit EAF for 2018  
5 using the format set forth in the Commission’s March 15, 2013 Order in Case No. U-  
6 17200, Attachment A. In Case No. U-17200, the Company requested and received a  
7 limited waiver from the Commission of the ERGS performance standard in order to  
8 engage in testing, inspection, and implementation of physical and operational changes at  
9 ERGS to provide enhanced fuel flexibility, namely the testing of varying blends of  
10 bituminous and sub-bituminous coal. The limited waiver allows the Company to adjust  
11 the actual EAF for those times affected by fuel flex testing. The adjustment for fuel flex  
12 testing on a plant basis (i.e. Unit 1 and Unit 2), in 2018 was calculated to be 1.0%. Page  
13 3 of Exhibit A-2 (JGG-2) shows that in 2018, Unit 1 had an EAF of 79.6% without  
14 accounting for fuel flex testing, and that Unit 2 had an EAF of 86.5% without accounting  
15 for fuel flex testing. Applying the fuel flex limited waiver, Unit 1 had an EAF of 79.8%,  
16 and Unit 2 had an EAF of 88.5%. Thus, the combined ERGS EAF both with and without  
17 the fuel flex adjustment was higher than the five-year industry average EAF less 15%.  
18 Therefore, an ERGS performance standard-related rate credit would not be applied in the  
19 2018 PSCR reconciliation.

20  
21 **PLEASANT PRAIRIE POWER PLANT RETIREMENT**

22 **Q. Did Wisconsin Electric retire any generating units in 2018?**

1 A. Yes. Wisconsin Electric retired both Units 1 and 2 at its Pleasant Prairie Power Plant.  
2 Wisconsin Electric requested approval from MISO under Attachment Y of the MISO  
3 tariff to retire Pleasant Prairie. MISO approved the Attachment Y request, finding no  
4 reliability impediments to retirement. Pleasant Prairie was then retired in April 2018.

5  
6 **Q. Please describe the Pleasant Prairie generating facility.**

7 A. Pleasant Prairie was a dual unit, coal-fired generating facility located in Pleasant Prairie,  
8 Wisconsin, with a capacity of 1190 MW (595 for each unit). Pleasant Prairie's Unit 1  
9 entered service in 1980, and Unit 2 entered service in 1985.

10  
11 **Q. Why did Wisconsin Electric decide to retire Pleasant Prairie?**

12 A. Wisconsin Electric determined that the Pleasant Prairie Power Plant was no longer  
13 providing net economic benefits to Wisconsin Electric's retail and wholesale customers  
14 and that retiring the plant would provide substantial cost savings. Several factors caused  
15 Pleasant Prairie to become uneconomic, including a significant loss of Wisconsin Electric  
16 industrial load from the recession in 2007-08 that did not return, improvements in energy  
17 efficiency, and declining prices for alternative energy supplies, which resulted in  
18 declining MISO market prices for power.

19  
20 **COAL COSTS**

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

22 A. No. During 2018, Wisconsin Electric was able to fulfill all contract commitments. With  
23 the closure of Pleasant Prairie, the excess 8400 BTU coal (1.022 million tons) was

1 delivered to Elm Road and Oak Creek. In addition, due to issues at the Antelope mine,  
2 Cloud Peak requested Wisconsin Electric carry 170,000 tons of 2018 coal into 2019. It is  
3 expected this coal will all load in the first quarter of 2019.  
4

5 **Q. Do the costs included in this reconciliation include any costs attributable to capital**  
6 **investments to transport fuel to or relocate fuel at Wisconsin Electric’s facilities, or**  
7 **any costs associated with unloading and handling expenses incurred after receipt of**  
8 **fuel by the utility?**

9 A. No capital investment costs are included in the calculation of the 2018 power supply  
10 costs being reconciled, nor are any Wisconsin Electric unloading costs or Wisconsin  
11 Electric costs for handling the fuel included. Coal for the PIPP is delivered by rail to the  
12 Midwest Energy Resources Company (“MERC”) Dock and then Wisconsin Electric pays  
13 third parties to transfer that coal to PIPP. Since PIPP does not have rail facilities, all coal  
14 must be delivered by boat. Wisconsin Electric treats the vessel reloading costs, paid to a  
15 firm contracted to do the loading, and the vessel transportation costs as part of the freight  
16 costs. In either case, no Wisconsin Electric labor or expenses are included. The  
17 transshipping costs are expensed as the coal is burned. This is consistent with the manner  
18 in which these costs have been treated in prior PSCR proceedings.  
19

20 **Q. Did Wisconsin Electric purchase any test/spot market coal during the period under**  
21 **reconciliation?**

22 A. No. Wisconsin Electric did not purchase spot coal in 2019. The excess 8400 Pleasant  
23 Prairie coal was used at Oak Creek and Elm Road for additional test burns.

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

A. Yes. Wisconsin Electric incurred charges for vessel delays and credits for unloading in less time than allowed in the contract, resulting in net demurrage credits totaling \$1,869 for vessel delays for fuel used at PIPP, which were not included in this case.

