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MILLER CANFIELD

RONALD W. BLOOMBERG
TEL (517) 483-4972
FAX (517) 374-6304
E-MAIL bloomberg@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
TEL (517) 487-2070
FAX (517) 374-6304
www.millercanfield.com

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March 30, 2011

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way, Ste 7
Lansing, MI 48911

Re: Wisconsin Electric Power Company
2010 Renewable Energy Reconciliation
MPSC Case No. U-16367

Dear Ms. Kunkle:

Enclosed for electronic filing please find the application of Wisconsin Electric Power Company's renewable energy reconciliation proceeding for the 12-month period ended December 31, 2010, along with the supporting testimony and exhibit of Thomas P. Lorden. If you have any questions, please advise.

Additionally, a draft notice of hearing will be e-mailed to Gloria Jones at the Michigan Public Service Commission.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: _____
Ronald W. Bloomberg

RWB/cla

Enclosure

cc: Becky Valcq
Thomas P. Lorden
Vicki Nugent
Ronan Patterson

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

**NOTICE OF HEARING
FOR THE MICHIGAN CUSTOMERS OF
WISCONSIN ELECTRIC POWER COMPANY
CASE NO. U-16367**

- Wisconsin Electric Power Company, d/b/a We Energies is requesting approval from the Michigan Public Service Commission to reconcile its renewable energy surcharge revenues and expenses for its Michigan customers for 2010.
- The information below describes how a person may participate in this case.
- You may call or write Wisconsin Electric Power Company, d/b/a We Energies, 800 Industrial Park, Iron Mountain, Michigan 49801, (800) 242-9137 for a free copy of its application. Any person may review the application at the offices of Wisconsin Electric.
- The first public hearing in this matter will be held:

DATE/TIME: _____, 2011, at _____
This hearing will be a prehearing conference to set future hearing dates and decide other procedural matters.

BEFORE: Administrative Law Judge _____

LOCATION: Michigan Public Service Commission
6545 Mercantile Way, Suite 7
Lansing, Michigan

PARTICIPATION: Any interested person may attend and participate. The hearing site is accessible, including handicapped parking. Persons needing any accommodation to participate should contact the Commission's Executive Secretary at (517) 241-6160 in advance to request mobility, visual, hearing or other assistance.

The Michigan Public Service Commission (Commission) will hold a public hearing to consider the March 30, 2011 application of Wisconsin Electric Power Company, d/b/a We Energies (Wisconsin Electric), which seeks the Commission's approval to reconcile its renewable energy surcharge revenues and expenses for 2010. Wisconsin Electric is not seeking a modification of its renewable energy cost recovery mechanism at this time.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to: mpscedockets@michigan.gov. If you

require assistance prior to e-filing, contact Commission staff at (517) 241-6180 or by email at: mpscedockets@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by _____, 2011. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Wisconsin Electric's attorney, Ronald W. Bloomberg, Miller, Canfield, Paddock, and Stone, P.L.C., One Michigan Avenue, Suite 900, Lansing, Michigan 48933.

Any person wishing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his/her wish to make a statement of position. All information submitted to the Commission in this matter will become public information: available on the Michigan Public Service Commission's website, and subject to disclosure.

Requests for adjournment must be made pursuant to the Commission's Rules of Practice and Procedure R 460.17315 and R 460.17335. Requests for further information on adjournment should be directed to (517) 241-6060.

A copy of Wisconsin Electric's request may be reviewed on the Commission's Web site at michigan.gov/mpscedockets, and at the office of Wisconsin Electric Power Company, d/b/a We Energies, 800 Industrial Park, Iron Mountain, MI. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 241-6170.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.54 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1982 PA 304, as amended, MCL 460.6h et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; 2008 PA 295, MCL 460.1001 et seq., and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

April __, 2011

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of Wisconsin)
Electric Power Company's renewable energy)
reconciliation proceeding for the) Case No. U-16367
12-month period ended December 31, 2010.)

