

WISCONSIN ELECTRIC POWER COMPANY

Volume 19 – Electric Rates

Revision 0 Sheet 171

Amendment No. 658

Effective In All Areas Served In Wisconsin

Rate Schedule PMI-Pool

EXPERIMENTAL POWER MARKET INCENTIVES – POOL N

AVAILABILITY:

Available to any customer taking service under rate schedules Cg3, Cg3C, Cg3A, Cp1, Cp2M, Cp3A, or Cp3, and any marketer and/or agent (“Pool Operator”) under special contract with customers taking service under rate schedules Cg3, Cg3C, Cg3A, Cp1, Cp2M, Cp3A, or Cp3 that agrees to reduce a nominated amount (100 kW minimum) at each account. Each Power Market Incentives Pool shall have a minimum of 500 kW of load reduction.

ADMINISTRATIVE FEE:

A monthly administrative charge of \$160 per month per aggregated pool.

RATE - ENERGY CREDIT

Wisconsin Electric (the “Company”) will offer a price per kWh based on the market price of energy in the region available to the Company for the purchase or sale for each hour of the load reduction period. The Company will provide either day ahead notice or same day notice.

The price that will be paid is the quoted price.

kWh Reduction:

The kWh reduction will be determined by subtracting the actual energy measured during each load reduction period from the energy derived from the Pool Operator Adjusted Reference Load Shape during the same period.

$\text{kWh Reduction} \times \text{quoted price} = \text{Energy Credit}$

DEFINITION

Pool Participant Reference Load Shape:

Where the Pool Participant has not entered into a specific reference load shape by special contract, the Pool Participant Reference Load Shape will be derived from the Pool Participant’s load shape on the same day of the week, one week prior to the day a load reduction is requested. The following exclusions to the selection of the Pool Participant Reference Load Shape will apply: 1) the day of the reference load shape cannot be a designated legal holiday under the Company’s time-of-use rate schedules; 2) the day of the reference load shape cannot be a day in which the individual pool customer was requested to reduce load under terms of any of the Company’s voluntary load reduction, curtailable, or interruptible rate schedules; 3) there cannot be any missing interval data for the account on the day of the reference load shape. If any of these exclusions apply, the Pool Participant Reference Load Shape will be derived from the Pool Participant’s load shape on the same day of the week, two weeks prior to the day a load reduction is requested. This process will repeat until no exclusions apply. The Pool Participant

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Reference Load Shape for customers served under the Company's rate schedules Cp2M, Cp3, Cp3A, Cg3A or Cg3C will be calculated as above except during those periods when the Company has called for a capacity curtailment/interruption under their applicable curtailable/interruptible rate schedule. During those periods, the Pool Participant Reference Load Shape shall be the customer's Firm Service Level as stated in their curtailable contract.

Pool Participant Adjusted Reference Load Shape:

The Pool Participant Reference Load Shape will be adjusted by the ratio of energy in the two hours prior to notification of a requested reduction to the energy derived from the Pool Participant Reference Load Shape during the same two-hour time period. The Pool Participant Adjusted Reference Load Shape for those customers served under the Company's rate schedules Cp2M, Cp3, Cp3A, Cg3A or Cg3C will be derived as above except during those periods when the Company has called for a capacity curtailment/interruption under their applicable curtailable/interruptible rate schedule. During those periods, there will be no adjustment to the Pool Participant Reference Load Shape, unless the Pool Participant's average load in the two hours prior to notification is below their Firm Service Level as defined in their curtailable/interruptible contract.

Pool Operator Adjusted Reference Load Shape:

The Pool Operator Adjusted Reference Load Shape is the sum of the Pool Participant Adjusted Reference Load Shapes within the Pool Operator's pool.

