

SERVICE DATE Mar 14, 2023
--

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Village of Trempealeau, Trempealeau County, as an
Electric Public Utility, for Authority to Adjust Electric Rates

5940-ER-108

FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of the city of Trempealeau Municipal Electric & Water Utility (applicant), as an electric public utility, for authority to adjust electric rates. The application is APPROVED as conditioned by this Final Decision.

Introduction

The applicant applied to the Commission on May 10, 2022, for authority to adjust electric rates by \$308,748, or 14.03 percent. The applicant's last rate change was approved in docket 5940-ER-107 by Final Decision dated May 14, 2019. The applicant cited increased operation and maintenance expenses as the contributing factors for the rate adjustment request. The final overall rate change authorized is \$359,160 or 16.86 percent for the test year which ends December 31, 2023.

Pursuant to due notice, the Commission held a telephonic hearing at Madison and Trempealeau Municipal Electric & Water Utility on February 15, 2023. The applicant is the only party to the proceeding. The appearances in this proceeding are listed in Appendix A.

Findings of Fact

1. A reasonable estimate of average net investment rate base for the test year is \$4,358,450.
2. The applicant's present authorized rates for electric utility service will produce total operating revenues of \$2,140,312, which are less than the applicant's revenue requirement of \$2,499,466 for the test year. The applicant's present rates are unreasonable and unjust as they are insufficient to cover the application's test year operating expense and to provide an opportunity for a reasonable return on utility investments.
3. The rate of return on average net investment rate base at current rates of negative 2.14 percent is unreasonable and inadequate.
4. A reasonable utility ratemaking capital structure for the test year consists of 47.71 percent municipal equity and 52.29 percent long-term debt.
5. A reasonable return on municipal equity is 4.18 percent.
6. The applicant's composite cost of debt is 1.92 percent. A reasonable return on average net investment rate base that will provide adequate interest coverage is 6.10 percent.
7. Authorizing the applicant to continue to apply a power cost adjustment clause (PCAC) for retail electric service during the test year is reasonable.
8. An increase in the applicant's operating revenues for the test year of \$359,160 is necessary to generate a 6.10 percent return on average net investment rate base and to cover the applicant's total cost of service.
9. The rate and rule tariff provisions in Appendices D and F are just and reasonable and will permit the applicant to earn the necessary revenue requirement for the test year.

10. The annual depreciation rates in Appendix G are reasonable.

11. Energy conservation, renewable resources, or energy priorities listed in Wis. Stat. §§ 1.12 or 196.025 and their combination would not be a cost effective, technically feasible, or environmentally sound alternative to the rate increase authorized in this Final Decision.

Conclusion of Law

1. The applicant is a municipal electric public utility as defined in Wis. Stat. §§ 66.0801 and 196.01(5).

2. The Commission has authority under Wis. Stat. §§ 196.025, 196.03, 196.20, and 196.37, to authorize the applicant to establish electric rates and rules and annual depreciation rates in accordance with this Final Decision and to determine that the rate and rule tariffs in Appendices D, F, and G are reasonable and just as a matter of law.

3. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Energy Regulation those functions vested by law as enumerated above. It has delegated the authority to the administrator of the Division of Energy Regulation to issue a Final Decision in this matter.

Opinion

Net Investment Rate Base

The average net investment rate base for the test year is as follows:

Electric Utility Plant	\$7,682,917
Less: Accumulated Depreciation	<u>3,432,537</u>
Net Plant:	\$4,250,380
Plus: Materials and Supplies	109,706

Docket 5940-ER-108

Less: Customer Advances	0
Less: Reg. Liability (Contrib. Accum. Depr.) ¹	<u>1,636</u>
Net Investment Rate Base	\$4,358,450

This rate base is reasonable and just.

Comparative Income Statement

Income statements showing revenues and expenditures estimated for the test year ending December 31, 2023, at present rates and at rates authorized in this Final Decision, are contained in Appendix B. Such income statements are reasonable and just for purposes of this proceeding. Appendix B also shows the percent change in revenues for the various rate classes at present and authorized rates. The applicant's present rates are unreasonable and unjust because they produce inadequate revenues.

The depreciation expense included in the revenue requirement for the test year was computed using the depreciation rates shown in Appendix G. These depreciation rates are effective on the effective date of this Final Decision for computing the depreciation expense on the average investment for each plant account.

COVID-19 Costs

In docket 5-AF-105, the Commission authorized utilities to defer any COVID-19 related expenditures or foregone revenues incurred by the utility resulting from its compliance with Emergency Order #11, orders by the Commission in docket 5-UI-120, and as otherwise required to ensure the provision of safe, reliable, and affordable access to utility services during the

¹ Authorized in docket 05-US-105, Investigation of the Accounting Treatment for Account 271, Contributions in Aid of Construction and Modification of the Uniform Systems of Accounts for Municipal Electric, Gas, Water and Sewer Utilities. Supplemental Decision dated September 9, 2004.