APPLICATION

Wisconsin Electric Power Company (“Wisconsin Electric” or “Company”), a Wisconsin corporation, requests that the Michigan Public Service Commission (“Commission”) approve Wisconsin Electric’s 2010 renewable energy reconciliation. In support thereof, Wisconsin Electric respectfully represents as follows:

1. Wisconsin Electric is a public service corporation organized under the laws of Wisconsin with its principal offices located in Milwaukee, Wisconsin, and is engaged primarily in public utility operations. Wisconsin Electric is also authorized to do business in Michigan and provides retail electric service to the public in service areas located in the Upper Peninsula, including the Counties of Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee and Ontonagon.

2. Wisconsin Electric’s retail electric business in Michigan is subject to the Commission’s jurisdiction pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; and 1939 PA 3, as amended, MCL 460.1 et seq.

3. The Michigan Legislature enacted the Michigan Clean, Renewable, and Efficient Energy Act, 2008 PA 295 (Act 295), MCL 460.1001 et seq., effective October 6, 2008.

4. By Order Approving Settlement Agreement, dated May 26, 2009, in Case No. U-15812, the Commission approved the Company's renewable energy plan. Paragraph 9c of the Settlement Agreement provided that Wisconsin Electric's first annual renewable energy reconciliation proceeding shall be filed by March 31, 2011 for the calendar year 2010. This Application presents Wisconsin Electric's first annual renewable energy reconciliation proceeding pursuant to the requirements of Act 295 for the calendar year 2010.

5. Incorporated in Wisconsin Electric's rate schedules are renewable energy surcharges as authorized by the Commission pursuant to the May 26, 2009 Order in Case No. U-15812.

6. Wisconsin Electric represents that the reconciliation of the incremental renewable energy costs and surcharge revenues for 2010 and interest, results in a regulatory liability (including carrying costs through December 31, 2010) of \$1,385,490.65.

7. Wisconsin Electric represents that its actions in 2010 with regards to renewable energy: (i) complied with the renewable energy standards applicable to 2010; (ii) were consistent with Wisconsin Electric's renewable energy plan, as approved; and (iii) were reasonable and prudent.

8. Wisconsin Electric is concurrently filing the testimony and exhibit of Thomas P. Lorden in support of this Application.

WHEREFORE, Wisconsin Electric Power Company requests that this Commission:

A. Find and determine that Wisconsin Electric's actions in 2010 complied with renewable energy requirements and standards, and were reasonable and prudent;

B. Approve Wisconsin Electric's reconciliation of renewable energy surcharge revenues and incremental costs of compliance for 2010 as resulting in a regulatory liability,

including carrying costs as of December 31, 2010 of \$1,385,490.65 and authorize the rolling in of same into Wisconsin Electric's 2011 renewable energy reconciliation; and

C. Grant Wisconsin Electric such other relief as is just and reasonable.

Respectfully submitted,
WISCONSIN ELECTRIC POWER COMPANY

Dated: March 30, 2011

By: _____
One of its Attorneys
Sherri A. Wellman (P38989)
Ronald W. Bloomberg (P30011)
Michael C. Rampe (P58189)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 487-2070

Attorneys for WISCONSIN ELECTRIC POWER COMPANY

18,940,270.1\130071-00001

S T A T E O F M I C H I G A N
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of Wisconsin)
Electric Power Company's renewable energy)
reconciliation proceeding for the) Case No. U-16367
12-month period ended December 31, 2010.)

DIRECT TESTIMONY AND EXHIBITS OF THOMAS P. LORDEN
ON BEHALF OF
WISCONSIN ELECTRIC POWER COMPANY

March, 2011

WISCONSIN ELECTRIC POWER COMPANY

Before the Michigan Public Service Commission

Direct Testimony of Thomas P. Lorden

1 Q. Please state your name and business address.

2 A. Thomas P. Lorden, 231 West Michigan Street, Milwaukee,
3 Wisconsin 53203.

4 Q. What is your present employment?

5 A. I am employed by Wisconsin Electric Power Company
6 ("Wisconsin Electric" or "Company") as a Senior Project
7 Analyst in the Regulatory Affairs and Policy Department. I
8 have been in my current position, where I am responsible for
9 fuel cost reporting to the various regulatory agencies,
10 since 2002.

11 Q. Please describe your qualifications and background.

12 A. I earned a Bachelor of Arts Degree in Business
13 Administration from Marquette University with a
14 specialization in finance in 1980.