CONDITIONS OF DELIVERY:

1. Day Ahead Notice: The Company will make best efforts to electronically notify the Pool Operator of its day ahead price, the amount of load it is seeking at that price, and the period of time it is seeking such load reductions, by noon of the day preceding the load reduction day. The Pool Operator must confirm electronically within one hour the specified amount of load they will reduce for the entire load reduction period. The Company will accept Pool Operator confirmations up to the designated amount of load the Company requested based on the order the Pool Operator confirmations are received. The Company will electronically notify, within one hour, those Pool Operators whose confirmations have been accepted and who are then expected to reduce load. Subject to conditions 3 and 5, upon such notification, the Company shall be responsible to pay the Pool Operator for the load reduction as an adjustment to the Pool Operator's bill no later than the bill for the month following the load reduction period.

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2. Same Day Notice: The Company will make best efforts to electronically notify Pool Operators of its same day price, the amount of load it is seeking at that price, and the period of time it is seeking such load reductions. A Pool Operator must confirm within 10 minutes the specified amount of load it will reduce for the entire load reduction period. The Company will accept Pool Operator confirmations up to the designated amount of load the Company requested based on the order the confirmations are received. The Company will electronically notify, within 10 minutes, those Pool Operators whose confirmations have been accepted and who are then expected to reduce load. Subject to conditions 3 and 5, upon notification, the Company shall be responsible to pay the Pool Operator for the load reduction as an adjustment to the Pool Operator's bill no later than the bill for the month following the load reduction period. The load reduction period could start in as little as 20 minutes after the ending of the Pool Operator's 10 minute confirmation period.
3. If the Pool Operator fails to reduce load as agreed upon for any portion of the load reduction period, the Pool Operator will be paid for that portion of the load that it did shed, and will pay the Company the Company's replacement costs for that portion of the load that the Pool Operator agreed to shed but did not shed. Replacement costs are equal to the reasonable cost to the Company for replacement energy, transmission and any additional costs to the Company, minus the price the Company had agreed to pay the Pool Operator for its load reduction.
4. It will be at the Company's discretion to seek load reductions from Pool Operators enrolled in this tariff. The Company will make a good faith effort to utilize this tariff.
5. The Pool Operator will receive an Energy Credit only if the Pool Operator's load reduction is in response to a Company request for such load reduction and the Company has previously accepted the Pool Operator's confirmation of such load reduction.
6. Service under this tariff may be refused if the Company believes the nominated load to be reduced will not provide adequate load reduction when in the future the Company requests reduction. The Company will notify the Pool Operator of the Company's refusal to provide service under this rider and the Company will inform the Pool Operator of their right to ask for a Public Service Commission review of the Company's refusal of service.
7. The Pool Operator shall, at its expense, install and operate all additional apparatus and materials necessary for the notification and/or measurement of the reduction of load.

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8. The Pool Operator will sign a special contract to take service under this rider for a 12 month period.
9. The Company will notify the Pool Operator of the starting and ending times of each load reduction period.
10. Except as noted above, all conditions of delivery of the Pool Participant's rate schedule under which it is served are applicable.
11. The Pool Operator will take service under this rider beginning on the next billing period that follows the later of the execution of the contract or the installation of all apparatus and materials necessary for the notification and/or measurement of load.
12. There is no limit as to the length of an offered load reduction period.
13. For Pool Participants served under the Company's rate schedules Cp3, Cp3A, Cg3A, Cg3C, and Cp2M, when a capacity curtailment/interruption is called by the Company, even if the Pool Participant has previously agreed to reduce load under this tariff, at the time the capacity curtailment/interruption is to begin, the Pool Participant is to shed to their appropriate Firm Service Level under their respective curtailable or interruptible contracts, and credits under this tariff stop for load above the Pool Participant's Firm Service Level which is shed. The Pool Participant may shed load below their Firm Service Level and receive credits under this tariff. The Pool Operator still remains responsible for the confirmed load reduction.
14. For Pool Participants served under the Company's rate schedules Cp2M, Cp3 and Cg3C, when an economic curtailment is called by the Company, the Pool Participant can elect to buy through the economic curtailment under their respective non-firm rate schedules. At any time during an economic curtailment, the Company may offer to the Pool Participant to shed load under this tariff. At that time, the Pool Participant can either continue to buy through at the price stated under their respective curtailable rate schedule or inform the Company they will shed load under this tariff. For the load that is shed between the Pool Participant Adjusted Reference Load Shape and the customer's Firm Service Level, the Pool Participant will receive the energy credit price less the buyout price under their respective curtailable rate schedule for this load. The buyout price equals the Pool Participant's normal energy rate plus the surcharge as stated in their respective curtailable rate schedule. For the load the curtailable Pool Participant sheds below their Firm Service Level, they will receive the full energy credit under this tariff. The Pool Operator still remains responsible for the confirmed load reduction.

