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**Madison Gas and Electric Company**

# **Gas Rates and Rules**

## **First Revised Volume 2**

(This First Revised Volume 2 supersedes and cancels Volume 2.)



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When text is updated, the nature of the change is noted in the left margin as:

**N** = New Text

**R** = Revised Text

**D** = Deleted Text

**M** = Text moved from another sheet  
due to content changes

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## Communities Served

### COLUMBIA COUNTY

**Cities**

Lodi

**Towns**

Arlington

Dekorra

Hampden

Leeds

Lodi

West Point

### CRAWFORD COUNTY

**Cities**

Prairie du Chien

**Villages**

Bell Center

Eastman

Gays Mills

Mount Sterling

Soldiers Grove

Wauzeka

**Towns**

Bridgeport

Clayton

Eastman

Haney

Prairie du Chien

Seneca

Utica

Wauzeka

### DANE COUNTY

**Cities**

Fitchburg

Madison

Middleton

Monona

Verona

**Villages**

Black Earth

Blue Mounds

Cross Plains

Dane

DeForest

Maple Bluff

Mazomanie

McFarland

Mount Horeb

Shorewood

Waunakee

Windsor

**Towns**

Berry

Black Earth

Blooming Grove

Blue Mounds

N

Bristol

Burke

Cottage Grove

Cross Plains

Dane

Dunn

D

Mazomanie

Middleton

Montrose

Roxbury

Springdale

Springfield

Sun Prairie

Verona

Vienna

Westport

### IOWA COUNTY

**Villages**

Arena

Barneveld

Ridgeway

**Towns**

Arena

Brigham

Ridgeway

### JUNEAU COUNTY

**Cities**

Elroy

**Towns**

Plymouth

Wonewoc

### MONROE COUNTY

**Villages**

Kendall

Norwalk

Wilton

**Towns**

Glendale

Ridgeville

Wellington

Wilton

### VERNON COUNTY

**Cities**

Viroqua

**Villages**

Readstown

**Towns**

Franklin

Kickapoo

Liberty

Viroqua

(Next Sheet is G-3)



## Effective Rates

For service rendered on and after  
January 1, 2026

|                                                                      | Distribution<br>Service |
|----------------------------------------------------------------------|-------------------------|
| <b>Residential Distribution Service (RD-1)</b>                       |                         |
| R System connection and customer service charge per day.....         | \$0.6410                |
| R All therms.....                                                    | \$0.3090                |
| <b>Small Commercial and Industrial Distribution Service (GSD-1)</b>  |                         |
| R System connection and customer service charge per day.....         | \$0.7500                |
| R All therms.....                                                    | \$0.2700                |
| <b>Medium Commercial and Industrial Distribution Service (GSD-2)</b> |                         |
| R System connection and customer service charge per day.....         | \$4.0000                |
| R All therms.....                                                    | \$0.1846                |
| <b>Large Commercial and Industrial Distribution Service (GSD-3)</b>  |                         |
| R System connection and customer service charge per day.....         | \$27.50                 |
| R All therms.....                                                    | \$0.1193                |
| <b>Interruptible Generation Distribution Service (IGD-1)</b>         |                         |
| R System connection and customer service charge per day.....         | \$165.00                |
| R All therms.....                                                    | \$0.0562                |
| <b>Seasonal Use Distribution Service (SUDS-1)</b>                    |                         |
| R System connection and customer service charge per day.....         | \$1.7500                |
| Distribution rates per cycle bill:                                   |                         |
| R Distribution service per therm (first 5,000 therms).....           | \$0.2117                |
| R Distribution service per therm (all therms > 5,000 therms).....    | \$0.1975                |
| <b>Contracted Distribution Service (CDS-1)</b>                       |                         |
| System connection and customer service charge per day.....           | NA                      |
| All therms.....                                                      | NA                      |
| <b>Steam and Power Generation Gas Distribution Service (SP-1)</b>    |                         |
| R System connection and customer service charge per day.....         | \$2,750.00              |
| R All therms.....                                                    | \$0.0696                |

(Continued on Sheet G-3.1)



