

<p>DATE MAILED</p> <p>DECEMBER 22, 1998</p>
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BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Wisconsin Power and Light Company, as an Electric, Water and Natural Gas Public Utility, to Change Electric, Water and Natural Gas Rates

6680-UR-110

**NOTICE OF PROCEEDING, INVESTIGATION AND HEARING
ON LIMITED REOPENING: EMERGENCY FUEL
RULES APPLICATION**

Direct Testimony Due:	January 11, 1999 – Noon
Rebuttal Testimony Due:	January 15, 1999 – Noon
Hearing Date:	January 19, 1999 – 10:30 a.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.03, 196.20, and 196.37 and Wis. Admin. Code § PSC 116.06 to consider the November 13, 1998, application of Wisconsin Power and Light Company (WP&L) for authority to increase its retail electric rates due to an emergency increase in fuel costs.

In its application, WP&L stated fuel expenses for the cumulative period January through December 1998, based on year-to-date actuals through October and forecasts for November and December 1998, are in the amount of \$197.1 million or \$15.18 per MWh. The projected increase above the authorized base fuel expense is \$20.3 million (adjusted for volume changes), representing an annual increase of 11.88 percent in fuel costs, which is in excess of the 3 percent fuel expense annual range.

On April 29, 1997, the Commission issued an order in docket 6680-UR-110 authorizing a rate decrease of \$10,590,000, annually, for Wisconsin retail electric operations of WP&L. That order established an average fuel cost of \$0.01199 per net kWh for the test year. The order reinstated the monitoring of fuel costs for WP&L. The Commission had temporarily suspended such monitoring in the utility's previous rate case in docket 6680-UR-109. The order also

established variance ranges for monitoring WP&L's fuel costs pursuant to Wis. Admin. Code ch. PSC 116. The appropriate variance ranges are:

1. For the annual range, plus or minus 3 percent.
2. For the monthly range, plus or minus 10 percent.
3. For the cumulative ranges, plus or minus 10 percent for the first month, plus or minus 6 percent for the second month, and plus or minus 3 percent for the remaining months of the calendar year.

On December 3, 1997, WP&L requested an increase in rates for electric service due to an emergency increase in fuel costs. After further review and consideration, WP&L withdrew that request.

On March 13, 1998, WP&L filed another application with the Commission under Wis. Admin. Code § PSC 116.06, for an increase in rates for electric service due to an emergency increase in fuel costs. In its application, WP&L noted that, based on actual data from January 1, 1998 through February 28, 1998, the utility experienced cumulative fuel costs approximately 29 percent in excess of the amount established in docket 6680-UR-110. Based on that actual data and estimates for the remainder of 1998, WP&L has forecasted a \$28.1 million or an 18.55 percent under-recovery of fuel costs for the test year. The Commission, in an order mailed July 15, 1998, approved a surcharge of \$0.00164/kWh based on \$14,772,161 increase in Wisconsin retail rates. This order increased base 1998 annual fuel costs monitored for the fuel rules to \$171,030,427 or \$13.57 per MWh.

Pursuant to Wis. Admin. Code § PSC 116.03(1) and 116.06, an emergency rate increase can be granted only if the utility's monthly fuel costs exceed the ranges set in its rate proceeding, the annual fuel costs will be affected so as to exceed the annual range, and the increase in fuel costs was caused suddenly by forces beyond the utility's control or reasonable foresight.

NOTICE IS GIVEN that this matter is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a). This is a Type III action under Wis. Admin. Code §. PSC 4.10(3). No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under Wis. Stat. § 1.11, nor an environmental assessment is required.

The Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices, and activities of WP&L. The expenses incurred or to be incurred by the Commission which are reasonably attributable to the investigation will be assessed against and collected from WP&L in accordance with Wis. Stat. § 196.85(1), and Wis. Adm. Code § PSC 5.

Docket 6680-UR-110

All testimony and exhibits must be prefiled with the Commission and the service lists by noon on January 11, 1999. Rebuttal testimony must be prefiled with the Commission and the service lists by noon on January 15, 1999. Copies of WP&L's application and prefiled testimony and exhibits may be obtained by written request to WP&L at its offices at Wisconsin Power and Light Company, 222 West Washington Avenue, P.O. Box 192, Madison, Wisconsin 53701-0192.

A hearing to determine the need for and amount of a surcharge will be held on January 19, 1999, at 10:30 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Office Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

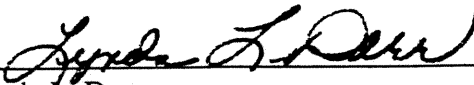
The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact the case coordinator listed below.

Persons who desire to actively participate as full parties must request full party status in writing. Full party status requests should be addressed to Jeffry Patzke, Hearing Examiner, Public Service Commission of Wisconsin, Examining Division, P.O. Box 7854, Madison, Wisconsin 53707-7854.

Anyone having other questions regarding this matter may contact case coordinator Jim Wagner, Electric Division, at (608) 267-9768 or email at wagnej@psc.state.wi.us.

Dated at Madison, Wisconsin, December 22, 1998

By the Commission:



Lynda L. Dorr
Secretary to the Commission

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DATE MAILED
JAN 15 1999

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 4,
Wis. Adm. Code – Small Generating Plants

1-AC-183

**ORDER OF THE PUBLIC SERVICE COMMISSION
ADOPTING EMERGENCY RULES**

The Public Service Commission of Wisconsin (Commission) adopts an emergency rule to amend Table 1.a (intro.) and Table 2.a of ch. PSC 4, Wis. Adm. Code, relating to increasing the threshold from 20 megawatts (MW) to 100 MW at which the preparation of an environmental impact statement is mandatory for electric generating plant projects.

**ANALYSIS BY THE PUBLIC SERVICE COMMISSION
OF WISCONSIN**

Statutory authority: ss. 196.02(1) and (3), 227.11, and 227.24, Stats.

Statute interpreted: s. 1.11, Stats.

The Wisconsin Environmental Policy Act (WEPA) requires that all state agencies carefully examine the environmental consequences of major actions that significantly affect the quality of the human environment. Part of that examination includes the preparation of an environmental impact statement (EIS).

