

**WISCONSIN ELECTRIC - GAS OPERATIONS Tariff Book: Rely A Bill Fixed Gas Bill Pilot
Program
Index to Schedules**

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*Revision number may apply to only selected Sheets within a Schedule.

Firm Fixed Gas Bill Pilot Program Sales Service

Description: Firm Fixed Gas Bill Pilot Program Sales Service provides firm distribution capacity and firm gas supply available for sale at the meter.

Territory: All areas in Wisconsin served by the company.

Availability: The Firm Fixed Gas Bill Pilot Program Sales Service is available to residential customers by rate class as defined on Schedules X-625. This program is a pilot program and is limited to 8,000 residential natural gas customers on a first come first served basis during the enrollment period.

Rate Schedule Status: Closed, except by specific enrollment periods and limited to Residential Service Customers.

Conditions of Service:

1. Gas supplied under the Firm Fixed Gas Bill Pilot Program Sales Service shall not be used in lieu of or as standby for service under any other rate schedule.
2. Natural gas service charges shall be fixed under the terms of this pilot as found on Schedules X-605 through X-635 until either an annual renewal or a program termination occurs.

Special Terms:

1. Terms and conditions for service offerings as found on Schedules X-209 through X-220 shall apply.
2. Rules and general information pertaining to gas service as found on Schedules X-239 through X-250, Purchased Gas Adjustment/ Gas Cost Recovery Mechanism as found on schedule X-610, Service Switching as found on schedule X-605, and General Conditions of Delivery as found on Schedule X-615, shall apply.
3. Rules governing accounting, collections, and billing procedures as found on Schedule X-300 shall apply.
4. For purposes of the Priority of Gas Distribution Service and FERC-Mandated Gas Supply Curtailment Policy as found on Schedules X-245 to X-250, customers receiving service under this Schedule shall be treated as though they were receiving service under their corresponding sales rate class per firm sales service as found on schedule X-100 of this tariff.

Firm Fixed Gas Bill Pilot Program Sales Service (continued)

Rates:

For each customer class as defined on Schedules X-625, Customer Classes of Service, the charges and rates are as follows:

Rate Schedule	Customer Class	Facilities Charge \$/Month	Enhanced Other Services Charge \$/Month	Total Monthly Charge \$/Month	Basic Distribution Rate \$/Therm	Competitive Supply Rate \$/Therm	Daily Balancing Rate \$/Therm	Peak Day Backup Rate \$/Therm	Base Gas Costs Rate \$/Therm	Gas Lost and Unaccounted For Rate \$/Therm	Base Total Rate \$/Therm
Rf-1	Residential Service	Monthly Fixed Bill Amount per Conditions of Delivery, Schedule X-615									

For billing charges and bill presentation, see effective Schedule X-615, Conditions of Delivery.

Service under this Schedule is subject to the following:

- Schedule X-210, Service Switching and Contract Quantity Changes Rules
- Schedule X-510, PSCW Emergency Rules or Interim Orders
- Schedule X-515, PSCW Extension of Mains Surcharges
- Schedules X-605 and X-610, Service Switching and Purchased Gas Adjustment/ Gas Cost Recovery Mechanism
- Schedule X-615, General Conditions of Delivery

Minimum Charge: The monthly minimum charge shall be the monthly fixed bill amount as determined under the rules, practices and conditions of this pilot program.

Additional Charges: Refer to Schedule X-235, Other Charges and Schedule X-620 Other Charges.

Penalties: Not applicable under this Schedule.

Service Switching Rules Under the Fixed Gas Bill Pilot Program

1. For purposes of these rules, the company's pipeline capacity and gas supply contract year shall be November 1 to October 31, annually. As such, all requests for service under tariff schedule X-601 (the Fixed Gas Bill Pilot Program) shall be for a fixed period governed by contract.
 - a. Renewal in the Fixed Gas Bill Pilot Program is automatic. The company will provide a new bill quote prior to the new program year. The customer will have the option to cancel out of this program prior to the due date of the first bill of their new program year, after which, a customer receiving service under tariff schedule X-601, will be in the program for the duration of their contract.
 - b. Customers wishing to terminate participation in tariff schedule X-601 shall notify the company via the company call center, a company authorized internet site or a company authorized third party contractor that they intend to terminate their participation in the program.
 - c. If a termination notification is received by the company from the customer, the customer shall be transferred to their corresponding sales rate class found on tariff schedule X-100.