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

A. Coal costs are accounted for through the fuel inventory account. Inventories are maintained for each plant. Coal is recorded at the contract price, including any authorized price adjustments. Invoices and price adjustments are reviewed for conformance to contract prices and are approved by Wisconsin Electric’s Wholesale Energy & Fuels Department. Differences between actual price adjustments and the accruals are accounted for as inventory adjustments. The quantity of coal removed from inventory and burned is furnished by Wisconsin Electric’s Power Generation Department, which provides consumption figures measured by plant equipment. Coal is removed from inventory at the average inventory cost. This accounting treatment has been applied consistently by Wisconsin Electric.

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

A. Oil inventories are maintained in a manner similar to that described for coal. Invoices for purchases are reviewed and approved by Wisconsin Electric’s Wholesale Energy & Fuels

1 Department. Inventory disbursements are at the average inventory price. Natural gas  
2 consumption is based on monthly meter readings. When Wisconsin Electric makes use  
3 of the natural gas transportation service, it must nominate the amount of gas to be taken.  
4 When the usage is less than the nomination, an undertake credit is given and when the  
5 usage is more than the nomination, an overtake charge is applied.

## 7 **NATURAL GAS COSTS**

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

9 A. No. Wisconsin Electric did not purchase fuel from its affiliates in 2018. However,  
10 Wisconsin Electric purchased natural gas distribution service from Wisconsin Electric  
11 Gas Operations (“WEGO”). WEGO includes the former gas operations of Wisconsin  
12 Natural Gas Company. Effective January 1, 1996, Wisconsin Natural Gas Company was  
13 merged into Wisconsin Electric. Natural gas distribution service is provided at tariffs  
14 authorized by the PSCW. Wisconsin Electric also purchased natural gas distribution  
15 services from Wisconsin Gas LLC (“WG”). Effective January 1, 2000, Wisconsin  
16 Energy Corporation purchased WICOR Inc., which included the Wisconsin Gas  
17 Company subsidiary. Natural gas distribution service from WG is purchased at tariffs  
18 authorized by the PSCW. Natural gas contributed 28% to Wisconsin Electric’s net  
19 generation in 2018.

## 21 **RISK MANAGEMENT**

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

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

6

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

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

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

15

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

17 A. Yes, gas risk management costs have been included in all annual PSCR reconciliation  
18 cases since 2003.

19

20 **Q. What is the amount of the gas risk management transaction costs included in the  
21 2018 PSCR reconciliation?**

22 A. The amount of gas risk management transaction costs included in the 2018 PSCR  
23 reconciliation is \$42,041. Wisconsin Electric’s hedging of gas costs was done on a



1 reasonable and prudent basis in accordance with the PSCW order approved in Docket No.  
2 6630-RM-102.

3  
4 **Q. What was the amount of the net benefit/cost of the gas risk management program**  
5 **during 2018?**

6 A. The gas risk management net benefit/cost is considered a component of the cost of gas  
7 which is charged to various power plants and power purchases. During the hedging  
8 horizon for 2018, Wisconsin Electric was hedging gas costs in a generally increasing  
9 market with prices increasing during the year. This resulted in hedges being at a lower  
10 price than the month's NYMEX settle; the lower cost of gas, which amounted to a net  
11 benefit of \$7,854,103, along with transaction cost of the options and futures of \$42,040,  
12 has been included in the cost of gas for a net benefit of \$7,812,063.

13  
14 **Q. What is the purpose of Wisconsin Electric's coal transportation surcharge risk**  
15 **management program?**

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

1 **Q. Were coal transportation surcharges hedging costs included in previous PSCR**  
2 **reconciliation cases?**

3 A. Yes. Wisconsin Electric began hedging the coal transportation surcharge in February  
4 2008 for May 2008 coal deliveries and as such these hedging costs have been included in  
5 PSCR reconciliations since 2008. Wisconsin Electric's hedging of coal transportation  
6 costs was done on a reasonable and prudent basis in accordance with the PSCW order  
7 approved in Docket No. 6630-RM-102.

8

9 **Q. What was the amount of the net benefit/cost of the coal transportation risk**  
10 **management program during 2018?**

11 A. The coal transportation risk management net benefit/cost is considered a component of  
12 the cost of coal and is charged to the various power plants when it is consumed. During  
13 2018, Wisconsin Electric had coal transportation hedges (heating oil) in place during a  
14 time of rising oil prices. This resulted in some hedges being at a lower price than the  
15 month's NYMEX settle; the lower cost of oil which amounted to a benefit of \$1,208,087,  
16 along with the transaction costs of \$3,048 was included in the cost of coal in inventory  
17 for a net benefit of \$1,205,039.

