STATE OF WISCONSIN CIRCUIT COURT OZAUKEE COUNTY

ORACLE AMERICA CLOUD SERVICES LLC,

Petitioner,

v.

Case No. 26-CV-256
Case Code 30607
Administrative Agency Review Action

PUBLIC SERVICE COMMISSION OF WISCONSIN

Respondent.

NOTICE OF APPEARANCE AND STATEMENT OF POSITION OF THE CITIZENS UTILITY BOARD OF WISCONSIN

PLEASE TAKE NOTICE that the Citizens Utility Board of Wisconsin ("CUB"), by attorney Daniel C.W. Narvey, appears as a party in the above-captioned matter. A request is hereby made that all subsequent notices, pleadings, and other documents be served on the undersigned via electronic filing or using the contact information below. Pursuant to Wis. Stat. § 227.53(2), CUB provides this Notice of Appearance and Statement of Position.

STATEMENT OF POSITION

CUB was a party to the proceeding before the Public Service Commission of Wisconsin ("PSCW" or the "Commission") in Docket Number 6630-TE-113 (the "Proceeding") and, therefore, is entitled by right to participate in this proceeding pursuant to Wis. Stat. § 227.53(1)(d).

The Commission's Final Decision Signed and Served May 21, 2026 ("Final Decision") complied with Wisconsin law and was supported by substantial evidence on the record. Therefore, the Court should affirm the Final Decision.

The Final Decision was the outcome of a 14-month administrative process before the Public Service Commission (the "Commission") to consider proposed tariffs by which the applicant, Wisconsin Electric Power Company ("WEPCO"), would serve new large load customers, including data centers. The proceeding involved hundreds of exhibits and more than a thousand pages of witness testimony, and culminated in a two-day contested hearing. In addition to WEPCO, nine parties intervened and submitted testimony and evidence to the Commission. Oracle, however, chose not to participate in the administrative process.

The financial security requirements now challenged by Oracle were one provision of the proposed tariffs among dozens of others that were contested, explored through discovery, and ultimately ruled upon by the Commission. In rendering the Final Decision, the Commission's chief statutory responsibility was to ensure that the proposed rates would not harm WEPCO customers not subject to them. *See* Wis. Stat. § 196.192(2)(br). The Commission made a careful, balanced decision that left the great majority of the proposed terms intact but made several important changes to protect customers. The decision, which was necessarily based on the impacts of the proposed rates as a whole, drew upon the vast administrative record and was supported by substantial evidence offered into the record by CUB, Commission staff, and the other parties.

Under the tariffs, WEPCO will be undertaking billions of dollars of investments in new power plants and other infrastructure for the sole benefit of individual data center customers. These investments will be paid back over a period up to 30 years through the electric rates paid by those customers. If a data center customer suffers financial distress and proves unable to repay those billions of dollars, WEPCO – and potentially all its other customers – will be left holding the bag. The financial security requirements are intended to protect against that risk, and the Commission reasonably matched the credit rating "exemption" with the threshold used in other states, while eliminating WEPCO's unfettered discretion to waive those requirements for customers of its choosing.

The Petition should thus be dismissed because the Final Decision is supported by substantial evidence in the record.

CUB reserves the right, following transmission of the record to the Court, to seek leave to move to strike the allegations referencing information beyond the record from the Petition. Subject to, and without waiving, its objections, CUB responds as follows with respect to each numbered allegation in the Petition.

RESPONSES TO SPECIFIC ALLEGATIONS

1. Oracle America Cloud Services LLC is a direct, wholly owned subsidiary of Oracle Corporation, a global technology company with its principal offices located at 2300 Oracle Way, Austin, Texas 78741. Oracle Corporation provides products and services that address enterprise information technology needs, including database systems, cloud computing infrastructure, and enterprise software, among others.

ANSWER: CUB lacks information or knowledge sufficient to form a belief as to these allegations, which are not found in the administrative record, and therefore denies them.

2. In partnership with Vantage Data Centers Wisco Acquisition Company LLC ("Vantage") and OpenAI, Oracle is developing the Lighthouse Data Center Campus in Port Washington, Ozaukee County, Wisconsin, a nearly one-gigawatt data center campus that will span approximately 672 acres and feature four large data center buildings, along with supporting facilities and infrastructure ("Lighthouse Campus"). This approximately $15 billion facility represents one of the largest private investments in Wisconsin history.