Docket 5940-ER-108

declared public health emergency for COVID-19. In its Supplemental Order -Third², the Commission ordered all authorized COVID-19 deferrals to end as of December 31, 2021 and required utilities seeking recovery of reported COVID-19 costs to file a rate application within two years from the effective date of the Order. The applicant did not report any COVID-19 related costs and is not seeking recovery of any COVID-19 related costs.

Return on Rate Base

It is reasonable to expect the applicant to pay \$1,081,350 to its wholesale supplier, Great Lakes Utility (GLU), for purchased power during the test year. During this period, the Commission expects the applicant to sell 15,194,788 kilowatt-hours (kWh) of energy. The Commission expects the applicant's present rates to produce total operating revenues of \$2,140,312 against total operating expenses of \$2,233,600, yielding a net operating loss of \$93,288. This net operating loss provides a negative 2.14 percent rate of return on the above determined average net investment rate base of \$4,358,450. Because the present rates produce a negative rate of return, they are inadequate.

It is reasonable to estimate the applicant's capital employed in providing public utility service as 47.71 percent municipal equity and 52.29 percent long-term debt. The composite cost of debt capital is 1.92 percent. A return on rate base of 6.10 percent will provide a return on municipal equity of 4.18 percent, a 2.60 times interest coverage, and a 1.99 times debt service coverage. The rate of return of 6.10 percent applied to net investment rate base in determining revenue requirement for purposes of this proceeding is reasonable and just.

² Supplemental Order – Third, signed and served December 22, 2021 ([PSC REF# 427781](#))

Power Cost Adjustment Clause

The applicant's earnings are extremely sensitive to the wholesale rates charged by its supplier. Purchased power costs represent approximately 48.41 percent of the applicant's total operating expenses. Fluctuations in the applicant's earnings can result from changes in the wholesale demand-energy rate charged by GLU. In order to mitigate fluctuations in the applicant's earnings due to changes in the cost of purchased power, the Commission authorizes the applicant to continue to apply a Power Cost Adjustment Clause (PCAC) to all of its retail bills. This clause permits increases or decreases in the cost of purchased power to be passed on directly to the customer. The applicant presumably makes no profit from applying this PCAC to its retail bills.

This Final Decision revises the PCAC to reflect the change in the base average cost of power (the "U" factor of the clause) for the test year. The PCAC is applicable each month and shall reflect the difference between monthly and test period wholesale purchased power costs.

The authorized rates, as shown in Appendix D, reflect the test year PCAC factor. This average per kilowatt-hour adjustment to a customer's retail electric bill represents expected changes in the wholesale cost of purchased power for the test year. The cost of purchased power used to compute this average adjustment is based upon rates set by GLU which are effective on and after January 1 of the test year.

Rates

The Commission adjusted the applicant's base rates in addition to revising the PCAC. The authorized rates will increase revenues by approximately \$359,160 annually, or 16.86 percent, resulting in an estimated net operating income of \$265,866 for the test year. This

Docket 5940-ER-108

net operating income provides a rate of return of 6.10 percent on the applicant's average net investment rate base of \$4,358,450.

Rate Design

The Commission has a statutory responsibility to establish reasonable and just rates. It is reasonable and just to authorize flat usage and time-of-day (TOD) electric rates. The flat usage rate design provides an appropriate price signal to the consumer in lieu of TOD rates.

The rates in Appendix D are generally based on the cost-of-service principle; that is, rates are designed to recover the costs of providing service to each customer class. Commission staff performed a cost-of-service study (COSS), based on the applicant's costs, to design rates for this proceeding. The Commission recognizes that any cost-of-service study (COSS) is not a precise reflection of cost causality, but rather depends heavily on the accuracy of the data and projections used and the many judgments of the person performing the study. Selecting final class revenue targets, using the COSS as a guideline and adhering to the general principles of rate-making is also largely a matter of judgment. Final decisions regarding the increase or decrease for each class, as well as the rate design for each class, were influenced by all of the following factors: Commission staff's COSS; consideration of rates charged to customers of the adjacent large private power company, Wisconsin Power and Light; concern regarding rate impact; and information and analysis provided by the applicant.

The authorized revenue allocation, as shown in Appendix C, will produce increases in revenues from all classes, for the test year. The present rates and authorized rates, listed by rate class, appear in Appendix D. It is reasonable to make the changes in electric rates as shown in Appendix D that:

Docket 5940-ER-108

1. Roll the test year PCAC of \$0.0030 per kWh into base rates;
2. Reflect current operating costs, the emerging competitive environment in the electric utility industry, and the customer bill impacts; and
3. Increase demand charges to better reflect capacity-related costs in the applicant's purchased power bills.

