WISCONSIN ELECTRIC POWER COMPANY

Tariff for Sales of Ancillary Services

FERC Electric Tariff Volume No. 10

ARTICLE I. PURPOSE

1.01 <u>General</u>. The purpose of this Tariff for Sales of Ancillary Services (the "Tariff") is to provide a framework and set forth terms, conditions, and Service Schedules for the sale of specified Ancillary Services by Wisconsin Electric Power Company ("Wisconsin Electric" or the "Company").

1.02 Offer to Sell Ancillary Services. The Company offers to sell Ancillary Services to Customers from time to time in accordance with, and subject to, the terms and conditions set forth in this Tariff when such services are needed or useful to support the transmission of capacity and energy from resources to loads. Ancillary Services are available under this Tariff in connection with (1) sales to the Midwest ISO ("MISO") for resale to its transmission customers located or serving load within the local balancing area historically operated by the Company pursuant to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff and (2) sales directly to transmission customers of MISO located or serving load within the local balancing area historically operated by the Company. Eligible Customers of the Company under this Tariff include only: MISO; ASEM; certain qualified municipal utility members of WPPI Energy, namely Cedarburg, Florence, Hartford, Jefferson, Kaukauna, Lake Mills, Menasha, New London, Oconomowoc, Slinger and Waterloo; City of Oconto Falls; Alger Delta Cooperative Electric Association; Badger Power Marketing Authority; City of Crystal Falls; City of Norway; Ontonagon County Electrification Association, Cloverland Electric Cooperative; and Town of Newbury or their successors and assigns that assume their load responsibility in accordance with the provisions of this Tariff. In addition, the City of Kiel Utilities, or its successors and assigns that assume its load responsibility in accordance with the provisions of this Tariff, shall be an Eligible Customer only with respect to Schedule A Ancillary Service.

ARTICLE II. DEFINITIONS

When used herein, in an attached service schedule, or in an executed Service Agreement or Specifications under this Tariff, the terms sets forth below shall have the following meanings.

2.01 <u>AAA</u>: The American Arbitration Association.

2.01A ASEM: Alternative Electric Supplier Licensed in the State of Michigan

2.02 <u>Affiliate</u>: With respect to any person, any other person (other than an individual) or entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with, such person or entity. For the purposes of the foregoing definition, "control" means the direct or indirect ownership of more than 50 percent of the outstanding capital stock or other equity interests having ordinary voting power.

2.03 <u>Ancillary Services</u>: Those services that are necessary or useful to support the transmission of Capacity and/or Energy from resources to loads while maintaining reliable operation of the ATC LLC Transmission System in accordance with Good Utility Practice. Ancillary services available under this Tariff include Reactive Supply and Voltage Control.

2.04 <u>Applicant</u>: An entity that has submitted a complete Application to enter into a Service Agreement under this Tariff.

2.05 <u>Application</u>: An application for service under this Tariff in the form attached hereto as Attachment A.

2.06 <u>ATC LLC</u>: American Transmission Company L.L.C., or its successor.

2.07 <u>RESERVED</u>

2.08 <u>ATC LLC Transmission System</u>: The facilities of ATC LLC over which transmission services are available pursuant to the MISO Tariff.

2.09 <u>Authorized Representative</u>: The person(s) designated in writing by the Parties to enter into Transactions under their Service Agreement(s).

2.10 <u>Business Day</u>: Any day on which Federal Reserve member banks in New York City are open for business.

2.11 <u>Capacity</u>: shall be the rate of doing work and shall be expressed in megawatts (MW).

2.12 <u>Contract Price</u>: The price at which the Company agrees to sell Ancillary Services to Customer, and at which Customer agrees to purchase Ancillary Services from the Company, in a Transaction under this Tariff.

2.13 <u>Contract Quantity</u>: The quantity of Ancillary Services which the Company agrees to sell to Customer, and which Customer agrees to purchase from the Company , in a Transaction under this Tariff.

2.14 <u>Contract Year</u>: The Year commencing when a Customer's purchases Ancillary Services from the Company in a Transaction under this Tariff.

2.15 <u>Customer</u>: Any entity meeting the definition in Section 1.02 with which the Company has entered into a Service Agreement under this Tariff.

2.16 <u>Day</u>: A twenty-four hour period commencing at twelve o'clock midnight prevailing time in Milwaukee, Wisconsin, and ending at the next following twelve o'clock midnight.

2.17 <u>Delivery Point(s)</u>: The physical point or points of delivery of Ancillary Services to either Party as agreed in the Specifications.

2.18 <u>Energy</u>: Electric energy delivered under this Tariff at three-phase, 60-hertz alternating current, measured in megawatt hours.

2.19 <u>RESERVED</u>

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2.20 <u>FERC</u>: The Federal Energy Regulatory Commission or its regulatory successor.

2.21 <u>Force Majeure</u>: Force Majeure means those events beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure which, through the exercise of Good Utility Practice, that Party could not have avoided and which, by exercise of Due Diligence, that Party is unable to overcome. Such events include, but are not limited to, the following, to the extent they conform to the foregoing criteria: labor dispute (including a strike); flood; lightning strikes; earthquake; storm; ice; fire; epidemic; war; invasion; riot; civil disturbance; sabotage or vandalism; explosion; insurrection; military or usurped power; action of any court or Governmental Authority, or any civil or military authority de facto or de jure; act of God or the public enemy; interruption of synchronous operation with the ATC LLC Transmission System for any reason; or other or any other event or cause of a similar nature beyond a Party's reasonable control. Mere economic hardship does not constitute Force Majeure.

2.22 <u>Good Utility Practice</u>: Good Utility Practice means the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region.

2.23 <u>Governmental Authority</u>: Any foreign, federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other

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governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority; provided such entity possesses valid jurisdictional authority to regulate the Parties and the terms and conditions of this Tariff.

2.24 <u>Hour</u>: The 60 minute period commencing at the beginning of a clock hour.