18

19 **Q. Did Wisconsin Electric have any crude oil or electric hedge transactions during**  
20 **2018?**

21 A. No.

22

1 **Q. What is the total amount of costs associated with Wisconsin Electric’s risk**  
2 **management programs included in this reconciliation?**

3 A. The risk management program resulted in a net benefit of \$9 million.  
4

5 **RENEWABLE GENERATION**

6 **Q. Please discuss how Wisconsin Electric has treated the Glacier Hills Wind Farm**  
7 **(“Glacier Hills”), the Montfort Wind Energy Center (“Montfort”) and Rothschild**  
8 **costs in this PSCR reconciliation.**

9 A. Consistent with the Order Approving Settlement Agreement dated January 23, 2018, in  
10 Wisconsin Electric’s 2017 renewable energy (“RE”) Plan in Case No. U-18237, Glacier  
11 Hills is a system-wide RE resource to be recovered through a transfer price of \$80.41 per  
12 MWh in the PSCR and incremental costs through the RE surcharge. Wisconsin Electric  
13 is using a transfer price for Glacier Hills as approved by Commission Order in Case No.  
14 U-15812 and in Wisconsin Electric’s 2015 and 2017 RE Plans. This is shown on Exhibit  
15 A-1 (JGG-1) page 1, line 16. Both Montfort and Rothschild are also system-wide RE  
16 resources to be recovered through a transfer price of \$72.09 per MWh in the PSCR and  
17 incremental costs through the RE surcharge. Wisconsin Electric is using the transfer  
18 price for these two facilities from the transfer price schedule developed by the MPSC  
19 Staff and approved by the Commission in its December 19, 2013 Order in Case No. U-  
20 16662, and Wisconsin Electric’s 2015 and 2017 RE Plans. This is shown on Exhibit A-1  
21 (JGG-1) page 1, lines 17-18.  
22

23 **RE PURCHASES**

1 **Q. Please describe Wisconsin Electric’s RE purchases.**

2 A. Wisconsin Electric’s RE purchases include: 1) Iberdrola Renewables – Elm Creek II and  
3 2) Manitoba Hydro. The total of these purchases is included in Exhibit A-1 (JGG-1) page  
4 1, line 26. Wisconsin Electric has also included its surplus RE under its Customer  
5 Generating System (CGS) tariffs. The total of the renewable CGS purchases is shown on  
6 Exhibit A-1 (JGG-1) page 1, line 25.

7  
8 **Q. Are the RE purchases treated as system-wide RE resources?**

9 A. Yes. Wisconsin Electric purchases energy, including RE, on a system-wide basis. These  
10 costs are recovered through the PSCR consistent with the RE Plan approved by the  
11 MPSC in Case No. U-17798. Moreover, the Commission has previously ruled on this  
12 issue in its December 19, 2013 Order in Case No. U-17072, pages 33-34 (and other  
13 orders cited therein), which states “Therefore, the Commission finds that for renewable  
14 resources used only to meet the Wisconsin RPS, reasonable and prudent costs should be  
15 recovered on a system-wide basis through base rates and PSCR”.

16  
17 **Q. Has Wisconsin Electric received approval to use an inventory accounting method  
18 for renewable energy credit purchases?**

19 A. Yes. Wisconsin Electric was granted approval to use an inventory accounting method for  
20 the cost of unbundled renewable energy credit (“REC”) purchases in the February 11,  
21 2016 Order Approving Settlement Agreement in Case No. U-17798. Wisconsin Electric  
22 is initially putting the costs of system-wide, unbundled RECs into an inventory account  
23 and then subsequently expensing them to FERC Account 555 as they are used for Act

1 295 compliance. This method matches the costs – and ratepayer impacts – to the period  
2 for which the costs were incurred. This same accounting method is being used for  
3 system-wide REC purchases for Wisconsin Electric’s Wisconsin renewable portfolio  
4 standard (“RPS”).

5  
6 **Q. Please explain the REC inventory cost accounting method respective to Exhibit A-1**  
7 **(JGG-1) page 1, lines 32 and 33.**

8 A. Wisconsin Electric utilizes a RPS Model (“the model”) which tracks actual and forecasts  
9 future jurisdictional RPS compliance requirements, records REC procurement costs, and  
10 tracks REC inventory levels and associated financial impacts. At present, the model  
11 contains actual data for 2008 through (preliminary) 2018 and forecast data for 2019 and  
12 beyond. The model establishes allocation percentages and forecasts RPS requirements for  
13 multiple jurisdictions based on sales forecasts. The model takes into account both  
14 system-wide and direct-assigned jurisdictional REC purchase costs which results in  
15 varying average costs per REC among the jurisdictions. Using the model, a System RPS  
16 Requirement forecast totaling \$2,825,243 was calculated and expensed for 2018 and is  
17 included in line 25 “RE from Existing Resources (CGS)”. During 2018, the monthly  
18 amounts expensed from inventory were not included as purchased power costs nor were  
19 they included in the monthly 45 day reports submitted to the Commission. This is shown  
20 on line 32 “System RPS Requirement Estimate Reversal”, which reverses the expense  
21 included in line 25. The 2018 forecast for the Michigan jurisdictional cost was based on  
22 the Michigan RPS Retirement quantity of 182,501 RECs, at an average cost of \$0.728336  
23 per REC, for a total forecast Michigan RPS Requirement Cost of \$132,922. Further,

1 grossing up this amount using Michigan's forecast load ratio share (5.78976%) resulted  
2 in a "MI System-wide REC Expense (Forecast)" in the amount of \$2,295,804 as shown  
3 on line 33.