The Commission has implemented rules to administer its obligations under WEPA. These rules identify certain projects for which preparation of an EIS is required. These projects are listed in the Commission's rules as "Type I actions." The rules also identify other projects for which preparation of a less-detailed environmental assessment must be done, categorized as "Type II actions." For Type II projects, production of an EIS is discretionary. Instead, an environmental assessment is completed for a Type II project, for the purpose of providing information as to whether the project is actually a major action significantly affecting the quality of the human environment. If so, the Commission then prepares an EIS. The Commission also has discretionary authority to proceed directly with an EIS concerning a Type II project, without first completing an environmental assessment.

Wisconsin Electric Power Company (WEPCO) has forecast that it will need an additional 133 MW of electric generating capacity to meet its projected summer load in the year 2000 while continuing to maintain an 18 percent reserve margin. WEPCO has indicated that this much

Docket 1-AC-183

additional power is not available on the market at a reasonable price. As a result, WEPCO is proposing to build a new 85 MW combustion turbine generating plant at its Germantown Power Plant site, to fulfill most of its projected need. WEPCO intends to submit an application for a Certificate of Authority (CA) with the Commission early in 1999, and is seeking a CA by June 30, 1999, so it will have sufficient time to construct the new unit and have it on-line by June 1, 2000.

Over the past twelve months, the Commission has received several project applications to build small generating plants, less than 100 MW. It is reasonably likely that more projects of a similar size will also be proposed in the near future, to meet forecasted load growth over the next few years in Wisconsin.

Under current Commission rules, a project to build a new generating plant of 20 MW or more would require completion of a draft EIS and a final EIS. This work could not be completed in time to complete the Commission's review of WEPCO's 85 MW project by June 30, 1999, or of other small generating projects on the same schedule. In order to ensure a reliable energy supply in 2000 and beyond for Wisconsin ratepayers, it is necessary to amend the Commission's rules to allow discretionary, rather than mandatory, production of an EIS for such projects. 1997 Wisconsin Act 204 amended state law governing the issuance of a CPCN. One of its changes involved increasing the threshold at which a generating plant project requires a CPCN, from 12 MW to 100 MW. It is reasonable to use the same 100 MW threshold in this emergency rule change.

FISCAL ESTIMATE

A fiscal estimate is attached to this order.

STATEMENT OF EMERGENCY

In order to preserve the health, safety, and welfare of Wisconsin ratepayers by ensuring a reliable energy supply in 2000 and beyond, the Commission's review process of proposed new generating plants that are less than 100 MW in size must be amended. A revision is needed so the review process for such projects can be completed in time to allow construction of necessary projects, if approved, by June 1, 2000. Permanent rules cannot be adopted in time to affect the Commission's review period. An emergency rule is necessary to change the Commission's review process immediately.

ENVIRONMENTAL ANALYSIS

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

ORDER OF ADOPTION

Pursuant to ss. 196.02(1) and (3), 227.11, and 227.24, Stats., the Commission amends Table 1.a. and Table 2.a. of ch. PSC 4, Wis. Adm. Code. The attached emergency rules take effect upon publication.

Dated at Madison, Wisconsin, January 14, 1999

By the Commission:

Lynda L. Dorr
Lynda L. Dorr
Secretary to the Commission

EMERGENCY RULES

The Wisconsin public service commission hereby adopts an emergency order to amend Tables 1.a. (intro.) and 2.a. of chapter PSC 4, relating to increasing the threshold from 20 megawatts to 100 megawatts at which the preparation of an environmental impact statement is mandatory for electric generating plant projects.

SECTION 1. Table 1.a. (intro.) of chapter PSC 4 is amended to read:

Table 1.a. (intro.) Construct an electric generation or cogeneration facility, designed for operation at a nominal capacity of ~~20~~ 100 MW or greater. This paragraph does not include:

SECTION 2. Table 2.a. of chapter PSC 4 is amended to read:

Table 2.a. Construct an electric generation or cogeneration facility, designed for operation at a nominal capacity of less than ~~20~~ 100 MW.

SECTION 3. EFFECTIVE DATE. As provided in s. 227.24(1)(c), Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)



Public Service Commission of Wisconsin

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

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Proposed Extension of Emergency Revision of Chapter PSC 4 May 27, 1999

Testimony of Patricia McCormack Public Service Commission

The Public Service Commission requests a 60 day extension of the emergency rule to amend Table 1.a (intro) and Table 2.a of Wis. Admin. Code ch. PSC 4, relating to increasing the threshold from 20 megawatts (MW) to 100 MW at which the preparation of an environmental impact statement is mandatory for electric generating plant projects.

The Commission promulgated an emergency rule so that the Commission could use discretion rather than mandating the completion of an Environmental Impact Statement (EIS) for a Certificate of Public Convenience and Necessity (CPCN) application for construction of a generating plant project between 20 MW and 100 MW.

This emergency rule was created to achieve greater consistency with the Reliability Act (1997 Wisconsin Act 204). 1997 Wisconsin Act 204 amended state law governing the issuance of a CPCN. One of its changes involved increasing the threshold at which a generating plant project requires a CPCN from 12 MW to 100m MW. The Commission determined that it was reasonable to adopt this emergency rule change while it promulgates a permanent revision to Wis. Admin. Code ch. PSC 4.

This emergency was created by the fact that Wisconsin Electric Power Company (WEPCO) submitted an application to build a new 85 MW combustion turbine generating plant at its Germantown Power Plant site and to gain an additional 50 MW by installing inlet cooling facilities on the four existing units at Germantown. This application was in response to WEPCO's need for a reliable energy supply by the year 2000 and the need to begin construction by June 30, 1999. Previously, a project to build a new generating plant of 85 MW would require completion of a draft EIS and a final EIS. The EIS process would not have been completed in time to ensure the completion of the Commission's review by June 30, 1999.

In order to ensure a reliable energy supply, the rules were amended so that the Commission could determine after an environmental assessment was completed whether or not an EIS would be necessary. In this particular case, the Environmental Assessment did determine that an EIS was not necessary and the application is still pending before the Commission.

The Commission is in the process of permanently revising Wis. Admin. Code ch. PSC 4 to allow the agency to meet the 180-day timeline mandated in 1997 Wisconsin Act 204 and to fully comply with the Wisconsin Environmental Policy Act. The staff is proposing to revise the Type

list tables to more accurately reflect the changes in generation technologies and the electric power industry as well the type and degree of environmental impacts associated with newer, more efficient generation technologies being installed in recent years. These rules should be ready by early fall.