The authorized rate and rule tariffs appear in Appendices D and F, respectively.

Rule Changes

The applicant's current extension rules comply with Wis. Admin. Code §§ PSC 113.1001 to 113.1010. The current extension construction allowances, however, are not based on current costs and, based on data submitted at the hearing, are unreasonable and unjust. The Commission finds it reasonable to revise the applicant's construction allowances as shown in Appendix D.

Reconnection of Service

The applicant currently charges \$30 during regular working hours and \$50 after regular working hours to reconnect service that was disconnected for nonpayment of bills. This charge has been in effect since May 31, 2019; it is inadequate because it does not reflect the current costs of reconnecting service. The applicant submitted evidence at the hearing showing the current average cost of reconnecting a disconnected service is \$259.58 during regular working hours and \$176.28 after regular working hours. These figures show that reconnection costs are being borne by all customers instead of by those responsible for these costs. To compensate for this inequity, the present charge is revised, and a \$40 charge is authorized for reconnections performed during regular working hours. For reconnections performed after regular working

hours, actual overtime labor costs may be added to the regular working hours charge. The total charge, however, may not exceed \$80. The revised reconnection charges appear in Appendix D.

Reasonableness of Rates and Rules

The rates and rules authorized by this Final Decision will require each class of customers to bear a fair and equitable portion of the applicant's total revenue requirement for the test year ending December 31, 2023. The rate and rule changes authorized by this Final Decision are reasonable and just.

Effective Date

The Commission finds it reasonable for the authorized rate and rule tariff changes to take effect one day after the date of service, provided that these rates and rule tariff provisions are made available by that date to the public at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public. If these rate increases and rule tariff provisions are not made available to the public by that date, it is reasonable to require that they take effect on the date the applicant makes them available at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public.

Order

1. The authorized rate and rule tariff changes shall take effect one day after the date of service, provided that these rate and rule tariff provisions are made available by that date to the public at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public. If these rate increases and rule

tariff provisions are not made available to the public by that day, they shall take effect on the date the applicant makes them available at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public.

2. The applicant shall revise its existing rates and rule tariff provisions for electric service, substituting the authorized rate and rule tariff changes shown in Appendices D and F. These changes shall be in effect until the Commission issues an order establishing new rates and rule tariff provisions.

3. The annual depreciation rates specified in Appendix G are effective on the effective date of this Final Decision.

4. The applicant shall inform the Commission, in writing within 20 days of the effective date of this Final Decision, of the date that the utility makes the authorized rates and rules effective.

5. Pursuant to Wis. Stat. § 196.19, the utility shall be deemed to have filed with the Commission the rates authorized in this Final Decision when the utility receives completed rule tariff sheets reflecting this Final Decision from the Commission.

6. Extension applications made before the effective date of this Final Decision and ready to receive service within 60 days following the effective date of this Final Decision shall be completed under the applicant's current rules, rather than the rules specified in Appendix D. "Ready to receive service" means having the premises in a condition to receive permanent service or having temporary service for construction purposes. The applicant shall immediately inform all parties with pending extension requests of the new rules and 60-day limitation.

Docket 5940-ER-108

7. The applicant's PCAC shall be applicable each month and shall reflect the difference between monthly and test period wholesale purchased power costs.

8. The applicant shall inform each customer of the new rates as required by Wis. Admin. Code § PSC 113.0406(1)(d).

9. This Final Decision takes effect one day after the date of service.

10. Jurisdiction is retained.

Dated at Madison, Wisconsin, on this 13th day of March, 2023.

For the Commission:

A handwritten signature in black ink, appearing to read "Kristy Nieto". The signature is fluid and cursive, with a large initial "K" and a long horizontal stroke at the end.

Kristy Nieto
Administrator
Division of Energy Regulation

KN:ACE:arw:jac DL:01928468

See attached Notice of Appeal Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
4822 Madison Yards Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.³ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

³ See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPENDIX A

PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party but must be served per Wis. Stat. § 227.53)
4822 MADISON YARDS WAY
PO BOX 7854
MADISON, WI 53707

KATHY PETERSON, VILLAGE CLERK

TREMPEALEAU MUN ELECTRIC & WTR UTILITY
24455 3RD STREET, PO BOX 247
TREMPEALEAU WI 54661-0247
USA
CLERK@TREMPEALEAUWI.COM