4  
5 **Q. Has Wisconsin Electric included any actual MISO charges, revenues or credits**  
6 **related to the Presque Isle Power Plant ("PIPP") System Support Resource ("SSR")**  
7 **agreement for 2018 in this reconciliation?**

8 A. No. Based on the 2015-2019 Large Curtailable Special Contracts approved by the  
9 Commission in its April 23, 2015 Order Approving Special Contracts in Case No. U-  
10 17862, the Mines are not subject to any charges or adjustments related to costs incurred  
11 prior to 2017.

12  
13 **Q. Did Wisconsin Electric receive any costs or credits from the American Transmission**  
14 **Company LLC ("ATC LLC") related to a FERC audit in 2018?**

15 A. Yes. Wisconsin Electric received credits from the ATC LLC based on a FERC audit in  
16 2018. Only the credits related to charges incurred in 2017 and thereafter were included in  
17 the PSCR costs for the Mines in accordance with the 2015-2019 Large Curtailable  
18 Special Contracts approved by the Commission in its April 23, 2015 Order Approving  
19 Special Contracts in Case No. U-17862.

20  
21 **Q. Has Wisconsin Electric included all other actual MISO charges and payments for**  
22 **2018 in this reconciliation?**

23 A. Yes.

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

A. Each cost category consists of charge types, authorized in the MISO tariff and defined in the MISO Market Settlements Business Practice Manual<sup>2</sup>, which represent both charges and credits to Market Participants. Line 28, “MISO-Energy Market,” consists of the net day-ahead and real-time energy costs. This charge is a result of each resource’s net energy volume multiplied by its nodal Locational Marginal Prices. Line 29, “MISO-RSG Make Whole Payments,” consists of day-ahead and real-time Revenue Sufficiency Guarantee Make Whole Payments paid by MISO to Wisconsin Electric which guarantee recovery of total production costs from economically committed resources. Line 30, “MISO-Other Net Charges and Revenues,” consists of the remaining non-volumetric charge type costs and revenues including, but not limited to, Financial Transmission Rights, Distribution and Uplift Amounts as well as various other miscellaneous amounts. All charges and credits are calculated in accordance with the MISO Tariff and the Market Settlements Calculation Guide.

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

A. Yes. The MPSC has approved MISO charges and credits in Wisconsin Electric’s 2008 through 2017 PSCR reconciliation cases.

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

1 **Q. Did Wisconsin Electric include any purchased power demand related charges in this**  
2 **2018 PSCR reconciliation?**

3 A. Yes. Wisconsin Electric has a firm long-term purchased power contract with LS Power  
4 which resulted in demand related charges of \$18.6 million in 2018. In addition, the  
5 Company had short term capacity purchases of \$2 million in 2018. These demand related  
6 charges have been included in this 2018 PSCR reconciliation.

7  
8 **Q. During 2018, did Wisconsin Electric buy out any power purchase agreements?**

9 A. No.

10  
11 **Q. Please describe the Real-Time Market Pricing (“RTMP”) Rider and the Real-Time**  
12 **Pricing (“RTP”) Rider tariffs.**

13 A. Under Wisconsin Electric’s General Primary – Real-Time Market Pricing Rider tariff,  
14 customers who increase energy usage above a set baseline are charged the incremental  
15 cost to provide that energy. The incremental cost of the energy usage above the baseline  
16 is removed from Wisconsin Electric’s cost of purchases from the MISO energy market.  
17 In addition, in 2017 Wisconsin Electric received PSCW approval of a General Primary –  
18 Real-Time Pricing (“RTP) Rider tariff that allows large general primary customers to  
19 purchase power at market prices, plus a \$/kWh adder, without any baseline limitations.  
20 For 2018, the total RTMP and RTP sales amounted to \$28.2 million and 933,261 MWh  
21 as shown on page 1, line 36 of Exhibit A-1 (JGG-1).

22

23 **PSCR COST RECONCILIATION**



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

3 A. Wisconsin Electric requests Commission approval of the 2018 reconciliation of all power  
4 supply revenues received, whether included in base rates or collected through the PSCR  
5 clause, with the power supply costs incurred by Wisconsin Electric in 2018 and the roll-  
6 in of the 2018 ending PSCR over-recovery balance into the 2019 beginning PSCR  
7 over/under recovery balance.

8

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

11 A. Yes. Wisconsin Electric's actions with regard to the management of power supply and  
12 the resulting PSCR costs incurred during 2018 were reasonable and prudent.

