By Supervisors O'Connor, Shea, Capriolo, Logsdon, Gómez-Tom, Martinez, Rolland, Vincent, Roundtree Jr., Eckblad, Martin, and Coggs-Jones

File No. 26-419

AN AMENDED SUBSTITUTE RESOLUTION

Requesting annual reporting from We Energies to support Milwaukee County's climate, infrastructure, and energy planning

WHEREAS, WE Energies has submitted a request to the Public Service Commission of Wisconsin seeking an approximately 14% increase in residential electric rates, representing one of the largest proposed increases in recent years; and

WHEREAS, residents, businesses, and local governments across Milwaukee County are captive customers of WE Energies, with no alternative provider available, making them wholly dependent on fair and reasonable regulation by the Public Service Commission; and

WHEREAS, on May 11, 2026, the Milwaukee County Intergovernmental Cooperation Council unanimously adopted a similar resolution and called upon the Milwaukee County Board of Supervisors to join in support; and

WHEREAS, **<u>WE Energies justifies</u>** the proposed rate increase **~~is justified~~** in part by planned investments in new energy generation and infrastructure, despite the fact that ratepayers continue to bear costs associated with older, retired energy facilities; and

WHEREAS, questions remain regarding the necessity, timing, and scale of these new investments, particularly in light of whether they are being driven by increased demand from large-scale energy users such as data centers and other high-consumption private enterprises; and

WHEREAS, if new infrastructure investments are primarily intended to support such high-demand private users, it is appropriate to question whether the costs should be more directly allocated to those users rather than broadly distributed among residential and small business ratepayers; and

WHEREAS, under the current regulatory framework, the Public Service Commission authorizes a guaranteed rate of return for regulated utilities, effectively insulating utilities and their investors from the risks typically associated with private market investments; and

WHEREAS, this guaranteed profit structure shifts financial risk away from shareholders and onto ratepayers, who are required to absorb the costs of capital investments regardless of market conditions or the prudence of those investments; and

WHEREAS, in a free-market, capitalist system, investors in virtually all other sectors are subject to market forces, including the possibility of financial loss due to changing conditions or poor decision-making; and

WHEREAS, the continuation of a guaranteed rate of return for utilities raises important questions about fairness, accountability, and whether existing regulatory models appropriately balance the interests of utilities, investors, and ratepayers in today's evolving energy economy; and

WHEREAS, municipalities within Milwaukee County have experienced firsthand the consequences of delayed or insufficient infrastructure investment, in some cases requiring extraordinary measures to compel necessary system upgrades while continuing to face increasing costs; and

WHEREAS, local governments, as major ratepayers themselves, have a direct interest in ensuring that utility rates remain reasonable, justified, and aligned with actual service needs and prudent financial management; and

WHEREAS, the Committee on Community, Environment, and Economic Development, at its meeting of May 18, 2026, recommended adoption of the substitute resolution in File No. 26-419 as amended (vote 5-0); and

BE IT RESOLVED, that the Milwaukee County Board of Supervisors **expresses concern regarding the proposed rate increase and the underlying regulatory framework and** urges the Public Service Commission of Wisconsin to conduct a thorough and critical review of WE Energies' proposed rate increase, including a detailed examination of the necessity of new infrastructure investments and the allocation of associated costs; and

BE IT FURTHER RESOLVED, that the Milwaukee County Board of Supervisors calls upon the Public Service Commission to reevaluate the continued use of a guaranteed rate of return for regulated utilities and to consider reforms that introduce greater accountability and align utility investment risk more closely with broader market principles; and

BE IT FURTHER RESOLVED, that the Milwaukee County Board of Supervisors strongly encourages all 19 municipalities within Milwaukee County to adopt similar resolutions or to submit formal correspondence from their governing bodies and chief elected officials to the Public Service Commission expressing concern regarding the proposed rate increase and the underlying regulatory framework; and

BE IT FURTHER RESOLVED, that copies of this resolution be transmitted to the Public Service Commission of Wisconsin, the Governor of Wisconsin, members of the Wisconsin Legislature representing Milwaukee County and the chief elected officials and governing bodies of all municipalities within Milwaukee County.

05/18/26
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