ANSWER: CUB admits that Vantage, OpenAI, and Oracle are developing the Lighthouse Data Center Campus in Port Washington, Wisconsin. CUB lacks information or knowledge sufficient to form a belief as to the remaining allegations, and therefore denies them.

3. The Lighthouse Campus is intended to support Oracle Corporation's artificial intelligence initiatives – in particular, developing, training, and ultimately utilizing cutting edge large language models with applications including scientific discovery, enterprise efficiency, efficient healthcare delivery, medicine design, education and individual customer utilization.

ANSWER: CUB lacks information or knowledge sufficient to form a belief as to these allegations and therefore denies them to the extent they are not supported by the administrative record.

4. The Lighthouse Campus, and specifically, the Petitioner, will receive electric service from Wisconsin Electric under the VLC Tariff and Bespoke Resources Tariff and, as such, will be subject to the financial security/credit support requirements in those tariffs.

ANSWER: Admits.

5. The Commission is an independent agency of the State of Wisconsin, created pursuant to Wis. Stat. § 15. 79, with its principal office located at 4822 Madison Yards Way, Madison, Wisconsin, 53707. The Commission is comprised of three commissioners whom the Governor nominates and (with the advice and consent of the Senate) appoints to serve staggered six-year terms, as well as a retinue of technical staff (accountants, engineers, attorneys, etc.) who advise the commissioners on matters within the agency's jurisdiction. Wis. Stat. § 15.06(1)(c).

ANSWER: Admits.

6. The Legislature has delegated authority to the Commission to regulate and

supervise utilities that produce or transmit heat, light, water, or power to the public within the state of Wisconsin. *See* Wis. Stat. §§ 196.01(5), 196.02(1). The Commission has authority to (among other things) authorize Wisconsin Electric's electric rates and rules for services that are under the Commission's jurisdiction. *See* Wis. Stat §§ 196.01, 196.02, 196.025, 196.03, 196.19, 196.20, 196.22, 196.37.

ANSWER: Admits.

ALLEGATIONS RELATING TO JURISDICTION, VENUE, AND STANDING

7. The Final Decision is an administrative decision reviewable under Wis. Stat. § 227.52 *et seq*.

> **ANSWER:** CUB admits that the Final Decision is an administrative decision that is reviewable under and subject to all of the conditions and legal requirements for review found in Wis. Stat. § 227.52 *et seq.* and applicable law.

8. Because Oracle is a nonresident and the Lighthouse Campus is located in Ozaukee County, venue is proper in Ozaukee County. *See* Wis. Stat. § 227.53(1)(a)3.

ANSWER: Admits.

9. Oracle has standing and the right to seek and participate in proceedings for judicial review under Wis. Stat. § 227.53. As explained in greater detail below, the Final Decision directly, substantially, and adversely affects Oracle's interests: the financial security/credit support requirements the Commission ultimately approved will impose significant costs upon Oracle, which could exceed $100 million *annually* and which Oracle would not have otherwise incurred under the VLC Tariff and Bespoke Resources Tariff that Wisconsin Electric initially proposed.

ANSWER: Denies. Wisconsin law requires parties to exhaust their administrative remedies by participating in and completing agency proceedings before initiating a judicial review proceeding. By failing to participate in the lengthy proceedings before the Commission, the Petitioner has failed to exhaust its administrative remedies.

ALLEGATIONS RELATING TO BACKGROUND

10. Wisconsin Electric is an investor-owned electric, natural gas, and steam public utility under Wis. Stat. § 196.01(5). Wisconsin Electric provides electric, natural gas, and steam service in Eastern Wisconsin.

ANSWER: Admits.

11. Like other utilities, Wisconsin Electric has different rate schedules – or tariffs – that set forth the rates, terms, and conditions upon which it provides service to different customer classes, such as residential, commercial, or industrial customer classes.

ANSWER: Admits.

12. Substantial economic development and investment is being made in southeastern Wisconsin, including by large data center customers such as Oracle. Generally speaking, these data centers can consume a substantial amount of electricity to support their operations. As a result of these investments, electric demand (or electric load) in Wisconsin Electric's service territory is expected to grow dramatically.