13

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

15 A. Yes, it does.

16

WISCONSIN ELECTRIC POWER COMPANY  
 2018 Power Supply Cost Recovery Reconciliation

Line No.	Electric Utility:	2018 PSCR Plan - As Approved			2018 PSCR - Actual			Change from Plan As Approved		
		Cost (\$)	Generation MWH	Cost \$/MWH	Cost (\$)	Generation MWH	Cost \$/MWH	Cost (\$)	Generation MWH	Cost \$/MWH
1	Valley	18,721,270	252,287	74.21	18,800,070	278,128	67.60	78,800	25,841	(6.61)
2	Oak Creek	109,764,450	5,350,952	20.51	102,968,988	4,767,149	21.60	(6,795,462)	(583,803)	1.09
3	Elm Road	129,735,265	6,397,905	20.28	136,513,916	7,063,029	19.33	6,778,651	665,124	(0.95)
4	Pleasant Prairie	146,466,161	7,140,786	20.51	34,743,070	1,773,000	19.60	(111,723,091)	(5,367,786)	(0.92)
5	Presque Isle	51,028,930	1,763,312	28.94	44,752,045	1,406,994	31.81	(6,276,885)	(356,318)	2.87
6	<b>Total Steam Generation</b>	<b>455,716,076</b>	<b>20,905,242</b>	<b>21.80</b>	<b>337,778,089</b>	<b>15,288,300</b>	<b>22.09</b>	<b>(117,937,987)</b>	<b>(5,616,942)</b>	<b>0.29</b>
7										
8	Port Washington	117,416,035	5,213,712	22.52	128,150,943	5,829,105	21.98	10,734,908	615,394	(0.54)
9	Germantown	227,376	5,067	44.87	3,572,358	39,481	90.48	3,344,982	34,414	45.61
10	Concord	2,045,462	33,854	60.42	7,507,553	142,670	52.62	5,462,091	108,816	(7.80)
11	Paris	967,045	15,022	64.38	4,753,907	89,687	53.01	3,786,862	74,665	(11.37)
12	<b>Total CC/CT</b>	<b>120,655,918</b>	<b>5,267,655</b>	<b>22.91</b>	<b>143,984,761</b>	<b>6,100,943</b>	<b>23.60</b>	<b>23,328,842</b>	<b>833,289</b>	<b>0.70</b>
13										
14	Hydro	-	342,420	-	-	422,807	-	-	80,387	-
15	Wind - Blue Sky Green Field/Byron	-	326,089	-	-	232,606	-	-	(93,483)	-
16	Wind - Glacier Hills (Transfer Price)	32,147,764	399,798	80.41	28,147,842	350,054	80.41	(3,999,922)	(49,744)	-
17	Wind - Montfort (Transfer Price)	4,383,195	60,802	72.09	2,874,378	39,872	72.09	(1,508,817)	(20,930)	-
18	Biomass - Rothschild (Transfer Price)	9,182,060	127,369	72.09	7,230,699	100,301	72.09	(1,951,361)	(27,068)	-
19	<b>Total Other</b>	<b>45,713,019</b>	<b>1,256,479</b>	<b>36.38</b>	<b>38,252,919</b>	<b>1,145,640</b>	<b>33.39</b>	<b>(7,460,100)</b>	<b>(110,839)</b>	<b>(2.99)</b>
20	<b>Total Fuel</b>	<b>622,085,014</b>	<b>27,429,375</b>	<b>22.68</b>	<b>520,015,769</b>	<b>22,534,883</b>	<b>23.08</b>	<b>(102,069,245)</b>	<b>(4,894,492)</b>	<b>0.40</b>
21										
22	LS Power - Demand	19,367,976	-	-	18,574,118	-	-	(793,858)	-	-
23	LS Power - Energy	28,084,842	1,054,191	26.64	21,008,590	756,877	27.76	(7,076,252)	(297,314)	1.12
24	NextEra (Point Beach)	426,735,490	8,964,890	47.60	427,339,024	8,967,237	47.66	603,534	2,347	0.05
25	RE from Existing Resources (CGS)	7,524,340	310,552	24.23	6,538,405	255,535	25.59	(985,935)	(55,017)	1.36
26	RE from System-wide Resources	15,817,582	279,545	56.58	9,885,601	249,804	39.57	(5,931,981)	(29,741)	(17.01)