15 I joined Wisconsin Electric in 1968. From 1968 to 1975, I
16 worked in the Plant Accounting Division. From 1975 until
17 1980, I held various positions in the Load Research area of
18 the Corporate Planning Department.

1 From 1980 to 1998, I was in the Rates Section. While in the
2 Rates Section, I was involved in the development of numerous
3 cost-of-service studies to support the Company's rate and
4 regulatory needs. From 1998 to 2002, I was in the Finance
5 Department, where I was responsible for fuel accounting and
6 reporting to the various regulatory agencies. I have
7 previously testified before the Michigan Public Service
8 Commission ("Commission" or "MPSC") on cost-of-service in
9 Case Nos.U-7592, U-10000 and U-10183. I also pre-filed
10 and/or presented testimony in Wisconsin Electric's 1994
11 power supply cost recovery ("PSCR") reconciliation in Case
12 No. U-10428-R, 1995 PSCR plan in Case No.U-10707, 2001 PSCR
13 plan in Case No.U-12615, 2002 PSCR plan in Case No.U-13107,
14 2001 PSCR reconciliation, Case No.U-12615-R, 2002 PSCR
15 reconciliation in Case No.U-13107-R, 2003 PSCR plan in Case
16 No.U-13556, 2003 PSCR reconciliation in Case No.U-13556-R,
17 2004 PSCR plan in Case No.U-13907, 2004 PSCR reconciliation
18 in Case No.U-13907-R, 2005 PSCR plan in Case No.U-14264,
19 2005 PSCR reconciliation in Case No.U-14264-R, 2006 PSCR
20 plan in Case No.U-14707, 2006 PSCR reconciliation in Case
21 No. U-14707-R, 2007 PSCR plan in Case No.U-15007, 2007 PSCR
22 reconciliation in Case No.U-15007-R, 2008 PSCR plan in Case

1 No.U-15404, 2008 PSCR reconciliation in Case No.U-15404-R,
2 2009 PSCR plan in Case No.U-15664, 2009 PSCR reconciliation
3 in Case No.U-15664-R, 2010 PSCR plan in Case No.U-16034,
4 2011 PSCR plan in Case No.U-16424 and renewable energy plan
5 in Case No.U-15812.

6 Q. What is the purpose of your testimony in this proceeding?

7 A. The purpose of my testimony is to reconcile the renewable
8 energy surcharge revenues and costs for the year 2010.

9 Q. Are you sponsoring any exhibits in connection with your
10 testimony?

11 A. Yes, I am sponsoring Exhibit A-1 (TPL-1) containing several
12 schedules, which set forth the Company's 2010 renewable
13 energy reconciliation.

14 Q. Was Exhibit A-1 (TPL-1) prepared by you or under your
15 direction and supervision?

16 A. Yes, it was.

17 Q. Does Wisconsin Electric have an approved renewable energy
18 plan?

19 A. Yes, the MPSC approved the Company's renewable energy plan
20 on May 26, 2009 in an Order Approving Settlement Agreement
21 in Case No.U-15812.

1 Q. Did Wisconsin Electric recover any of the renewable energy
2 plan costs through the PSCR?

3 A. Yes. According to the 2010 PSCR Plan approved in Case No.U-
4 16034, the Company applied the transfer price of \$50.05 per
5 MWh to the purchase of renewable energy in accordance with
6 the approved 2010 Renewable Energy Plan.

7 Q. Please describe Exhibit A-1 (TPL-1), page 1.

8 A. Exhibit A-1 (TPL-1), page 1 shows a summary of the renewable
9 energy reconciliation comparing (1) the renewable energy
10 plan as approved in Case No.U-15812, (2) the renewable
11 energy costs and surcharge revenue as booked and (3) the
12 actual renewable energy costs and surcharge revenue. Line 1
13 is the amount of Renewable Energy Credits (REC) purchased.
14 Line 2 is the Michigan energy allocator. Line 3 is the
15 amount of RECs allocated to Michigan which is the results of
16 RECs on line 1 multiplied by the energy allocator on line 2.
17 Line 4 is the cost per MWh of the renewable energy purchase
18 contract. Line 5 is the Michigan revenue requirement which
19 is the result of the Michigan allocated RECs on line 3
20 multiplied by the cost per MWh on line 4. Line 6 is the
21 transfer price. Line 7 is the Michigan allocated amount
22 recovered through the PSCR which is the result of the RECs