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15. Pool Participants may not participate in the Company's Dollars for Power or Power Market Incentives tariffs.
16. The Pool Operator shall treat the price per kWh offered by the Company as confidential information and not release such information for a period of 12 months.
17. In the event that electric meter reading equipment fails, the Company will estimate hourly electrical demand and confirm the estimates with the Pool Operator and the affected individual pool participants and inform both of their rights to ask for Public Service Commission review if they disagree with the Company's estimate.
18. The Pool Operator shall be required to identify in writing to the Company, at least five working days before any load reduction under this tariff, any additions or deletions to the accounts participating in the Pool for the purposes of this service.
19. The Pool Operator shall be required to comply with and be subject to all consumer rules and regulations of the Company and the Public Service Commission of Wisconsin (i.e. the Pool Operator is a customer of the Company).
20. A Pool Participant may only participate in one Pool Operator's pool on any given day.
21. The Company shall require that Pool Participants remain within their currently selected pools for the duration of the current season. Any switching between pools shall occur on April 1 or October 1, with five working days prior written notice to the Company.
22. The Company shall evaluate the creditworthiness of each Pool Operator seeking to do business with the Company on behalf of its customers before deeming them a qualified Pool Operator and granting such parties rights to pool loads. The requirements of this section 22 shall not apply to customers that only pool load from their own facilities. Specifically, the Pool Operator will be considered credit worthy upon satisfying one of the following conditions:
 - A.- At the time it enters into a transaction and throughout the term thereof, the Pool Operator provides the Company evidence that its long term unsecured debt securities are rated BBB or better by Standard & Poor's Corporation, or Baa2 or better by Moody's Investor Service,

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or that its common stock is rated B+ or better by Standard and Poor's Corporation, it being the Pool Operator's obligation to notify the Company of any downward changes in such ratings.

B. - The Pool Operator either places in escrow or provides an unconditional letter of credit for an amount equal to or greater than the total amount to be paid to the Pool Operator by the Company under any load reduction transactions for which the curtailment period has not expired. Any letter of credit provided to the Company must be issued by a commercial bank or financial institution located in the United States or Canada whose long-term unsecured debt securities are rated A or better by Standard & Poor's Corporation or A2 or better by Moody's Investor Service, Inc., or comparable rating by another rating service acceptable to the Company in its sole discretion.

C. - The Pool Operator has, in the Company's sole discretion, a qualified long term payment history with the Company.

D. - The Company received a written guarantee from the Pool Operator's parent company (if applicable) that the parent will be unconditionally responsible for all financial obligations associated with the transaction, and the Pool Operator's parent company qualifies as credit worthy pursuant to one or more of the provisions of this section 22.

23. In the event a Pool Operator becomes delinquent in the payment of penalties, both the Company and the Pool Operator shall be required to immediately notify all Pool Participants in the pool that the pool has been dissolved. All of the former members of the pool will be eligible to be enrolled in the Dollars for Power program.

24. New customers can be added to an aggregation pool at any time, but pool switching can occur only on April 1 or October 1 as described in the Conditions of Delivery above. The Pool Operator is responsible for notifying all pool members of events.