PUBLIC SERVICE COMMISSION OF WISCONSIN

ANDREW EITER
4822 MADISON YARDS WAY PO BOX 7854
MADISON WI 53707
USA
ANDREW.EITER1@WISCONSIN.GOV

PUBLIC SERVICE COMMISSION OF WISCONSIN

JILL ROSE
4822 MADISON YARDS WAY PO BOX 7854
MADISON WI 53707
USA
JILL.ROSE1@WISCONSIN.GOV

PUBLIC SERVICE COMMISSION OF WISCONSIN

SOPHIA ROGERS
4822 MADISON YARDS WAY PO BOX 7854
MADISON WI 53707
USA
SOPHIA.ROGERS1@WISCONSIN.GOV

Trempealeau Municipal Electric & Water Utility
COMPARATIVE INCOME STATEMENT
TEST YEAR ENDED DECEMBER 31, 2023

	Present Rates*	Authorized Rates	Dollar Change	Percent Change
OPERATING REVENUES				
RETAIL SALES OF ELECTRICITY				
Residential Service	1,306,247	\$1,481,377	175,130	13.41%
General Service	521,196	\$631,771	110,575	21.22%
Small Power Service	177,612	\$220,858	43,246	24.35%
CP-2	86,544	\$112,158	25,614	29.60%
Lighting Service	38,113	\$42,708	4,595	12.06%
TOTAL RETAIL SALES OF ELECTRICITY	2,129,712	2,488,872	359,160	16.86%
*/ Reflects a Test Year PCAC of \$0.003 per kWh.				
OTHER SALES OF ELECTRICITY	-	-	-	0.00%
TOTAL ALL SALES OF ELECTRICITY	2,129,712	2,488,872	359,160	16.86%
OTHER OPERATING REVENUE				
Forfeited Discounts	3,500	3,500		
Miscellaneous Service Revenue	-	-		
Sales of Water & Water Power	-	-		
Rent from Electric Property	3,600	3,600		
Interdepartmental Rents	-	-		
Other Electric Revenues	3,500	3,500		
TOTAL OTHER OPERATING REVENUES	10,600	10,600		
TOTAL ALL OPERATING REVENUES (A)	2,140,312	2,499,466		
OPERATING EXPENSE				
O. & M. EXPENSE				
Production Expense				
Purchased Power Expense (60.78% of O&M)	1,081,350	1,081,350		
Generation Expenses	-	-		
Total Production Expenses	1,081,350	1,081,350		
Trans. & Distrib. Expenses	313,889	313,889		
Customer Account & Sales Expenses	124,173	124,173		
Admin. & General Expenses	259,671	259,671		
TOTAL O. & M. EXPENSE	1,779,083	1,779,083		
DEPRECIATION EXPENSE	315,844	315,844		
AMORTIZATION EXPENSE	-	-		
TAXES OTHER THAN INCOME	138,673	138,673		
INCOME TAXES	-	-		
TOTAL OPERATING EXPENSES (B)	2,233,600	2,233,600		
NET OPERATING INCOME (A-B = C)	(93,288)	265,866		
AVG. NET INVEST. RATE BASE (D)	4,358,450	4,358,450		
RATE OF RETURN ON RATE BASE(C/ D)	-2.14%	6.10%		

Trempealeau Municipal Electric & Water Utility
ELECTRIC RETAIL REVENUE ALLOCATION SUMMARY
TEST YEAR ENDED DECEMBER 31, 2023

RATE CLASS		TEST YEAR KWH	PRESENT REVENUES	AUTHORIZED		PSC STAFF COSS PERCENT INCREASE
				REVENUES	DOLLAR INCREASE	
RG-1	Residential Service	9,187,283	\$1,306,247	\$1,481,377	\$175,130	13.41%
RG-2	Residential Optional Time-of-Day Service	0	\$0	\$0	\$0	0.00%
TOTAL RESIDENTIAL		9,187,283	\$1,306,247	\$1,481,377	\$175,130	13.41%
<hr/>						
GS-1	General Service	3,629,930	\$521,196	\$631,771	\$110,575	21.22%
GS-2	General Service Optional Time-of-Day	0	\$0	\$0	\$0	0.00%
TOTAL GENERAL SERVICE		3,629,930	\$521,196	\$631,771	\$110,575	21.22%
<hr/>						
CP-1	Small Power Service (50-200 kW)	1,661,345	\$177,612	\$220,858	\$43,246	24.35%
CP-1 TOU	Small Power Optional Time-of-Day Service (50-200 kW)	0	\$0	\$0	\$0	0.00%
TOTAL SMALL COMMERCIAL & INDUSTRIAL		1,661,345	\$177,612	\$220,858	\$43,246	24.35%
<hr/>						
CP-2	Large Power Service (>200 kW)	622,300	\$86,544	\$112,158	\$25,614	29.60%
TOTAL LARGE COMMERCIAL & INDUSTRIAL		622,300	\$86,544	\$112,158	\$25,614	29.60%
<hr/>						
MS-1	Street Lighting Service	93,930	\$38,113	\$42,708	\$4,595	12.06%
TOTAL LIGHTING SERVICE		93,930	\$38,113	\$42,708	\$4,595	12.06%
<hr/>						
TOTAL ELECTRIC RETAIL REVENUE		15,194,788	\$2,129,712	\$2,488,872	\$359,160	16.86%

