



We Energies
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Public Service Commission of Wisconsin
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August 3, 2016

Ms. Sandra J. Paske
Secretary to the Commission
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Dear Ms. Paske:

Joint Application of Wisconsin Electric Power Company, Madison Gas and Electric Company, and WPPI Energy for a Certificate of Authority to Upgrade Various Power Block Equipment at Elm Road Generating Station Units to Facilitate the Use of Sub-Bituminous Coals or Powder River Basin Coals as a Fuel Source – PSCW File 5-CE-145

Application of Wisconsin Electric Power Company, Madison Gas and Electric Company and WPPI Energy for Authority to Construct a Site Bulk Material Handling Project at Oak Creek Power Plant and Elm Road Generating Station – PSCW File 5-CE-147

On June 17, 2015, the Commission issued an Order in the above referenced dockets. In accordance with Condition 5 of the Order, the Company is submitting the quarterly reports for the second quarter, 2016.

If you have any questions concerning this project, please contact me at (920) 433-1470.

Sincerely,

A handwritten signature in cursive script that reads "Dennis M. Derricks".

Dennis M. Derricks
Director – Regulatory Affairs

attachments

Wisconsin Electric Power Company
 Elm Road Generating Station - Fuel Flexibility
 Quarterly Progress Report
 2nd Quarter 2016

Work Activity	a Date Construction Commences	b			c (see additional details below) Certificate and Order line item	d In-Service Date
		Status of Construction	Anticipated in-service date	% of physical completion		
ER1 Coal Silo CO Monitors	12/1/2015	• Alarming setpoints need to be established.	NA	98%	Distributed Control System/I&C	1/15/2016
ER2 Coal Silo CO Monitors	6/24/2015	• Alarming setpoints need to be established.	NA	98%	Distributed Control System/I&C	11/3/2015
ER1 Silo Burndown	8/21/2015	• Conduit and cable has been installed. • Silo level test instrumentaion is installed on one silo for testing during the next available opportunity.	April 2017	5%	Distributed Control System/I&C	NA
ER2 Silo Burndown	8/21/2015	• Silo level test instrumentation is installed on one silo for testing during the next available opportunity.	November 2016	20%	Distributed Control System/I&C	NA
Coal Silo Unloading Equipment	11/15/2015	Complete	NA	100%	Material Handling and Fire Protection	2/1/2016
ER1 Furnace Cleaning System	6/18/2015	• Water cannon tuning and testing in progress.	NA	87%	Heat Transfer Surface Cleaning Systems	6/1/2016
ER2 Furnace Cleaning Systems	9/9/2015	• Water cannon tuning and testing in progress.	NA	98%	Heat Transfer Surface Cleaning Systems	11/24/2015
ER2 Mercury Control Test System	6/18/2015	Complete	NA	100%	Air Quality Control Systems	6/18/2015
ER1 Mercury Control at Feeders	6/18/2015	Complete	NA	100%	Air Quality Control Systems	6/18/2015
ER2 Mercury Control at Feeders	6/18/2015	Complete	NA	100%	Air Quality Control Systems	6/18/2015
ER1 Downflow Scrubber Nozzles	3/21/2016	Complete	NA	100%	Air Quality Control Systems	6/1/2016
ER2 Downflow Scrubber Nozzles	9/9/2015	Complete	NA	100%	Air Quality Control Systems	11/3/2015
Pulverizer Temp and Controls Tuning	2/15/2016	• Review/Mods/Testing for Pulverizer DCS/Logic/Setpoints	January 2018	2%	Distributed Control System/I&C	NA
Boiler Temperature and Controls Tuning	2/15/2016	• Review/Mods/Testing for Boiler DCS/Logic/Setpoints	January 2018	85%	Distributed Control System/I&C	NA
Stack Emissions Testing	3/10/2016	• PRB Stack Emissions Testing for Mercury Levels.	June 2016	100%	Air Quality Control Systems	NA
ER1/2 Backpass Cleaning	3/21/2016	• ER1/2 Backpass Cleaned by Pressure Washing	November 2016	50%	Heat Transfer Surface Cleaning Systems	NA

Description	Estimate at Completion	Cost to Date
Distributed Control System/I&C	\$1,300,000	\$1,113,910
Material Handling and Fire Protection	\$1,400,000	\$36,239
Heat Transfer Surface Cleaning Systems	\$15,400,000	\$14,606,195
Pulverizer Modifications	\$1,400,000	\$0
Air Quality Control System	\$5,500,000	\$2,089,905
Subtotal, Capital Costs	\$25,000,000	\$17,846,249
Cost of Capital*	\$1,456,000	\$1,401,945
Total Gross Project Cost	\$26,456,000	\$19,248,194

*Total cost of capital, "cost to date", is a representative number based on WEC's calculated Cost of Capital for their 83.34% Ownership portion of the project costs, grossed up to include MGE's (8.33%) and WPPI's (8.33%) Ownership portions. MGE and WPPI have their own respective Cost of Capital rates and formulas.

Wisconsin Electric Power Company
5-CE-147
Site Bulk Material Handling Project
Quarterly Progress Report
2nd Quarter 2016

1. Status of Engineering
 - a. Engineering is complete for the transfer towers and conveyors.
 - b. Engineering is complete for the site grading, coal pile liner, and drainage basin.
 - c. Engineering is 95% complete for the coal pile drainage basin pump-house and coal pile dust suppression systems.

2. Status of Construction
 - a. Construction started on August 25, 2015.
 - b. Overall construction is approximately 63% complete.
 - c. Site has been cleared and grading is complete.
 - d. Relocation of the underground utilities, ATC transmission lines and service road is complete.
 - e. Installation of transfer towers, transfer tower conveyors, and interconnecting gates/chutes is complete.
 - f. Installation of the electrical feeders from ERGS and electrical substation is complete.
 - g. Construction of the underground reclaim bunker & tunnel, stacker conveyor and reclaim conveyor is in progress.
 - h. Installation of the pump-house and sediment basin is in progress.

3. Anticipated In-Service Date
 - a. The project is anticipated to be mechanically complete and ready for coal unloading by December, 2016.
 - b. The project is anticipated to be complete by Fall 2017.

4. Costs

Description	Estimated Cost (\$)	Actual Cost (\$)
Capital	62,100,000	39,224,650
Removal	0	0
O&M	0	0
Total without Cost of Capital	62,100,000	39,224,650
Cost of Capital	12,900,000	2,266,369
Total with Cost of Capital	75,000,000	41,491,019