

GENERAL PRIMARY FULL REQUIREMENTS OR RETAIL ACCESS SERVICE SCHEDULE A

Availability: To CMP Holdings LLC d/b/a Verso Papers LLC at their 138/13.8 kilovolt substation in Quinnesec, Michigan.

Hours of Service: Twenty-four.

Character of Service: Alternating current, 60 hertz, three-phase at 138,000 volts.

Rate:

Power Supply Charges: These charges are applicable to Full Requirements service.

Demand Charge: **\$9.842** per kW of billed demand

Subject to a minimum monthly kW that is the greater of 10,000 kW or 240,000 kW less the sum of the preceding 11 months billed Demands.

Standby Demand Charge: \$0.908 per kW

Energy Charge: **\$0.06310** per kWh On-peak

\$0.03918 per kWh Off-peak

Additional Charge for Standby Energy:

In addition to the charges above, Standby Energy will be billed at the following rates:

\$0.03000 per kWh On-peak

\$0.01000 per kWh Off-peak

Curtailable Credit: per kW of Curtailable On-Peak Demand

Determined by application of the following formula where the credit per kW per on-peak hours of use equals \$0.01910:

$$(A*B)*\frac{C}{D} \text{ where}$$

A = credit per kW per on-peak hour of use

B = actual curtailable on-peak hours of use, determined by dividing the on-peak curtailable kWh for the billing period by the curtailable on-peak demand

C = 255 hours

D = on-peak hours in the billing period minus actual hours of curtailment in the billing period

Renewable Energy Surcharge: Subject to the Renewable Energy Surcharge shown on Sheet No. D-5.03.

Subject to power supply cost recovery factor. See Sheet No. D-3.00.

Delivery Charges: These charges are applicable to Full Requirements and Retail Access service.

Demand Charge: \$0.500 per kW of Maximum Total demand

Subject to a minimum monthly kW that is the greater of 34,000 kW or 528,000 kW less the sum of the preceding 11 months Maximum Total Demands.

Power Factor Demand Charge: \$8.570 per kW of Peak Power Factor Demand

Distribution Charge: \$0.00150 per kWh of on-peak and off-peak energy

Energy Optimization Surcharge: Subject to the Energy Optimization Surcharge shown on Sheet No. D-5.01.

For determination of demand, see Sheet No. D-28.00 – D-30.00

Minimum Charge:

The monthly minimum bill shall be the sum of the Standby Demand Charge, Curtailable Credit, monthly Demand Charges and Energy Charges.

Late Payment Charge:

A one and one-half percent (1.5%) per month Late Payment Charge will be applied to outstanding charges past due.

(Continued on Sheet No. D-29.00)

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GENERAL PRIMARY FULL REQUIREMENTS OR RETAIL ACCESS SERVICE SCHEDULE A
(Continued from Sheet No. D-28.00)

Retail Access Option:

Customers who meet the availability requirements of the Schedule A rate schedule may contract for retail access service. Retail access customers shall pay the above applicable Delivery Charges, Minimum Charge, and Late Payment Charge. Customers taking retail access service are also subject to the Terms and Conditions contained in the Retail Access Service tariff rate schedule RAS-1, Section E.

Conditions of Delivery: See Sheet No. D-31.00 In addition to the Conditions of Delivery noted, retail access service customers are also subject to the Terms and Conditions contained in the Retail Access Service tariff, Section E.

Definitions:

1. On-peak Energy

On-peak energy is the energy in kilowatthours as ascertained by metering installed by the Company delivered during the on-peak period selected by the customer (8:00 a.m. to 8:00 p.m. or 10:00 a.m. to 10:00 p.m. prevailing time), Monday through Friday, excluding those days designated as legal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

2. Off-peak Energy

Off-peak energy is the energy in kilowatthours as ascertained by metering installed by the Company delivered during all hours other than on-peak hours.

3. Measured Demand

Measured Demand is the average rate of energy flow for a period of 15 consecutive minutes as ascertained by a watt hour meter and an associated electronic recorder or other standard measuring device. The 15-minute periods are from the top of the hour to 0015, from 0015 to 0030, from 0030 to 0045, and from 0045 to 0000.