2.25 <u>Interest Rate</u>: The interest rate calculated in accordance with the methodology specified for interest on refunds in the FERC regulations at 18 C.F.R. § 35.19a(a)(2)(iii), or a successor FERC regulation.

2.26 <u>MISO</u>: Midwest Independent Transmission System Operator, Inc., or its successor.

2.27 <u>MISO Transmission, Energy and Operating Reserve Markets Tariff</u>: An Open Access Transmission Tariff filed at the FERC in accordance with FERC Order No. 888 pursuant to which transmission services will be made available to eligible customers on a nondiscriminatory basis, or its successor transmission tariff.

2.28 <u>Month</u>: All of the days in any calendar month, or if a reservation starts on any day other than the first day of the month, the number of days remaining in the month in which the reservation commences.

2.29 <u>NERC</u>: The North American Electric Reliability Corporation, or its successor.

2.30 <u>Off-Peak Period</u>: The observed legal holidays and all other periods not described as the on-peak period included in the definition of Section 2.31 shall be the off-peak period.

2.31 <u>On-Peak Period</u>: The on-peak period shall be from 6:00 a.m. to 10:00 p.m. prevailing time in Milwaukee, Wisconsin, Monday through Friday, except for the following legal holidays observed during this period: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

2.32 <u>RESERVED</u>

2.33 <u>RESERVED</u>

2.34 <u>RESERVED</u>

2.35 <u>Period of Delivery</u>: The period of time measured from the date deliveries commence under a Transaction through the date deliveries are to terminate under a Transaction.

2.36 Party or Parties: The Company and the Customer.

2.37 <u>Reactive Supply and Voltage Control From Generation or other Sources Service</u>:

Use of generation facilities under the control of the local balancing area operator to produce (or absorb) reactive power.

2.38 <u>RFC:</u> Reliability*First* Corporation, its successor, or the applicable regional reliability council.

2.39 <u>Service Agreement</u>: An umbrella agreement, a form of which is shown as Attachment B to this Tariff, and any amendments or supplements thereto, entered into by Customer and the Company for Transactions under the Tariff.

2.40 <u>Specifications</u>: A written notice setting forth the terms of a Transaction substantially in the form annexed hereto as Attachment C.

2.41 <u>Tariff</u>: This Tariff for Sales of Ancillary Services ("TAS"), including the Service Agreements and attachments appended hereto, as they may be amended from time to time.

2.42 <u>Transaction</u>: Each separate arrangement for the supply of Ancillary Services by the Company to a Customer under the rates, terms, and conditions of the Tariff, Service Agreement, and Specifications between the Parties. A Transaction shall not be deemed complete until the Parties have satisfied their respective obligations and responsibilities related to the Transaction arising under this Tariff. 2.43 <u>Week</u>: Unless otherwise agreed by the Parties, the seven day period commencing at 12:00 midnight on Sunday.

2.44 <u>Wisconsin Electric Power Company</u>: A Federal Energy Regulatory Commission regulated entity engaged in the generation, distribution, and sale of electricity to retail and wholesale customers in Wisconsin and Michigan, within the footprint of the MISO.

2.45 <u>Year</u>: Any twelve month period ending at twelve o'clock midnight on the eve of the one-year anniversary of its starting date.

ARTICLE III. SERVICE AGREEMENTS

3.01 <u>Prerequisite to Service</u>. In order for a Customer to take Ancillary Services under this Tariff, a Customer must either be MISO, or a transmission customer of MISO in the ATC LLC footprint, or its successor, pursuant to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff and all Customers including MISO must have a Service Agreement executed by the Company and the Customer and filed, as required, with FERC. The Customer will cooperate with the Company and provide information necessary for the Company to proceed with any such required filing. the Company will tender the Service Agreement for filing with FERC, as required, in accordance with FERC rules and requirements.

3.02 <u>Effective Date</u>. Service Agreements executed under this Tariff shall become effective on the date specified in the Service Agreement, or on such other date as assigned by FERC.

3.03 <u>Termination</u>. A Service Agreement may be terminated by either Party upon thirty (30) days prior written notice, provided, however, that the Service Agreement will remain in effect until all Transactions previously agreed upon or entered into are completed.

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ARTICLE IV. SERVICES TO BE RENDERED

4.01 <u>Ancillary Services</u>. The Company will sell Ancillary Services under this Tariff when the Company and a Customer have reached agreement on the terms and conditions for a specific Transaction. All Transactions between the Parties shall be at rates, terms and conditions set forth in Service Schedule A, and shall be subject to the availability of Ancillary Services and of transmission service necessary to complete the Transaction. Neither Party commits, by entering into a Service Agreement, to enter into any individual Transaction with the other Party. Except to the extent provided by law or regulatory requirement, no undertaking by one Party to the other under any provision of this Tariff or Service Agreement shall be deemed to constitute the dedication of its system or any portion thereof to the public or to the other Party, and it is agreed that any undertaking to perform a Transaction by any Party shall cease upon completion of the Transaction.

4.02 <u>Conditions of Service</u>. Ancillary Services shall be made available hereunder consistent with Good Utility Practice, including, but not limited to, applicable NERC and RFC requirements, and the Company's performance hereunder shall be excused in the event that Force Majeure prevents the Company from providing such services. References to "Point-to-Point Transmission Service" and "Network Integration Service" have the meanings provided under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

ARTICLE V. ELIGIBILITY FOR SERVICE

5.01 <u>Application</u>. Before a Customer takes Ancillary Services under this Tariff, it must enter into a Service Agreement with the Company. To apply for service, a Customer must complete and submit an Application, in the form attached hereto as Attachment A, to the following:

Director—Federal Regulatory Affairs and Policy

Wisconsin Electric Power Company 333 W. Everett Street, A459 Milwaukee, WI 53203

or such other person as may be designated in writing by the Company from time to time.