1 allocated to Michigan on line 3 multiplied by the transfer
2 price on line 6. Line 8 is the incremental cost of
3 compliance which is the result of the Michigan revenue
4 requirement on line 5 minus the amount recovered through the
5 PSCR on line 7. The amount collected through the Michigan
6 renewable energy surcharge is shown on line 9. The
7 regulatory liability shown on line 10 is the result of the
8 incremental cost of compliance minus the renewable energy
9 surcharge collected on line 9. The carrying charges
10 calculated based on the short-term interest rate is shown on
11 line 11. The 2010 year-end regulatory liability balance
12 including interest is shown on line 12 which is the sum of
13 the regulatory liability on line 10 plus the carrying
14 charges shown on line 11.

15 Q. What is the amount of the regulatory liability recorded on
16 the Company's books as of December 31, 2010?

17 A. The regulatory liability balance as of December 31, 2010 is
18 \$1,385,490.65.

19 Q. Please describe Exhibit A-1 (TPL-1) page 2.

20 A. Exhibit A-1 (TPL-1), page 2 shows the reconciliation of the
21 2010 renewable energy costs that were booked to the 2010
22 renewable energy surcharge collected. For the first eleven

1 months of the year, the booked regulatory liability
2 including carrying charges for each month is shown on line
3 24 and was calculated based on the Michigan energy allocator
4 and amount recovered through the PSCR that was included in
5 the 2010 Renewable Energy Plan in Case No.U-15812 rather
6 than actual. The amount recovered through the PSCR for the
7 months of September and October were overlooked and included
8 in November business. A correction/true-up was made in
9 December business for the incremental cost of compliance of
10 \$37,328.97 and the carrying charges of \$54.63 and is shown
11 on lines 10 and 21, respectively.

12 Q. Please describe Exhibit A-1 (TPL-1), page 3.

13 A. Exhibit A-1 (TPL-1), page 3 also shows the reconciliation of
14 the 2010 renewable energy costs that should have been booked
15 to the 2010 renewable energy surcharge collected. Lines 4
16 and 8 show the actual Michigan energy allocator. Line 6
17 shows the incorrect transfer price of \$50.50 was used to
18 calculate the Michigan amount recovered through the PSCR.
19 The year-end regulatory liability balance of \$1,385,490.65
20 is the same as shown on page 2.

21 Q. How was the correction/true-up calculated?

1 A. The correction/true-up amount of \$37,328.97 on page 2, line
2 10 is the difference between incremental cost of compliance
3 on page 3, line 11 of \$74,639.37 (line 5 \$654,437.37 - line
4 9 \$579,808.00) compared to the incremental cost of
5 compliance on page 2, (before the correction/true-up) of
6 \$37,300.39 (line 5 \$459,071.39 - line 9 \$421,771.00). The
7 correction/true-up amount of \$47.03 on page 2, line 21 is
8 the difference between cumulative carrying costs on page 3,
9 line 20 of -\$1,217.61 and the cumulative carrying cost on
10 page 2, line 20 of -\$1,264.63.

11 Q. How does the Company plan to correct the booked liability
12 balance for the error of \$5,171 as a result of using the
13 incorrect transfer price?

14 A. A true-up will be included with the renewable energy
15 accounting entries in March, 2011 business.

16 Q. During 2010, were Wisconsin Electric's actions in obtaining
17 renewables to meet the Michigan RPS consistent with the
18 renewable energy plan approved in Case No.U-15812?

19 A. Yes.

20 Q. For 2010, did Wisconsin Electric apply its renewable energy
21 surcharges consistent with Act 295 and the renewable energy
22 plan approved in Case No.U-15812?

1 A. Yes.

2 Q. For 2010, were Wisconsin Electric's actions in obtaining
3 renewable energy reasonable and prudent?

4 A. Yes

5 Q. Is Wisconsin Electric proposing any changes to its renewable
6 energy plan?

7 A. No. The Company plans to review the need to update its
8 renewable energy plan in its 2012 Renewable Energy Plan
9 filing in Case No.U-16588.