Trempealeau Municipal Electric & Water Utility
 PRESENT AND AUTHORIZED RATES
 TEST YEAR ENDED DECEMBER 31, 2023

Type of Service		Present Rates	Authorized Rates
Residential Service Rg-1			
Customer Charge	Single Phase	\$ 9.50 per month	\$ 12.00 per month
	Three Phase	\$ 15.00 per month	\$ 17.00 per month
Energy Charge		\$ 0.1245 per kWh	\$ 0.1427 per kWh
PCAC		\$ 0.0030 per kWh	\$ - per kWh
Residential Optional Time-of-Day Service Rg-2			
Customer Charge	Single Phase	\$ 9.50 per month	\$ 12.00 per month
	Three Phase	\$ 15.00 per month	\$ 17.00 per month
Energy Charge	On-Peak kWh	\$ 0.1950 per kWh	\$ 0.1925 per kWh
	Off-Peak kWh	\$ 0.0730 per kWh	\$ 0.0925 per kWh
PCAC		\$ 0.0030 per kWh	\$ - per kWh
General Service Gs-1			
Customer Charge	Single Phase	\$ 10.00 per month	\$ 14.00 per month
	Three Phase	\$ 15.00 per month	\$ 19.00 per month
Energy Charge		\$ 0.1325 per kWh	\$ 0.1630 per kWh
PCAC		\$ 0.0030 per kWh	per kWh
General Service Optional Time-of-Day Gs-2			
Customer Charge	Single Phase	\$ 10.00 per month	\$ 14.00 per month
	Three Phase	\$ 15.00 per month	\$ 19.00 per month
Energy Charge	On-Peak kWh	\$ 0.1950 per kWh	\$ 0.2100 per kWh
	Off-Peak kWh	\$ 0.0730 per kWh	\$ 0.1100 per kWh
PCAC		\$ 0.0030 per kWh	\$ - per kWh

Trempealeau Municipal Electric & Water Utility
 PRESENT AND AUTHORIZED RATES
 TEST YEAR ENDED DECEMBER 31, 2023

Type of Service	Present Rates	Authorized Rates
Small Power Service CP-1 (50-200 kW)		
Customer Charge	\$ 50.00 per month	\$ 55.00 per month
Distribution Demand Charge	\$ 1.25 per kW	\$ 2.00 per kW
Monthly Billed Demand Charge	\$ 7.00 per kW	\$ 7.50 per kW
Energy Charge	\$ 0.0780 per kWh	\$ 0.1025 per kWh
Rate Limiter	\$ - per kWh	\$ - per kWh
PCAC	\$ 0.0030 per kWh	\$ - per kWh
Primary Voltage Discount		
All Voltage Levels (1)	0.00% per \$	0.00% per \$
2.3-15 kV (2)	0.00% per \$	0.00% per \$
>15 kV (3)	0.00% per \$	0.00% per \$
Transformer Ownership Discount on Distribution Demand		
All Voltage Levels (A)	\$ - per kW	\$ - per kW
2.3-15 kV (B)	\$ - per kW	\$ - per kW
>15 kV (C)	\$ - per kW	\$ - per kW
Small Power Optional Time-of-Day Service CP-1 TOU (50-200 kW)		
Customer Charge	\$ 50.00 per month	\$ 55.00 per month
Distribution Demand Charge	\$ 1.25 per kW	\$ 2.00 per kW
Monthly Billed Demand Charge	\$ 7.00 per kW	\$ 7.50 per kW
Energy Charge		
On-Peak kWh	\$ 0.0875 per kWh	\$ 0.1200 per kWh
Off-Peak kWh	\$ 0.0625 per kWh	\$ 0.1000 per kWh
PCAC	\$ 0.0030 per kWh	\$ - per kWh
Primary Voltage Discount		
All Voltage Levels (1)	0.00% per \$	0.00% per \$
2.3-15 kV (2)	0.00% per \$	0.00% per \$
>15 kV (3)	0.00% per \$	0.00% per \$
Transformer Ownership Discount on Distribution Demand		
All Voltage Levels (A)	\$ - per kW	\$ - per kW
2.3-15 kV (B)	\$ - per kW	\$ - per kW
>15 kV (C)	\$ - per kW	\$ - per kW
Large Power Service CP-2 (>200 kW)		
Customer Charge	\$ 150.00 per month	\$ 165.00 per month
Distribution Demand Charge	\$ 1.25 per kW	\$ 3.00 per kW
Monthly Billed Demand Charge	\$ 10.00 per kW	\$ 11.00 per kW
Energy Charge	\$ 0.0735 per kWh	\$ 0.0990 per kWh
PCAC	\$ 0.0030 per kWh	\$ - per kWh

