

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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Application of Madison Gas and Electric  
Company for Authority to Change  
Electric and Natural Gas Rates

Docket No. 3270-UR-118

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*To the Public Service Commission of Wisconsin:*

1. The Applicant, Madison Gas and Electric Company (MGE), is a Wisconsin corporation that provides electric service in the city of Madison and the surrounding area in Dane County and natural gas service in seven counties in southwestern and south-central Wisconsin. MGE is a public utility as defined in Section 196.01 of the Wisconsin Statutes.
2. MGE's present electric and natural gas rates are unreasonable and unjust because they yield revenues that are inadequate to meet operating expenses and to produce a return on equity sufficient to attract and maintain capital at reasonable rates. The Company therefore finds it necessary to apply for an increase in its electric and natural gas rates to take effect on January 1, 2013.
3. The reasons for the proposed changes in the Company's electric and natural gas rates are explained in the testimony and the exhibits submitted with this application and the additional and supplemental testimony and exhibits to be submitted before or during the hearings on this application. Those materials and the additional data and schedules submitted with this application are incorporated by reference.

WHEREFORE, MGE respectfully requests:

- A. That it be authorized to place in effect on January 1, 2013, electric and natural gas rates that will produce annual revenues sufficient to meet operating expenses and to maintain a just and reasonable return on common stock equity. These changed rates may be at lesser or greater levels than the initial request, as the final record may support.
- B. That it be granted such other and additional relief as may be appropriate.

Dated at Madison, Wisconsin, this 23rd day of March, 2012.

STAFFORD ROSENBAUM LLP

*/s/ Edwin J. Hughes*

By \_\_\_\_\_

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