5.02 Creditworthiness and Security. The Company, in order to satisfy itself of the ability of Customer to meet its obligations related to service hereunder, may in accordance with standard commercial practices conduct reasonable credit reviews. the Company will require Customer to provide the information and meet the requirements determined by the Company. Customer's failure to provide and maintain adequate credit support shall be grounds for the Company to deny a request for service or to terminate service. The Company may require Customer to provide and maintain in effect during the term related to service hereunder, or any transaction hereunder, an unconditional and irrevocable letter of credit, a parental guaranty, or an alternative form of security acceptable to the Company and consistent with commercial practices ("Performance Assurance"). The Company reserves the right, on a non-discriminatory basis, to require Customer or Customer's guarantor to submit to the Company updated financial information to permit the Company to evaluate the creditworthiness of the Customer, or Customer's guarantor on an on-going basis, and if necessary, to require future Performance Assurance. Upon receipt of such notice Customer, or Customer's guarantor, shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to the Company. In the event that Customer or Customer's guarantor fails to provide such Performance Assurance acceptable to the Company within three (3) Business Days of receipt of notice than an event of default will be deemed to have occurred.

5.03 <u>Limitation</u>. The Company is not required to enter into a Service Agreement with a potential customer and may suspend Transactions hereunder if the Customer commits or

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experiences an Event of Default as defined in Article XVI of this Tariff, provided, however, that the Company may continue to provide Ancillary Services if the Customer pays for such Ancillary Services in advance or furnishes good and sufficient security of a continuing nature in an amount at least equal to the cost of such Ancillary Services.

ARTICLE VI. TRANSMISSION SERVICES

6.01 <u>Transmission Service</u>. Customer shall schedule and pay MISO for all transmission services, including applicable Schedule 1 Ancillary Service and service for losses for transmission service underlying all Transactions under this Tariff in accordance with the rates, terms, and conditions contained in the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, or its successor.

ARTICLE VII. AVAILABILITY AND SALE OF ANCILLARY SERVICES

7.01 <u>General</u>. At any time during the term of an executed Service Agreement, the Company may notify Customer that Ancillary Services are available. The terms and conditions for any Transaction shall be in accordance with this Tariff and as otherwise agreed to by the Parties in advance of the Transaction.

7.02 <u>Authorized Representatives</u>. Each Party shall designate one or more Authorized Representatives who shall be authorized to act on its behalf with respect to those matters set forth herein which are the functions and responsibilities of the Authorized Representatives; within thirty days after execution of a Service Agreement, each Party shall give written notice to the other Party of its designation. All arrangements for Transactions shall be made between the Authorized Representatives of the Company and Customer. Authorized Representatives shall have no authority to unilaterally modify any of the provisions of this Tariff or a Service Agreement.

7.03 Specification of Transaction Terms and Conditions. Except as set forth in Section 7.04, the specific terms of a Transaction to be established by the Parties for each Transaction shall be documented in written Specifications, substantially in the form annexed hereto as Attachment C, executed by the Parties. The Company shall document in the Specifications the terms and conditions of each Transaction of more than seven (7) Days in duration and convey it to Customer within three (3) Business Days after reaching verbal agreement, and prior to the commencement of the Transaction. The Specifications associated with each Transaction shall constitute an integral part of the Service Agreement and shall be read and construed as one with the Service Agreement and this Tariff. Any conflict not reasonably capable of reconciliation, among this Tariff, a Service Agreement, and the Specifications shall be resolved in favor of the Tariff.

7.04 <u>Short-Term Transactions</u>. To meet the needs of the Parties, the Parties' Authorized Representatives may verbally agree on terms and conditions only for those transactions that span one business day forward or less. The terms and conditions of such Transactions agreed to by the authorized Representatives shall be those terms contained in a tape recording of the Authorized Representatives in which they agree to said terms and conditions. Such Transactions shall promptly be confirmed in writing by the Authorized Representatives if requested by either Party.

7.05 <u>Recording</u>. Each Party consents to the recording of all telephone conversations between its Authorized Representatives and agrees to obtain any necessary consent from, and give notice of such recording to, its Authorized Representatives. Any properly authenticated

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recordings of such telephone conversations may be introduced as evidence in any legal proceeding to establish proof of any matter relating to a Transaction under this Tariff. The Parties agree not to contest or assert any defense to the validity or enforceability of a Transaction established by properly authenticated recordings of telephone conversations under laws relating to whether certain agreements are to be in writing and signed by the Party to be bound thereby.

7.06 <u>Emergency Curtailment or Interruption</u>. In the event of sudden or emergency curtailment or interruption of Transactions hereunder, the Party experiencing or affected by such interruption or curtailment shall so notify the other Party's schedulers or dispatchers, and any third party involved with the delivery of Ancillary Services pursuant to a Transaction, in as timely a manner as possible.

ARTICLE VIII. SERVICE CONDITIONS

8.01 <u>All Transactions Voluntary and on an As-Available Basis</u>. All Transactions under this Tariff shall be voluntary and subject to the availability of Ancillary Services to complete the Transaction. Except to the extent required by law, regulatory requirement or FERC Order, the Company does not warrant that it has any Ancillary Services available for sale hereunder and does not commit to enter into any individual Transaction with any Customer unless agreed to pursuant to Article VII. A Customer that executes a Service Agreement with the Company under this Tariff does not commit to enter into any individual Transaction with the Company .

8.02 <u>Delivery Points</u>. All Ancillary Services provided under this Tariff will be delivered at Delivery Point(s) agreed to by the Company and the Customer for the particular Transaction at the time the Transaction is scheduled, or as otherwise mutually agreed.

8.03 <u>Transfer of Title and Risk of Loss</u>. Title to, and risk of loss associated with, Ancillary Services scheduled hereunder shall transfer from the Company to Customer at the Delivery Points.

8.04 <u>Service Terms and Conditions</u>. All Ancillary Services provided hereunder shall be delivered and billed in accordance with the applicable Service Schedule and the agreed upon terms and conditions of a particular Transaction.

ARTICLE IX. REMEDIES FOR NON-PERFORMANCE

9.01 <u>Excuses for Non-Performance</u>. A Party may be excused from delivering, or accepting Ancillary Services only for reasons of Force Majeure or under the specific circumstances to which the Parties have agreed in the Specifications under which either Party may interrupt without liability. In the event a Party interrupts Ancillary Services for reasons other than those authorized herein, the interrupting Party shall have the obligations set forth in Section 9.02 of this Tariff.