2. Customers who are removed from the Fixed Gas Bill Pilot Program before the end of the contract year, for any reason, shall be charged the Early Termination/Cancellation Fee as found on tariff schedule X-620 and shall be subject to an Early Termination/Cancellation Adjustment as found on Other Charges on tariff schedule X-620.
 - a. Early termination/cancellation of customers from the Fixed Gas Bill Pilot Program shall occur at the next billing cycle following when it is known by the company that the customer shall be terminated/cancelled from the program before the program year is completed.

Service Switching Rules Under the Fixed Gas Bill Pilot Program

(Continued)

- b. Reasons for early termination from the Fixed Gas Bill Pilot Program include, but are not limited to:
- i. the customer has significantly altered their natural gas usage from the customary usage pattern adjusted for weather reflected in their historical consumption data;
 - ii. the customer's natural gas usage increases on a cumulative basis by more than 10% from its historical consumption data adjusted for weather, and such increases can not be explained by weather;
 - iii. a change in statute, regulation or order of a court in some way precludes the company from allowing the customer to complete the program year;
 - iv. the customer is no longer receiving service at the premise for which they were participating in the Fixed Gas Bill Pilot Program;
 - v. the customer has an outstanding balance due and meets the requirements for sending a disconnection notice or is placed on a deferred payment arrangement due to non-payment;
 - vi. an extraordinary event, unusual circumstance or hardship has occurred that results in significant reductions in natural gas usage.
- c. In hardship situations, the company reserves the right to waive the Early Termination/Cancellation fee.
3. In the event that factors cause the program to be terminated prior to the planned duration of this pilot, customers receiving service under tariff schedule X-601 shall be notified of program termination by the company in writing. At the time of program termination, participants in the Fixed Gas Bill Pilot Program shall be transferred to their corresponding sales rate class found on tariff schedule X-100 and shall be assessed their applicable Early Termination/Cancellation Adjustment as found on Other Charges on tariff schedule X-620.

Purchased Gas Adjustment/ Gas Cost Recovery Mechanism

Purchased Gas Adjustment/ Gas Cost Recovery Mechanism, Gas Cost, and Refund Provision

1. Participants in the Fixed Gas Bill Pilot Program will have their natural gas price set at the inception of their contract period. Appropriate gas costs shall include the following:.
2. **PEAK DAY DEMAND COSTS:** Peak day demand gas costs for customers participating in the Fixed Gas Bill Pilot Program will be determined by dividing the total peak day demand costs for the period by the total weather normal firm sales therms forecasted for the program year then multiplied by the total forecasted firm weather normal program sales therms for the program year to arrive at a peak day demand cost associated with the Fixed Gas Bill Pilot Program. That peak day demand cost shall be associated with the Fixed Gas Bill Pilot Program and shall be divided into the total weather normal program therms of all firm program customers to arrive at peak demand cost per therm. Peak day demand costs to be applied to the Fixed Gas Bill Pilot Program shall be accounted for separately from natural gas costs in the company's natural gas portfolio.
3. **ANNUAL CONTRACT DEMAND COSTS:** Annual contract demand gas costs for customers participating in the Fixed Gas Bill Pilot Program will be determined by dividing the total annual contract costs for the period by the total forecasted weather normal sales therms for the program year then multiplied by the total forecasted weather normal natural gas therm usage forecasted for sales customers participating in the Fixed Gas Bill Pilot Program to arrive at an annual contract demand cost associated with the Fixed Gas Bill Pilot Program. That annual demand cost shall be associated with the Fixed Gas Bill Pilot Program and shall be divided into the total weather normal program therms of all program customers to arrive at annual demand cost per therm. Annual demand costs to be applied to the Fixed Gas Bill Pilot Program shall be accounted for separately from natural gas costs in the company's natural gas portfolio.
4. **COMMODITY COSTS:** The commodity cost of gas shall be calculated by totaling all commodity natural gas costs for the Fixed Gas Bill Pilot Program for the period including, but not limited to, commodity natural gas costs, contract costs of natural gas futures contracts, financial instrument contract costs, transportation charges, and fuel costs adjusted for releases and/or opportunity sales. Commodity costs for the Fixed Gas Bill Pilot Program shall be accounted for separately from natural gas costs in the company's natural gas portfolio.

