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## Large Annual Use Gas Sales Service

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### AVAILABILITY

Available to large annual use customers who receive distribution service under the Company's Rate Schedule SP-1. This gas service is for annual gas service supplied at a single point of delivery with a minimum annual usage of 17 million therms. Customers served on the Company's IGD-1 Interruptible Generation Distribution Service are also eligible for this rate schedule, without the minimum annual usage requirement. Furthermore, the customer will:

1. Contract for service under this rate schedule with the Company for an initial term of five years with one-year automatic renewals thereafter unless terminated. Service can begin at any time the Company is able to provide the service; however, the initial contract year will begin the following November 1 and continue through October 31 of the following year. Notice of termination must be provided to the Company in writing by May 1 of a given year with a one-year termination notice period to begin no earlier than November 1 of that same year.
2. Interrupt the interruptible portion of this service upon request of the Company.
3. Provide and maintain suitable and adequate alternate fuel standby facilities or will discontinue use, during an interruption, of any equipment for which alternate fuel facilities are not maintained down to the level of nominated firm sales service provided hereunder.

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### APPLICABILITY AND CHARACTER OF SERVICE

A contracted daily level of gas, subject to availability as determined by the Company, will be provided on a firm basis as first through the meter for customers on this rate schedule. The customer may choose zero therms per day of firm service, but if the customer wishes to contract for firm service, a minimum of 50,000 therms per day will be required. The contracted firm service will remain in effect on a rolling three-year period. Reductions in the contracted firm service will take effect three years after notification from the customer. However, the Company may, at its sole discretion, waive the three-year notification requirement if it is determined that an earlier termination will not unduly harm system supply customers. Increases are subject to availability of firm service from the Company and will take effect when approved by the Company.

Gas used above the contracted firm gas supply will be provided by the Company on an interruptible basis, and the Company will have the right to interrupt deliveries of gas supply hereunder, whenever and to the extent necessary such interruption, in the sole judgment of the Company, may be required.

R Telemetering equipment or other electronic devices to remotely read the meter must be installed by the Company before service will be provided on this rate schedule. The customer may be required to provide a business-grade telephone line to allow the Company continuous access at any time for meter reading purposes and connection to existing electrical facilities as necessary for operation of these devices. Once the remote metering equipment is installed, the Company, at its option, may bill the customer based on the electronically read consumption, provided that actual meter readings are periodically taken to verify the electronically read consumption.

R When the Company, in its sole discretion, determines an interruption of gas service is necessary in an area or areas of its service territory, the interruptible portion of service provided hereunder in any affected area will be interrupted before any customers receiving service under Rate Schedule IS-1 are interrupted.

(Continued on Sheet G-33.1)



**Large Annual Use Gas Sales Service**

**RATE**

	Administrative charge per day .....	\$80.00
	Electronic metering charge per day .....	\$1.50
	Natural gas service: <sup>(1)</sup>	
	Firm reservation rate per therm of contracted firm demand	
R	(contracted therms times number of days in billing period) .....	\$0.0252
	Volumetric rate .....	See Pricing Formula below.

<sup>(1)</sup> Subject to adjustment for purchased gas. See sheet G-38 for purchased gas adjustment clause and refund provision and sheet G-3.1 for the current effective rates. The effective rates will include an interruptible market reservation component (75 percent of the IS-1 Market Reservation Component) for the interruptible portion of gas delivered. The interruptible portion of gas delivered will be total billing period therms less the product of the number of therms of contracted firm sales volume times the number of days in the billing period. The interruptible portion will not be less than zero. Customers will be charged any and all penalties, incremental fees, charges, or surcharges assessed to the Company by the interstate pipelines that are related to the customer's service.

**PAYMENT**

Payment is due no later than the due date shown on the bill. Any Company billing charges unpaid after the due date will be subject to a late payment charge as described in the Company's gas service rules under Late Payment Charge.

**USAGE ESTIMATES**

Customers will, by February 28 of each year, provide the Company with estimates of annual natural gas needs by month for the twelve-month period beginning November 1 of the current year through October 31 of the following year. This will include estimated daily swing volume ranges for each month.