Trempealeau Municipal Electric & Water Utility
 PRESENT AND AUTHORIZED RATES
 TEST YEAR ENDED DECEMBER 31, 2023

Type of Service	Present Rates	Authorized Rates
Primary Voltage Discount		
All Voltage Levels (1)	0.00% per \$	0.00% per \$
2.3-15 kV (2)	0.00% per \$	0.00% per \$
>15 kV (3)	0.00% per \$	0.00% per \$
Transformer Ownership Discount on Distribution Demand		
All Voltage Levels (A)	\$ - per kW	\$ - per kW
2.3-15 kV (B)	\$ - per kW	\$ - per kW
>15 kV (C)	\$ - per kW	\$ - per kW

Trempealeau Municipal Electric & Water Utility
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2023

Type of Service	Present Rates	Authorized Rates
Street Lighting Service MS-1		
INVESTMENT CHARGE		
Overhead		
100 W HPS (closed to new customers)	\$6.00 per month	\$8.00 per month
100 W HPS 100% Contributed (closed to new custc	\$2.00 per month	\$4.00 per month
1-75 W LED	\$10.00 per month	\$12.00 per month
1-75 W LED 100% Contributed		\$8.00 per month
Ornamental		
1-75 W LED	\$17.50 per month	\$18.00 per month
Customer Charge	\$ - per month	\$ - per month
Distribution Demand Charge	\$ - per kW	\$ - per kW
Energy Charge	\$ 0.0660 per kWh	\$ 0.0939 per kWh
PCAC	\$ 0.0030 per kWh	\$ - per kWh

Trempealeau Municipal Electric & Water Utility
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2023

Type of Service	Present Rates	Authorized Rates
AVERAGE BASE COST OF POWER		
PCAC	\$ 0.0682 per kWh	\$ 0.0712 per kWh
EMBEDDED COST ALLOWANCES		
Rg-1 & Rg-2, \$/Customer	\$ 735.00	\$ 723.00
Gs-1 & Gs-2, \$/Customer	\$ 1,330.00	\$1,866.00
Cp-1 & Cp-1 TOD, \$/kW-mo	\$ 200.00	\$ 228.00
Cp-2, \$/kW-mo	\$ 197.00	\$ 224.00
Ms-1, \$/Lamp	\$ 24.75	\$ 18.00
NSF CHARGE	\$ 20.00	\$ 20.00
RECONNECTION CHARGES		
During Office Hours	\$ 30.00	\$ 40.00
After Office Hours	\$ 50.00	\$ 80.00

Trempealeau Municipal Electric & Water Utility
 DETAILED BILL IMPACT ANALYSIS: RESIDENTIAL & GENERAL SERVICE
 TEST YEAR ENDED DECEMBER 31, 2023

Residential Service Rg-1: Single Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
100	\$22.25	\$26.27	\$4.02	18.07%
500	\$73.25	\$83.35	\$10.10	13.79%
750	\$105.13	\$119.03	\$13.90	13.22%
1,000	\$137.00	\$154.70	\$17.70	12.92%
1,500	\$200.75	\$226.05	\$25.30	12.60%
2,500	\$328.25	\$368.75	\$40.50	12.34%
4,000	\$519.50	\$582.80	\$63.30	12.18%
647	\$92.01	\$104.35	\$12.34	13.41%

Residential Service Rg-1: Three Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
100	\$27.75	\$31.27	\$3.52	12.68%
500	\$78.75	\$88.35	\$9.60	12.19%
750	\$110.63	\$124.03	\$13.40	12.11%
1,000	\$142.50	\$159.70	\$17.20	12.07%
1,500	\$206.25	\$231.05	\$24.80	12.02%
2,500	\$333.75	\$373.75	\$40.00	11.99%
4,000	\$525.00	\$587.80	\$62.80	11.96%
647	\$97.51	\$109.35	\$11.84	12.14%

* Values in bold represent class average usage

Trempealeau Municipal Electric & Water Utility
 DETAILED BILL IMPACT ANALYSIS: RESIDENTIAL & GENERAL SERVICE
 TEST YEAR ENDED DECEMBER 31, 2023

General Service Gs-1: Single Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
500	\$77.75	\$95.50	\$17.75	22.83%
1,000	\$145.50	\$177.00	\$31.50	21.65%
2,000	\$281.00	\$340.00	\$59.00	21.00%
3,000	\$416.50	\$503.00	\$86.50	20.77%
4,000	\$552.00	\$666.00	\$114.00	20.65%
5,000	\$687.50	\$829.00	\$141.50	20.58%
6,000	\$823.00	\$992.00	\$169.00	20.53%
1,350	\$192.98	\$234.12	\$41.14	21.32%