The Commission currently has no other applications before it which fall into the 20 MW to 100 MW category, but the Commission believes that the discretion allowed for in the emergency rule is necessary while the permanent revisions to Wis. Admin. Code ch. PSC 4 are being promulgated, and so, it is requesting an extension.

In summary, the Commission is requesting that the emergency rule be extended in order to continue to meet the goals of 1997 Wisconsin Act 204 and at the same time, proceed with permanent changes to Wis. Admin. Code ch. PSC 4.

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Public Service Commission of Wisconsin

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

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

The Honorable Douglas LaFollette
Secretary of State
Office of the Secretary of State
30 West Mifflin Street, 10th Floor
Madison, WI 53703

Mr. Gary L. Poulson
Deputy Revisor
Revisor of Statutes Bureau
1 West Wilson Street, Room 800
Madison, WI 53703

Re: In the Matter of Proposed Emergency Revision of Chapter PSC 4,
Wis. Adm. Code – Small Generating Plants

1-AC-183

Dear Secretary LaFollette and Mr. Poulson:

At its open meeting on January 14, 1999, the Public Service Commission adopted an emergency rule relating to the preparation of draft environmental impact statements. Pursuant to s. 227.20, Stats., an agency is required to file a certified copy of each rule it adopts with the offices of the Secretary of State and the Revisor of Statutes.


Enclosed for filing are certified copies of the Order of the Public Service Commission Adopting Emergency Rules, which amends Tables 1 and 2 of ch. PSC 4, Wis. Adm. Code. Mr. Poulson's filing also includes an additional uncertified copy of the rules.

Section 227.24 (3), Stats., requires a state agency to mail a copy to each member of the Legislature when it files a rule. Accordingly, a copy of this letter and of the Commission's order is being sent to each legislator.

If you have any further questions or concerns, please contact Mr. David Ludwig, Attorney, Electric Division, at (608) 266-5621.

Dated at Madison, Wisconsin, January 15, 1999

By the Commission:


Lynda L. Dorr
Secretary to the Commission

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Enclosures

cc: Records Management, PSCW
State Senators
State Representatives

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 4,
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Wisconsin Electric Power Company (WEPCO) has forecast that it will need an additional 133 MW of electric generating capacity to meet its projected summer load in the year 2000 while continuing to maintain an 18 percent reserve margin. WEPCO has indicated that this much

additional power is not available on the market at a reasonable price. As a result, WEPCO is proposing to build a new 85 MW combustion turbine generating plant at its Germantown Power Plant site, to fulfill most of its projected need. WEPCO intends to submit an application for a Certificate of Authority (CA) with the Commission early in 1999, and is seeking a CA by June 30, 1999, so it will have sufficient time to construct the new unit and have it on-line by June 1, 2000.

Over the past twelve months, the Commission has received several project applications to build small generating plants, less than 100 MW. It is reasonably likely that more projects of a similar size will also be proposed in the near future, to meet forecasted load growth over the next few years in Wisconsin.

Under current Commission rules, a project to build a new generating plant of 20 MW or more would require completion of a draft EIS and a final EIS. This work could not be completed in time to complete the Commission's review of WEPCO's 85 MW project by June 30, 1999, or of other small generating projects on the same schedule. In order to ensure a reliable energy supply in 2000 and beyond for Wisconsin ratepayers, it is necessary to amend the Commission's rules to allow discretionary, rather than mandatory, production of an EIS for such projects. 1997 Wisconsin Act 204 amended state law governing the issuance of a CPCN. One of its changes involved increasing the threshold at which a generating plant project requires a CPCN, from 12 MW to 100 MW. It is reasonable to use the same 100 MW threshold in this emergency rule change.

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ENVIRONMENTAL ANALYSIS

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

ORDER OF ADOPTION

Pursuant to ss. 196.02(1) and (3), 227.11, and 227.24, Stats., the Commission amends Table 1.a. and Table 2.a. of ch. PSC 4, Wis. Adm. Code. The attached emergency rules take effect upon publication.

Dated at Madison, Wisconsin, January 14, 1999

By the Commission:

Lynda L. Dorr
Lynda L. Dorr
Secretary to the Commission

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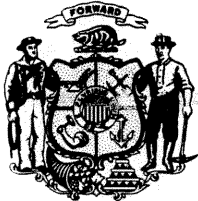
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SECTION 2. Table 2.a. of chapter PSC 4 is amended to read:

Table 2.a. Construct an electric generation or cogeneration facility, designed for operation at a nominal capacity of less than ~~20~~ 100 MW.

SECTION 3. EFFECTIVE DATE. As provided in s. 227.24(1)(c), Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)



Public Service Commission of Wisconsin

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

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

January 7, 1999

The Honorable Judith Robson, Co-chairman
Joint Committee for Review of Administrative Rules
The State Senate
1 East Main Street, Room 201
Madison, WI 53703

The Honorable Glenn Grothman, Co-chairman
Joint Committee for Review of Administrative Rules
The State Assembly
State Capitol, Room 125W
Madison, WI 53703

Re: In the Matter of Proposed Emergency Revision of Chapter PSC 4, 1-AC-183
Wis. Adm. Code – Small Generating Plants

Dear Senator Robson and Representative Grothman:

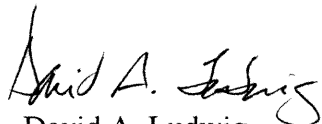
A Joint Committee for Review of Administrative Rules (JCRAR) memo dated January 27, 1989, requested that rulemaking agencies provide advance notice to the Joint Committee of their intent to adopt emergency rules. Please accept this letter as advance notification of the Public Service Commission's (Commission) intent to promulgate an emergency rule. The proposed rule would allow the Commission to prepare an environmental assessment in lieu of an environmental impact statement for an 85 megawatt generating plant that Wisconsin Electric Power Company (WEPCO) is proposing to construct at its Germantown Power Plant site. WEPCO has indicated that unexpected increases in load require that it build this new plant, to provide reliable service to its customers in the years 2000 and beyond. The company has requested Commission review and approval of its project by June 30, 1999, so it can build the new plant and place it in service in time for the peak loads of summer 2000.

The Commission is scheduled to consider adoption of this proposed emergency rule at its open meeting on January 14, 1999. A copy of the Commission staff memorandum and the proposed

The Honorable Judith Robson
The Honorable Glenn Grothman
Docket 1-AC-183
Page 2

rule is enclosed. If you have any questions please contact me at 266-5621 or Ms. Kathleen Zuelsdorff, WEPA coordinator, at 266-2730.

