

Mailed April 2, 1999



# Public Service Commission of Wisconsin

Ave M. Bie, Chairperson  
Joseph P. Mettner, Commissioner  
John H. Farrow, Commissioner

610 North Whitney Way  
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Mr. William L. Bourbonnais  
Manager of Rates and Economic Evaluation  
Wisconsin Public Service Corporation  
P.O. Box 19001  
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Mr. Roman A. Draba  
Manager, State Regulatory Affairs  
Wisconsin Electric Power Company  
P.O. Box 2046  
Milwaukee, WI 53201-2046

Mr. David A. Ramos  
Director, Financial Planning and Analysis  
Wisconsin Power and Light  
P. O. Box 192  
Madison, WI 53701-0192

Mr. Jeffrey C. Newman  
Treasurer  
Madison Gas and Electric Company  
P.O. Box 1231  
Madison, WI 53710-1231

Re: Investigation on the Commission's Own Motion Into Issues  
Associated With Compliance by Wisconsin Electric Utilities  
With the U.S. Environmental Protection Agency's New  
Nitrogen Oxide Emissions Requirements

05-CE-108

Dear Messrs.:

At its open meeting of March 30, 1999, the Commission determined that Wisconsin Public Service Corporation, Wisconsin Power and Light Company, Wisconsin Electric Power Company, and Madison Gas and Electric Company (utilities) are authorized to begin deferring all project costs associated with compliance of the Environmental Protection Agency's new requirements on emissions of nitrous oxides (NOx), excluding internal labor and applicable overheads that are incurred after March 30, 1999. In addition, the utilities are authorized to defer carrying costs at their respective, most recently authorized, cost of capital. The utilities are not authorized to defer the costs of replacement power associated with complying with the new NOx requirements. The Commission will leave the tracking of these costs and the rate implications to the operation of the fuel rules.

This authorization is for the purpose of allowing the utilities to request future rate recovery of the deferred costs and does not ensure recovery of the deferred costs nor does it mean that the

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Commission has determined that these costs will be prudently incurred. That issue will be addressed in appropriate future rate proceedings.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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cc: Records Management, PSCW

See attached Notice of Appeal Rights.

Notice of Appeal Rights

Notice is hereby given that a person aggrieved by the foregoing decision has the right to file a petition for judicial review as provided in Wis. Stat. § 227.53. The petition must be filed within 30 days after the date of mailing of this decision. That date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

Notice is further given that, if the foregoing decision is an order following a proceeding which is a contested case as defined in Wis. Stat. § 227.01(3), a person aggrieved by the order has the further right to file one petition for rehearing as provided in Wis. Stat. § 227.49. The petition must be filed within 20 days of the date of mailing of this decision.

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

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.

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DOCKET 05-CE-108  
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