



March 2, 2022

Ms. Steffany Powell Coker
Secretary to the Commission
Public Service Commission of Wisconsin
4822 Madison Yards Way
Madison, WI 53705

RE: Force Majeure Notification Red Barn Wind Farm - Docket 5-BS-256

Dear Ms. Powell Coker:

Wisconsin Public Service Corporation ("WPSC") and Madison Gas and Electric Company ("MGE") write to inform the Commission of a Force Majeure notification that they received from ALLETE Clean Energy ("ACE") with proposed changes in the construction costs and schedule for the Red Barn Wind Energy Center ("Red Barn"). This notice has been attached hereto as Attachment A¹.

The Force Majeure claim seeks both cost and schedule relief for impacts caused by the COVID-19 pandemic, including supply chain and delivery challenges, as well as rising inflation which has affected the vendor's major components and materials used in the project. The claim included a cost increase of [REDACTED] or [REDACTED] %.

In its February 15, 2022 final decision in dockets 5-BS-256, the Commission issued a Certificate of Authority authorizing the acquisition of the 92 MW Red Barn project by WPSC and MGE.

The Commission approved recovery of the Red Barn acquisition costs at \$162 million (excluding AFUDC), except in the case of a force majeure event. WPSC and MGE are required to provide notice to the Commission within 30 days of learning of such an event. Final Decision at 19 (Order Point 2), Docket 5-BS-256 (February 15, 2022).

Upon receiving this notification, WPSC and MGE have initiated discussions with ACE to address the implications of the notice provided, while minimizing the impact on project costs and schedule. As a result of those discussions, WPSC and MGE have tentatively agreed with ACE to a cost increase of [REDACTED] or [REDACTED] %, while maintaining the original schedule to have the project in service by the end of 2022. Once a final agreement is reached, WPS and MGE will file an update to this notification with the Commission.

¹ ACE has designated the notice as seller-confidential information. As such, the notice attached is redacted in its entirety from the public version of this filing.

Agreeing to the additional costs resulting from the Force Majeure Event is prudent because without doing so, ACE will not commit to constructing the project. Furthermore, even with the proposed modifications customers will still receive significant benefits from the project.

Respectfully submitted,

/s/ Theodore T. Eidukas
Theodore T. Eidukas
Vice President -
Regulatory Affairs
WEC Energy Group
Wisconsin Public Service Corp.

/s/ Scott R. Smith
Scott R. Smith
Vice President -
Business and Regulatory Strategy
Madison Gas and Electric Co