Purchased Gas Adjustment/ Gas Cost Recovery Mechanism (continued)

5. **SURCHARGE COSTS:** The surcharge costs, which include FERC approved surcharges for gas purchases or transportation by pipelines or other suppliers shall be computed by dividing the company's total costs associated with surcharges for the period by the total forecasted weather normal sales terms for the program year then multiplied by the total weather normal natural gas therm usage forecasted for sales customers participating in the Fixed Gas Bill Pilot Program to arrive at a surcharge cost associated with the Fixed Gas Bill Pilot Program. Surcharge costs to be applied to the Fixed Gas Bill Pilot Program shall be accounted for separately from natural gas costs in the company's natural gas portfolio.

Program rates are on a per customer basis and shall not change for the duration of the program contract period. Rates will be recalculated at the time of renewal of contracts of customers participating in the Fixed Gas Bill Pilot Program.

Environmental Trust Fund Surcharge: Surcharges for the Environmental Trust Fund as approved by the PSCW shall be included in the fixed bill amount the customer pays and shall be included in the calculation of the customer's fixed bill amount in accordance with paragraph 12 of tariff schedule X-615.

Administrative Charge Percentage: The program administrative charge shall be a premium of up to 10% charged to the customer in accordance with 7e of tariff schedule X-615. The initial administrative charge is 7%, and may vary from that in the following program year when a program revision to change that percentage is proposed by the company and is approved by the PSCW. If no program revision is proposed, the administrative charge percentage will remain the same.

6. **RECONCILIATION OF GAS COSTS:** Gas Costs: Monthly, the cost of gas and recoveries shall be booked separately from the Purchased Gas Adjustment/ Gas Cost Recovery Mechanism as found on Schedule X-220. Customers participating in the Fixed Gas Bill Pilot Program will not be subject to natural gas cost reconciliation adjustments.

Customers not participating in the Fixed Gas Bill Pilot Program will not be affected by any natural gas reconciliation amount from this pilot program.

7. **REQUIRED APPROVALS AND REPORTS:** The company shall file with the PSCW such reports as may be required by the Commission to monitor the operation of the Fixed Gas Bill Pilot Program.
8. **REFUND PROVISION** Customers participating in the Fixed Gas Bill Pilot Program shall not be eligible for wholesale refunds.

General Conditions of Delivery

1. To qualify for the Fixed Gas Bill Pilot Program a customer, at a minimum, must:
 - a. settle any outstanding budget billing balance or other unpaid balance with the company;
 - b. may be required to forego participation in the Budget Billing plan for electric service received from Wisconsin Electric Power Company;
 - c. agree to act in good faith to maintain natural gas usage at historical patterns;
 - d. in the company's sole judgment, have sufficient data for the customer at the premise to allow the company to reliably predict the customer's use with respect to weather;
 - e. not have received two or more disconnection notices in the last twelve months;
 - f. have a single service tied to a single bill;
 - g. the customer can not have multiple services accumulated and sent to a single mailing address;
 - h. not be under a deferred payment arrangement due to non-payment of natural gas service.
2. All rules and practices of the company in this tariff shall apply to participants of the Fixed Gas Bill Pilot Program. For participants in the Fixed Gas Bill Pilot Program, the rules, practices and conditions of this pilot program shall prevail over the rules, practices and conditions of the tariff where they contradict.
3. Enrollment to this program is on a year to year basis. Enrollment in the Fixed Gas Bill Pilot Program may be through communication from either the company or a company authorized third party contractor customer service representative in the form of either a direct mail response, telephonic communication or response via a company authorized internet web site.
4. The customer has the option to renew participation in tariff schedule X-601, the Fixed Gas Bill Pilot Program, or to return to their corresponding sales rate class on tariff schedule X-100. Renewal is automatic and requires no action on the part of the customer. The company will provide a new bill quote prior to the new program year. The customer will have the option to cancel out of this program prior to the due date of the first bill of their new program year, after which, a customer receiving service under tariff schedule X-601, will be in the program for the duration of their contract. Termination from the program requires customer notification as per paragraph 1(b) on schedule X-605.
5. Customers participating in the Fixed Gas Bill Pilot Program authorize the company to share customer therm usage history and payment and collection history with a company authorized third party contractor for the purpose of determining if the customer meets program enrollment requirements and to determine the customer's monthly fixed bill amount under this pilot program.
6. Each customer participating in the Fixed Gas Bill Pilot Program shall be charged, and the customer agrees to pay, each month on their normal billing cycle, a fixed amount based upon the customer's unique monthly normalized consumption.