27	Plant Auxiliary Load Cost	6,228,208	-	-	-	-	-	(6,228,208)	-	-
28	MISO-Energy Market	4,698,594	135,158	34.76	12,587,442	254,037	49.55	7,888,848	118,879	14.79
29	MISO-RSG Make Whole Payments	(3,645,893)	-	-	(8,512,189)	-	-	(4,866,296)	-	-
30	MISO-Other Net Charges and Revenues	(676,119)	-	-	3,927,727	-	-	4,603,846	-	-
31	Other Purchases	241,037	10,855	22.21	2,002,993	-	-	1,761,956	(10,855)	(22.21)
32	System RPS Requirement Estimate Reversal	-	-	-	(2,825,243)	-	-	(2,825,243)	-	-
33	MI System-wide REC Expense (Forecast)	-	-	-	2,295,804	-	-	2,295,804	-	-
34	<b>Subtotal Purchases</b>	<b>504,376,057</b>	<b>10,755,191</b>	<b>46.90</b>	<b>492,822,273</b>	<b>10,483,490</b>	<b>47.01</b>	<b>(11,553,784)</b>	<b>(271,701)</b>	<b>0.11</b>
35	Energy for Tomorrow (EFT) Premium Adjustment	(2,559,592)	(130,325)	19.64	(1,772,984)	(107,095)	16.56	786,608	23,230	(3.08)
36	Incremental Energy Tariff Offset	(16,059,817)	(609,650)	26.34	(28,192,393)	(933,261)	30.21	(12,132,577)	(323,611)	3.87
37	<b>Total Purchases</b>	<b>485,756,649</b>	<b>10,015,216</b>	<b>48.50</b>	<b>462,856,896</b>	<b>9,443,134</b>	<b>49.02</b>	<b>(22,899,753)</b>	<b>(572,082)</b>	<b>0.51</b>
38										
39	MISO-Energy Market	(264,827,155)	(10,636,973)	24.90	(143,427,599)	(4,925,889)	29.12	121,399,556	5,711,084	4.22
40	Capacity Sales	(12,197,917)	-	-	(9,750,274)	-	-	2,447,643	-	-
41	Alliant Sale (Montfort)	(852,013)	(9,120)	93.42	(525,480)	(6,033)	87.10	326,533	3,087	(6.32)
42	<b>Total Sales for Resale</b>	<b>(277,877,085)</b>	<b>(10,646,093)</b>	<b>26.10</b>	<b>(153,703,354)</b>	<b>(4,931,922)</b>	<b>31.17</b>	<b>124,173,731</b>	<b>5,714,171</b>	<b>5.07</b>
43										
44	P-4 / Zion Congestion Adjustment	-	-	-	-	-	-	-	-	-
45	Load Forecast Modeling Adjustment	-	-	-	-	-	-	-	-	-
46	<b>Total Other Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
47										
48	<b>Net Output</b>	<b>829,964,577</b>	<b>26,798,497</b>	<b>30.97</b>	<b>829,169,311</b>	<b>27,046,095</b>	<b>30.66</b>	<b>(795,266)</b>	<b>247,598</b>	<b>(0.31)</b>
49										
50	Transmission - Network	259,196,021	-	-	230,425,049	-	-	(28,770,972)	-	-
51	Transmission - Non-Network	99,786,420	-	-	94,548,651	-	-	(5,237,769)	-	-
52	<b>Total Transmission</b>	<b>358,982,441</b>	<b>26,798,497</b>	<b>13.40</b>	<b>324,973,700</b>	<b>27,046,095</b>	<b>12.02</b>	<b>(34,008,741)</b>	<b>247,598</b>	<b>(1.38)</b>
53										
54	<b>TOTAL System Costs</b>	<b>1,188,947,018</b>	<b>26,798,497</b>	<b>44.37</b>	<b>1,154,143,011</b>	<b>27,046,095</b>	<b>42.67</b>	<b>(34,804,007)</b>	<b>247,598</b>	<b>(1.70)</b>
55										
56	Loss Factor			1.04			1.04			1.04
57	Total PSCR Costs			46.14			44.38			(1.76)
58	Less: PSCR Base (Adjusted for losses)			45.47			45.47			
59	<b>PSCR Factor (adjusted for losses)</b>			<b>0.67</b>			<b>(1.09)</b>			