<u>9.02</u> Interruptions of Ancillary Services. With respect to the unauthorized failure to schedule, accept, deliver, or receive Ancillary Services, in whole or in part, in accordance with this Tariff:

- (a) As an alternative to the damages provisions of Section 9.02(b) below, if the Parties both agree, the non-performing Party may supply or accept Ancillary Services, as the case may be, pursuant to such terms as the Parties agree in order to discharge some or all of the obligation to pay damages. In the absence of such agreement, the damages provisions of Section 9.02(b) shall apply.
- (b) In the event the Company fails to supply the Contract Quantity, where such failure was not excused by Force Majeure, by the specific circumstances to which the Parties have agreed in writing, including the provisions set forth in Section 15.02, or by Customer, then the Company shall pay Customer, on the date payment would otherwise be due in accordance with this Tariff an amount for each unit of such deficiency equal to the positive difference between (i) the price at which Customer is

or would be able to obtain comparable supplies of Ancillary Services at a commercially reasonable price (as adjusted to reflect differences in transmission costs, if any) and (ii) the applicable Contract Price.

In the event Customer fails to accept or receive the Contract Quantity, where such failure was not excused by Force Majeure, by the specific circumstances to which the Parties have agreed in writing, or by the Company, then Customer shall pay the Company on the date payment would otherwise be due in accordance with this Tariff an amount for each unit of such deficiency equal to the positive difference between (i) the applicable Contract Price and (ii) the price at which the Company is or would be able to sell comparable supplies of Ancillary Services at a commercially reasonable price (as adjusted to reflect differences in transmission costs, if any). The Parties agree further that the non-performing Party will pay the aggrieved Party any amounts due under this Section 9.02(b) within the time for payment specified in Section 11.01.

- (c) Both Parties hereby stipulate that the damages set forth in Section 9.02(b) are reasonable in light of the anticipated harm and the difficulty of estimation or calculation of actual damages and each Party hereby waives the right to contest such damages as an unreasonable penalty.
- (d) In the event either Customer or the Company fails to pay to the other Party any amounts in accordance with Section 9.02(b) when due, the aggrieved Party shall have the right to suspend performance under the Transaction for which such amounts are due or any other Transactions until such amounts, plus interest at the Interest Rate, have been paid, and/or exercise any remedy available at law or in equity to enforce payment of such amount plus interest.

ARTICLE X. RECORDS

10.01 <u>Records Retention</u>. Each Party to a Transaction shall maintain appropriate written Transaction records in a manner consistent with Good Utility Practice. These records shall be retained for a period of three (3) Years from the conclusion of the Transaction. Each Party to a Transaction shall maintain audio recordings in a manner and for a time period consistent with the prevailing industry practice in the region, provided that such recordings shall be maintained for not less than ninety (90) Days.

10.02 <u>Inspection and Audit</u>. Each Party shall make such records available for inspection and audit by the other Party at reasonable times and places at the other Party's request.

ARTICLE XI. BILLING AND PAYMENT

11.01 <u>Billing</u>. The Customer shall compensate the Company for all Transactions in accordance with the terms of the applicable Service Schedule in effect at the time of delivery. All bills for Ancillary Services provided under this Tariff shall be issued on a calendar month basis, by the 10th Business Day following the calendar month to which they apply. All bills shall be due and payable within 15 Days after receipt; provided that, in no event shall any payment be due before the 25th Day of the billing month. If the due date of a payment is not a Business Day, the bill shall be paid on or before the next following Business Day. Interest on unpaid amounts shall accrue daily at the maximum rate of interest permitted by law from the due date of such unpaid amount until payment is received.

11.02 <u>Netting</u>. Netting means the process of offsetting as of a particular day, all amounts owed by the Company to Customer and vice versa, so that only the excess of the Customer and the Company's mutual and offsetting debts and obligations remains owing from one to the other. Customer and the Company shall discharge any mutual debts and payment obligation that are due and owing to each other under this Tariff by means of Netting. the Company or Customer, whichever is owed a debt as a result of Netting, shall issue a bill to the other for payment in accordance with the provisions of this section 11.02.

11.03 <u>Audits</u>. Each Party, has the right, at its own expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation under this Tariff. If any such examination reveals any inaccuracy in any statement, the necessary adjustment(s) in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate

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stated in Section 2.25 from the date that the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

11.04 <u>Disputes</u>. All bills must be paid in full regardless of any dispute as to such bills. Disputes will be discussed and resolved by the Parties using best efforts to amicably and promptly resolve the disputes. Upon determination of the correct billing amount, the proper adjustment will be paid or refunded with interest accrued at the Interest Rate from the date payment was initially due until the adjustment or refund is made

11.05 <u>Arbitration</u>. Any dispute or need for interpretation arising out of this Agreement shall be immediately referred to senior executives of the Parties who have authority to resolve the dispute or interpretation. If they are unable to resolve the dispute within 30 days of its referral, the dispute shall be submitted to binding arbitration by one arbitrator qualified by education, experience, or training to render a decision upon the issues in dispute and who has not previously been employed by either Party, and does not have a direct or indirect interest in either Party or the subject matter of the arbitration. Such arbitrator shall either be mutually agreed upon by the Parties within thirty (30) days after written notice from either Party requesting arbitration, or failing agreement, the arbitration shall be conducted by a panel of three arbitrators having the qualifications set forth in the preceding sentence, one to be selected by each Party and the third arbitrator to be selected by the two arbitrators selected by the Parties. If either Party fails to notify the other Party of the arbitrator selected by it with ten (10) days after receiving notice of the Party's arbitrator, or if the two arbitrators selected fail to select a third arbitrator within ten (10) days after notice is given of the selection of the second arbitrator, then such

arbitrator shall be selected under the expedited rules of the AAA. Such arbitration shall be held in Milwaukee, Wisconsin. Each Party shall divide equally the cost of the hearing, and each shall be responsible for its own expenses and those of its counsel or other representative. The commercial arbitration rules of the AAA shall apply to the extent not inconsistent with the rules specified above.