**Effective Rates**

**For service rendered on and after  
July 1, 2026**

|                                                            | <u>Nongas<br/>Charge</u> | <u>Natural<br/>Gas<br/>Service<br/>Cost</u> | <u>Effective<br/>Charge<br/>(see Sheet<br/>G-38)</u> |
|------------------------------------------------------------|--------------------------|---------------------------------------------|------------------------------------------------------|
| <b>Firm Gas Sales Service (FS-1)</b>                       |                          |                                             |                                                      |
| Administrative charge per therm:                           |                          |                                             |                                                      |
| GSD-1, RD-1 .....                                          | \$0.0163                 | NA                                          | \$0.0163                                             |
| GSD-2.....                                                 | \$0.0137                 | NA                                          | \$0.0137                                             |
| GSD-3.....                                                 | \$0.0106                 | NA                                          | \$0.0106                                             |
| R All therms.....                                          | NA                       | \$0.4268                                    | \$0.4268                                             |
| <b>Interruptible Gas Sales Service (IS-1)</b>              |                          |                                             |                                                      |
| Administrative charge per therm:                           |                          |                                             |                                                      |
| GSD-1, SUDS-1 .....                                        | \$0.0163                 | NA                                          | \$0.0163                                             |
| GSD-2.....                                                 | \$0.0137                 | NA                                          | \$0.0137                                             |
| GSD-3.....                                                 | \$0.0106                 | NA                                          | \$0.0106                                             |
| Electronic meter reading charge per day .....              | \$1.50                   | NA                                          | \$1.50                                               |
| R All therms.....                                          | NA                       | \$0.3662                                    | \$0.3662                                             |
| <b>Interruptible Large Boiler Gas Sales Service (IS-2)</b> |                          |                                             |                                                      |
| Administrative charge per day .....                        | \$50.00                  | NA                                          | \$50.00                                              |
| Electronic meter reading charge per day .....              | \$1.50                   | NA                                          | \$1.50                                               |
| R All therms.....                                          | NA                       | \$0.3565                                    | \$0.3565                                             |
| <b>Large Annual Use Gas Sales Service (LS-1)</b>           |                          |                                             |                                                      |
| Administrative charge per day .....                        | \$80.00                  | NA                                          | \$80.00                                              |
| Electronic meter charge per day.....                       | \$1.50                   | NA                                          | \$1.50                                               |
| R Natural gas service, firm.....                           | NA                       | \$0.3707                                    | \$0.3707                                             |
| R Natural gas service, interruptible .....                 | NA                       | \$0.3565                                    | \$0.3565                                             |
| <b>Daily Balancing Service (DBS-1)</b>                     |                          |                                             |                                                      |
| Administrative charge per day .....                        | \$4.30                   | NA                                          | \$4.30                                               |
| Electronic meter reading charge per day .....              | \$1.50                   | NA                                          | \$1.50                                               |
| R Balancing service charge, first tier.....                | NA                       | NA                                          | \$0.03048                                            |
| Balancing service charge, second tier.....                 | NA                       | NA                                          | \$0.05665                                            |
| <b>Backup Sales Service (BU-1)</b>                         |                          |                                             |                                                      |
| Administrative charge per therm:                           |                          |                                             |                                                      |
| GSD-1, SUDS-1 .....                                        | \$0.0163                 | NA                                          | \$0.0163                                             |
| GSD-2.....                                                 | \$0.0137                 | NA                                          | \$0.0137                                             |
| GSD-3.....                                                 | \$0.0106                 | NA                                          | \$0.0106                                             |
| R All therms.....                                          | NA                       | \$0.4268                                    | \$0.4268                                             |

(Continued on Sheet G-3.2)