By the 15th of each month, customers receiving service under this rate schedule will provide an estimate of expected gas usage for the next month, including preliminary estimates of daily usage. The usage will be broken down into three pricing categories: System Priced Supply, Fixed Priced Supply, and Daily Priced Supply. Daily volumes will be estimates and can be changed, but only in accordance with the Nominations process described below. Fluctuations of actual volumes when compared to estimate may result in pricing differences as described in Pricing Formula below. On a best-efforts basis, and avoiding harm to other system supply customers, the Company may allow a customer to modify their monthly estimate within the month to acquire additional or dispose of excess monthly supply. The Company reserves the right to reject the estimate or limit the amount of daily swing supply available to the customer if the Company's contracted interstate pipeline capacity is not expected to be available for the service.

(Continued on Sheet G-33.2)



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## Large Annual Use Gas Sales Service

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### PRICING FORMULA

R Gas used by the customer will be priced based on the three separate pricing methods as follows. The price  
R will include applicable pipeline transportation charges but exclude (1) the cost of storage gas and storage-  
R related cost and benefit and (2) financial instrument cost/benefits purchased for sales service other than  
R LS-1.

1. **System Priced Supply.** Unless otherwise elected by the customer or directed by the Company, as described in Nos. 2 and 3 below, gas used by the customer will be priced at the Company's weighted average cost of all gas purchased for the Company's system supply for each month.
2. **Fixed Price Supply.** If a customer desires to fix all or a portion of its gas needs at a certain gas commodity price, the customer will notify the Company. The volume to be fixed will be in 100,000 therm increments. The Company will determine the approximate fixed price in the market and provide the information to the customer. The Company, upon receiving written approval from the customer, will fix the prices based on the prevailing market price, subject to meeting the requirements of the Company's approved Risk Management Plan. The Company will charge the customer any costs incurred to fix the price of the supply. During the month for which the gas price was fixed, the customer will be charged for the physical supply as though it was System Priced Supply. The customer will receive a credit for any net positive benefit of the financial or physical instrument or be charged any additional cost of the net financial or physical instrument as appropriate.
3. **Daily Priced Supply.** Daily priced volumes will be purchased as needed to meet the customer's requirements under two situations: (a) When the customer informs the Company that they wish to have volumes priced on a daily basis or (b) When the Company determines and notifies the customer that it cannot meet the customer's estimated daily demand with supply purchased for the customer using estimates provided by the customer prior to the beginning of the month. If the customer chooses to nominate an amount of gas greater than what the Company has available, the Company will, on a best-effort basis, secure additional Daily Priced Supplies. If the customer has nominated less than what the Company has purchased for the customer through the System Priced Supply or Fixed Price Supply on a day, the Company may sell off such supplies. During the month for which the Daily Priced Supply was secured, the customer will be charged for the physical supply as though it was System Priced Supply. The customer will receive a credit or an additional charge for any cost incurred as a result of either circumstance.

### NOMINATIONS

Daily nominations will be required by 8 a.m. on the business day prior to the gas day for which the nomination will be in effect. The daily nomination will be for the 24 consecutive hours starting at 9 a.m. For this provision, business day will mean any day except Saturday, Sunday, or holidays as determined in the gas supply market. The nomination deadlines are based on current industry definitions, if those definitions change, the Company will change the definitions in this section as appropriate.

The Company will acknowledge a nomination but reserves the right to reject any nomination or limit the amount of daily swing supply available to the customer if pipeline capacity or gas supply are not available.

Intraday nominations may be allowed; however, such nominations are subject to pipeline tariff requirements and market availability. Nomination changes or usage variation from nomination can result in price changes, the cost of which will be passed on to the customer.

(Continued on Sheet G-33.3)



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## Large Annual Use Gas Sales Service

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### MONTHLY CASHOUT

If the customer's actual usage differs from the accepted nomination, the difference will be cashed out monthly in the sequence described below.

1. Daily priced supply will be considered first through the meter. If, at the end of the month, daily priced gas scheduled by the customer exceeds the actual usage of the customer, the customer will reimburse the Company for the cost impact of the excess supply.
2. Fixed price supply monthly gas will be considered next through the meter. Undertakes will be cashed out at the lower of the current month's First of the Month (FOM) Index or the subsequent month's FOM Index. The index price used for the current month and the subsequent month will be the highest FOM price including applicable pipeline transportation charges paid by the Company in determining the System Priced Supply cost for each month.
3. System priced supply will be considered last through the meter. System Priced Supply will be billed based on the gas use in excess of use designated under paragraphs 1 and 2 above.

R A monthly tolerance band will be established as the greater of 300,000 therms or 7 percent of the System Priced Supply monthly nomination. Any overtakes or undertakes within the tolerance band will not be subject to a cashout charge.