ARTICLE XII. REGULATORY AUTHORITY

12.01 <u>General</u>. This Tariff is subject to the jurisdiction of any governmental regulatory authority or authorities having jurisdiction over the Parties and the subject matter hereof.

12.02 <u>Amendment</u>. Nothing contained in this Tariff shall be construed as affecting in any way the right of the Company to unilaterally make application to FERC under Section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations, for a change in the rates, charges, terms, and conditions of service under this Tariff, including the right to terminate.

ARTICLE XIII. NOTICES

13.01 <u>General</u>. All notices under this Tariff shall be in writing and shall be delivered in person, or sent by first class mail, or electronic facsimile transmission, addressed to the Party or representative of a Party to be served at such address as the Party may designate in writing from time to time.

ARTICLE XIV. INDEMNIFICATION AND FORCE MAJEURE

14.01 <u>Indemnification</u>. In the case of loss, damage, or injury (including death) to any person(s) or property occurring on a Party's side of the Point(s) of Delivery for Ancillary Services provided under this Tariff, that Party shall indemnify, hold harmless, and defend the

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other Party (including the other Party's parent, subsidiaries, affiliates, and their respective officers, directors, agents, and employees) against claims, demands, costs, or expenses directly connected with or arising directly out of the performance of its obligations under this Tariff and any Transaction entered into hereunder; provided, however that neither Party shall be required to indemnify the other Party for such other Party's negligence or willful misconduct. Each Party further agrees to waive all rights against and to release the other Party from any liability which it may incur for payment, if any, of benefits to its own employees under any statutory obligation. Nothing herein shall create, or be interpreted as creating, a contractual relationship of one Party with the customers of the other Party; neither does it create a duty thereto.

14.02 Force Majeure. In the event that either of the Parties should be delayed in or prevented from performing or carrying out any of the agreements, covenants, and obligations made by and imposed by this Tariff upon said Party by reason of or through an occurrence of Force Majeure, then and in such case(s), both Parties shall be relieved of performance under this Tariff and neither Party shall be liable to the other Party for, or on account of, any loss, damage, injury, or expense (including consequential damages and cost of replacement power) resulting from, or arising out of, any such delay or prevention from performing; provided, however, the excuse from performance will be of no greater scope and of no longer duration than is reasonably required by the Force Majeure event, and the Party suffering such delay or prevention shall notify the other Party and use due and, in its judgment, practical diligence to remove the cause(s) thereof. Neither Party shall be required by the foregoing provisions to settle a strike affecting it except when, according to its own best judgment, such a settlement seems advisable. Nothing in this Section 14.02 shall excuse the payment obligations incurred under this Tariff.

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ARTICLE XV. LIMITATION OF LIABILITY

15.01 <u>General</u>. Except as specifically provided in this Tariff, neither Party shall be liable to the other Party in connection with any Transaction agreed to pursuant to this Tariff for any indirect, incidental or special, consequential, loss of use, loss of revenue, or loss of profit damages, howsoever arising, unless otherwise agreed.

15.02 <u>Limitation on Interruption or Reduction Damages</u>. Notwithstanding any other provision of this Tariff, the Company shall not be liable for any claim of damage attributable to any interruption or reduction of service due to (i) any operating decisions which in the Company's judgment is necessary to maintain reliable service or to protect the Company's generation or ATC LLC's transmission facilities; or (ii) necessary maintenance, repairs, replacements, or installation of equipment, or the investigation or inspection of equipment, which actions cannot be accomplished without interruption; or (iii) directives of a security coordinator, independent system operator, regional transmission organization, NERC, RFC, or other reliability organization with which the Company is required to comply.

ARTICLE XVI. DEFAULT AND REMEDIES

16.01 <u>Event of Default</u>. "Event of Default" shall mean, with respect to the Defaulting Party:

- (a) the failure to make any payment required under this Tariff that is not cured within five (5) Business Days after written notice of nonpayment; provided, however, that the payment is not the subject of a good faith dispute as described in the billing and payment provisions under Article XI hereof; or
- (b) the failure by the Defaulting Party to perform any material covenant set forth in this Tariff, a Service Agreement, or Specifications, and such failure is not excused by Force Majeure or cured within five (5) Business Days after written notice thereof to the Defaulting Party; or

- (c) if the Defaulting Party:
 - (i) makes an assignment or any general arrangement for the benefit of creditors;
 - (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such petition filed against it and such proceeding remains pending for thirty (30) days;
 - (iii) has a liquidator, administrator, receiver, trustee, conservator, or similar official appointed with respect to it or any substantial portion of its property or assets; or
 - (iv) is unable to pay its debts as they fall due in the ordinary course of business, or its liabilities exceed its assets; or
 - (v) otherwise becomes insolvent, however evidenced; or
- (d) the Defaulting Party fails to comply or cause compliance with the Performance Assurance requirements pursuant to Section 5.02 of the Tariff, or any person furnishing any Performance Assurance on behalf of a Party pursuant to Section 5.02 of this Tariff fails to comply with the terms of such Performance Assurance; or
- (e) if a guaranty is executed in connection with a Transaction under this Tariff, the guarantor of the Defaulting Party fails to perform any material covenant set forth in the guaranty agreement; or
- (f) any representation or warranty pursuant to this Tariff, a Service Agreement, or Specifications shall prove to have been false or misleading in any material respect when made or when deemed to be made.
- 16.02 Early Termination.
 - (a) If an Event of Default as defined in Section 16.01 occurs with respect to a Party (the Defaulting Party) at any time during the term of a Service Agreement, then the other Party (the Non-Defaulting Party) may, after two Business Days written notice to the Defaulting Party:
 - (1) establish a date on which the Service Agreement and any ongoing Transactions may be terminated (Early Termination Date);
 - (2) withhold any payments due under the Tariff, and/or

(3) terminate performance hereunder;

provided, however, upon the occurrence of any Event of Default listed in Section 16.01(c), (e), or (f), then the Service Agreement shall automatically terminate, without notice, as if any Early Termination Date had been immediately declared. If an Early Termination Date occurs, the Non-Defaulting Party shall in good faith calculate its damages, including its associated costs and attorney's fees, resulting from the termination of the Service Agreement (the Termination Payment).