10 Q. Has the Company previously filed a Renewable Energy Annual
11 Report with the MPSC?

12 A. Yes. While the Company's Renewable Energy Plan did not
13 commence until January 1, 2010 per the Order Approving
14 Settlement Agreement in Case No.U-15812, the Company did
15 file in Case No.U-15812 a renewable energy report for 2009
16 at the request of the MPSC Staff on November 16, 2010.

17 Q. Are you filing a 2010 Renewable Energy Plan Annual Report in
18 this case?

19 A. No. Per the March 10, 2010 Order in Case Nos.U-15804 et al,
20 the Company's annual report is not due to be filed until
21 June 30th each year.

22 Q. Does this complete your direct testimony?

1 A. Yes, it does.

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Wisconsin Electric Power Company

2010 Michigan Renewable Energy Reconciliation - Summary

Line No.	Description	Plan	Booked	Actual
1.	RECs (MWh)	120,450	115,113.7	115,113.7
2.	Michigan Energy Allocator - Weighted Average	0.0699646	0.0997393	0.0990447
3.	RECs allocated to Michigan (line 1 * line 2)	8,427	11,481	11,401
4.	Renewable energy cost per MWh	\$ 61.00	\$ 57.00	\$ 57.00
5.	Michigan Revenue Requirement (line 3 * line 4)	\$ 514,047	\$ 654,438	\$ 649,880
6.	Transfer Price (per order U-15812)	\$ 50.05	\$ 50.50	\$ 50.05
7.	Michigan Allocated Amount recovered through PSCR (line 3 * line 6)	\$ 421,771	\$ 579,809	\$ 570,640
8.	Incremental Cost of Compliance (line 5 - line 7)	\$ 92,276	\$ 74,629	\$ 79,240
9.	Michigan Renewable Energy Surcharge Collected	\$ 1,470,447	\$ 1,458,902	\$ 1,464,451
10.	Regulatory Liability (line 8 - line 9)	\$ (1,378,171)	\$ (1,384,273)	\$ (1,385,211)
11.	Carrying Charges (Interest)	\$ (13,782)	\$ (1,218)	\$ (1,214)
12.	Regulatory Liability including Interest (line 10 + line 11)	\$ (1,391,953)	\$ (1,385,491)	\$ (1,386,425)

Notes:

- Line 2: November weighted average energy allocator was used for December Booked estimate.
- Line 6: The transfer price used for Booked should have been \$50.05 not \$50.50.
- Line 9: The true-up of \$5,549 for the December Booked surcharge revenue is included in January, 2011.

