

Reasons for Increase contd.

In addition, because of the general downturn in the economy and stock market in particular, employee benefit costs have also increased. The downturn in the economy has also resulted in increased losses from unpaid bills.

## Primary Reasons for the Natural Gas Increase Request

The natural gas increase request primarily covers the increased costs of energy efficiency programs through Focus on Energy, as well as the increased employee benefit costs and losses from unpaid bills as mentioned above.

## How WPS is Managing Costs

We know rate increases in a tough economy are difficult for our customers. You can be certain that we are doing what we can to keep costs as low as possible, including using LEAN techniques in most of our projects and processes. In addition, WPS instituted a hiring freeze this year in an effort to keep costs down.

## How We Can Help You Manage Costs

Just as we are committed to managing our costs, we are also committed to helping our customers manage their energy use and costs. When you visit **Energy-Saving Tools & Ideas** and **All About My Bill** at [wisconsinpublicservice.com](http://wisconsinpublicservice.com), you'll find a wealth of tools and information to help you learn about your energy use and how to better manage it. You can also visit [focusonenergy.com](http://focusonenergy.com) for information on energy-saving programs and rebates offered through Focus on Energy.



## For More Information

If you have any questions about the proposed rate changes, please contact WPS. Residential customers can call 24-Hour Customer Service at **800-450-7260**. Business and farm customers can call our Business Solutions Center at **877-444-0888**. For more information about WPS, visit our Web site at [wisconsinpublicservice.com](http://wisconsinpublicservice.com).

Please note that the Commission oversees the rates we charge to our customers and must approve any rate increase. As part of the approval process, the Commission will hold hearings to determine if this request is reasonable and advisable. The public is encouraged to attend and participate in these hearings.

The dates of the hearings in this case will be established by the Commission. Customers can contact the Commission to learn when the hearings are scheduled to occur by calling **800-358-9246** or by e-mailing the case coordinator at [mary.mcilwee@psc.state.wi.us](mailto:mary.mcilwee@psc.state.wi.us). You may also access their Web site at [www.pscw.wi.gov](http://www.pscw.wi.gov) and enter the docket number 6690-UR-119 to be linked directly to this rate case.

# IMPORTANT

Information About Your Rates



WPS Requests New Electric and Natural Gas Rates for 2010



On May 1, 2009, Wisconsin Public Service applied to the Public Service Commission of Wisconsin (the Commission) to increase retail electric rates by about 4.95% and natural gas rates by 3.44% in 2010.

If approved, we estimate that an average residential electric customer using 630 kilowatt-hours of electricity each month would see an increase of about \$4.15 per month. An average natural gas customer using 900 therms of natural gas annually would see an increase of approximately \$3.22 per month.

However, because the cost of natural gas has dropped since last summer, customer gas bills will still likely be lower in the 2009-2010 winter than in the 2008-2009 winter, if the forecasts hold true.

*The Commission oversees the rates we charge and must approve any rate increases. The actual increases may change as we work with the Commission and conditions change.*

Please refer to the electric and natural gas cost comparison charts provided to see more specifically how the proposed change may affect your bill.

### Primary Reasons for the Electric Increase Request

The primary reasons for the electric increase request are related to reliability issues, environmental requirements and energy efficiency. These items reflect about 67% of the rate increase request and include:

- The 99-megawatt Crane Creek Wind Farm in Howard County, Iowa.
- Cost increases for emission controls, emissions allowances and ash disposal at coal-fired power plants.
- Cost increases associated with electric transmission.
- Increased costs of energy efficiency programs through Focus on Energy.

### WPS's Proposed 2010 Electric Rates — Compared with Typical 2009 Bills

Customer Class			Monthly Kilowatt Hours (kWh)	2009 Monthly Bill	2010 Monthly Bill	Monthly Difference		Annual Dollar Impact
						Dollars	Percent	
Residential	Rg-1	Urban	630	\$79.66	\$83.81	\$4.15	5.2%	\$50
Residential	Rg-2	Rural	630	\$81.69	\$85.11	\$3.42	4.2%	\$41
Residential	Rg-3	Optional Time of Use	1,100	\$106.54	\$111.83	\$5.29	5.0%	\$63
Commercial	CG-1	<12,500 kWh	1,900	\$226.40	\$242.81	\$16.41	7.2%	\$197
Commercial	CG-5	>12,500 kWh	15,000	\$1,515.30	\$1,592.25	\$76.95	5.1%	\$923
Commercial	CG-3	Optional Time of Use	2,674	\$279.07	\$297.18	\$18.11	6.5%	\$217
Commercial	CG-2	<12,500 kWh	1,400	\$170.62	\$182.07	\$11.45	6.7%	\$137
Commercial	Cg-4	Optional Time of Use	3,229	\$334.50	\$356.15	\$21.65	6.5%	\$260
Commercial	Cg-20	> 100 kW	81,400	\$6,137	\$6,522	\$385	6.3%	\$4,621
Industrial	CP	> 1,000 kW	2,000,000	\$116,607	\$120,065	\$3,458	3.0%	\$41,497

### WPS's Proposed 2010 Natural Gas Rates — Compared with Typical 2009 Bills

WPS Customer Class	Annual Therms	2009 Annual Bill	Proposed 2010 Annual Bill	Annual Difference	
				Dollars	Percent
Rg-3	900	\$942	\$981	\$39	4.1%
Cg-FST	900	\$942	\$981	\$39	4.1%
Cg-FS	6,400	\$5,522	\$5,668	\$146	2.6%
Cg-FM	45,000	\$35,507	\$36,185	\$678	1.9%
Cg-FL	446,600	\$330,310	\$331,449	\$1,139	0.3%
Cg-IM	102,200	\$68,131	\$68,565	\$434	0.6%
Cg-IL	745,900	\$468,425	\$470,327	\$1,902	0.4%
Cg-ISL	3,500,000	\$2,174,009	\$2,179,944	\$5,935	0.3%
Cg-IEGL	3,053,400	\$1,960,565	\$1,972,596	\$12,031	0.6%
Cg-SOS-M	65,300	\$43,902	\$44,179	\$277	0.6%
Cg-TSA	12,900	\$2,398	\$2,493	\$95	4.0%
Cg-TS	36,600	\$5,651	\$5,921	\$270	4.8%
Cg-TMA	47,600	\$5,378	\$5,581	\$203	3.8%
Cg-TM	99,800	\$9,342	\$9,766	\$424	4.5%
Cg-TLA	269,300	\$20,017	\$20,703	\$686	3.4%
Cg-TL	707,500	\$39,770	\$41,573	\$1,803	4.5%
Cg-TSL	6,243,500	\$246,780	\$257,366	\$10,586	4.3%
CDGT	3,500,000	\$167,601	\$173,356	\$5,755	3.4%