4. Company Supplied Demand

Company Supplied demand is the sum of the Measured Demand for each 15-minute period of all the customer's interconnections with the Company at this site.

5. Generator Supplied Demand

Generator Supplied demand is the measured demand for each 15-minute period as ascertained by metering on the customer's generating equipment for which the customer has contracted for standby service.

6. Total Demand

Total demand is the sum of Company Supplied Demand and Generator Supplied Demand for each 15-minute period.

7. Maximum Total Demand

Maximum Total demand is the highest value of Total Demand occurring during the current or preceding 11 billing periods.

8. Maximum Total On-Peak Demand

Maximum Total On-peak demand is the highest value of Total Demand occurring during the on-peak period during the billing period.

Continued on Sheet No. D-30.00)

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GENERAL PRIMARY FULL REQUIREMENTS OR RETAIL ACCESS SERVICE SCHEDULE A
(Continued from Sheet No. D-29.00)

Definitions (Contd):

9. Reserved Demand

Reserved Demand is the amount of capacity contracted for replacement of the customer's generation during outages. The customer may contract for a Reserved Demand amount which can change monthly, subject to a monthly minimum demand of 24 MW. The customer may request a monthly Reserved Demand amount lower than 24 MW if its operations change fundamentally, subject to written approval by Wisconsin Electric.

10. Standby Demand

Standby Demand *equals the Reserved Demand for the month and is the same for each 15-minute period.*

11. Billed Demand

Billed Demand is Maximum Total On-peak Demand less Standby Demand.

12. Standby Energy

Standby Energy for each 15-minute period *equals [Company Supplied Demand in that 15-minute period less Billed Demand] divided by 4, but not less than zero.* Standby Energy is zero during *Company approved, prescheduled* maintenance periods.

13. Power Factor Demands

The demand charges herein are based on a power factor of 95 percent. **Power Factor** Demand shall be determined *for each 15-minute period* by one of the following formulas:

- (a) For lagging power factors greater than or equal to 90%

$$\text{Power Factor demand} = 0$$

- (b) For lagging power factors below 90%.

$$\text{Power Factor demand} = \text{Company Supplied demand} * [(0.65) * (0.95 - \text{power factor})]$$

- (c) The customer may not operate with a leading power factor without permission from the Company.

The power factor shall be calculated from the kilowatt hours "A" as obtained from the watt hour meter and lagging/leading kilovolt-ampere reactive hours "B" as obtained from a ratcheted reactive component meter, which are used during the same 15 minute period by the following formula:

$$\text{Power Factor} = \text{"A"} \text{ divided by square root of } (\text{"A"}^2 + \text{"B"}^2)$$

14. Peak Power Factor Demand

Peak Power Factor Demand is the Power Factor Demand at the time of the Maximum Total On-Peak Demand.

15. Curtailable Demand

Curtailable Demand is the *Measured Demand of the isolated and separately sub-metered load that the customer will reduce to zero during a curtailment period in each 15-minute period.*

16. On-Peak Curtailable kWh

On-Peak Curtailable kWh is the sum of the Curtailable Demand in each 15-minute period during the on-peak period divided by 4.

17. Curtailment On-Peak Demand

Curtailment On-Peak Demand is the highest value of the Curtailable Demand in any 15-minute period during the on-peak period.

(Continued on Sheet No. D-31.00)

GENERAL PRIMARY FULL REQUIREMENTS OR RETAIL ACCESS SERVICE SCHEDULE A
(Continued from Sheet No. D-30.00)

Definitions (Contd):

18. Maintenance Period

Customer may annually preschedule a total of 14 days of maintenance, subject to written customer notification normally provided at least 45 days in advance and written Company approval normally provided 30 days in advance. Once during every five year period, the customer may schedule an additional 14 days for a total of up to 28 days for major maintenance, subject to written Company approval.