General Service Gs-1: Three Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
500	\$82.75	\$100.50	\$17.75	21.45%
1,000	\$150.50	\$182.00	\$31.50	20.93%
2,000	\$286.00	\$345.00	\$59.00	20.63%
3,000	\$421.50	\$508.00	\$86.50	20.52%
4,000	\$557.00	\$671.00	\$114.00	20.47%
5,000	\$692.50	\$834.00	\$141.50	20.43%
6,000	\$828.00	\$997.00	\$169.00	20.41%
1,350	\$197.98	\$239.12	\$41.14	20.78%

* Values in bold represent class average usage

Authorized Rate and Rule Tariff Sheets

Trempealeau Municipal Electric & Water Utility
SCHEDULE OF DEPRECIATION RATES
TEST YEAR ENDED DECEMBER 31, 2023

<u>Account</u>	<u>Description</u>	<u>Depreciation Rate</u>
DISTRIBUTION PLANT		
362	Station Equipment	3.20%
364	Poles, Towers and Fixtures	3.90%
365	Overhead Conductors & Devices	3.10%
367	Underground Conductors & Devices	3.30%
368	Line Transformers	3.30%
369	Services	4.10%
370	Meters	5.00%
371	Installations on Customer Premises	5.60%
373	Street Lighting & Signal Systems	5.60%
GENERAL PLANT		
390	Structures and Improvements	2.50%
391	Office Furniture & Supplies	6.30%
391.1	Computer Equipment	20.00%
392	Transportation Equipment	14.30%
396	Power Operated Equipment	10.00%
398	Misc. Equipment	5.00%

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Power Cost Adjustment Clause

All metered rates shall be subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the cost of power purchased for the most recent month, divided by the kilowatt-hours of energy sold. The monthly adjustment (rounded to the nearest one one-hundredth of a cent) is equal to the current cost less the base cost. The base cost of power (U) is \$0.0712 per kilowatt-hour.

Periodic changes shall be made to maintain the proper relative structure of the rates and to insure that power costs are being equitably recovered from the various rate classes. If the monthly adjustment (A) exceeds \$0.0150 per kilowatt-hour, for more than three times in a 12-month period (current plus preceding 11-months), the company shall notify the Public Service Commission of Wisconsin separate from its monthly PCAC report of the need to evaluate a change in rates to incorporate a portion of the power cost adjustment into the base rates.

For purposes of calculating the power cost adjustment charge, the following formula shall be used:

$$A = \frac{C}{S} - U$$

- A is the power cost adjustment rate in dollars per kilowatt-hour rounded to four decimal places applied on a per kilowatt-hour basis to all metered sales of electricity.
- S is the total kilowatt-hours sold during the most recent month.
- U is the base cost of power, which equals the average cost of power purchased per kilowatt-hour of sales for the test year period. This figure remains constant in each subsequent monthly calculation at \$0.0712 per kilowatt-hour until otherwise changed by the Public Service Commission of Wisconsin.
- C is the cost of power purchased in dollars in the most recent month. Cost of power purchased for calculation of C are the monthly amounts which would be recorded in the following accounts of the Uniform System of Accounts:

Class A & B utilities	Accounts 555
Class C utilities	Accounts 545

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Residential Service – Optional Time of Day

Application: This rate schedule is optional to all Rg-1, Residential Service customers. Customers that wish to be served on this rate schedule must apply to the utility for service. Once an optional customer begins service on this rate schedule, the customer shall remain on the rate for a minimum of one year. Any customer choosing to be served on this rate schedule waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Once on this rate, the utility will review billing annually according to Wis. Admin. Code ch. PSC 113.

Customer Charge: Single-phase: \$12.00 per month.
 Three-phase: \$17.00 per month.

Energy Charge: On-peak: \$0.1925 per kilowatt-hour (kWh).
 Off-peak: \$0.0925 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Pricing Periods: On-peak: The three on-peak periods available are:
 7:00 a.m. to 7:00 p.m.
 8:00 a.m. to 8:00 p.m.
 9:00 a.m. to 9:00 p.m.
Monday through Friday, excluding holidays, specified below.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day designated to be celebrated as such.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Moving Provision: If a customer moves within the utility’s service territory, both the original and the new customer have the option to retain time-of-day billing or to transfer to the Residential Service rate, Rg-1, at no cost to the customer.

Joint Residential/Commercial Customers: A customer occupying a building or apartment for residential and commercial purposes jointly shall be billed on another rate which is determined based on the customer’s load.

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

General Service – Optional Time of Day

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Public Service Commission of Wisconsin

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Small Power Service

Application: This rate will be applied to customers for all types of service if their monthly Maximum Measured Demand is in excess of 50 kilowatts (kW) per month for three or more months in a consecutive 12-month period, but not greater than 200 kW per month for three or more months in a consecutive 12-month period.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 50 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 50 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$55.00 per month.