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**Effective Rates**

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**DBS-1 CASH-OUT RATES\***

**For the monthly cash-out of imbalances incurred in  
June 2026**

| <b><u>OVERTAKE CASH-OUT PRICE</u></b>       |                       | Cash-out price<br>per therm<br>of month-end<br>imbalances |
|---------------------------------------------|-----------------------|-----------------------------------------------------------|
| <b><i>Overtake imbalance ranges:</i></b>    |                       |                                                           |
| R                                           | Over 0% through 3.5%  | \$0.3860                                                  |
| R                                           | Over 3.5% through 10% | \$0.4438                                                  |
| R                                           | Over 10% through 15%  | \$0.5017                                                  |
| R                                           | Over 15% through 20%  | \$0.5403                                                  |
| R                                           | Over 20%              | \$0.5789                                                  |
| <br><b><u>UNDERTAKE CASH-OUT CREDIT</u></b> |                       |                                                           |
| <b><i>Undertake imbalance ranges:</i></b>   |                       |                                                           |
| R                                           | Over 0% through 3.5%  | \$0.2573                                                  |
| R                                           | Over 3.5% through 10% | \$0.2187                                                  |
| R                                           | Over 10% through 15%  | \$0.1801                                                  |
| R                                           | Over 15% through 20%  | \$0.1544                                                  |
| R                                           | Over 20%              | \$0.1286                                                  |

\*Refer to Sheet G-34.

(Next Sheet is G-3.3)



**Effective Rates**

N

**TAX CUT CREDIT**

N **APPLICATION**

|

N An Income Tax Credit is applicable to all customers in the tariffs listed below.

N **INCOME TAX CREDIT**

|

Pursuant to the Public Service Commission of Wisconsin's Supplemental Order issued in Docket 5-AF-101 on August 7, 2019, the following credits are associated with the overcollections of federal income tax expense in the base revenue requirement set in the Company's last rate case (Docket 3270-UR-121).

No later than December 31, 2019, customers in the following classes shall receive a one-time credit of the amount listed below:

| Customer Class                                | One-Time Bill Credit |
|-----------------------------------------------|----------------------|
| Residential (RD-1) .....                      | \$4.58               |
| Small Commercial and Industrial (GSD-1) ..... | \$10.83              |
| Medium Commercial and Industrial (GSD-2)..... | \$91.75              |
| Large Commercial and Industrial (GSD-3) ..... | \$550.20             |
| Interruptible Generation (IGD-1).....         | \$2,630.22           |
| Seasonal Use Distribution (SUDS-1).....       | \$90.49              |
| Steam and Power Generation (SP-1).....        | \$30,637.52          |

N

(Continued on Sheet G-5)



## Definition of Terms

*Except where the context expressly states another meaning, the following terms will have the following meanings whenever used in this tariff.*

**Alternate fuel** means a fuel other than natural gas or compressed natural gas.

**Alternate fuel capabilities** means a situation where an alternate fuel could have been utilized, provided, however, where the natural gas is for feedstock or process uses and the only alternate fuel is propane or other gaseous fuel, then the consumer will be treated as if it had no alternate fuel capability.

**Alternate fuel for essential agricultural Use** means any fuel which is economically practicable and reasonably available as determined by the Federal Energy Regulatory Commission (FERC).

**Annual charge adjustment** or **ACA** means a surcharge as permitted by Section 154.38 (d) (6) of the FERC's Regulations to permit interstate pipeline companies to recover from its shippers all Total Annual Charges assessed it by the FERC under Part 382 of the FERC's Regulations.

**Balancing services** means the Company's managing of a customer's natural gas supply to enable the customer to match the customer's daily usage with the customer's confirmed scheduled and Company-accepted pipeline delivery of third-party natural gas supplies. Customers who wish to receive third-party natural gas supplies must obtain balancing service through the balancing provisions in the Daily Balancing Service (DBS-1).

**Balancing service charge** means the charge applicable to a customer's adjusted imbalance volume when Daily Balancing Service (DBS-1) is being utilized.

**Billing cycle** means the regular periodic interval used by a utility for reading the meters of customers for billing purposes.

**Boiler fuel** means natural gas used as a fuel for the generation of steam or hot water (including natural gas used as a fuel for externally fired pressure vessels using heat transfer fluids other than water) or electricity, including the utilization of gas turbines for the generation of electricity.

**Btu** means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit.

**Business day** means any weekday when the Company's business office is open in the normal course of business.

**Calendar month** means the period beginning on the first gas day of the calendar month and ending on the first gas day of the next succeeding month.

**City gate** means the points of delivery between the interstate pipelines providing service to Company facilities.

**Commercial** means service to customers who are primarily engaged in wholesale or retail trade, agriculture, forestry, fisheries, transportation, communications, sanitary services, finance, insurance, real estate, personal services, government, and service that does not fall directly within one of the other classifications.

