



Public Service Commission of Wisconsin

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For Immediate Release – December 11, 2006

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MGE Rates Adjusted for Lower Natural Gas Prices

MADISON –Today the Public Service Commission of Wisconsin (PSC) approved an adjustment in electric rates for Madison Gas and Electric Company (MGE) to reflect lower natural gas prices.

The Commission approved a nearly \$500,000 decrease, or 0.15 percent, for MGE electric rates, effective in 2007. MGE ratepayers will see a slight decrease in their electric bills, even though the utility will be paying nearly \$5 million in 2007 for its share of construction costs for the Elm Road Generating Station, a new coal-fired power plant in Oak Creek, and increased transmission costs.

In January 2006 the Commission authorized new rates for MGE for two years, but allowed the utility to re-open the rate case for the second year to consider changes in fuel costs. The price of natural gas, an unregulated commodity, has decreased substantially since the beginning of the year when the rates were originally set.

In March 2006, the PSC approved a credit for MGE ratepayers to reflect falling natural gas prices and also made future rates subject to refund if natural gas prices continued to decline. It is likely that MGE ratepayers will soon see that refund on their electric bills. Today's verbal Commission decision will now reflect the lower fuel prices in MGE's 2007 electric rates.

The PSC expects to issue the order setting the 2007 rate adjustment for MGE before the end of the year.

The documents associated with MGE's rate case can be viewed on the PSC Electronic Regulatory Filing System at <http://psc.wi.gov/>. Type the case number, 3270-UR-114, in the boxes provided on the PSC homepage or click on the Electronic Regulatory Filing System button.

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