19. Curtailment Provisions

The isolated and separately submetered load that the customer will reduce to zero during a curtailment period under this rate shall be subject to curtailment at the sole discretion of the Company. The sum of capacity curtailments and system energy economy constraints will not exceed 300 hours of curtailment in any calendar year. The Company will limit the duration of any one curtailment to eight hours between the hours of 8:00 a.m. and 10:00 p.m. prevailing time. Brief periods of curtailment (periods that are less than four hours duration) shall be regarded as having lasted four hours, for purposes of limiting the total annual hours to 300. Interruptions due to lightning, wind, and other physical causes other than intentional curtailment by the Company shall not be considered in determining the hours of curtailment.

The isolated and separately sub-metered load that the customer will reduce to zero during a curtailment period under this rate shall be subject to: a) curtailments due to capacity constraints, during which the customer must curtail load or be charged a penalty, and b) system energy economy constraints, during which the customer may elect to either drop load or pay the additional charge for energy use.

Capacity Curtailments: The customer shall receive a one hour notice of capacity curtailments. The customer shall be charged a penalty for each occurrence in which the customer fails to curtail its separately metered curtailable load during the entire period of a capacity curtailment. The penalty shall be thirty-five dollars (\$35) per kilowatt of the highest Curtailable Demand during the capacity curtailment period. The Company may suspend curtailable service under this rate and thereafter serve the curtailable load as firm load if the customer fails to curtail service twice in any consecutive twelve month period.

System Energy Economy Constraints: The customer shall receive a one hour notice of a system energy economy constraint which will include the projected system avoided costs for power plus 10% for the economy constraint period for all energy used by the isolated, separately metered curtailable load. An example of determination of the additional charge is shown below:

\$0.1200	System Avoided Cost of Power Plus 10% per kWh
<u>\$0.0800</u>	On-peak Energy per kWh at Existing Rate (Sum of On-Peak Delivery and Energy Charges)
\$0.0400	Additional Charge per kWh

The customer must notify the Company at least 30 days before the *end of the calendar year* if the customer does not want to continue under a curtailable buyout agreement for the subsequent twelve month period. Absent notification, the curtailable buyout agreement will be extended every year for a twelve month period.

(Continued on Sheet No. **D-31.01**)

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GENERAL PRIMARY FULL REQUIREMENTS OR RETAIL ACCESS SERVICE SCHEDULE A
(Continued from Sheet No. D-30.00)

Conditions of Delivery:

1. The customer shall, at his expense, install all apparatus and materials necessary for the proper utilization of the power furnished by the Company. All such apparatus shall conform to the Electric Service Rules and Regulations of the Company pertaining to primary substation installation and shall at all times be kept suitable for operation by the power furnished. Any customer receiving service under this rate who requires lighting regulation shall furnish, install, operate and maintain the necessary regulating equipment at his expense.
2. *The* customers shall abide by the conditions of purchase for rate schedule Cgs1.
3. If the customer's off-peak demand exceeds the on-peak demand to the extent that the installation of additional facilities *is* required, then the customer shall pay for such additional facilities.
4. Should the customer, because of fire, strike, casualties, civil or military authority, insurrection or riot, the actions of the elements, or any other like causes beyond his control, be prevented from operating that equipment installed for the utilization of the power service contracted for, the Company will waive the monthly minimum demand charge for such period and such period will not be used in the computation of future monthly minimum demands; provided, however, that the period of time of such suspension of use of power shall be added to the period of the contract; and further, provided that the customer notifies the Company in writing within six days of his inability to use said power service, specifying reasons therefore.
5. The Company shall *not be liable for any damages sustained by customer because of* interruptions, deficiencies, or imperfections *of electric service provided under this rate.*
6. Service under this rate shall be furnished only in accordance with the Electric Service Rules and Regulations of the Company.
7. The Company shall not be obliged to maintain a service connection for standby or breakdown service under this rate beyond that contracted for under reserved demand.
8. Energy furnished under this rate shall not be resold, except as provided in the Electric Service Rules and Regulations of the Company.

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