Sincerely,



David A. Ludwig
Attorney for the Commission

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Enclosures

PUBLIC SERVICE COMMISSION OF WISCONSIN
Memorandum

January 7, 1999

FOR COMMISSION AGENDA

TO: The Commission

FROM: Patricia C. McCormack, Administrator *pcm*
Kathleen J. Zuelsdorff, WEPA Coordinator *KZ*
David A. Ludwig, Attorney *DL*
Electric Division

RE: In the Matter of Proposed Emergency Revision of Chapter PSC 4, 1-AC-183
Wis. Adm. Code – Small Generating Plants

Suggested Minute: The Commission approved an order to promulgate emergency rules that would increase from 20 to 100 megawatts (MW) the environmental impact statement (EIS) threshold for generating plants, so that an EIS would not be mandatory for a project of Wisconsin Electric Power Company to construct an 85 MW generating plant that may need more expedited review. The Commission directed Commission staff to complete the filings required for submittal of rules.

Attached are a proposed order and related documents to adopt an emergency rule, dealing with the need to prepare an EIS for projects involving the construction of small electric generating plants. Under its current administrative rules, the Commission must prepare an EIS for any project to build an electric generation facility with a nominal capacity of 20 MW or more. For an electric generation project whose nominal capacity is less than 20 MW, current rules allow the Commission to prepare an environmental assessment in lieu of an EIS and use the environmental assessment to determine whether an EIS is needed. This emergency rule would change the 20 MW threshold to 100 MW.

Wisconsin Electric Power Company (WEPCO) recently notified the Commission of its intent to install a new combustion turbine at the Germantown Power Plant site, to provide additional capacity by the summer of 2000. This new plant would have a nominal capacity of 85 MW and is part of WEPCO's plan to meet a projected capacity shortfall of 133 MW in the

year 2000. In addition, WEPCO is proposing to gain an additional 50 MW of capacity by installing inlet coolers on the four existing units at the Germantown site. In a letter dated December 23, 1998, (copy attached), WEPCO declares that it will file an application for a Certificate of Authority (CA) by the end of January 1999.

WEPCO states that it needs Commission approval of the new generating plant by June 30, 1999, in order to place the combustion turbine in service eleven months later on June 1, 2000. Under current Commission rules, such a project would require preparation of both a draft and final EIS. These documents could not be completed by June 30, 1999, which would jeopardize the in-service date for the new plant if the Commission were to grant a CA. WEPCO indicates in its letter that it has explored other options, such as purchasing additional capacity, but has found that no firm capacity is available at a reasonable price and that transmission capability is severely restricted. In addition, WEPCO states that it does not have sufficient time to employ a bidding process to meet its need for more capacity by 2000. As a result, Commission staff recommends that preservation of the public health, safety, and welfare necessitate an emergency rule change.

Under Wis. Stat. § 227.24(1), an emergency rule can be promulgated without first proceeding through the legislative review process. Instead, emergency rules take effect upon publication in the official state newspaper. On the other hand, an emergency rule lasts for only 150 days, although the Joint Committee for Review of Administrative Rules can extend an emergency rule for up to 120 additional days. The Joint Committee has also requested state agencies to notify it in advance when promulgating emergency rules. By a copy of this memo to the co-chairs of the Joint Committee, this notice has been completed.

If the Commission approves this order, Commission staff will send the emergency rule and necessary related documents to the Revisor of Statutes and Secretary of State and will forward the rule for publication. Under Wis. Stat. § 227.24(4), a state agency must hold a public hearing on an emergency rule within 45 days after promulgation. Commission staff recommends holding this hearing at the Commission's offices on January 26, 1999. A draft Notice of Hearing, based on that date, has also been prepared.

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Enclosure

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 4,
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Wisconsin Electric Power Company (WEPCO) has forecast that it will need an additional 133 MW of electric generating capacity to meet its projected summer load in the year 2000 while continuing to maintain an 18 percent reserve margin to assure a reliable power supply. WEPCO

attributes this increase in its load forecast to a strong economy and load that is increasingly sensitive to weather, which has caused peak demand to surge, and to reduced demand-side management and load management (energy conservation). This forecasted need for 133 MW of additional power includes all planned capacity purchases and projects currently under construction. WEPCO has indicated that it will not be able to purchase this additional power at a reasonable price because of strong regional growth, fewer new power plants being built, poor regional nuclear generation performance and heavy transmission usage. These factors, it states, have consumed available generating capacity and transmission transfer capability in the region.

As a result, WEPCO is proposing to build a new 85 MW combustion turbine generating plant at its Germantown Power Plant site, and to gain an additional 50 MW by installing inlet cooling facilities on the four existing units at Germantown. WEPCO intends to submit an application for a Certificate of Authority (CA) with the Commission early in 1999, and is seeking a CA by June 30, 1999, so it will have sufficient time to construct the new unit and have it on-line by June 1, 2000.

Under current Commission rules, a project to build a new generating plant of 85 MW would require completion of a draft EIS and a final EIS. This work could not be completed in time to complete the Commission's review by June 30, 1999. In order to ensure a reliable energy supply in 2000 and beyond for WEPCO's customers, it is necessary to amend the Commission's rules to allow discretionary, rather than mandatory, production of an EIS for this project. 1997 Wisconsin Act 204 amended state law governing the issuance of a CPCN. One of its changes involved increasing the threshold at which a generating plant project requires a CPCN, from 12 MW to 100 MW. It is reasonable to adopt the same 100 MW threshold in this emergency rule change.

FISCAL ESTIMATE

A fiscal estimate is attached to this order.

STATEMENT OF EMERGENCY

In order to preserve the health, safety, and welfare of WEPCO customers by ensuring a reliable energy supply in 2000 and beyond, it is necessary to amend the Commission's review process of WEPCO's proposed new generating plant. The Commission's review period for this project needs to be revised so it can be completed in time to allow construction of the project, if approved, by June 1, 2000. Permanent rules cannot be adopted in time to affect the Commission's review period. An emergency rule is necessary to change the Commission's review process immediately.