ANSWER: CUB generally admits the allegations contained in Paragraph 12. CUB denies that allegations related to claimed economic development or investment were relevant considerations for the Commission in the Final Decision.

13. To serve these new, large customers, Wisconsin Electric developed and requested Commission approval of two new tariffs in the proceedings below: the Very Large Customer ("VLC") Tariff and the Bespoke Resources Tariff, along with templates for service agreements

that customers taking service under these tariffs would enter into with Wisconsin Electric.

ANSWER: Admits.

14. Wisconsin Electric defined a "Bespoke Resource," in relevant part, as an electric generation resource (or portion thereof) dedicated to serving a participating customer and that is owned, operated, and maintained by Wisconsin Electric. Bespoke Resources can include electric generation facilities, electrical storage facilities, or other resources owned and maintained by Wisconsin Electric.

ANSWER: CUB admits that the allegations in this paragraph generally reflect the substance of the VLC and Bespoke Resource tariffs. The terms and conditions of the tariffs, as approved, speak for themselves and are the best evidence of their contents, and CUB denies any allegations inconsistent with those terms and conditions.

15. The VLC Tariff and Bespoke Resource tariffs work hand-in-hand – an eligible customer must meet the VLC Tariff service requirements and must subscribe to a Bespoke Resource as a condition of taking service under the VLC Tariff.

ANSWER: CUB admits that the allegations in this paragraph generally reflect the substance of the VLC and Bespoke Resources tariffs. The terms and conditions of the tariffs, as approved, speak for themselves and are the best evidence of their contents, and CUB denies any allegations inconsistent with those terms and conditions.

16. The VLC Tariff and the Bespoke Resource Tariff include financial security requirements. Generally speaking, these requirements establish the amount and form (i.e., cash deposit, letter of credit, parent guaranty) of financial security that customers taking service under the tariffs must provide to secure their financial obligations to Wisconsin Electric.

ANSWER: CUB admits that the allegations in this paragraph generally reflect the substance of the VLC and Bespoke Resources tariffs. The terms and conditions of the tariffs, as approved, speak for themselves and are the best evidence of their contents, and CUB denies any allegations inconsistent with those terms and conditions.

17. Wisconsin Electric sought Commission approval of its VLC Tariff and Bespoke Resources Tariff and the associated service agreements pursuant to Wis. Stat. §§ 196.19, 196.192(2).

ANSWER: Admits. CUB affirmatively states that the Commission's approval of the proposed tariffs was also subject to other statutory and legal provisions, including Wis. Stat. §§ 196.19, 196.20, and 196.37, which were identified among the issues listed in the Prehearing Conference Memorandum.

18. Under Wisconsin law, the Commission "shall approve market-based rates" so long as they: (1) "result in customers receiving market-based compensation for voluntary interruptions of firm load during peak periods of electric use;" and (2) "include market-based pricing options . . . that allow a retail customer . . . to receive market benefits and take market risks for the customer's purchase of capacity or energy." Wis. Stat. § 196.192(2)(bm). The Commission must also find that shareholders and non-participating customers are not harmed. *Id.* § 196.l92(2)(br). If these three conditions are met, the tariffs *must* be approved. *Id.*

ANSWER: CUB admits that the allegations in this paragraph quote a portion of Wis. Stat. § 196.192(2)(bm), but denies that they fully and accurately state applicable law.

19. As a creation of the Legislature, the Commission "has only those powers which are expressly conferred or which are necessarily implied by the statutes under which it operates." *See Kimberly-Clark Corp. v. Pub. Serv. Comm'n of Wis.,* 110 Wis. 2d 455, 461-62, 329 N.W.2d 143 (1983).

ANSWER: CUB admits that the allegations in this paragraph quote a portion of the cited case, but denies that they fully and accurately state applicable law.

ALLEGATIONS RELATED TO FACTS

20. On March 31, 2025, Wisconsin Electric filed an application with the Commission in Commission Docket No. 6630-TE-113 ("the Proceeding"), requesting Commission approval of the VLC Tariff and Bespoke Resources Tariff and the accompanying service agreement templates.

ANSWER: Admits.