**WISCONSIN ELECTRIC POWER COMPANY**  
**Power Supply Costs and Net System Requirements For the Year 2018**

DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<b>SYSTEM COSTS FOR RECOVERY</b>	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1 Steam Generation	39,425,937	37,488,115	28,028,735	25,838,455	23,007,854	25,806,568	24,480,686	30,355,162	25,051,250	24,028,317	25,747,686	35,847,375	345,106,140
2 Steam Transfer Credit	(947,212)	(1,210,734)	(705,791)	(557,337)	(511,254)	(273,846)	(258,859)	(221,166)	(317,128)	(394,410)	(678,560)	(1,255,478)	(7,331,775)
3 CC/CT Generation	15,866,435	11,405,384	10,196,388	6,655,439	6,733,426	12,408,460	14,326,204	16,380,078	13,957,486	13,848,956	12,083,866	10,126,363	143,988,485
4 Other Generation	4,798,309	3,692,226	4,006,288	3,535,236	2,098,727	1,961,400	2,073,290	2,462,220	1,898,963	3,944,679	3,955,122	3,826,455	38,252,915
5 Purchased Power	32,873,158	32,054,073	31,070,826	30,237,212	44,020,811	44,821,566	54,228,821	55,557,064	43,518,075	30,383,313	30,364,868	33,727,109	462,856,895
6 Sales for Resale	(26,239,033)	(20,841,087)	(16,643,188)	(7,595,462)	(1,385,724)	(8,102,562)	(10,272,959)	(10,197,152)	(10,556,602)	(13,178,855)	(13,060,295)	(15,630,436)	(153,703,354)
7 Transmission - Network	20,786,833	20,793,840	16,449,315	19,347,348	19,347,258	17,740,349	19,326,711	19,297,754	19,267,835	19,363,198	19,324,628	19,379,980	230,425,049
8 Transmission - Non-Network	7,657,691	7,823,027	7,662,290	6,419,097	6,296,209	8,848,895	9,335,902	9,827,166	8,212,485	7,815,534	7,277,919	7,372,437	94,548,651
9 <b>Total System Costs for Recovery</b>	<b>94,222,118</b>	<b>91,204,844</b>	<b>80,064,863</b>	<b>83,879,988</b>	<b>99,607,307</b>	<b>103,210,829</b>	<b>113,239,795</b>	<b>123,461,126</b>	<b>101,032,364</b>	<b>85,810,732</b>	<b>85,015,235</b>	<b>93,393,804</b>	<b>1,154,143,006</b>
10													
<b>NET SYSTEM REQUIREMENTS</b>	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)	(MWh)
12 Steam Generation	1,674,901	1,608,994	1,445,330	1,121,338	1,009,783	1,135,622	1,395,222	1,356,220	1,074,319	1,028,928	1,105,658	1,331,989	15,288,304
13 CC/CT Generation	452,868	523,593	488,531	267,444	250,450	560,308	687,208	707,619	604,043	599,336	467,687	491,859	6,100,946
14 Other Generation	130,094	106,493	106,162	101,716	80,983	77,314	59,262	56,073	74,059	126,163	113,558	113,763	1,145,640
15 Purchased Power	762,249	664,739	763,713	809,245	902,888	786,352	829,013	821,516	805,689	780,788	774,790	742,149	9,443,131
16 Sales for Resale	(672,888)	(838,254)	(680,244)	(256,851)	(43,377)	(260,093)	(339,340)	(327,525)	(310,632)	(401,933)	(338,186)	(462,600)	(4,931,923)
17 <b>Total Net System Requirements</b>	<b>2,347,224</b>	<b>2,065,565</b>	<b>2,123,492</b>	<b>2,042,892</b>	<b>2,200,727</b>	<b>2,299,503</b>	<b>2,631,365</b>	<b>2,613,903</b>	<b>2,247,478</b>	<b>2,133,282</b>	<b>2,123,507</b>	<b>2,217,160</b>	<b>27,046,098</b>
18													
19 Average Cost per MWh(\$/MWh)	40.14	44.15	37.70	41.05	45.26	44.88	43.03	47.23	44.95	40.22	40.03	42.12	42.67
20 Adjustment for Line Losses	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04
21 <b>Power Supply Costs (\$/MWh)</b>	<b>41.75</b>	<b>45.92</b>	<b>39.21</b>	<b>42.69</b>	<b>47.07</b>	<b>46.68</b>	<b>44.75</b>	<b>49.12</b>	<b>46.75</b>	<b>41.83</b>	<b>41.63</b>	<b>43.80</b>	<b>44.38</b>





Elm Road Generating Station  
2018 Availability

NO FUEL FLEX TESTING	
<u>Unit 1</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	675
Fuel Flexibility Forced Outage Hours	-
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	1,095
Available Hours	6,991
Total Hours	8,760
Unit 1 EAF	79.8%
<u>Unit 2</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	702
Fuel Flexibility Forced Outage Hours	-
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	306
Available Hours	7,752
Total Hours	8,760
Unit 2 EAF	88.5%
<b>Plant Availability Factor (Units 1 &amp; 2)</b>	<b>84.1%</b>

WITH FUEL FLEX TESTING	
<u>Unit 1</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	675
Fuel Flexibility Forced Outage Hours	17
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	1,095
Available Hours	6,974
Total Hours	8,760
Unit 1 EAF	79.6%
<u>Unit 2</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	702
Fuel Flexibility Forced Outage Hours	174
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	306
Available Hours	7,578
Total Hours	8,760
Unit 2 EAF	86.5%
<b>Plant Availability Factor (Units 1 &amp; 2)</b>	<b>83.1%</b>

WITH FUEL FLEX TESTING - ADJUSTED	
<u>Unit 1</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	675
Fuel Flexibility Forced Outage Hours	17
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	1,095
Fuel Flexibility Hours Adjustment (A+B)	17
Available Hours - Adjusted	6,991
Total Hours	8,760
Unit 1 EAF - Adjusted	79.8%
<u>Unit 2</u>	<u>Total</u>
Forced Outage Hours (unrelated to fuel flex)	702
Fuel Flexibility Forced Outage Hours	174
Planned Fuel Flexibility Outage Hours	-
Planned Routine Outage Hours	306
Fuel Flexibility Hours Adjustment (A+B)	174
Available Hours - Adjusted	7,752
Total Hours	8,760
Unit 2 EAF - Adjusted	88.5%
<b>Revised Plant Availability Factor (Units 1 &amp; 2)</b>	<b>84.1%</b>

en



STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter of the application of	)	
<b>WISCONSIN ELECTRIC POWER COMPANY</b>	)	Case No. U-20207
for reconciliation of its power supply cost recovery	)	
<u>plan for the 12-month period ended December 31, 2018.</u>	)	

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

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

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

2. Wisconsin Electric requests a Protective Order to protect confidential information identified in Exhibit A-1 (JGG-1), which reflects the actual usage of Wisconsin Electric’s sole Michigan customer during the 2018 PSCR Plan year (“Protected Material”) as well as certain discovery responses as identified by Wisconsin Electric. Although the Michigan Public Service

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

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

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

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

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

4. Wisconsin Electric represents that public disclosure of the Protected Materials would result in serious injury to future power supply negotiations and the ability to secure reasonable supply agreements and, thereby, affect Wisconsin Electric's power supply costs to its customers, and/or public disclosure would be inconsistent with contractual terms, and/or disclosure of the information is considered to be proprietary, a trade secret, or commercially sensitive.