Any overtakes or undertakes outside the tolerance band will be subject to an incremental cost cashout charge:

- a. Overtakes will be assessed a premium based on the difference between the current month's System Priced Supply cost and the higher of the current month's System Priced Supply cost, or the subsequent month's System Priced Supply cost. The premium will be zero if the current month's System Priced Supply cost is equal to or higher than the subsequent month's.
- b. Undertakes will be assessed a premium based on the difference between the current month's System Priced Supply cost and the lower of the current month's System Priced Supply cost, or the subsequent month's System Priced Supply cost. The premium will be zero if the current month's System Priced Supply cost is equal to or lower than the subsequent month's.

(Continued on Sheet G-33.4)



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## Large Annual Use Gas Sales Service

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### PAYMENT

Payment is due no later than the due date shown on the bill. Any Company billing charges unpaid after the due date will be subject to a late payment charge as described in the Company's gas service rules under Late Payment Charge.

### UNAUTHORIZED USE CLAUSE

R Customers are responsible for an additional charge for unauthorized use upon failure to curtail or interrupt natural gas requirements down to the available nominated firm sales volume when notified by Company. Availability of this charge does not preclude Company from physically controlling customer's gas supply upon customer's failure to curtail or interrupt. The additional charge for unauthorized use will be assessed as follows:

1. During a curtailment or interruption when interstate pipeline capacity is not limited, the additional charge will be the greater of incremental cost to the Company that results from a failure to curtail or interrupt or \$2.50 per therm for gas used in excess of the maximum quantity level requested by the Company.
2. During a curtailment or interruption due to capacity limitations on interstate pipelines, the additional charge will be the greater of the incremental cost to the Company that results from a failure to curtail or interrupt or \$10.00 per therm for the gas used in excess of the maximum quantity level requested by the Company.

R Incremental cost, as referenced above, will include any interstate pipeline penalties, incremental costs,  
R charges, or surcharges incurred as a result of customers' failure to curtail or interrupt, as well as the total cost of incremental interstate pipeline capacity and/or gas commodity purchased to serve customers' load on the day(s) of curtailment or interruption.

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## Large Annual Use Gas Sales Service

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### SPECIAL TERMS AND PROVISIONS

- R 1. When interruption of deliveries hereunder is required, the customer will interrupt the use of gas at the time and to the extent requested by the Company down to the available contracted firm daily quantity. Interruptions or curtailments can be called at any time during the day and can be called for daily and hourly flow reasons. When an interruption is called for part of a gas day, the available contracted firm daily quantity will be prorated over the gas day on a 24-hour basis to determine the available firm gas supply for the portion of the gas day that the interruption is required. The Company will notify the customer as far in advance as is feasible, and the customer will discontinue or interrupt the use of gas under this rate schedule as ordered by the Company.

In addition, the Company reserves the right to test the interruptibility of any customer on this rate schedule for any period of at least four hours that the Company requests. The Company has the option of requesting this test interruption of service at least one time each year. The Company reserves the right to move any customer who fails three interruptions, either actual or test, to the appropriate firm gas sales rate schedule for which they would otherwise qualify, provided the Company has the capacity to serve the customer under the firm gas sales service rate schedule.

2. Gas obtained hereunder will not be resold.
3. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
4. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
- R 5. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to telemetering equipment necessary for service under this rate schedule or the Company's DBS-1 rate schedule. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
6. Any customer receiving service under this rate schedule that wishes to discontinue the service and have the same load served under one of the Company's other system supply sales services or through a third party under Daily Balancing Service, will apply for that service in writing. Availability of the requested service will be determined by the Company. If the customer is requesting one of the Company's gas sales services, the customer will be treated as a new customer in determining the availability of gas.
7. The Company will file a report with the Public Service Commission of Wisconsin after each curtailment. The report will be filed by the Company within 45 days following the event.

### RESERVED RIGHT TO LIMITATION OF ADDITIONAL CONTRACTS

Service under this gas rate schedule is predicated on the availability to the Company of a sufficient natural gas supply to enable service thereunder to be made available during a major portion of each year without impairment of service to other customers. The Company, therefore, reserves the right to decline acceptance of any additional contracts for service hereunder at such time as, in the Company's judgment, the volumes of service already contracted for equal the gas supply available for this class of service.

(Next Sheet is G-34)