

MGE Proposes Huge Increase in Customers' Fixed Rates And Undercuts Sustainability Initiatives

The SASYNA has formed a new MG&E ad hoc committee. This committee is studying Madison Gas & Electric's (MGE) filing of a new rate redesign scheme in early June to nearly double its fixed monthly charge to consumers from \$10.29 to \$19. while modestly lowering its electricity rate charge from 14 cents to 13.3 cents per kilowatt hour. The net result of this is that the for-profit MGE company's scheme will:

Penalize residential/small commercial customers who currently use relatively little electricity and reward high-volume customers

Stifle customer investments in energy efficiency and renewable energy such as solar

Shackle community and business initiatives to build environmental sustainability into their own operations.

MGE would like to increase these rate changes in the coming years if the PSC permits.

Particularly given this era of climate change it is very troubling that MGE's proposed billing scheme is at odds with the sustainability initiatives by Madison, Monona and Fitchburg. It will have a chilling effect on future initiatives they would like to take. MG&E ignores the benefits to the electric system delivered by customers who reduce their peak energy use, whether through energy efficiency and conservation and/or solar generation during peak hours. It also ignores such key variables as household size and dwelling size. One speculation is that an additional reason that MGE is asking for the drastic changes in rate structures is that it overinvested in utility plant capacity and still pays its shareholders a 10% return on investment.

The scheme's negative impact on renewables comes because many customers interested in solar are motivated by decreasing their cost of energy use determined by the electricity rate. When that rate goes down (and MGE wants to lower it drastically while raising the fixed rate drastically in coming years) solar users take a much longer period to recoup their investment. If MGE lowers the electricity rate more it will seriously threaten the viability of the solar industry in this region.\

Increasingly neighbors are wondering what choices are out there and why we have no access to a coop for power where the profits provide basic community services and rates that reflect a conservation ethic. Given how critical this tipping point time is for climate change some have called for municipalizing MGE similar to other cities.

Please come to the SASYNA Council meeting at Goodman Community Center on August 14, 6:30pm where this will be discussed.

Please go to the MGE rate case page on RENEW Wisconsin's web site for updated information. <http://renewwisconsin.org/action/MGEratecase.html>

For background information please go to Al Gore's excellent article in Rolling Stone at this site

<http://www.rollingstone.com/politics/news/the-turning-point-new-hope-for-the-climate-20140618>

It is critical to submit comments on the MGE rate proposal directly to the PSC through 9-30-14.

Web site: <http://psc.wi.gov> and also participate in the October 1st Public Hearing on MGE's scheme at the PSC. Hearings begins at 9:30. Share your comments with city and county representatives, mayor, state legislators and even Governor.