ENVIRONMENTAL ANALYSIS

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to

Docket 1-AC-183

the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

ORDER OF ADOPTION

Pursuant to ss. 196.02(1) and (3), 227.11, and 227.24, Stats., the Commission amends Table 1.a. and Table 2.a. of ch. PSC 4, Wis. Adm. Code. The attached emergency rules take effect upon publication.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

LLD:DAL:gmh:G:\Order\Approved\1-AC-183 Emerg Rules.doc

EMERGENCY RULES

The Wisconsin public service commission hereby adopts an emergency order to amend Tables 1.a. (intro.) and 2.a. of chapter PSC 4, relating to increasing the threshold from 20 megawatts to 100 megawatts at which the preparation of an environmental impact statement is mandatory for electric generating plant projects.

SECTION 1. Table 1.a. (intro.) of chapter PSC 4 is amended to read:

Table 1.a. (intro.) Construct an electric generation or cogeneration facility, designed for operation at a nominal capacity of ~~20~~ 100 MW or greater. This paragraph does not include:

SECTION 2. Table 2.a. of chapter PSC 4 is amended to read:

Table 2.a. Construct an electric generation or cogeneration facility, designed for operation at a nominal capacity of less than ~~20~~ 100 MW.

SECTION 3. EFFECTIVE DATE. As provided in s. 227.24(1)(c), Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)



231 W Michigan, PO Box 2046, Milwaukee WI 53201-2046

ATTACHMENT

DEC 23 P 3:07

(414) 221 2345

December 23, 1998

Ms. Patricia McCormack
Administrator, Electric Division
Public Service Commission of Wisconsin
Post Office Box 7854
Madison, WI 53707-7854

RECEIVED

DEC 23 1998

Electric Division

Dear Ms. McCormack:

**Wisconsin Electric Power Company
Increased Capacity Requirement for 2000**

A recent load forecast by Wisconsin Electric, reflecting summer 1998 experience, has identified a capacity shortfall of 133 MW by the summer of 2000. Wisconsin Electric representatives met with Commission staff on November 10 and December 2, 1998, to review the capacity situation.

The increased load forecast is the result of increased peak demand growth. Peak demand is projected to grow faster than previously expected (150 MW higher than previously projected in 2000) due primarily to a load which is increasingly weather sensitive. At the same time, load management results are below estimates (110 MW lower than previously projected in 2000). Net increase in native system demand is 260 MW in 2000.

Wisconsin Electric's capacity plan for 2000, based on an 18% reserve margin to assure a reliable power supply, already includes the benefits of planned capacity purchases and projects under construction that increase power supply to Wisconsin such as the Northern Interface Project, inlet cooling at the Concord and Paris generating stations, and the contract with Southern Energy for the 300 MW combustion turbine plant planned for the Neenah area. When the present capacity plan is compared with the new load forecast, the result is a capacity shortfall of 133 MW in the summer of 2000.

Wisconsin Electric has examined the capacity options available and found them to be severely limited. Strong regional load growth, combined with heavy transmission usage, few new power plants being built, and nuclear generation issues in states other than Wisconsin, has consumed the excess capacity in the region while forcing reserve margin requirements up and consuming transmission capability. The result is a tight seller's market for capacity. We have explored increased firm capacity purchases and determined that there is no economic capacity available in the region in 2000 and possibly beyond.

Wisconsin Electric is in the process of reviewing its demand-side and curtailable/interruptible customer programs to improve the incentives and expand the programs to reduce peak demand. However, any program recommendations could not be reliably in place in time to meet this changed demand. In addition, there is not sufficient time to employ a bidding process similar to that used for the proposed 300 MW Southern Energy Company facility, for new capacity requirement identified for 2000.

Ms. Patricia McCormack
December 23, 1998
Page 2 of 2

Given the limited options for capacity purchase, Wisconsin Electric has determined that the best course of action is to install a new combustion turbine at one of its existing facilities. All potential sites with the necessary infrastructure nearby (land, electric transmission, natural gas supply, etc.) were examined, and the Germantown Power Plant site was determined to be the best site for a new nominal 85 MW combustion turbine-generator unit. The Company has entered into an agreement with a vendor to supply the unit, and we intend to file an application with the Commission by the end of January 1999 for authority to install the unit. In order to construct the new unit and have it available for service by June 1, 2000, an order from the Commission is needed by June 30, 1999.

The balance of the capacity shortfall will be met by installing inlet cooling facilities on the four existing units at the Germantown Power Plant. Although the cooling technology is still under review, we estimate that an additional 50 MW of peaking capability can be gained through inlet cooling. The net capacity gain with the new combustion turbine and inlet cooling facilities is approximately 135 MW.

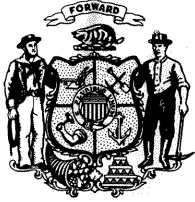
Very truly yours,



Larry Salustro
Vice President

rad/slp/

cc: Jim Loock



Public Service Commission of Wisconsin

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

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

March 12, 1999

The Honorable Judith B. Robson
The State Senate
State Capitol, Room 15 South
Madison, WI 53702

Re: In the Matter of Proposed Emergency Revision of Chapter PSC 4, 1-AC-183
Wis. Admin. Code – Small Generating Plants

Dear Senator Robson:

Thank you for your comments regarding the proposed emergency rule (relating to Wis. Admin. Code ch. PSC 4) which the Public Service Commission of Wisconsin (Commission) recently promulgated. This rule would permit sufficient generating capacity to be constructed in Wisconsin within the 180-day timeline mandated in 1997 Wis. Act 204, and would be in full compliance with the Wisconsin Environmental Policy Act, §1.11, Wis. Stat.

I recognize your concern that, during the emergency-rule period, an Environmental Impact Statement (EIS) not be waived for all generating projects with capacity under 100 MW. It is not the Commission's intent to eliminate its ability to order an EIS for any plant with capacity between 20 and 100 MW if we feel it is necessary.

I believe that delineating the factors the Commission should consider when mandating an EIS would be most appropriately addressed in the permanent revision that is currently under way. That way each proposed requirement or limitation would receive more deliberation by all parties, including the Commission, lawmakers, industry, and the public. I have directed the Commission staff to develop recommendations that address your concerns. Attached for your review is a draft scoping statement the Commission may consider in the near future.

I have shared this letter with Commissioner Farrow and he concurs with the tenor of my remarks. Again, thank you for your comments on the proposed emergency rule. Patricia McCormack, the Administrator of the Electric Division, is available to work with you and discuss any additional issues you may have. She may be reached at (608) 266-0699.