Wisconsin Electric Power Company

2010 Michigan Renewable Energy Reconciliation (Booked)

Line No.	Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
Renewable Energy Purchase:														
1.	Megawatthours	9,124.3	7,661.6	6,462.0	8,527.9	10,401.1	7,474.2	6,176.9	8,844.2	10,297.8	12,387.5	15,703.3	12,052.9	115,113.7
2.	\$ per MWh	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00
3.	Cost	\$ 520,085.10	\$ 436,711.20	\$ 368,334.00	\$ 486,090.30	\$ 592,862.70	\$ 426,029.40	\$ 352,083.30	\$ 504,119.40	\$ 586,974.60	\$ 706,087.50	\$ 895,088.10	\$ 687,015.30	\$ 6,561,480.90
4.	Michigan Energy Allocator	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965	0.069965
5.	MI Revenue Requirement	\$ 36,387.55	\$ 30,554.32	\$ 25,770.34	\$ 34,009.11	\$ 41,479.40	\$ 29,806.98	\$ 24,633.37	\$ 35,270.51	\$ 41,067.44	\$ 49,401.13	\$ 62,624.48	\$ 48,066.75	\$ 459,071.39
6.	PSCR Transfer Price													
7.	Amount recovered through PSCR	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ -	\$ -	\$ 105,442.75	\$ 35,147.58	\$ 421,771.00
8.	Michigan Energy Allocator	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
9.	MI Amount recovered through PSCR	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ 35,147.58	\$ -	\$ -	\$ 105,442.75	\$ 35,147.58	\$ 421,771.00
10.	Correction/True-up													
11.	Incremental Cost of Compliance	\$ 1,239.96	\$ (4,593.26)	\$ (9,377.24)	\$ (1,138.47)	\$ 6,331.82	\$ (5,340.61)	\$ (10,514.22)	\$ 122.93	\$ 41,067.44	\$ 49,401.13	\$ (42,818.27)	\$ 50,248.14	\$ 37,328.97
Renewable Energy Surcharge:														
12.	Michigan RE surcharge (preliminary)	77,159.34	105,631.31	123,769.30	125,874.22	112,090.00	125,424.00	122,340.00	121,271.00	123,372.00	114,104.00	118,560.00	124,587.00	
13.	Michigan RE surcharge (prior month true-up)	0.00	6,963.19	9,219.48	1,410.17	4,826.74	6,750.19	5,695.44	5,698.10	5,931.19	6,621.82	5,962.73	5,641.19	
14.	Total Michigan RE surcharge	77,159.34	112,594.50	132,988.78	127,284.39	116,916.74	132,174.19	128,035.44	126,969.10	129,303.19	120,725.82	124,522.73	130,228.19	1,458,902.41
Regulatory Liability Balance:														
15.	Actual Available for Escrow	\$ (75,919.38)	\$ (117,187.76)	\$ (142,366.02)	\$ (128,422.86)	\$ (110,584.92)	\$ (137,514.80)	\$ (138,549.66)	\$ (126,846.17)	\$ (88,235.75)	\$ (71,324.69)	\$ (167,341.00)	\$ (79,980.05)	\$ (1,384,273.05)
16.	Cumulative MI Jurisdiction Reg. Asset (Liability)	\$ (75,919.38)	\$ (193,107.14)	\$ (335,473.16)	\$ (463,896.02)	\$ (574,480.94)	\$ (711,995.74)	\$ (850,545.39)	\$ (977,391.56)	\$ (1,065,627.31)	\$ (1,136,952.00)	\$ (1,304,293.00)	\$ (1,384,273.05)	
17.	Cumulative Carrying Cost (from prior month)		\$ -	\$ (0.82)	\$ (29.14)	\$ (82.26)	\$ (155.71)	\$ (256.26)	\$ (374.95)	\$ (516.75)	\$ (679.71)	\$ (866.29)	\$ (1,065.38)	
18.	Cumulative MI Jurisdiction Reg. Asset (Liability)	\$ (75,919.38)	\$ (193,107.14)	\$ (335,473.98)	\$ (463,925.16)	\$ (574,563.20)	\$ (712,151.45)	\$ (850,801.65)	\$ (977,766.51)	\$ (1,066,144.06)	\$ (1,137,631.71)	\$ (1,305,159.29)	\$ (1,385,338.43)	
19.	Short Term Interest Rate		0.013%	0.13%	0.19%	0.19%	0.21%	0.20%	0.20%	0.20%	0.21%	0.21%	0.19%	
20.	Monthly Carrying Cost on Cumulative Balance		\$ (0.82)	\$ (20.92)	\$ (53.12)	\$ (73.45)	\$ (100.55)	\$ (118.69)	\$ (141.80)	\$ (162.96)	\$ (186.58)	\$ (199.09)	\$ (206.65)	\$ (1,264.63)
21.	Correction/True-up			\$ (7.40)									\$ 54.43	\$ 47.03
22.	Cumulative Carrying Cost		\$ (0.82)	\$ (29.14)	\$ (82.26)	\$ (155.71)	\$ (256.26)	\$ (374.95)	\$ (516.75)	\$ (679.71)	\$ (866.29)	\$ (1,065.38)	\$ (1,217.60)	\$ (1,217.60)
23.	Regulatory Liability including interest	\$ (75,919.38)	\$ (117,188.58)	\$ (142,394.34)	\$ (128,475.98)	\$ (110,658.37)	\$ (137,615.35)	\$ (138,668.35)	\$ (126,987.97)	\$ (88,398.71)	\$ (71,511.27)	\$ (167,540.09)	\$ (80,132.27)	\$ (1,385,490.65)
24.	Month-End Regulatory Liability Balance	\$ (75,919.38)	\$ (193,107.96)	\$ (335,502.30)	\$ (463,978.28)	\$ (574,636.65)	\$ (712,252.00)	\$ (850,920.34)	\$ (977,908.31)	\$ (1,066,307.02)	\$ (1,137,818.29)	\$ (1,305,358.38)	\$ (1,385,490.65)	

Notes:

- Line 1: Actual Megawatthours per Invoice (Total shown in FERC Form 1, page 327, line 3, col. g.)
- Line 3: Actual Cost per Invoice (Total shown on FERC Form 1, page 327, line 3, col. k.)
- Line 4: 2010 Michigan energy allocator based on Case No.U-15812, Exhibit A-1 (TPL-1), Page 7, line 12.
- Line 7: Amount recovered through PSCR is based on Case No.U-15812, Exhibit A-1 (TPL-1), page 1, line 23 divided by 12months: **\$ 35,147.58**
- Line 8: 2010 Michigan energy allocator
- Line 10: Year-end true-up to reflect 2010 actual energy allocator and transfer price to calculate actual amount recovered through the PSCR.
- Line 12: MI Renewable Energy (RE) Surcharge - Preliminary Estimate
- Line 13: MI Renewable Energy (RE) Surcharge - Prior Month True-up
- Line 19: 30-day AA nonfinancial Commercial Paper Interest Rate
- Line 21: Correct for wrong interest rate used in February.

Wisconsin Electric Power Company

2010 Michigan Renewable Energy Reconciliation (Booked - Adjusted)

Line No.	Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
Renewable Energy Purchase:														
1.	Megawatthours	9,124.3	7,661.6	6,462.0	8,527.9	10,401.1	7,474.2	6,176.9	8,844.2	10,297.8	12,387.5	15,703.3	12,052.9	115,113.7
2.	\$ per MWh	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00	\$ 57.00
3.	Renewable Energy Purchase	\$ 520,085.10	\$ 436,711.20	\$ 368,334.00	\$ 486,090.30	\$ 592,862.70	\$ 426,029.40	\$ 352,083.30	\$ 504,119.40	\$ 586,974.60	\$ 706,087.50	\$ 895,088.10	\$ 687,015.30	\$ 6,561,480.90
4.	Michigan Energy Allocator	0.085718	0.100401	0.103330	0.102499	0.101701	0.084784	0.080378	0.084349	0.104383	0.110662	0.108389	0.108389	
5.	MI Revenue Requirement	\$ 44,580.66	\$ 43,846.24	\$ 38,059.95	\$ 49,823.77	\$ 60,294.73	\$ 36,120.48	\$ 28,299.75	\$ 42,521.97	\$ 61,270.17	\$ 78,137.06	\$ 97,017.70	\$ 74,464.90	\$ 654,437.37
6.	PSCR Transfer Price	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50	\$ 50.50
7.	Amount recovered through PSCR	\$ 460,777.00	\$ 386,911.00	\$ 326,331.00	\$ 430,659.00	\$ 525,256.00	\$ 377,447.00	\$ 311,933.00	\$ 446,632.00	\$ 520,039.00	\$ 625,569.00	\$ 793,017.00	\$ 608,671.00	\$ 5,813,242.00
8.	Michigan Energy Allocator	0.085718	0.100401	0.103330	0.102499	0.101701	0.084784	0.080378	0.084349	0.104383	0.110662	0.108389	0.108389	
9.	MI Amount recovered through PSCR	\$ 39,497.00	\$ 38,846.00	\$ 33,720.00	\$ 44,142.00	\$ 53,419.00	\$ 32,001.00	\$ 25,073.00	\$ 37,673.00	\$ 54,283.00	\$ 69,227.00	\$ 85,954.00	\$ 65,973.00	\$ 579,808.00
10.	Correction/True-up													
11.	Incremental Cost of Compliance	\$ 5,083.66	\$ 5,000.24	\$ 4,339.95	\$ 5,681.77	\$ 6,875.73	\$ 4,119.48	\$ 3,226.75	\$ 4,848.97	\$ 6,987.17	\$ 8,910.05	\$ 11,063.70	\$ 8,491.90	\$ 74,629.37
Renewable Energy Surcharge:														
12.	Michigan RE surcharge (preliminary)	77,159.34	105,631.31	123,769.30	125,874.22	112,090.00	125,424.00	122,340.00	121,271.00	123,372.00	114,104.00	118,560.00	124,587.00	