(Continued on Sheet G-5.1)



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## Definition of Terms

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**Company** means Madison Gas and Electric Company (MGE).

**Company-administered balancing pool** means in a pool of aggregated customer volumes administered by the Company under Daily Balancing Service for customers who are not members of a Third-Party Pool.

**Constraint day** means a day in which a High-Flow Constraint, Selective Constraint, or a Low-Flow Constraint, as set forth herein, is declared.

**Curtailement** means a reduction in gas deliveries or gas sales necessitated by a shortage of supply.

**Customer** means a consumer of natural gas distributed in any one billing period at one location through one meter. An entity using gas at separate locations is considered a separate customer at each location.

**Default balancing service** means that a Third-Party Pool has selected pipeline balancing services, other than the company's balancing services, and the pipeline balancing services do not cover the entire imbalance of the pool. The Company will provide Company Balancing Service for the remainder of the imbalance at Maximum Rates, as specified in the Daily Balancing Service rate schedule.

**Dekatherm** means the quantity of heat energy which is equivalent to one (1) million (1,000,000) Btu.

**Distribution** means the process of transporting natural gas through the Company's facilities to the customer's facilities.

**Enhanced transportation service** or **ETS** means ANR's Rate Schedule ETS, Enhanced Transportation Service as specified in ANR's FERC Gas Tariff.

**Essential agricultural use** means any use of natural gas which is certified by the Secretary of Agriculture as an essential agricultural use under Section 401(c) of the NGPA as identified in 7 C.F.R. Section 2900, et seq.

**Essential company use** means any use of natural gas which is necessary to maintain service to the balance of customers who are not curtailed.

**Feedstock** means natural gas used as a raw material for its chemical properties in creating an end product.

**Firm customer** is a customer receiving service under Rate Schedules or contracts designed to provide customer's gas supply and distribution needs on a continuous basis.

**Firm service** is service offered to customers under schedules or contracts which anticipate no interruptions.

**Firm storage service** or **FSS** means ANR's Rate Schedule FSS, Firm Storage Service as specified in ANR's FERC Gas Tariff.

**Firm transportation service** or **FTS** means transportation services for which facilities have been designed, installed and dedicated to a certified quantity.

(Continued on Sheet G-5.2)

## Definition of Terms

**Force majeure** means acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lighting, earthquakes, fires, storms, storm warnings, floods, washouts, arrests, and restraints of governments and people, present or future, valid orders, decisions or rulings of any governmental authority having jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Company which, by the exercise of due diligence, Company is unable to prevent or overcome. The settlement of strikes or lockouts will be entirely within the discretion of the Company and the above requirement that any inability to carry out obligations hereunder due to force majeure will be remedied with all reasonable dispatch will not require the settlement of strikes or lockouts by conceding to the demand of the opposing party when such course is inadvisable in the discretion of the Company.

**Gas** means natural gas, manufactured gas, propane-air gas or any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting predominately of methane determined on a Btu basis.

**Gas day** means a period of twenty-four (24) consecutive hours, beginning at 9 a.m. Central Time.

**Gas Research Institute or GRI** means an Illinois not-for-profit corporation organized for the purpose of assisting all the gas industry in providing adequate, reliable, safe, economic, and environmentally acceptable gas service for the benefit of gas consumers and general public. The GRI Surcharge is the funding mechanism for GRI approved expenditures.

**High-flow constraint day** is a day when the Company expects natural gas demand to exceed its available deliverable supply of gas for gas sales service needs. On such a day the Company will interrupt Interruptible customers and/or require customers using third-party natural gas supplies to use no more than their daily confirmed scheduled and Company-accepted pipeline deliveries to avoid incurring pipeline penalties and assure that adequate supplies are available for Firm Sales Service needs.

**Imbalance** is when a party receives or delivers a quantity of natural gas, then redelivers or uses a larger or smaller quantity of natural gas to another party.

**Interruptible customer** is a customer receiving service under Rate Schedules or contracts which permit interruption of service on short notice due to insufficient gas supply or capacity to deliver that supply.