General Conditions of Delivery

(continued)

7. Rates applied to customers weather normalized consumption data to determine the customer's monthly fixed bill amount shall include:
 - a. all the fixed and variable marginal rates applicable for their corresponding sales rate class schedule and tariff schedule X-100 per firm sales service;
 - b. plus a factor for gas costs as provided in the most recent gas supply plan or purchased gas adjustment affecting peak demand, annual demand and FERC authorized surcharges;
 - c. plus a charge for commodity natural gas costs that shall be fixed by the company prior to the start of the program year;
 - d. less any efficiency reward;
 - e. plus an administrative charge of up to 10% of the customer's total charges before sales tax.
 - f. Total costs for one year's participation in the Fixed Gas Bill Pilot Program arrived at by applying rates to weather normalized consumption plus all appropriate fixed charges shall be divided by twelve to arrive at the customer's monthly fixed bill amount before sales tax.
8. Customers participating in the Fixed Gas Bill Pilot Program shall not be eligible for pipeline refunds, and refunds or credits due to the Company's Gas Cost Recovery Mechanism. However, participating customers may be eligible to receive a credit or refund as determined by the Company and approved by the PSCW for any profitability refund for the November, 2008 to October, 2009 program year.
9. Early termination/cancellation of customers from the Fixed Gas Bill Pilot Program shall be subject to the rate switching provisions as found in paragraph 2 on tariff schedule X-605.
10. The company will use reasonable diligence to provide an uninterrupted supply of gas, but it shall not be liable for interruptions, deficiencies, or imperfections of service. The company may temporarily suspend the delivery of service when necessary for the purpose of making repairs, changes, and improvements upon any part of its system without compensation to the customer.

General Conditions of Delivery
(continued)

11. In conducting this pilot program, the Participants in the Fixed Gas Bill Pilot Program agree to forego, and the company is waived from, the following administrative code requirements:
- PSC 134.13(1)(a) 9 – 10, the itemized calculations and rate schedule components of the customers bill;
 - PSC 134.13(2), the daily pro-ration of the customer's bill for a shortened or lengthened billing period;
 - 134.13(3) and 134.14, the correction and adjustment of the customer's bills for a metering error for the billing periods while the customer is a participant in this pilot (a credit/charge would be calculated for customers usage and billing when the customer was not a participant in this pilot);
 - PSC 134.13 (4) (e) – (f), the notification requirement of other rate options for which the customer may qualify;
 - PSC 134.13 (5), offering the budget billing plan.
 - These waivers apply only to this fixed bill pilot program, and shall not be applied outside of this pilot program for any reason.
12. Rate decreases and/or increases related to the Environmental Trust Fund Surcharge approved by the Public Service Commission of Wisconsin that became effective after a program year has begun will not impact the fixed bill amount charged to a customer. On a prospective basis, such rate changes will be included in the following program year's calculation of the customer's fixed bill amount.
13. No failure or delay in performance of an agreement for natural gas service by either the company or the customer shall be deemed to be a breach thereof when such failure or delay is occasioned by or due to any: *force majeure* (See *Force Majeure* as found on Schedule X-490, Glossary.); breakage or accident to machinery or lines of pipe; temporary or permanent failure of gas supply; inability to obtain pipe, materials or equipment; the binding order of any court or governmental authority; or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension; provided that no cause or contingency shall relieve the customer of its obligation to make payment for all services used, as determined by the company.

OTHER CHARGES

Early Termination/Cancellation Fee

Per tariff schedule X-605, Service Switching, customers shall be charged a fifty dollar (\$50) fee for termination or cancellation prior to the end of the program year plus the Early Termination/Cancellation Adjustment as found on tariff schedule X-620 .