13.	Michigan RE surcharge (prior month true-up)	0.00	6,963.19	9,219.48	1,410.17	4,826.74	6,750.19	5,695.44	5,698.10	5,931.19	6,621.82	5,962.73	5,641.19	
14.	Total Michigan RE surcharge	77,159.34	112,594.50	132,988.78	127,284.39	116,916.74	132,174.19	128,035.44	126,969.10	129,303.19	120,725.82	124,522.73	130,228.19	1,458,902.41
Regulatory Liability Balance:														
15.	Actual Available for Escrow	\$ (72,075.69)	\$ (107,594.26)	\$ (128,648.83)	\$ (121,602.62)	\$ (110,041.01)	\$ (128,054.71)	\$ (124,808.69)	\$ (122,120.13)	\$ (122,316.02)	\$ (111,815.77)	\$ (113,459.03)	\$ (121,736.29)	\$ (1,384,273.04)
16.	Cumulative MI Jurisdiction Reg. Asset (Liability)	\$ (72,075.69)	\$ (179,669.94)	\$ (308,318.77)	\$ (429,921.39)	\$ (539,962.40)	\$ (668,017.12)	\$ (792,825.81)	\$ (914,945.94)	\$ (1,037,261.96)	\$ (1,149,077.72)	\$ (1,262,536.75)	\$ (1,384,273.04)	
17.	Cumulative Carrying Cost (from prior month)	\$ -	\$ (7.81)	\$ (7.81)	\$ (27.27)	\$ (76.09)	\$ (144.17)	\$ (238.68)	\$ (350.04)	\$ (482.22)	\$ (634.77)	\$ (816.38)	\$ (1,017.58)	
18.	Cumulative MI Jurisdiction Reg. Asset (Liability)	\$ (72,075.69)	\$ (179,669.94)	\$ (308,326.58)	\$ (429,948.66)	\$ (540,038.49)	\$ (668,161.29)	\$ (793,064.49)	\$ (915,295.98)	\$ (1,037,744.18)	\$ (1,149,712.49)	\$ (1,263,353.13)	\$ (1,385,290.62)	
19.	Short Term Interest Rate		0.13%	0.13%	0.19%	0.19%	0.21%	0.20%	0.20%	0.20%	0.21%	0.21%	0.19%	
20.	Monthly Carrying Cost on Cumulative Balance		\$ (7.81)	\$ (19.46)	\$ (48.82)	\$ (68.08)	\$ (94.51)	\$ (111.36)	\$ (132.18)	\$ (152.55)	\$ (181.61)	\$ (201.20)	\$ (200.03)	\$ (1,217.61)
21.	Correction/True-up		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22.	Cumulative Carrying Cost		\$ (7.81)	\$ (27.27)	\$ (76.09)	\$ (144.17)	\$ (238.68)	\$ (350.04)	\$ (482.22)	\$ (634.77)	\$ (816.38)	\$ (1,017.58)	\$ (1,217.61)	
23.	Regulatory Liability including interest	\$ (72,075.69)	\$ (107,602.07)	\$ (128,668.29)	\$ (121,651.44)	\$ (110,109.09)	\$ (128,149.22)	\$ (124,920.05)	\$ (122,252.31)	\$ (122,468.57)	\$ (111,997.38)	\$ (113,660.23)	\$ (121,936.32)	\$ (1,385,490.65)
24.	Month-End Regulatory Liability Balance	\$ (72,075.69)	\$ (179,677.75)	\$ (308,346.04)	\$ (429,997.48)	\$ (540,106.57)	\$ (668,255.80)	\$ (793,175.85)	\$ (915,428.16)	\$ (1,037,896.73)	\$ (1,149,894.10)	\$ (1,263,554.33)	\$ (1,385,490.65)	

Notes:

- Line 1: Actual Megawatthours per Invoice (Total shown in FERC Form 1, page 327, line 3, col. g.)
- Line 3: Actual Cost per Invoice (Total shown on FERC Form 1, page 327, line 3, col. k.)
- Line 4: 2010 Actual Michigan energy allocator
- Line 6: Transfer Price is based on Case No.U-15812, Exhibit A-1 (TPL-1), page 2, line 12
- Line 8: 2010 Actual Michigan energy allocator
- Line 12: MI Renewable Energy (RE) Surcharge - Preliminary Estimate
- Line 13: MI Renewable Energy (RE) Surcharge - Prior Month True-up
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