- (b) If the Non-Defaulting Party is the Company, the Termination Payment will be the positive excess, if any, of (1) the payments otherwise due under this Tariff, for the Contract Quantity at the Contract Price for the remaining Period of Delivery had the Service Agreement not been terminated, over (2) the Contract Quantity at the estimated market price of equivalent sale(s) for the remaining Period of Delivery. The positive excess shall be discounted to present value at the Early Termination Date using the average yield to maturity of United States Treasury obligations having a comparable maturity date to the underlying Transaction.
- (c) If the Non-Defaulting Party is Customer, then the Termination Payment will be the positive excess if any, of (1) the Contract Quantity at the market price for replacement of the purchase(s) for the remaining Period of Delivery, over (2) the Contract Quantity at the Contract Price for the remaining Period of Delivery under the Service Agreement. The positive excess shall be discounted to present value at the Early Termination Date using the average yield to maturity of United States Treasury obligations having a comparable maturity date to the underlying Transaction.
- (d) To ascertain the market prices of a replacement sales or purchases the Nondefaulting Party may consider, among other valuations, the actual price of replacement sales or purchases made by the Non-defaulting Party, quotations from leading suppliers of Ancillary Services, and bona fide third party offers, all adjusted for the length of the remaining term and any transmission differential.
- (e) The Non-Defaulting Party shall give the Defaulting Party written notice of the amount and calculation of the Termination Payment. The Defaulting Party shall pay the Termination Payment to the Non-Defaulting Party within ten (10) days of receipt of such notice. At the same time each Party shall pay to the other Party all additional amounts payable by it pursuant to this Agreement, and all such amounts and obligations shall be netted and aggregated with any Termination Payment payable hereunder.

16.03 <u>Closeout Setoffs</u>. After calculation of a Termination Payment in accordance with Section 16.02, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its affiliates to the Non-Defaulting Party or any of its affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its affiliates and the Non-Defaulting Party or any of its affiliates and/or (ii) to the extent the transactions are not yet liquidated withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, -lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

16.04 <u>No Waiver of Future Defaults</u>. No waiver by any Party of any default of the other Party under this Tariff shall operate as a waiver of a future default whether of alike or different character. Any delay, short of the applicable statutory period of limitation, in asserting any right hereunder shall not be deemed a waiver of such right.

ARTICLE XVII. ASSIGNMENT

17.01 <u>General</u>. The Company may assign rights and obligations under this Tariff without consent of the Customer. The Customer may assign rights and obligations only with written consent of the Company, which consent will not unreasonably be withheld. In the event of such assignment, any such assignee shall be required to assume all of the obligations of the assignor under this Tariff and any Transaction thereunder pursuant to a written agreement.

ARTICLE XVIII. GENERAL PROVISIONS

18.01 <u>Governing Law</u>. Any civil action commenced concerning this Tariff and all

agreements hereunder shall be governed by the laws of the State of Wisconsin, not giving effect

to choice of law provisions of Wisconsin law, if any.

Service Schedule A Reactive Supply and Voltage Control from Generation or other Sources Service

SALES OF ANCILLARY SERVICES SERVICE SCHEDULE A

Reactive Supply and Voltage Control from Generation or other Sources Service

1. Duration

This schedule shall continue in effect throughout the duration of the Tariff of which it is a part, unless and until changed pursuant to the Tariff.

2. Services to Be Rendered

In order to maintain transmission voltages on transmission system facilities serving Customer within acceptable limits, generation facilities and non-generation resources capable of providing this service are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or other Sources Service must be provided for each transmission service transaction pursuant to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff. A transmission customer purchasing transmission service in the Company's historic local balancing area pursuant to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff must either purchase this service from MISO or make alternative comparable arrangements to satisfy its Reactive Supply and Voltage Control from Generation or other Sources Service obligation. The Reactive Supply and Voltage Control from Generation or other Sources Service offered by the Company is intended to enable Customer to meet this obligation.

For point-to-point transactions through and out of MISO, the quantity of this service provided by the Company shall be determined by MISO based upon the Company's proportion of generating capability providing Reactive Supply and Voltage Control From Generation Sources Service.

The charges to Customers for Reactive Supply and Voltage Control from Generation or other Sources Service will be based on the rates set forth below.

3. Rates

For Network Integration Transmission Service customers of MISO in the ATC LLC footprint covered by Section 1.02, the rate shall be the transmission customer's load responsibility as a proportion of the load on the historic Wisconsin Electric local balancing area multiplied by the annual revenue requirement of \$3,912,083.

The Company will provide this service to Customers at a rate specified below multiplied by the MISO transmission customer's reserved capacity for Point-to-Point transactions.

The rates for service areas follows:

\$864 per MW per year;

\$72 per MW per month;

\$16.62 per MW per week;

\$3.32 per MW per day Monday through Friday, except for the following legal holidays observed on a Monday through Friday: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day ("Holidays"); and \$2.37 per MW per day Saturday, Sunday and Holidays; provided that the total demand charge in any week, pursuant to a reservation for daily delivery, shall not exceed the weekly rate times the highest amount in kilowatts of transmission service in a day during such week.

\$0.21 per MWH during On-Peak Periods and \$0.10 per MWH during Off-Peak Periods, provided that the total delivery charge in any Day pursuant to a reservation for hourly delivery, shall not exceed the daily rate above times the highest amount in kilowatts of transmission service in any hour during such a Day and the total demand charge in any week, pursuant to a reservation for hourly or daily delivery shall not exceed the weekly rate times the highest amount in kilowatts of transmission service in any hour during such a Day and the total demand charge in any week, pursuant to a reservation for hourly or daily delivery shall not exceed the weekly rate times the highest amount in kilowatts of transmission service in any hour during such week.