Sincerely,

Ave M. Bie
Chairperson

AMB:JC:sp:K:\amb\letters\1999\1-AC-183 Robson 3-8-99

cc: David Ludwig, PSC

PUBLIC SERVICE COMMISSION OF WISCONSIN

STATEMENT OF SCOPE OF PROPOSED CHANGES TO CHAPTER PSC 4 FOR RULES RELATED TO ENVIRONMENTAL ANALYSIS

Subject

Chapter PSC 4, Wis. Adm. Code - Environmental Analysis. The proposed rule revision would redefine the list of Commission actions to reflect the level of environmental review required for compliance with the Wisconsin Environmental Policy Act (WEPA), s. 1.11, Stats. The revision would also establish new procedures for preparation of an environmental assessment (EA) and an environmental impact statement (EIS).

Description of Objective and Policy Issues

Since the last revision of ch. PSC 4, Wis. Adm. Code, in 1995, the Commission has reviewed many proposed generation projects covering a broad range of power supply technologies. This experience has given the Commission a better perspective on the potential for significant environmental impact caused by these types of projects. A revision of the categories of actions, described in ss. PSC 4.10 (1) and (2), Wis. Adm. Code, would enable the Commission to meet its requirements related to WEPA more efficiently.

In addition, 1997 Wisconsin Act 204 (Act 204), passed in April 1998, necessitates a reconsideration of ch. PSC 4, Wis. Adm. Code. Act 204 increased the size threshold above which proposed generation plants and transmission lines would require the issuance of a Certificate of Public Convenience and Necessity (CPCN) by the Commission. It also established a 180-day timeline for the review of proposed projects. The current procedures for the preparation of an EIS, as described in s. PSC 4.30, Wis. Adm. Code, do not allow the Commission to meet this timeline.

The proposed rule revision would redefine the list of Type I actions (for which an EIS is required) and Type II actions (for which an EA is required and an EIS is discretionary) based on the potential for significant harm to the human environment. It is the Commission's view that the current categorization of generation projects does not adequately reflect this potential.

A revision of the current rule would enable the Commission to establish procedures for the preparation of an environmental impact statement that would allow the Commission to comply with WEPA in a more timely and efficient manner.

Groups likely to be affected by the rule revisions include: public utilities, independent power producers, government agencies, intervenors, and citizens.

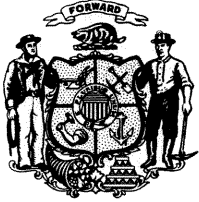
Statutory Authority

Sections 196.02 (3) and 227.11, Stats.

Estimate of Time and Resources Needed to Develop the Rules

The Commission estimates that approximately 200 hours of employee time will be required to revise ch. PSC 4, Wis. Adm. Code. No additional resources are likely to be needed in order to complete this project.

JKR:KZ:ash:L:\rulemaking\1-AC-185 PSC 4 Scoping Stmt.doc



Public Service Commission of Wisconsin

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

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

May 24, 1999

The Honorable Judith Robson, Co-Chair
Joint Committee of Review of Administrative Rules
The State Senate
State Capitol, Room 15 South
Madison, WI 53702

The Honorable Glenn Grothman, Co-Chair
Joint Committee of Review of Administrative Rules
The State Assembly
State Capitol, Room 15 North
Madison, WI 53702

Re: In the Matter of Emergency Revision of Chapter PSC 4, 1-AC-183
Wis. Admin. Code – Small Generating Plants

Dear Senator Robson and Representative Grothman:

As Chairperson of the Public Service Commission of Wisconsin (Commission), I respectfully request a 60 day extension of the effective period for Wis. Admin. Code ch. PSC 4 Emergency Rule. We make this request because the Commission has not yet completed its permanent revision of this rule that is currently under review here.

Thank you for your consideration.

Sincerely,

Ave M. Bie
Chairperson

AMB:KBC:gmh:L:\letter\Sen Robson Rep Grothman 5-24-99.doc



Public Service Commission of Wisconsin

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

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

The Honorable Judith Robson, Co-chairman
Joint Committee for Review of Administrative Rules
The State Senate
1 East Main Street, Room 201
Madison, WI 53703

The Honorable Glenn Grothman, Co-chairman
Joint Committee for Review of Administrative Rules
The State Assembly
State Capitol, Room 125W
Madison, WI 53703

Re: In the Matter of Proposed Emergency Revision of Chapter PSC 4, 1-AC-183
Wis. Adm. Code – Small Generating Plants

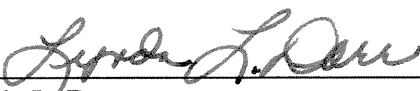
Dear Senator Robson and Representative Grothman:

At its open meeting on January 14, 1999, the Public Service Commission adopted an emergency rule concerning the preparation of an environmental impact statement for a small generating plant that Wisconsin Electric Power Company has proposed to construct to meet its electric load for the years 2000 and beyond. Enclosed please find copies of a certificate, Commission order with attached emergency rule, and fiscal estimate regarding this emergency rule.

If you have any further questions or concerns, please contact Commission attorney Mr. David A. Ludwig at (608) 266-5621 or Commission WEPA Coordinator Ms. Kathleen J. Zuelsdorff at (608) 266-2730.

Dated at Madison, Wisconsin, January 15, 1999

By the Commission:



Lynda L. Dorr
Secretary to the Commission

LLD:DAL:gmh:G:\Letter Order\Approved\1-AC-183 Emerg Rules to JCRAR.doc
Enclosures

cc: Records Management, PSC
Mr. Chris LaRowe, Office of the Governor
Secretary Mark Bugher, Department of Administration

CERTIFICATE

STATE OF WISCONSIN)
)
PUBLIC SERVICE COMMISSION) SS
OF WISCONSIN)

I, Lynda L. Dorr, Secretary to the Public Service Commission of Wisconsin and custodian of the official records, certify that the attached order adopting emergency rules relating to the preparation of an environmental impact statement for a small generating plant proposed by Wisconsin Electric Power Company, docket 1-AC-183, was duly approved and adopted by this Commission at its open meeting on January 14, 1999.

I further certify that this copy has been compared by me with the original on file in this Commission and that it is a true copy of the original, and of the whole of the original.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Public Service Commission of Wisconsin at Madison, Wisconsin, this 15th day of January, 1999.