21. Wisconsin Electric and multiple new VLCs, including Oracle, negotiated the form of the new tariffs and associated service agreements and supported approval of those tariffs, as initially proposed by Wisconsin Electric in its application.

ANSWER: CUB lacks information or knowledge sufficient to form a belief as to these allegations, and therefore denies them.

22. On June 12, 2025, the Commission issued a Notice of Proceeding, docketing Wisconsin Electric's application as a Class I proceeding. Several organizations subsequently moved to intervene in the Proceeding, including Cloverleaf Infrastructure LLC ("Cloverleaf") and Vantage.

ANSWER: Admits. CUB affirmatively states that nine organizations requested and were granted intervention, but Oracle did not.

23. On October 20, 2025, an Administrative Law Judge ("ALJ") issued a Prehearing Conference Memorandum establishing the parties, issues, schedule, and other procedures for the proceeding.

ANSWER: Admits.

24. In October 2025, and in accordance with the schedule the ALJ established in the Prehearing Conference Memorandum, Wisconsin Electric submitted Richard Stasik's pre-filed direct testimony in the Proceeding. Mr. Stasik is Vice President - Regulatory Affairs for WE Energy Group, Inc., the holding company that owns Wisconsin Electric, and was one of Wisconsin Electric's primary witnesses in support of its application.

ANSWER: Admits.

25. In his direct testimony, Mr. Stasik explained that, after filing its application on March 31, 2025, Wisconsin Electric proposed adding certain financial security requirements to the proposed tariffs and related service agreements.

ANSWER: CUB admits that this allegation generally reflects a portion of Mr. Stasik's testimony.

26. Mr. Stasik explained that these changes were consistent with certain Payment and Cancellation Agreements ("PCAs") that Wisconsin Electric was negotiating with customers eligible to take service under the VLC Tariff and Bespoke Resources Tariff. Those PCAs generally require the customer to reimburse Wisconsin Electric for all costs associated with any Bespoke Resources requested by the customer until the customer can execute a service agreement under an approved Bespoke Resources tariff. The PCAs also require the customer to reimburse Wisconsin Electric if the customer terminates the agreement, reduces its anticipated load, or if regulatory approval is not received for the construction of the Bespoke Resource.

ANSWER: CUB admits that the allegations in this paragraph generally reflect a portion of Mr. Stasik's testimony.

27. The financial security requirements Wisconsin Electric proposed, adding to the VLC Tariff and Bespoke Resources Tariff were structured as follows:

a. The customer must post security equal to (1) the net book value of all dedicated distribution facilities used to serve the customer; (2) 1.3 times 24 months of the Administrative Charge, Energy and Operating Reserves Market Charge, Transmission Service Charge, Fleet Firm Service Charge, and Market Firm Service Charge (collectively, the "Charges") billed to the customer; and (3) the aggregate net book value of all Bespoke Resources to which the customer is subscribed (collectively, the "VLC Security").

b. The customer can post the VLC Security in the form of a letter of credit, cash deposit, or guaranty from a parent or affiliate that satisfies the Financial Support Requirements."

c. The "Financial Support Requirements" include (1) an investment-grade credit rating of BBB from Standard & Poors ("S&P") or Baa2 from Moody's, and (2) *either* tangible net worth of 2.0 times the VLC Security *or* liquidity greater than 10.0 times the VLC Security.

d. Customers that satisfy the Financial Support Requirements are exempt from the requirement to provide the VLC Security altogether.

e. Wisconsin Electric possessed sole discretion to waive any of the Financial Support Requirements.

ANSWER: CUB admits that the allegations in this paragraph generally reflect a portion of Mr. Stasik's testimony and portions of the proposed VLC and Bespoke Resources tariffs. CUB affirmatively states that Mr. Stasik's testimony and the terms and conditions of the tariffs speak for themselves and are the best evidence of their contents, and CUB denies any allegations inconsistent with the same.

28. On January 7, 2026, and in accordance with the ALJ's Prehearing Conference Memorandum, Commission staff submitted pre-filed direct testimony from several witnesses, including Tyler Meulemans, a public utility financial analyst, who stated that "it seems reasonable that a customer seeking to enroll on this tariff would have a proven financial background."

ANSWER: CUB admits that this paragraph accurately quotes part of a sentence within Mr. Meulemans' thirty pages of direct testimony. CUB denies that the allegations in this paragraph fully or accurately characterize Mr. Meulemans' testimony or the evidence in the record as a whole.

