

milwaukee journal sentinel

PLUGGED IN

Will residential customers be forced to pay for data center power lines?



Francesca Pica

Milwaukee Journal Sentinel

July 24, 2026 | Updated July 25, 2026, 11:45 a.m. CT

Key Points

Wisconsin regulators are deciding who will pay for new power lines needed for large data centers.

American Transmission Co. has proposed a plan to make Microsoft pay for transmission costs for its new data center.

Consumer advocates are working to ensure residential and small business customers are not charged for these infrastructure upgrades.

As more Wisconsin utilities look to hold hyperscale data centers financially responsible for new power plants, regulators are still left to decide a key question: who's paying for the power lines?

American Transmission Co. filed plans with state and federal regulators to shield residents from costs related to Microsoft's multibillion-dollar data center campus on the former Foxconn site in Mount Pleasant. The power line company serves more than 5 million customers in eastern Wisconsin, Michigan's Upper Peninsula and parts of Minnesota and Illinois.

It's the first in a string of plans to directly assign data center-related transmission costs to the tech companies that own them, according to ATC. These include Vantage Data Centers' \$15 billion project in Port Washington and a data center in Beaver Dam owned by Facebook parent Meta.

ATC is planning more than \$2 billion in new high-voltage power lines, substations and facility upgrades to help serve large data centers – an unprecedented build-out for the company. ATC charges these costs to utilities like We Energies, which send them to their customers through energy bills.

We Energies will pay the total cost of transmission capacity a data center requests “even in the event the end-use data center customer fails to materialize or take 100% of the requested service,” according to the proposal. Microsoft must then pay the utility back in full.

USA TODAY Shopping: [Shop sales in tech, home, fashion, beauty & more curated by our editors.](#)

“It’s a little bit like a builder. You say, ‘I want a four-bedroom house,’ and it’s like, ‘well, I’m only going to use three of them for a while and I don’t want to pay for one quarter,’” said Ellen Nowak, ATC vice president of regulatory and government affairs.

“You asked us to build a four-bedroom house – you’re getting a four-bedroom house and you’re going to pay for the whole house.”

A Microsoft spokesperson told the Journal Sentinel the tech company “remains committed to paying the costs our data center operations require while protecting other ratepayers.”

Both the state Public Service Commission and the Federal Energy Regulatory Commission must sign off on ATC's plan. The federal agency has 60 days to respond.

Regulators previously approved separate electric rate for data centers

In April, the state Public Service Commission modified and approved [a separate electric rate](#) for data centers in We Energies’ service area, including the Mount

Pleasant project. It's intended to ensure data centers pay for billions of dollars in new infrastructure needed to serve them.

But unlike new power plants, transmission projects built by ATC are not covered by the data center rate. Commissioners warned that if these costs are not accounted for, they could end up on residents' energy bills.

We Energies said in April it was working with ATC on a plan to address transmission costs.

Consumer advocates have warned about the cost of the transmission lines throughout the process. They include the Citizens Utility Board of Wisconsin, which represents residents in utility cases.

"Without the large and loud engagement on this topic, I doubt we would have seen the movement we have from the applicant and ATC to evaluate creative solutions to this issue," Commissioner Marcus Hawkins said in April.

CUB executive director Tom Content said the group will review ATC's proposal "with an eye toward shielding data center-linked costs from the power bills paid by the residential and small business customers we represent."

"This proposal goes to the heart of a key issue for CUB, ensuring customers aren't left holding the bag for billions of costs for new power lines ATC has asked to build to serve them," Content said. "We had expressed concern in the data center tariff case about how transmission costs were to be allocated and the PSC responded by revamping the original We Energies proposal."

More data center plans coming, power line company says

ATC says plans for the Port Washington and Beaver Dam data centers will be filed separately.

Meanwhile, the Public Service Commission is ordering retail utilities to create a uniform electric rate for all their large data center customers. Commissioners say

this will increase transparency and ensure fairness in future projects.

But ATC says agreements for individual projects are in line with its past filings as well as data center plans enacted by transmission owners in other states. The rules for wholesalers like ATC are different, the company added.

“That’s not atypical for us,” Nowak said. “Our agreements are going to be very similar among all of our customers. It's just going to be different inputs, and we have to treat all of our customers similarly and equally.”

In March, Meta, Oracle, Microsoft and other tech giants signed a White House agreement promising to cover all costs associated with their data center build-outs. The Trump administration [expanded](#) the nonbinding pledge in July as it seeks to promote AI development.

Meanwhile, data centers are facing growing public backlash. Marquette University Law School's July poll found that [three quarters of Wisconsin voters](#) viewed data centers unfavorably, up from 55% in October.

CUB will be watching for future agreements for the other data center campuses, Content said.

“It's critical to ensure data center developers are paying their full share for the costs needed to serve them, including ‘network upgrades’ that tech companies committed to funding when they signed the Ratepayer Protection Pledge this spring at the White House,” he said.

Cost recovery rules add urgency

Retail utilities like We Energies cannot pass along the cost of a new power plant until it comes online, years after initial approval. But a regulatory exception allows ATC to charge customers for projects that are still under construction.

The new transmission projects for Microsoft’s campus have already been approved by state regulators, totaling \$625 million. Two more substations initially built for

Foxconn will serve the project and be covered by ATC's July 16 plan.

A \$1.5 billion high-voltage power line for the Port Washington data center is also pending commission approval.

The cost recovery rule means customer protections must be put in place soon, before new projects make their way into electric rates, consumer advocates warn.

We Energies earmarked \$620 million in transmission charges for data centers in 2027 and 2028, according to its [energy rate plan](#). State regulators will likely vote on approval of the plan by the end of 2026.

This article was updated with new information.

Francesca Pica can be reached at fpica@usatodayco.com.