**Interruptible service** is a low priority service offered to customers under schedules or contracts which anticipate and permit interruption on short notice, generally in peak-load seasons, by reason of the claim of firm service customers and higher priority users. Gas is available at any time of the year if the supply is sufficient and the supply system is adequate.

**Industrial** means service to customers who are primarily engaged in a process which creates or changes raw or unfinished materials into another form or product. This includes mining and manufacturing.

**Low-flow constraint day** means any day that Company anticipates that it may be subject to pipeline or supplier penalties if natural gas supplies delivered to the Company exceed demand. On such a day, the Company will require customers using third-party natural gas supplies to use no less than their daily confirmed scheduled and Company-accepted pipeline deliveries to avoid incurring pipeline penalties.

(Continued on Sheet G-5.3)

## Definition of Terms

- R **Maximum day requirements** will be determined from actual electronically metered maximum day usage or by dividing the maximum monthly deliveries (customers will have their maximum daily requirement calculated on the most recent maximum monthly consumption) by the number of billing days in that month. Volumes specified in the Curtailment Priority Categories of this tariff will apply in the aggregate rather than on a unit-of-equipment basis.

**Nomination** is a request for a physical quantity of gas under a specific purchase, sales or transportation agreement or for all contracts at a specific point. Types of nominations include, but are not limited to, initial pipeline nominations, scheduled pipeline nominations, and Company-accepted nominations.

**No-notice service or NNS** means ANR's Rate Schedule NNS, No-Notice Service as specified in ANR's FERC Gas Tariff.

**Overnomination** means a nomination that is more than the amount of gas that is used by the customer during the period of time covered by the nomination (e.g., a Gas Day or a Gas Month). For balancing purposes, the difference between an overnomination and the usage volumes will be divided by the nomination to determine the overnomination percentage. Under Daily Balancing Service, the absolute difference between the nomination and the usage volumes will be subject to the appropriate Balancing Service Charges or Penalties. Usage volumes will be adjusted as necessary to be on a comparable basis with nomination volumes before an overnomination or undernomination is calculated.

**Peak day** means the maximum daily quantity of gas distributed through the Company's system.

**PSI** means pounds per square inch.

**Process** means gas used in appliances which were designed to burn a gaseous fuel so as to utilize those combustion characteristics of gaseous fuels, such as complete combustion, safe combustion products, flame geometry, ease of temperature control to precise levels, and optimum safety of heat application. Specifically excluded are steam and hot water boilers, gas turbines, space-heating equipment, and indirect air heaters, where, for all such equipment, alternate fuel-burning equipment is available. A process gas load by this definition is a load for which there is no usable alternate to a gaseous fuel.

**Purchased gas adjustment or PGA** means the Company's monthly adjustment to adjust the average cost of gas sold through the Company's gas sales service rate schedules, as set forth on Sheet G-38 of this tariff.

**Residential** means service to customers under the Residential Distribution Service Rate Schedule RD-1.

**Scheduling** is a process by which nominations are first consolidated by receipt point, by contract, and verified with upstream/downstream parties. If the verified capacity is greater than or equal to the total nominated quantities, all nominated quantities are scheduled. If verified capacity is less than nominated quantities, nominated quantities will be allocated according to scheduling priorities.

**Supplier** means a party that sells the commodity of natural gas.

(Continued on Sheet G-5.4)



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## Definition of Terms

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**System supply** means purchases of natural gas for MGE's customers who purchase all of their natural gas supply from MGE.

**Therm** means the quantity of heat energy which is equivalent to one hundred thousand (100,000) Btu.

**Third-party natural gas supplies** means natural gas supplies that are purchased from an entity other than the Company.

**Third-party natural gas supply nomination form** means the Company designated nomination form which is required to be completed and submitted to the Company in accordance with terms and provisions of the Company's Daily Balancing Service (Rate Schedule DBS-1).

**Third-party pool** means customers that are aggregated, by a party other than the Company, for balancing purposes under Daily Balancing Service.