Early Termination/Adjustment

EARLY TERMINATION/CANCELLATION ADJUSTMENT: The adjustment, which can be either a charge or a credit, that is applied to customers bills for Early Termination / Adjustment from the program. The Early Termination is calculated on a customer specific basis as follows:

1. The early termination/cancellation total program charge amount is the same calculation that is performed to derive the customer's monthly fixed bill amount using the actual customer therm usage in place of weather normalized forecasted customer therm usage to determine an early termination/cancellation total program charge amount for the entire duration of the customer's partial year participation in the Fixed Gas Bill program, beginning with the effective date of customer's last renewal/enrollment and ending with the customer's termination date.
2. The early termination/cancellation total program payment amount is the total of all the payments received by the company from the customers for charges resulting from their participation in the Fixed Gas Bill Pilot Program since the customer's last renewal/enrollment became effective.
3. The early termination/cancellation adjustment equals the early termination/cancellation total program charge amount minus the early termination/cancellation total program payment amount (3=1-2).

Fixed Gas Bill Pilot Program - Residential

A Residential class is defined as natural gas service supplied for residential purposes (cooking, clothes drying, water heating, space heating, and air cooling) by individual meter in a single family dwelling or building, in an individual apartment, or to not more than four apartments served by a single meter (one customer) in a multiple family dwelling, or portion thereof.

Rate Schedule

Rf-1 Residential Service

Lower Limit

No limit

Upper Limit

No Limit

Fixed Gas Bill Pilot Program Reference Guide to Service Offerings

Service Schedule Name	Rate Schedule Name	Customer Class(es) of Service Covered under Services Schedule
Sales Services		
<ul style="list-style-type: none"> • Firm Fixed Gas Bill Pilot Program Sales Service 	X-601, Rf-1	<ul style="list-style-type: none"> • Residential Service (Rf-1)

Glossary - Fixed Gas Bill Pilot Program

CONTRACT PERIOD: The twelve month period of time for which customers sign up for the Fixed Gas Bill Pilot Program. See “program year” below.

EARLY TERMINATION/CANCELLATION ADJUSTMENT: Reflecting the difference between actual and billed consumption, this adjustment can be either a charge or a credit, and is applied to a customer’s bill for Early Termination / Adjustment from the program. See tariff schedule X-620.

EARLY TERMINATION/CANCELLATION FEE: \$50 fee with a hardship exception as found on tariff schedules X-605 and X-620.

EFFICIENCY REWARD: A combined discount as high as 15% in future program year monthly amounts for the Fixed Gas Bill Pilot Program awarded for: a bill reduction of 10% for installing a qualifying furnace or boiler, a bill reduction of 5% for a qualifying water heater, a bill reduction of 10% for qualifying air sealing and insulation, and a bill reduction of 3% for qualifying replacement of windows and doors while participating in the program. If the qualifying measure is installed on or after March 1st of a program year, the discount will apply for the entire term of the next program year.

ENROLLMENT PERIOD: The period of time from August 1st to November 1st (or the time at which enrollment equals the cap for the program year, which ever comes first) during which customers can enroll to participate in the Fixed Gas Bill Pilot Program.

FIXED GAS BILL PILOT PROGRAM: The pilot program also referred to as Rely-A-Bill that provides a fixed natural gas bill to residential customers. This program is provided from tariff schedule X-600 to tariff schedule X-635 in this tariff book.

MONTHLY FIXED BILL AMOUNT: The monthly fixed bill amount is the dollar amount the customer will be charged each monthly billing cycle for natural gas service provided under the Fixed Gas Bill Pilot Program. The derivation of this amount is further described on Schedule X-615, Conditions of Delivery, paragraph 7.

PROGRAM YEAR: The pilot program will operate on an annual basis beginning with customer billing cycles beginning on and after November 1st and ending at the conclusion of the 12th subsequent billing cycling after the start of the program year.

PROFITABILITY REFUND: The amount of program profitability exceeding an average of \$75.00 per participant as calculated by the Company and approved by the PSCW as prescribed in the orders in Docket 05-GI-114 issued on October 2, 2008 and July 17, 2009..

RELY-A-BILL: Also referred to in this tariff as the Fixed Gas Bill Pilot Program.