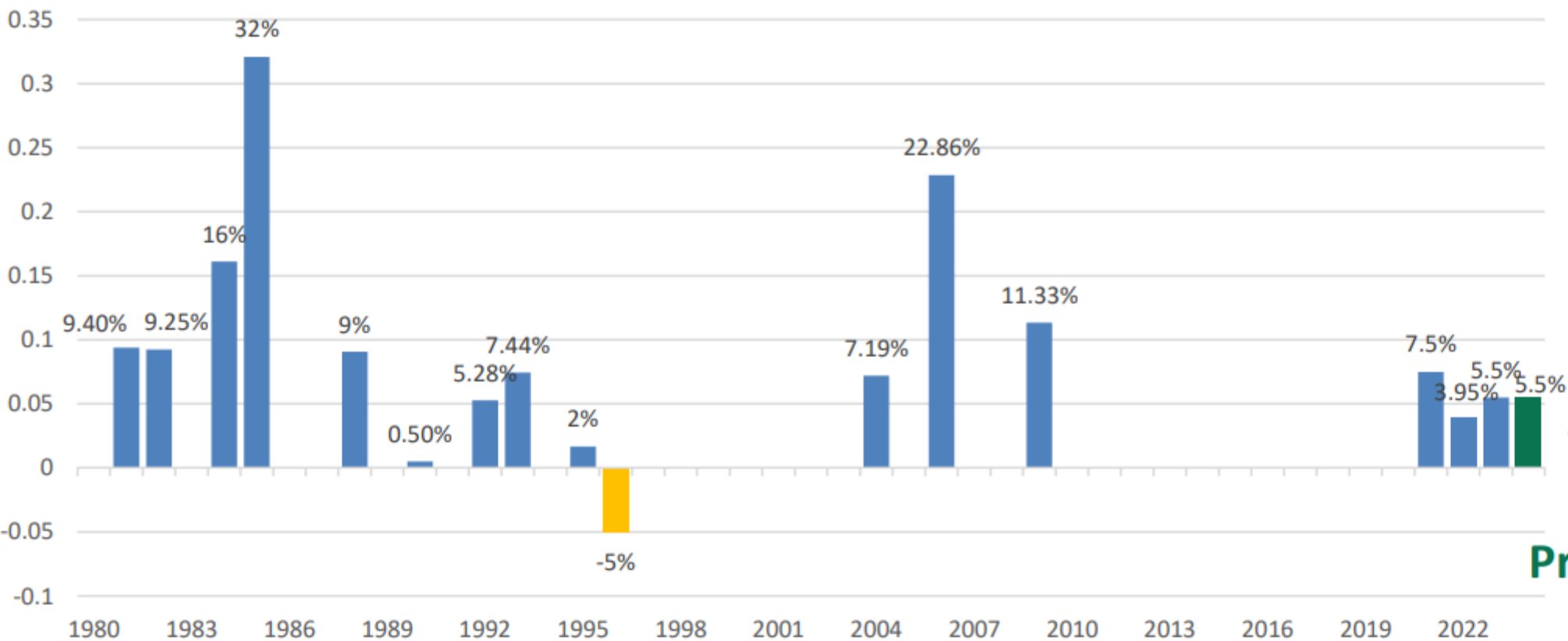




BED Rate Changes Since 1980



Proposed Increase

Rate Increase	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BED	11.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.50%	3.95%	5.50%	5.50%
GMP	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%	2.00%	-1.46%	0.73%	0.93%	5.43%	-0.50%	2.70%	4.69%	2.34%	5.29%
WEC	0.00%	0.00%	0.00%	0.00%	0.00%	4.00%	0.00%	0.00%	5.95%	4.00%	5.95%	0.00%	0.00%	14.19%	12.83%	0.00%



Rate Increase Drivers

Need to increase operating revenues commensurate with increased operating expenses to maintain strong credit rating and adequate cash reserves

- Flat sales to customers
- Flat/declining REC revenues due to relatively stable prices and variation in production across the portfolio
- Higher purchased power costs due to lower forward prices for sale of excess winter energy
- Increased transmission costs
- Continued inflationary pressures in other O&M expenses
- 3 years of rate increases < demonstrated need

U.S. Electricity Prices Rising Faster than Inflation

STICKY ELECTRICITY PRICES

Electricity prices have ticked higher for the past six months as overall inflation has cooled.

YOY % CHANGE



SOURCE: BUREAU OF LABOR STATISTICS

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- Nationally, electricity averaging 7.7% annual increases over past three years
- Transmission cost increases, volatility in fuel prices are drivers
- <https://www.utilitydive.com/news/us-electricity-prices-rise-customer-eia-outlook/710113/> and <https://money.usnews.com/investing/articles/5-areas-where-inflation-is-highest>