29. Between January and February 2026, and in accordance with the ALJ's Prehearing Conference Memorandum, various other parties also submitted pre-filed testimony commenting on (among other things) the financial security/credit support requirements Wisconsin Electric proposed.

ANSWER: Admits.

30. No party to the Proceeding introduced substantial evidence demonstrating that the financial security/credit support requirements Wisconsin Electric proposed, including the Financial Support Requirements, would harm non-participating customers or Wisconsin Electric shareholders.

ANSWER: Denies. Among other evidence in the record, CUB witness Steve Kihm submitted substantial evidence that the proposed financial measures would not provide an adequate backstop to protect other WEPCO customers. An investment grade credit rating provides little advance warning of financial difficulties that may worsen rapidly. If a data center customer suffered financial distress and had not been required to post collateral, WEPCO and its other customers could be on the hook for billions of dollars of stranded investments.

31. On February 10, 2026, the ALJ held a virtual public hearing to receive comments from the public. Members of the public were also permitted to submit written public comments up until February 17, 2026.

ANSWER: Admits. CUB affirmatively states that members of the public submitted more than 2,100 comments, but Oracle did not submit any comment.

32. On February 12, 2026, and in accordance with the ALJ's Prehearing Conference Memorandum, the ALJ convened a virtual party hearing session to admit pre-filed evidence into the record and allow parties to conduct cross-examination.

ANSWER: Admits. CUB affirmatively states that the party hearing session took place over two full days, February 12 and February 13, 2026.

33. The parties filed initial briefs on February 20, 2026, and reply briefs on February 27, 2026.

ANSWER: Admits.

34. The Commission initially discussed the proposed tariffs and record of the Proceeding at an open meeting held on April 24, 2026. The Chairperson stated that she found Wisconsin Electric's proposed financial security/credit support requirements to be reasonable and indicated her support for the measures proposed by Wisconsin Electric but was open to hearing the positions of the other commissioners.

ANSWER: CUB admits that the Commission discussed the proposed tariffs at an open meeting on April 24, 2026. CUB denies that the remaining allegations in this paragraph fully or accurate reflect the discussion of the Commission at the open meeting.

35. The other commissioners indicated that they did not support Wisconsin Electric retaining sole discretion to waive the Financial Support Requirements. The commissioners discussed various options for exemptions and how other states have handled credit support/financial security requirements for very large customers. The commissioners paused their discussion on tariffs' credit support/financial security requirements to obtain additional information and returned to the topic later in the open meeting.

> **ANSWER:** CUB admits that the allegations in this paragraph generally reflect a portion of the Commission's discussion during the open meeting, but deny that the allegations fully reflect the substance of those discussions.

36. When the commissioners returned to this topic later in the open meeting, they decided to (1) remove from the tariffs Wisconsin Electric's ability to waive the Financial Support Requirements at its sole discretion, and (2) increase the minimum credit rating in the Financial Support Requirements to A- (S&P) and A3 (Moody's).

> **ANSWER:** CUB admits that the allegations in this paragraph generally reflect a portion of the Commission's discussion during the open meeting, but deny that the allegations fully reflect the substance of those discussions.

37. On May 21, 2026, the Commission issued the Final Decision, which approved Wisconsin Electric's proposed VLC Tariff and Bespoke Resources Tariff and associated service agreement, subject to certain conditions and modifications. With respect to the credit support/financial security requirements, and consistent with the discussion of record at the April 24, 2026 open meeting, the Final Decision modifies Wisconsin Electric's initial proposal by (1) removing its ability to waive the Financial Support Requirements at its sole discretion, and (2)

increasing the minimum credit rating in the Financial Support Requirements to A- (S&P) or A3 (Moody's).

ANSWER: Admits.

