Madison Gas and Electric Company Gas - First Revised Volume 2

Revision: 11 Amendment: 1058

Sheet G-36 Schedule BU-1

Backup Sales Service

AVAILABILITY

Available to customers or Pooling Agents, upon request, already receiving service under the Company's Daily Balancing Service, Interruptible Gas Sales Service, or Interruptible Large Boiler Gas Sales Service rate schedules.

APPLICABILITY AND CHARACTER OF SERVICE

The Company contracts for annual gas supplies to meet the requirements of customers requesting gas service. If the Company determines that such gas supplies are in excess of customer requirements at a given time, the Company may make such excess gas supply available for sale under this rate schedule. The Company may sell gas supplies under this rate schedule only when the Company determines that excess supply is available or if the Company can purchase additional supply for the customer.

Deliveries by the Company to any customer under this rate schedule will be on a reasonable efforts basis. The Company will have the right to curtail or interrupt deliveries of gas supply whenever the Company determines continuation of service would be to the detriment or disadvantage of any of its customers for which it purchases annual supply or to the detriment or disadvantage of the Company's gas distribution system.

The customer must nominate the amount of gas they desire to use at least 27 hours in advance of the gas day. The Company has the right to waive this notice requirement if, in its sole opinion, the Company determines that it can deliver the requested amount of gas to the customer without disadvantage to other customers, or to the Company's gas distribution system.

RATE

R R If the customer is purchasing gas supplies which the Company has determined are excess of the supplies needed to serve all other customers, the natural gas charge will be as follows:

Administrative charge per therm:	
GSD-1, SUDS-1	\$0.0163
GSD-2	\$0.0137
GSD-3	\$0.0106
Natural gas service: (1)	
Summer per therm (2)	\$0.5333
Winter per therm (2)	\$0.5934

- (1) Subject to adjustment for cost of purchased gas. See Sheet G-38 for purchased gas adjustment clause and refund provision and Sheet G-3.1 for current effective rates.
- (2) If the Company has to purchase additional supplies for the customer, the natural gas service will be the higher of the effective rate under the Firm Gas Sales Service rate schedule or the actual delivered cost of the gas nominated hereunder, including all interstate pipeline transportation costs surcharges and all other applicable Natural Gas Cost Components. See Sheet G-38 for purchased gas adjustment clauses and refund provisions.

(Continued on Sheet G-36.1)

Revision: 1 Amendment: 765 Sheet G-36.1 Schedule BU-1

Backup Sales Service

R UNAUTHORIZED USE CLAUSE

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

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

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

PAYMENT

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

(Continued on Sheet G-36.2)

Revision: 2 Amendment: 765 Sheet G-36.2 Schedule BU-1

Backup Sales Service

SPECIAL TERMS AND PROVISIONS

- 1. When interruption of deliveries hereunder is required, the customer will interrupt the use of gas at the time and to the extent requested by the Company. The Company will notify the customer as far in advance as is feasible, and the customer will discontinue or interrupt the use of gas under this rate schedule as ordered by the Company. In addition, the Company reserves the right to test the interruptibility of any customer on this rate schedule for any period of at least four hours that the Company requests. The Company has the option of requesting this test interruption of service at least one time each year. The Company reserves the right to move any customer who fails three interruptions, either actual or test, to the firm rate schedule for which they would otherwise qualify, provided that the Company has the capacity to serve the customer under the firm rate schedule.
- Interruptible Sales customers will not resell gas supplied hereunder. Pooling Agents who purchase gas supplied hereunder may resell the gas to customers in their designated MGE Third-Party Balancing Pools. The Company may require that such BU-1 purchases be nominated and authorized by individual areas of its service territory and may interrupt or curtail BU-1 deliveries by these designated areas.
- 3. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
- 4. To the extent the Company provides service under this rate schedule, the BU-1 volumes will be considered to flow through the Company meter before gas associated with Daily Balancing Service or Interruptible Gas Sales Service.
- 5. The Company will provide Backup Sales Service for the customer only upon receipt from the customer of a properly completed and effective Natural Gas Nomination Form; the form of which will be specified by the Company.

R (Next Sheet is G-38)