A handwritten signature in cursive script, reading "Lynda L. Dorr", is written over a horizontal line.

Lynda L. Dorr
Secretary to the Commission
Public Service Commission of Wisconsin

WEPCO to upgrade capacity at plant

Utility project to add about 135 megawatts at Germantown facility

By LAWRENCE SUSSMAN
of the Journal Sentinel staff

A \$60 million project to add generating capacity to a Wisconsin Electric Power Co. plant in the southwestern corner of Germantown is scheduled to begin this spring, the utility announced Monday.

When completed by June 2000, the project will increase by about 135 megawatts the generating capacity of the plant, which normally is used only during times of peak need during the summer, utility spokeswoman Maripat Blankenheim said.

The plant's current generating capacity is 214 megawatts.

One megawatt provides electricity for about 200 houses. Consequently, with the increased capacity, the plant should be able to serve about 69,800 residences throughout the utility's entire system.

Wisconsin Electric is beefing up the plant capacity as part of an effort of major utilities across the state to increase power output to cope with growing demand.

Electric shortages hit Wisconsin in the summers of 1997 and 1998, and state regulators have ordered utilities to add power plants.

"This is an effort to enhance capacity and to improve reliability," Blankenheim said.

Energy load requirements in Wisconsin are growing by about 150 megawatts yearly, the state Public Service Commission has estimated. Wisconsin Electric plans to spend

8D BUSINESS TUESDAY, JANUARY 12, 1999 MILWAUKEE JOURNAL SENTINEL

Utility/Plant in Germantown set for \$60 million upgrade

From page 1

about \$1 billion over the next four years for capital improvements to help serve these budding energy needs, Blankenheim said.

The project is expected to involve:

- Installing inlet water coolers on the eight combustion turbines at the plant. This should make the turbines much more

efficient.

- Installing an additional combustion turbine.

- Converting the existing units from oil-fired to dual-fired combustion with natural gas becoming the primary fuel, supported by oil.

The utility plans to complete an environmental impact study by the end of January, Doug Eberlein, the utility's project manager, said Monday. He said

he hopes that the state Department of Natural Resources will approve the study results by May and allow the project to begin.

Wisconsin Electric will hold a public information meeting on the project at 6:30 p.m. Jan. 21 at the Quilted Bear Restaurant, N111-W18611 Mequon Road.

Germantown also is expected to benefit from the project.

The village receives about \$75,000 yearly in state shared revenue because the plant is in the village. Village Administrator Paul Brandenburg estimated that the village would initially get an additional \$210,000 in such revenue because of the expanded plant.

This shared revenue would decrease yearly until about 2020, when it would revert to the original amount of \$75,000.

The plant is about 20 years old and is on about 75 acres at N96-W19298 County Line Road.

Lee Bergquist of the Journal Sentinel staff contributed to this report.

DIVIDENDS

Stock	Per.	Rate	Rec.	Dates	Pay	Stock	Per.	Rate	Rec.	Dates	Pay	Stock	Per.	Rate	Rec.	Dates	Pay
Irregular																	
Fid Adv Eq Inco A	X	19	1-8	1-11		Telm Brns	X	2673	1-15			Wind River System	X		1-19	2-4	
X-also payable on class B.						X-approx amount per ADS; pay date unannounced.						X-3 for 2 split.					
Fid Adv Eq Grw 1	67	1-8	1-11			Telesp Cellular	X	1-15				Increased	Q	42	1-25	2-15	
X-also payable on class T.						X-approx amount per ADS; pay date unannounced.						Energy East	Q	49	2-10	2-19	
Fid Adv Eq Grw 1	X	19	1-8	1-11								Franchise Finance	Q	49	2-10	2-19	
X-also payable on class T.												Extra					
Fid Adv Eq Opport	X	03	1-8	1-11								Alcoa Inc		0275	2-8	2-25	
X-also payable on class T.												Initial		07	1-21	2-4	
Fid Adv Eq Ball 1	X	05	1-8	1-11								Regular	Q	105	1-19	2-2	
X-also payable on class T.												Beauticontrol Cosm	Q	105	1-19	2-2	
Fid Adv Eq Grw A	67	1-8	1-11									Centennial Cellular	X	1-8	1-13		
Fid Conv Sess	05	1-8	1-11									X-3 for 1 split.					
Fid Emerg Grw	72	1-8	1-11									Energy East	X	3-12	4-1		
Fid Eq Inco II	20	1-8	1-11									X-2 for 1 split.					
Madeco ADR	X	2339	1-14	1-20								Metrol Bancorp	-	10pc	1-19	2-8	
X-approx amount per share.												Superior Telecom	X	1-20	2-3		
												X-5 for 4 split.					

Please see UTILITY page 8

MAR 20 2000



Northern States Power Company

100 North Barstow Street
P.O. Box 8
Eau Claire, WI 54702-0008
Telephone (800) 895-4999

March 17, 2000

Representative Glenn Grothman, Co-Chairperson
Senator Judy Robson, Co-Chairperson
Joint Committee on Review of Administrative Rules
State Capitol
Madison, WI 53702

RE: In the Matter of Proposed Revision of Chapter PSC 4. Wis. Adm. Code – Rules for
Environmental Analysis PSCW Docket 1-AC-185

Dear Representative Grothman and Senator Robson:

Northern States Power Company (NSP) has been actively involved in the proposed changes to Chapter PSC 4. NSP is pleased with the Commission's proposed revisions and commends the Commission and its Staff on the reasonableness and thoughtfulness of the proposed changes made. The revised PSC 4 provides the PSC the ability to adequately address environmental issues while reviewing projects in a timely manner. The Company agrees that the changes to the type list based on potential for significant impacts rather than an arbitrary threshold are more reasonable. Additionally, we support the modifications to the public input process and to procedural activities regarding the purpose of the environmental assessment (EA).

We agree with the changes that have been proposed and applaud the PSC on the collaborative process the Commission used in order to gain input from the utilities, consumer groups and other parties. We urge the Legislature to approve the new rules in a timely manner to allow these changes to add to the other recent improvements to the regulatory process.