38. On June 10, 2026, and pursuant to Wis. Stats. §§ 227.49, 196.39, Wisconsin Electric, Vantage, and Cloverleaf filed a petition for reopening and rehearing of the Final Decision ("Rehearing Petition"), requesting that the Commission reopen the proceeding to (1) approve a graduated table of security requirements for customers with credit ratings below A-/A3 and (2) modify the security requirements for the Lighthouse Campus, such that Oracle can post 90 percent of the VLC Security through a parent guaranty and the remaining 10 percent through a letter of credit or cash deposit. A true and correct copy of the Rehearing Petition, including the accompanying exhibits and affidavit, is attached hereto as **Exhibit B.**

> **ANSWER:** CUB admits that Wisconsin Electric, Vantage, and Cloverleaf filed a petition for reopening and rehearing on June 10, 2026, and it admits that the allegations in this paragraph generally reflect, in part, the substance of the petition. CUB affirmatively states that neither the petition for reopening and rehearing nor its exhibits and affidavit are part of the record in this proceeding, and may not be considered by the Court. *See* Wis. Stat. § 227.57(1) ("The review shall be conducted by the court without a jury and shall be confined to the record…"); *Lake Beulah Mgmt. Dist. v. State Dep't of Nat. Res.*, 2011 WI 54, ¶ 52, 335 Wis. 2d 47, 81, 799 N.W.2d 73, 90 (record consists only of the information before the agency at the time it made its decision, which it compiles and sends to the circuit court).

39. The filing of the Rehearing Petition tolled the deadline for Wisconsin Electric and other

parties to the Proceeding to seek judicial review until "30 days after service of the order finally disposing of the application for rehearing, or within 30 days after the final disposition by operation of law of any such application for rehearing." Wis. Stat. § 227.53(1)(a)2.

ANSWER: Admits.

40. This tolling provision does not apply to Oracle because it was not a party to the Proceeding. However, if the omission ultimately grants the Rehearing Petition and reopens the Proceeding to consider the relief requested therein, Oracle intends to move to stay the judicial review proceedings while the Commission adjudicates the outcome of the Rehearing Petition.

ANSWER: CUB admits the tolling provision does not apply to Oracle because it was not a party to the Proceeding. CUB otherwise lacks information and knowledge sufficient to form a belief as to the allegations in this paragraph, and therefore denies them.

41. As explained in the Rehearing Petition and accompanying affidavit from Oracle Corporation, Oracle relied, in significant part, on the tariffs and credit support/financial security requirements Wisconsin Electric proposed when making its investments in the Lighthouse Campus. Oracle has already invested billions of dollars in the Lighthouse Campus.

ANSWER: CUB lacks information and knowledge sufficient to form a belief as to the allegations in this paragraph, which are not supported by the record, and therefore denies them. CUB affirmatively states that neither the petition for reopening and rehearing nor its exhibits and affidavit are part of the record in this proceeding, and may not be considered by the Court. *See* Wis. Stat. § 227.57(1) ("The review shall be conducted by the court without a jury and shall be confined to the record…")

42. The Commission's modifications to Wisconsin Electric's initially proposed Financial Support Requirements will make it logistically difficult for customers to take service under the VLC Tariff and Bespoke Resources Tariff to obtain the required financial security.

ANSWER: Denies.

43. The Commission's modifications to Wisconsin Electric's proposed Financial Support Requirements will impose substantial and unreasonable costs on customers taking electric service under the VLC Tariff and Bespoke Resources Tariff, and the magnitude of these costs are wholly disproportionate to the risks the Financial Support Requirements are intended to mitigate.

ANSWER: Denies.

44. The Commission's modifications to Wisconsin Electric's proposed Financial Support Requirement will create harmful and unintended consequences that will force significant investment outside of Wisconsin. The cost of posting the required security will deter investment in the state from many firms, who will likely pursue opportunities in other jurisdictions.

ANSWER: Denies. CUB further denies that allegations related to claimed economic development or investment were relevant considerations for the Commission in rendering the Final Decision.

45. The Commission's modifications to Wisconsin Electric's proposed Financial Support Requirements will require Oracle to post security for the Lighthouse Campus in the form of a cash deposit or, more likely, a letter of credit, at substantial and unreasonable cost, which cost could exceed $100 million annually and which Oracle would not have incurred under the financial security requirements Wisconsin Electric initially proposed for the tariffs.