ATTACHMENT A

Wisconsin Electric Power Company Tariff For Sale of Ancillary Services (TAS)

Application for Service

Wisconsin Electric Power Company TARIFF FOR SALES OF ANCILLARY SERVICES (TAS)

APPLICATION FOR SERVICE

The following information is provided to the Company in support of the Applicant's request for a Service Agreement pursuant to Article 3 of the Company's Tariff for Sales of Ancillary Services (the "Tariff").

1. Name and Address of Applicant

Name:

Company:

Address:

Email:

2. Applicant's Qualifications as Customer to Receive Ancillary Services

3. Applicant's Operating Representative

Name/Title:

Address:

Phone:

Fax:

Email:

4. Applicant's Billing Representative

Name/Title:

Address:

Phone:

Fax:

Email:

5. Applicant's Notice Representative

Name/Title:

Address:

Phone:

Fax:

Email:

6. Applicant's Representative For Signature of Service Agreement

Name/Title:

Address:

Phone:

Fax:

Email:

7. Proposed Term for the Service Agreement

Requested effective date:

Proposed termination date (or "indefinite"):

8. Financial Qualifications

If the Applicant desires to avoid prepayment for Ancillary Services provided under the Tariff, attach as an exhibit evidence, certified by a corporate officer of the Applicant, that demonstrates that the Applicant is and reasonably will remain a viable going concern and has the financial ability to pay the costs of services contemplated to be provided by the Company . Examples of such evidence include, but are not limited to:

(a) current financial statements, annual reports, other publicly available reports and filings;

- (b) a bank reference and trade references; and
- (c) Verification of the Applicant's solvency.

Attach as an exhibit any other information which will assist the Company in evaluating this request.

9. Certification

Applicant hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned officer of the Applicant warrants that the Applicant agrees to be bound by these representations.

Submitted by:

Applicant:

Signature of Officer:

Name of Officer:

Title:

Date Signed:

(To be filled in by the Company upon receipt)

Date Received by the Company :By

ATTACHMENT B

Wisconsin Electric Power Company Tariff For Sales of Ancillary Services (TAS)

Form of Service Agreement

Wisconsin Electric Power Company TARIFF FOR SALE OF ANCILLARY SERVICES (TAS)

FORM OF SERVICE AGREEMENT

THIS SERVICE AGREEMENT, made and entered into this _____ day of ______ 20__ by and between [Name of Customer] (hereinafter referred to as "Customer"), a [Legal/Corporate Description of Customer], and Wisconsin Electric Power Company (hereinafter referred to as "Wisconsin Electric or the "Company""). Customer and Wisconsin Electric are sometimes hereinafter referred to individually as "Party" and collectively as "Parties" where appropriate.

WITNESSETH:

WHEREAS, Customer is a [description of Customer];

WHEREAS, The Company is administering Service Agreements pursuant to the

Wisconsin Electric Power Company Tariff for Sales of Ancillary Services; and

WHEREAS, Customer and the Company desire to establish rates, terms and conditions upon which utility operations may be conducted under the Wisconsin Electric Power Company FERC Electric Tariff, Original Volume No. 10, Tariff for Sales of Ancillary Services – TAS;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto covenant and agree as follows:

ARTICLE 1 SCOPE OF SERVICE AGREEMENT

1.1 Availability – The Company agrees to furnish Ancillary Services to a Customer and the Customer agrees to purchase and pay for such Ancillary Services subject to conditions of service outlined in the Tariff and this Service Agreement.

1.2 Rate Schedule - The terms and conditions on which the Ancillary Services are offered and accepted are pursuant to the Wisconsin Electric Power Company FERC Electric Tariff, Original Volume No. 10, Tariff for Sales of Ancillary Services - TAS or as the same may be amended or superseded due to appropriate filings from time to time with the Federal Energy Regulatory Commission ("FERC") or such other agency as may have jurisdiction. The Tariff For Sales of Ancillary Services-TAS in effect at any time and addendum to this Service Agreement are hereby incorporated by this reference and made a part of this Service Agreement. Capitalized terms shall have the meaning ascribed to them in the Tariff, unless otherwise defined in this Service Agreement.

ARTICLE 2 TERM OF AGREEMENT

2.1 Agreement Term - This Service Agreement shall become effective upon the date of its execution, or if necessary, approval by the FERC, or any successor regulatory agency having jurisdiction. This initial term of this Service Agreement shall commence on ______, 20___ and shall terminate on ______, 20___. Thereafter, this Service Agreement shall continue for successive annual terms until terminated by either Party giving the other Party

written notice of termination of this Service Agreement. Such written notice of termination must be given at least 30 days prior to the intended date of termination.

2.2 After Termination - The applicable provisions of this Service Agreement shall continue in effect after termination thereof to the extent necessary to provide for final billing, billing adjustments and payments.

ARTICLE 3 BILLING AND PAYMENTS

3.1 Payment of Bills - Except as otherwise provided in Article XII of the Tariff, all normal monthly invoices for amounts owed by the Customer to the Company shall be due on the first banking day common to the Parties following the nineteenth day after the end of the calendar month in which service was rendered.

3.2 Customer Billing Address - All billings to the Customer shall be sent to:

3.3 Wisconsin Electric Billing - All questions concerning the billings and payments

of invoices under this Service Agreement shall be directed to the following:

Settlements Wisconsin Electric Power Company 333 W. Everett St., A214 Milwaukee, WI 53203

ARTICLE 4 MISCELLANEOUS

4.1 Governing Law - The validity, interpretation and performance of this Service

Agreement and each of its provisions shall be governed by the laws of the State of Wisconsin.

