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Xcel to maintain rates in 2009

By Kevin Murphy | For the Tribune

MADISON - Xcel Energy customers for now will see no electricity rate increase in 2009, thanks to rapidly declining energy prices, officials said Thursday.

The Wisconsin Public Service Commission voted to essentially roll an existing fuel surcharge into Xcel's base rates rather than increase the Minneapolis-based company's rates for 2009.

The result will be "the customer won't see any net increase in 2009 bills," said Xcel spokesman Brian Elwood.

The PSC had allowed Xcel in May to add a \$2.34 fuel surcharge for all of its Wisconsin customers.

Xcel then applied Aug. 1 for a 2009 rate increase of 8.6 percent to generate \$47 million a year in additional revenue for energy costs, transmission and generation infrastructure investment, and other operating expenses.

But energy prices have since plummeted from the record levels reached during the summer months.

Instead of ordering a refund or credit and then setting higher rates to cover Xcel's other expenses, the PSC voted 3-0 to make the surcharge part of the base rate.

Residential customers using 750 kilowatt hours per month this winter will pay \$79.07, which includes the \$2.34 fuel surcharge, said Elwood.

Thursday's decision stemmed from an agreement between Xcel, PSC staff and customer groups, including the Consumers Utility Board and the Wisconsin Industrial Energy Group.

WIEG Executive Director Todd Stuart said he welcomed the trend toward lower fuel costs and stable power rates.

"But you have to put matters into context. This is a short-term victory...", Stuart said. "So this is good news for rates in the short term, but long term, rate payers still have concerns over major costs and extreme rate pressure. We are likely to see double-digit rate increase requests in the next rate cases."

Xcel has some expensive infrastructure projects on the drawing board, including bringing a transmission line from Minnesota to the La Crosse area, said Stuart.

Xcel expects to file a full rate case next June, said Elwood.

ON LINE COMMENTS:

Crimson sky wrote on Dec 13, 2008 9:21 AM:

" The tax justice link is powerful. Seems accurate -- not bias. But to question you Titan – do you work for one of the CapX 2020 utilities? Isn't your commentary below sounding similar or parallel to what Xcel and Dairyland Power has been saying recently? We reviewed the Citizens Energy Task Force site <http://cetf.us> -- was revealing! Also nocapx2020.info site too. But after review its comforting knowing there are people and organizations now questioning this radical super high voltage project. If the auto industry needs remodeling perhaps its time to change the energy industry paradigm too. Institute for Local Self Reliance--was another helpful review of CapX (<http://www.ilsr.org/capx/index.html>). "

TITANS1 wrote on Dec 13, 2008 1:57 AM:

" yes it has some points if you want a biased view on the topic-for over 25 years there has not been any major upgrades to our infrastructure-you should check over all the info at this site to help you make a informed decision <http://www.capx2020.com/> "

TITANS1 wrote on Dec 13, 2008 1:31 AM:

" yes there will be opposition...just stating facts...in time the inevitable "

tax justice wrote on Dec 12, 2008 8:30 PM:

" titans1. Proof of need has NOT YET BEEN determined. Obviously you do not understand the legal process, if you did you would know that professional experts including power line engineers testified against this project. Perhaps you might want to look at this study. <http://www.newrules.org/de/meetingminnesotares.pdf>
If you want to publicly debate this topic we are ready and willing. "

TITANS1 wrote on Dec 12, 2008 4:56 PM:

" tax justice - this powerline will insure we have reliable power. It will relieve line loading problems that need to be alleviated.
you obviously know nothing about power generation or reliability standards. wait until the cap and trade system comes then you will need your pocketbook. "

tax justice wrote on Dec 12, 2008 10:08 AM:

" The title "Xcel to maintain rates in 2009" is misleading. A better title, "Consumer Groups and the PSC decline to increase rates in 2009. Xcel may have agreed to this because they did not want to challenge the PSC's decision. The PSC has been more than fair to Xcel. The cost of the Power line is a moving object. First and foremost, it has not yet been approved either in MN or WI; Kevin Murphy should make note this. Secondly, the cost of the power line has dramatically climbed since the 1.8 billion guess that Xcel likes to toss out. Point in fact, steel prices have doubled since last January. 1.8 billion is a figure that has been tossed out for more than 2 years. Consumers, rate payers, businesses, and municipalities better hold on to their pocketbook, this is going to be an enormous charge for something we don't need. "