ANSWER: CUB lacks information or knowledge sufficient to form a belief as to the truth of the allegations in this paragraph, which are unsupported by the record, and therefore denies the same. CUB affirmatively states that neither the petition for reopening and rehearing nor its exhibits and affidavit are part of the record in this proceeding, and may not be considered by the Court. *See* Wis. Stat. § 227.57(1) ("The review shall be conducted by the court without a jury and shall be confined to the record…")

46. As of the date of this filing, the Commission has not formally responded to the Rehearing Petition. If the Commission does not enter an order disposing of the Rehearing Petition within 30 days, it is deemed denied by operation of law as of the expiration of the 30-day period. *See* Wis. Stat.§ 227.49(5).

ANSWER: Admits.

47. Oracle timely filed this petition for judicial review within 30 days of the Commission serving the Final Decision upon all parties to the Proceeding. *See* Wis. Stat. § 227.53(1)(a)2.

ANSWER: The allegations in this paragraph state a legal conclusion to which no response is required. To the extent a response is required, CUB denies.

RESPONSES TO PETITIONER'S CLAIMS

48. Pursuant to Wis. Stat. § 227.57, this Court should set aside, reverse, and remand that portion of the Final Decision altering the Financial Support Requirements that Wisconsin Electric proposed and order the Commission to modify the Final Decision by restoring the Financial Support Requirements Wisconsin Electric proposed. The Commission did not have substantial evidence to support its decision; relied upon non-record evidence; erroneously interpreted provisions of law; exercised discretion outside the range the Legislature delegated to the Commission; and otherwise acted arbitrarily, capriciously, and in violation of law.

ANSWER: Denies. CUB affirmatively states that the Final Decision was supported by substantial evidence and complied with relevant legal requirements, and the petition should be dismissed.

RESPONSES TO PETITIONER'S COUNT ONE

49. Oracle realleges all prior paragraphs in this Petition and incorporates them by reference.

ANSWER: CUB incorporates herein by reference its responses to the prior paragraphs of the Petition.

50. This Court must set aside, modify, reverse, or remand the Final Decision if it finds that it "depends on any finding of fact that is not supported by substantial evidence in the record" or if it finds that "either the fairness of the proceedings or the correctness of the action has been impaired by a material error in procedure or a failure to follow prescribed procedure." Wis. Stat. §§ 227.57(4), (6).

ANSWER: CUB admits that this paragraph accurately quotes portions of Wis. Stat. § 227.57, but denies that it fully describes applicable law.

51. In the Final Decision, the Commission found that (1) "It is reasonable to modify the proposed credit support provisions to require VLCs to have a higher credit rating than proposed to be eligible for a waiver of the financial security obligations"; and (2) "It is reasonable to modify the proposed credit support provisions to remove the language allowing the applicant to have sole discretion on waiving the credit support provisions."

ANSWER: CUB admits that the allegations in this paragraph quote portions of the Final Decision.

52. These findings of fact are not supported by substantial evidence and are based on

mischaracterizations of the record and on non-record evidence.

ANSWER: Denies.

53. There is no substantial record evidence demonstrating that the Commission's modifications to the Financial Support Requirements are reasonable or are needed to prevent harm to Wisconsin Electric's non-participating customers or shareholders.

ANSWER: Denies.

54. The Commission failed to consider the significant, adverse impacts that its modifications to the Financial Support Requirements would have on Oracle or other similarly situated customers.

> **ANSWER:** CUB denies that the Commission erred in failing to consider alleged "significant, adverse impacts" on Oracle. CUB affirmatively states that Oracle failed to intervene in this agency proceeding or even to submit a public comment, and no other party offered evidence of "significant, adverse impacts" that would supposedly befall Oracle. CUB further denies that allegations related to claimed economic development or investment were relevant considerations for the Commission in rendering the Final Decision.

55. The overwhelming weight of the record evidence supports approving the tariffs' Financial Support Requirements as proposed by Wisconsin Electric. Other parties to the proceeding, including Commission staff, Microsoft, Wisconsin Electric, and Walnut Way Conservation Corp., all testified that the Financial Support Requirements Wisconsin Electric proposed were reasonable and/or would mitigate risk to the utility.

ANSWER: Denies.

RESPONSES TO PETITIONER'S COUNT TWO

56. Oracle realleges all prior paragraphs m this Petition and incorporates them by reference.

> **ANSWER:** CUB incorporates herein by reference its responses to the prior paragraphs of the Petition.