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

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

7. The proposed Protective Order will not hinder the Commission's, the Administrative Law Judge's, Staff's or any properly admitted party's review of the Application, testimony and exhibits in MPSC Case No. U-20207, because all will continue to have full access to the confidential information.

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

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY

Dated: March 26, 2019

By: \_\_\_\_\_  
Its Attorney  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.  
One Michigan Avenue, Suite 900  
Lansing, Michigan 48933  
(517) 483-4954

Attorney for Wisconsin Electric Power Company

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter of the application of	)	
<b>WISCONSIN ELECTRIC POWER COMPANY</b>	)	Case No. U-20207
for reconciliation of its power supply cost recovery	)	
<u>plan for the 12-month period ended December 31, 2018.</u>	)	

**PROTECTIVE ORDER**

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

**I. “Protected Material” and Other Definitions**

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

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

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

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

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

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

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

C. “Party” refers to the Applicant, MPSC Staff (Staff), Michigan Attorney General, or any other person, company, organization, or association that is granted intervention in Case No. U-20207 under the Commission’s Rules of Practice and Procedure. Mich Admin Code, R 792.10401 et al.

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

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

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

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

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

## **II. Access to and Use of Protected Material**

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

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

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

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

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



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

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

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

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

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

### **III. Procedures**

A. The Disclosing Party shall mark any information that it considers confidential as “CONFIDENTIAL: SUBJECT TO THE PROTECTIVE ORDER ISSUED ON [INSERT DATE] IN CASE NO. U-20207.” If the Receiving Party or a Reviewing Representative makes copies of any Protected Material, they shall conspicuously mark the copies as Protected Material.

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

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

1. Written submissions using Protected Material shall be filed in a sealed record to be maintained by the MPSC's Docket Section, or by a court of competent jurisdiction, in envelopes clearly marked on the outside, "CONFIDENTIAL – SUBJECT TO THE PROTECTIVE ORDER ISSUED IN CASE NO. U-20207." Simultaneously, identical documents and materials, with the Protected Material redacted, shall be filed and disclosed the same way that evidence or briefs are usually filed.

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

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

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

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

#### **IV. Termination of Protected Status**

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

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

#### **V. Retention of Documents**

Following completion of these proceedings, including any administrative or judicial review, and upon request of the Disclosing Party, all documents containing Protected Material provided under the terms of this Order shall be returned to the Disclosing Party or destroyed

within sixty (60) days following such request. The obligation to return Protected Material shall be satisfied by return of all the Protected Material or confirmation in writing to the Disclosing Party that the Protected Material has been destroyed. Counsel for the Receiving Party may maintain a single confidential file of the Protected Material subject to all other provisions in this Order. Specifically, Counsel for the Receiving Party shall have the right to retain copies of the pleadings, orders, transcripts, briefs, comments, and exhibits in these proceedings, but all other provisions of this Order will continue in effect with respect to the Protected Material contained in these documents. If the Protected Material is relevant or reasonably calculated to lead to admissible evidence in a future Commission case, then Counsel of Receiving Party shall seek the issuance of a new protective order in that case.

#### **VI. Limitations and Disclosures**

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

#### **VII. Remedies**

If a Receiving Party violates this Protective Order by improperly disclosing or using Protected Material, the Receiving Party shall take all necessary steps to remedy the improper

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

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Administrative Law Judge

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>WISCONSIN ELECTRIC POWER COMPANY</b>	)	Case No. U-20207
for reconciliation of its power supply cost recovery	)	
<u>plan for the 12-month period ended December 31, 2018.</u>	)	

**NONDISCLOSURE CERTIFICATE**

By signing this Nondisclosure Certificate, I acknowledge that access to Protected Material is provided to me under the terms and restrictions of the Protective Order issued in Case No. U-20207, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by the terms of the Protective Order. I understand that the substance of the Protected Material (as defined in the Protective Order), any notes from Protected Material, or any other form of information that copies or discloses Protected Material, shall be maintained as confidential and shall not be disclosed to anyone other than in accordance with the Protective Order.

Reviewing Representative

Date: \_\_\_\_\_

\_\_\_\_\_  
 Title:  
 Representing:

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter of the application of )  
**WISCONSIN ELECTRIC POWER COMPANY** ) Case No. U-20207  
for reconciliation of its power supply cost recovery )  
plan for the 12-month period ended December 31, 2018. )

**NOTICE OF HEARING ON MOTION**

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

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY

Dated: March 26, 2019

By: \_\_\_\_\_  
Its Attorney  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK  
AND STONE, P.L.C.  
One Michigan Avenue, Suite 900  
Lansing, MI 48933  
(517) 487-2070

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 \_\_\_\_\_

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

Signature: \_\_\_\_\_

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