



To Our Customers:

On April 1, 2022, Madison Gas and Electric (MGE) filed an application with the Public Service Commission of Wisconsin (PSCW) for its limited reopener rate case for 2023 electric rates.

The reopener rate case proposes increasing overall electric rates by 4.38% in 2023. Construction costs associated with several new generation assets, including Badger Hollow Solar Farm Phase 2, Paris Solar-Battery Park, Red Barn Wind Farm, and West Riverside Energy Center, are factors in the request for an increase. If approved, the typical residential electric customer using 500 kilowatt-hours (kWh) a month would see a bill increase of about \$3.54 a month. Impacts for non-residential customers would vary by rate class.

In addition, earlier this year, MGE filed an application with the PSCW for reconciliation of actual 2021 fuel costs to the company's authorized 2021 fuel cost plan. This is a statutory process that MGE must follow. MGE's 2021 fuel costs for electric generation were approximately \$3.29 million higher than fuel costs authorized by the PSCW. MGE is proposing that it recover the 2021 fuel costs in 2023 as part of the limited reopener rate case, instead of recovering the costs in 2022, to help reduce rate volatility for customers.

MGE works to keep costs down. Under this proposal, the average annual impact on MGE's electric rates from 2017 through 2023 will equal a 0.7% increase. In comparison, the projection for the Consumer Price Index, which measures the costs of goods and services, for the same period is an average increase of 2.8% per year.

The PSCW will solicit public comments on both of MGE's requests at times and in formats to be determined, including scheduling separate hearings on the fuel reconciliation request and proposed increase in electric rates in the limited reopener, at a later date.

If you have questions about either application, MGE's reconciliation of fuel costs (PSCW docket 3270-FR-2021) or reopener rate case (PSCW docket 3270-UR-124), please call:

- MGE at 608-252-7222 or 1-800-245-1125.
- PSCW at 608-266-5481, or visit the PSCW's website at www.psc.wi.gov.

Para asistencia en español, por favor llame a MGE al (608) 252-7120.