57. This Court must set aside, modify, reverse, or remand the Final Decision if it finds that the Commission "erroneously interpreted a provision of law and a correct interpretation compels a particular action[.]" Wis. Stat. § 227.57(5). The Court must also set aside, modify, reverse, or remand the Final Decision if it finds that the Commission's "exercise of discretion is outside the range of discretion delegated to the agency by law." Wis. Stat. § 227.57(7).

> **ANSWER:** CUB admits that this paragraph accurately quotes portions of Wis. Stat. § 227.57, but denies that it fully describes applicable law.

58. The Legislature directed that the Commission "*shall approve* market-based rates" so long as they: (1) "result in customers receiving market-based compensation for voluntary interruptions of firm load during peak periods of electric use;" and (2) "include market-based pricing options ... that allow a retail customer ... to receive market benefits and take market risks for the customer's purchase of capacity or energy." Wis. Stat. § 196.192(2). The Commission must also find that shareholders and non-participating customers are not harmed. If these three conditions are met, the tariffs *must* be approved. *Id.*

> **ANSWER:** CUB admits that this paragraph accurately quotes portions of Wis. Stat. § 196.192, but denies that it fully describes applicable law.

59. Although the Commission has discretion in certain circumstances, it must explain the rationale behind its decisions, and those decisions must be supported by a rational basis. *See*

Reidinger v. Optometry Examining Bd., 81 Wis. 2d 292, 297, 260 N.W.2d 270, 273 (1977); *Town of Holland v. Pub. Serv. Comm'n of Wis.,* 2018 WI App 38, 58, 382 Wis. 2d 799, 827, 913 N.W.2d 914.

ANSWER: The allegations in this paragraph state legal conclusions to which no response is required.

60. The Commission did not find that the Financial Support Requirements proposed by Wisconsin Electric would harm non-participating customers or shareholders, and in any event, there was no substantial evidence in the record to support such a finding.

ANSWER: Denies.

61. Absent a finding that the Financial Support Requirements would harm nonparticipating customers or shareholders, the Commission lacks legal justification to modify those requirements.

ANSWER: Denies.

62. There was no rational basis for the Commission's decision to modify the Financial Support Requirement that Wisconsin Electric initially proposed. The Commission did not explain how or why its modifications to the Financial Support Requirements are necessary to protect nonparticipating customers or shareholders from harm.

ANSWER: Denies.

63 . The Commission also failed to consider the significant, adverse impacts that its modifications to the Financial Support Requirements would have on Oracle or other similarly situated customers.

ANSWER: CUB denies that the Commission erred in failing to consider alleged "significant, adverse impacts" on Oracle. CUB affirmatively states that Oracle failed to intervene in this agency proceeding or even to submit a public comment, and no other party offered evidence of "significant, adverse impacts" that would supposedly befall Oracle. CUB further denies that allegations related to claimed economic development or investment were relevant considerations for the Commission in rendering the Final Decision.

64. Without any discussion of the legal basis or rationale for modifying the Financial Support Requirements Wisconsin Electric proposed, and without any consideration of the adverse impacts those modifications would have on Oracle and/or other similarly situated customers, the Final Decision reflects an erroneous interpretation of the law, an erroneous exercise of discretion, and is arbitrary and capricious.

ANSWER: Denies.

GROUNDS FOR REVIEW

65. In approving modifications to Wisconsin Electric's proposed Financial Support Requirements, the Commission made errors of fact, law, procedure, and discretion. Wis. Stat. §§ 227.57(5)-(8).

ANSWER: Denies.

CUB'S AFFIRMATIVE DEFENSES

CUB raises the following affirmative defenses to the Petition:

1. The Petition fails to state a claim upon which relief may be granted.
2. Oracle lacks standing.
3. Oracle failed to exhaust its remedies and has waived and/or forfeited its claims here by failing to participate in the Proceeding below, despite having ample opportunity to do so.

4. The Final Decision complied with Wisconsin law.

5. The Final Decision was supported by substantial evidence.

WHEREFORE, CUB respectfully requests that this Court dismiss the Petition for judicial review with prejudice, affirm the Final Decision in its entirety, and order such other relief as the Court deems just and appropriate.

Dated this day, July 13, 2026.

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By: *Electronically Signed by Daniel C.W. Narvey*
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