Sincerely,

Pamela Jo Rasmussen
Senior Environmental Analyst

c: Ave Bie, PSCW
John Farrow, PSCW
Joe Mettner, PSCW
Brian Zelenak
Don Reck
John Wilson
Todd Rongstad



Judith B. Robson

Wisconsin State Senator

CO-CHAIR, JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

February 15, 1999

Ave Bie, Chair
Wisconsin Public Service Commission
610 North Whitney Way
Second Floor
Madison, WI 53702

Dear Ms. Bie:

I want to compliment you and the Public Service Commission staff on being so responsive to my concerns when I called. Four staff people came to the meeting on February 5th and explained the PSC's position clearly and professionally.

I still have concerns about the Emergency Rule relating to PSC 4, which waives the mandate for an EIS for any site less than 100 MW. It is my understanding that the Emergency Rule was designed to address the critical situation at the Germantown site. I understand the need for the Germantown project to go forward. However, the rule is so broad, the waiver could apply to other sites as well.

Therefore, I would like the PSC to amend the current Emergency Rule to narrow EIS waivers to reflect the Germantown situation. Perhaps limiting what types of fuel could be waived could accomplish this.

Legislative Council Staff has advised that the current Emergency Rule can be amended. It requires amending the rule but keeping the original expiration date.

I thank you for your attention and look forward to working with you on this issue.

Sincerely,

Judith B. Robson
State Senator
15th Senate District

JBR:chmiv

Steve
Horniker

EIS - Germantown + WEPCO

2/5/99

- During Emergency Rule,
its non-specific
- Geographically specific, can it be
- Bigger rule on a larger scope coming in
April was Act 204 verifiability bill, electric, PSC 4
- Can it be more specific?
- New Gen in Germantown
85 megawatts
natural gas

↓
Change Act 204
on EIS 180 day
limit.

EIS major ~~impact~~ action affecting the human
environment
180 days

Local folks oppose the plant?

Get articles on this

still does an "environmental assessment"

mail to everyone

assessment completed + reviewed

"finding" sent to interested parties

1000 megawatt in Ruine/Konoha

SENATOR JUDITH B. ROBSON
Co-CHAIR
PO BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
Co-CHAIR
PO BOX 8952
MADISON, WI 53708-8952
(608) 264-8486

**JOINT COMMITTEE FOR
REVIEW OF ADMINISTRATIVE RULES**

Emergency Rule Extension Motion Form

Last Modified March, 1999

Date: May 27, 1999

Location: 417 North; GAR Room; Wisconsin State Capitol; Madison, WI

Moved by _____, Seconded by _____

THAT, pursuant to § 227.24(2)(a), *Wisconsin State Statutes*, the Joint Committee for the Review of Administrative Rules extend the effective period of Emergency Rule **PSC 4** by **60 days**, at the request of the Public Service Commission.

Suspend the rules

COMMITTEE MEMBER	Aye	No	Absent
1. Senator ROBSON			
2. Senator GROBSCHMIDT			
3. Senator SHIBLISKI			
4. Senator WELCH			
5. Senator DARLING			
6. Representative GROTHMAN			
7. Representative GUNDERSON			
8. Representative SERATTI			
9. Representative KREUSER			
10. Representative BLACK			
Totals			

Motion Carried

Motion Failed

SENATOR JUDITH B. ROBSON
CO-CHAIR
PO BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
PO BOX 8952
MADISON, WI 53708-8952
(608) 264-8486

JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

May 27, 1999

Ave M. Bie, Chairperson
Public Service Commission
610 North Whitney Way
PO Box 7854
Madison, WI 53707-7854

Dear Chairperson Bie:

We are writing to inform you that the Joint Committee for the Review of Administrative Rules (JCRAR) held a public hearing on May 27, 1999. At that meeting, JCRAR received public testimony regarding **Emergency Rule psc 4** relating to small generating plants.

The Joint Committee for the Review of Administrative Rules met in Executive Session on May 27, 1999 and adopted the following motion:

Carried unanimously, pursuant to §227.24(2)(a), *Stats.*, the Joint Committee for Review of Administrative Rules extend the effective date of **Emergency Rule psc 4** by **60 days**, at the request of the Public Service Commission.

Ayes: (10) Senators Robson, Grobschmidt, Shibilski, Welch, and Darling; Representatives Grothman, Seratti, Gunderson, Kreuser, and Black

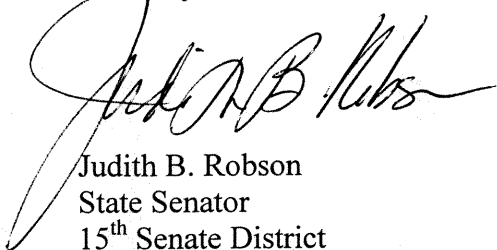
Noes: (0)

Absent: (0)

Motion Carried: Extension Granted.
10 Ayes, 0 Noes, 0 Absent.

Pursuant to §227.24(2)(c), *Stats.*, we are notifying the Secretary of State and the Revisor of Statutes of the Committee's action through copies of this letter.

Sincerely,



Judith B. Robson
State Senator
15th Senate District



Glenn Grothman
State Representative
59th Assembly District

JBR:chmiv

cc: Secretary of State La Follette
Revisor of Statutes Gary Poulson

FISCAL ESTIMATE

DOA-2048 N(R10/96)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Emergency Rule Relating to Increasing the Mandatory EIS Threshold for Electric Generating Plants From 20 MW to 100 MW

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

 Decrease Costs

Local: No local government costs

- | | | |
|--|---|--|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others _____
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.155(l)(g)

Assumptions Used in Arriving at Fiscal Estimate

Wisconsin Electric Power Company (WEPCO) has indicated its intent to file, by the end of January 1999, an application for approval of an 85 MW combustion turbine project. This change in rules would allow the Commission to prepare an environmental assessment of the project and, based on the information gleaned from the environmental assessment, determine whether the project is a major action that requires preparation of an EIS because it would significantly affect the quality of the human environment. It appears to be unlikely that the Commission will find the project is a major action, because WEPCO is proposing to use an existing site for generating plants (Germantown Power Plant site). If the Commission finds the project is not major action, no EIS will be prepared. Without this rule change, the Commission would be required to presume that WEPCO's project is a major action and would be required to prepare an EIS.

WEPCO has requested that Commission review of its project be accelerated and completed by June 30, 1999, due to the company's imminent need for additional generating capacity. Since the Commission could not reasonably prepare an EIS in five months, the change in rules does not reduce the amount of work that would otherwise be performed on WEPCO's project. Instead, the change conforms the Commission's rules to the time frame imposed on review of this project.

Long-Range Fiscal Implications

None.

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