4.2 Notices Relating to Provisions of Service Agreement - Any notice, request,

demand, or statement which may be given to or made upon either Party by the other Party under any of the provisions of this Service Agreement shall be in writing, unless specifically provided

otherwise, and shall be considered delivered when the same is either: (i) personally delivered to the representative of the Party designated below; (ii) deposited in the United States mail, by certified mail, postage prepaid; or (iii) sent by a nationally recognized overnight delivery service, such as, Federal Express and properly addressed to the Party to be served as follows:

To Customer: To Wisconsin Electric :

Director, Federal Regulatory Affairs and Policy Wisconsin Electric Power Company 333 W. Everett St., A459 Milwaukee, WI 53203

[Insert Customer Language Here]

4.3 Notices of an Operating Nature - Any notice, request or demand pertaining to matters of an operating nature may be served in person or by United States mail, messenger, telephone, telegraph, facsimile transmission or orally, as circumstances dictate, to the person designated in writing by the Party as its representative for such purposes; provided that should the notice not be written, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served.

4.4 Section Headings Not to Affect Meaning - The descriptive hearings of the various sections of this Service Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.

4.5 Further Assurances - From time to time after the execution of this Service Agreement, the Parties may execute such instruments, upon the request of the other, as may be necessary or appropriate, to carry out the intent of this Service Agreement.

4.6 Execution Date of Agreement - The Execution Date of this Service Agreement shall be the date appearing at the beginning of this Service Agreement.

4.7 Amendments - This Service Agreement may be amended upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

4.8 Severability - In the event any of the terms, covenants or conditions of this Service Agreement, or any amendment hereto, or the application of any such terms, covenants or conditions shall be held invalid as to any Party or circumstance by any Court having jurisdiction, all other terms, covenants and conditions of this Service Agreement or any amendment hereto and their application shall not be affected thereby and shall remain in full force and effect.

4.9 Computation of Time - In computing any period of time prescribed or allowed by this Service Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of this period so computed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next Business Day which is neither a Saturday, Sunday or legal holiday. For purposes of the administration of this Service Agreement, the prevailing time in effect is the prevailing time in Milwaukee, Wisconsin.

4.10 Limitation - This Service Agreement is not intended to and shall not create rights of any character whatsoever in favor of any persons, corporation, associations, or entity other than the Parties to this Service Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Service Agreement, their successors in interest or assigns.

4.11 Interconnection with Other Systems - Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this Service Agreement or amending or entering into such agreements.

4.12 No Partnership - Notwithstanding any provisions of this Service Agreement to the contrary, the Parties do not intend to create hereby a joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit, and any construction of this Service Agreement to the contrary which has an adverse tax effect on either Party shall render this Service Agreement null and void from its inception.

4.13 Waivers - Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

4.14 Entire Agreement – This Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect thereof. No previous or contemporary representation or agreement made by an officer, agent or employee of the Customer, or the Company shall be binding upon either Party unless contained here in Addendum No. 1 to this Service Agreement.

4.15 Representations and Warranties - On the Execution Date of this Service Agreement and on the date of entering into each Transaction, Customer represents and warrants to the Company that: (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified by it; (b) it has all regulatory

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Wisconsin Electric Power Company

Tariff for Sales of Ancillary Services, FERC Electric Tariff Volume No. 10

authorizations necessary for it to legally perform its obligations under this Service Agreement and any other documentation relating to this Service Agreement or such Transaction; (c) the execution, delivery and performance of this Service Agreement and any other documentation relating to this Service Agreement or such Transaction are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or similar provision applicable to it; (d) this Service Agreement and each other document executed and delivered in accordance with this Service Agreement constitutes its legally valid and binding obligations enforceable against it in accordance with its terms; (e) there are no bankruptcy proceedings pending or being contemplated by it or, to its knowledge, threatened against it; (f) there is not pending nor, to its knowledge, threatened against it or any of its affiliates, any legal proceedings that could materially adversely affect its ability to perform its obligation under this Service Agreement or any other document relating to this Service Agreement to which it is a party; (g) no Event of Default or event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Service Agreement or any other document relating to this Service Agreement or any Transaction; and (h) it is acting for its own account, has made its own independent decision to enter into each Transaction and as to whether each such Transaction is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding and understands and accepts, the terms, conditions and risks of each such Transaction.

IN WITNESS WHEREOF, the duly authorized representatives of Customer and

the Company have executed this Agreement as of the date first above written.

Wisconsin Electric Power Company

Name/Title:	
Address:	
Phone:	
Fax:	
Email:	
CUSTOMER	
Name/Title:	
Address:	
Phone:	
Fax:	
Email:	

ATTACHMENT C

Wisconsin Electric Power Company Tariff For Sales Of Ancillary Services (TAS)

Form of Specifications For Ancillary Services

Wisconsin Electric Power Company TARIFF FOR SALES OF ANCILLARY SERVICES (TAS)

FORM OF SPECIFICATIONS FOR ANCILLARY SERVICES

Charges for Ancillary Services supplied by Wisconsin Electric Power Company are set forth in the Tariff for Sales of Ancillary Services (the "Tariff"). The Specifications for Ancillary Services to be provided by the Company under the Tariff are as follows:

1.0	0 Customer:		
2.0	Term of Transaction:		
	(a) Start Date		
	(b) Termination Date		
3.0	Description of Ancillary Service to be provided by the Company :		
	(a) Type of Service		
	(b) Quantity of Service		
	(c) Loss Factors (if applicable)		
	(i) Transmission Voltage Service		
	(ii) Distribution Voltage Service		
4.0	Point(s) of Receipt		
4.1	Delivering Party		
5.0	Point(s): of Delivery		
5.1	Receiving Party		
6.0	Responsibility for Payment of Taxes		
7.0	Other Specific Terms		

This Transaction shall be governed by the Service Agreement entered into between the Parties, which Service Agreement is incorporated herein by reference.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to this Transaction by signing this confirmation and immediately returning a copy of the executed confirmation to: Wisconsin Electric – Wholesale Energy Marketing [BU contact information], at facsimile number [414-221-4210].

Wisconsin Electric

Name/Title:		
Address:		
Phone:		
Fax:		
Email:		
CUSTOMER		
Name/Title:		
Address:		
Phone:		
Fax:		
Email:		
Name/Title:		