Distribution Demand Charge: \$2.00 per kW of distribution demand.

Demand Charge: \$7.50 per kW of billed demand.

Energy Charge: \$0.1025 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

(Continued on next page)

Public Service Commission of Wisconsin

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Small Power Service

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of Billed Demand: The Billed Demand shall be the Maximum Measured Demand.

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Small Power Service – Optional Time of Day Service

Application: This rate schedule is optional to all Cp-1 customers. Customers that wish to be served on this rate schedule must apply to the utility for service. Once an optional customer begins service on this rate schedule, the customer shall remain on the rate for a minimum of one year. Any customer choosing to be served on this rate schedule waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Once on this rate, the utility will review billing annually according to Wis. Admin. Code ch. PSC 113.

Customer Charge: \$55.00 per month.

Distribution Demand Charge: \$2.00 per kW of distribution demand.

Demand Charge: \$7.50 per kW of on-peak billed demand.

Energy Charge: On-peak: \$0.1200 per kilowatt-hour (kWh).
Off-peak: \$0.1000 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Pricing Periods: On-peak: 8:00 a.m. to 8:00 p.m., Monday through Friday, excluding holidays, specified below.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day designated to be celebrated as such.

(Continued on next page)

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Small Power Service – Optional Time of Day Service

Determination of Maximum Measured Demand and On-peak Maximum Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month. The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Maximum Demand.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of On-peak Billed Demand: The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Billed Demand.

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Large Power Service

Application: This rate will be applied to customers for all types of service, if their monthly Maximum Measured Demand is in excess of 200 kilowatts (kW) per month for three or more months in a consecutive 12-month period.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 200 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 200 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$165.00 per month.

Distribution Demand Charge: \$3.00 per kW of distribution demand.

Demand Charge: \$11.00 per kW of billed demand.

Energy Charge: \$0.0990 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Prompt Payment of Bills: Same as Rg-1.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of Billed Demand: Billed Demand shall be the Maximum Measured Demand.

Public Service Commission of Wisconsin

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Street Lighting Service

Application: This schedule will be applied to lighting service.

This rate schedule is closed to new mercury vapor lights and to new HPS lights.

Investment charge:

Overhead:

100 W HPS	\$8.00 per lamp per month
100 W HPS – 100% Contributed	\$4.00 per lamp per month
1-75 W LED	\$12.00 per lamp per month
1-75 W LED – 100% Contributed	\$8.00 per lamp per month

Ornamental:

1-75 W LED	\$18.00 per lamp per month
------------	----------------------------

Energy Charge: \$0.0939 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Note:

LED = Light Emitting Diode

HPS = High Pressure Sodium

TREMPEALEAU MUNICIPAL ELECTRIC & WATER UTILITY

Other Charges and Billing Provisions

Budget Payment Plan: A budget payment plan, which is in accordance with Wis. Admin. Code ch. PSC 113, is available from the utility. The utility does not use a fixed budget year. The utility will calculate the monthly budgeted amount by spreading the estimated annual bill over eleven months, with the last month consisting of any end of year adjustments.

Reconnection Billing: All customers whose service is disconnected in accordance with the disconnection rules as outlined in Wis. Admin. Code ch. PSC 113, shall be required to pay a reconnection charge. The charge shall be **\$40.00** during regular office hours. After regular office hours the minimum reconnection charge of **\$40.00** applies plus any overtime labor costs, not to exceed a total maximum charge of **\$80.00**.

Reconnection of a Seasonal Customer’s Service: Reconnection of a service for a seasonal customer who has been disconnected for less than one year shall be subject to the same reconnection charges outlined above. A seasonal customer shall also be charged for all minimum bills that would have been incurred had the customer not temporarily disconnected service.

Payment Not Honored by Financial Institution Charge: The utility shall assess a **\$20.00** charge when a payment rendered for utility service is not honored by the customer’s financial institution. This charge may not be in addition to, but may be inclusive of, the water utility’s insufficient fund charge when the check was for payment of both electric and water service.

Average Depreciated Embedded Cost: The embedded cost of the distribution system (excluding the standard transformer and service facilities), for each customer classification, is determined based on methodology authorized by the Public Service Commission of Wisconsin, and described in the utility’s Electric Rules. The average depreciated embedded cost by customer classification is as follows:

Residential Service: **\$723.00**.

Apartment and Rental Units Separately Metered: **\$723.00** per unit metered.

Subdividers and Residential Developers: **\$723.00** per unit.

General Service: (Including Multi-Unit Dwellings If Billed on One Meter): **\$1866.00**.

Power Service: **\$228.00** per kW (Cp-1), **\$224.00** per kW (Cp-2), of average billed demand

Street Lighting: **\$18.00**.