**Undernomination** means a nomination that is less than the amount of gas that is used by the customer during the period of time covered by the nomination (e.g., a Gas Day or a Gas Month). For balancing purposes, the difference between an undernomination and the usage volumes will be divided by the nomination to determine the undernomination percentage. Under Daily Balancing Service, the absolute difference between the nomination and the usage volumes will be subject to the appropriate Balancing Service Charges or Penalties. Usage volumes will be adjusted as necessary to be on a comparable basis with nomination volumes before an overnomination or undernomination is calculated.

**Weighted average cost of gas or WACOG** is average cost of gas purchased during a given time period, usually a month. This WACOG includes gas injected or withdrawn from storage.

(Next Sheet is G-6)



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**2005 Wisconsin Act 141 Costs**

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*(For informational purposes only)*

R Pursuant to the Order in Docket 3270-UR-126, the following rates are authorized to recover 2005 Wis. Act 141 costs. These rates have been imputed into the base rates of all of the Company's natural gas distribution rate classes except IGD-1 and SP-1.

Customers considered to be a large energy use customer (LEC) as defined under 2005 Wis. Act 141 that are served under all customer classes except IGD-1 and SP-1 will be credited the charges below based on their actual usage and will subsequently be billed a fixed monthly charge calculated in a manner consistent with the provisions contained in the 2005 Wis. Act 141; Wis. Admin. Code § PSC 134; and Wis. Statutes §196.374. All customers in the IGD-1 and SP-1 classes are considered LECs and are all subject to the Act 141 fixed monthly charge.

**RATE**

R Nonresidential, per therm..... \$0.0143

(Next Sheet is G-10)



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## Residential Distribution Service

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### AVAILABILITY

To residential customers for general use, including space heating.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to residential customers. Residential customers will mean those who purchase natural gas for domestic use. Domestic use will be defined as all-natural gas service which is ultimately consumed at a single or multiple-family dwelling for space heating, water heating, cooking, air-conditioning, or other household use within the dwelling.

Apartment buildings consisting of two or more residential units, where gas service is included with the rent and where the owner agrees not to resell the gas through meters at meter rates, may be served through one gas meter installed by the Company.

Where service to an apartment building is measured through one meter and (1) there are four or less residential units, service will be billed at the residential rate or (2) there are five or more residential units, service will be at the appropriate commercial and industrial distribution rate schedule. If the apartment building has separately metered residential units, service to the public areas and for other common usage will be billed on the appropriate commercial and industrial distribution rate schedule.

Distribution service by the Company under this rate schedule will be on a firm basis.

### RATE

|   |                                                                            |          |
|---|----------------------------------------------------------------------------|----------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$0.6410 |
| R | Distribution service per therm.....                                        | \$0.3090 |

<sup>(1)</sup> The system connection and customer service charge will be applied in any billing period the customer is classified as receiving service under this rate schedule.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their gas supply service under the Company's Firm Gas Sales Service (Rate Schedule FS-1).

(Continued on Sheet G-10.1)



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## **Residential Distribution Service**

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### **SPECIAL TERMS AND PROVISIONS**

1. Customers who have their meters turned off and back on within a 12-month period will pay the customer charge applicable to the customer for the period while service was not being used.
2. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
3. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
4. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of the gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of all liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.

(Next Sheet is G-11)





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**Residential Lifeline Distribution Service**

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-- Canceled --

Customers previously eligible for this rate schedule were transferred to the RD-1 Residential Distribution Service schedule effective January 1, 2016, per Order in Docket 3270-UR-120 dated December 23, 2014.

The following sheets also have been canceled:

G-11.1  
G.11.2

(Next Sheet is G-20)



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## Small Commercial and Industrial Distribution Service

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### AVAILABILITY

To commercial and industrial customers for general use, including space heating, whose natural gas consumption is less than 25,000 therms in any 12 consecutive billing months. The customer will be removed from this rate schedule if the customer no longer qualifies for service under this rate schedule. A customer will be moved to Rate Schedule GSD-2 when their consumption is greater than 25,000 therms for any period during the most recent 12 consecutive months. Changes in rate classification will be effective for the billing period immediately following the determination of eligibility, and customers will be bound by the terms and conditions, including Gas Service Options, of the new rate schedule.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined, and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Apartment buildings consisting of two or more residential units, where gas service is included with the rent and where the owner agrees not to resell the gas through meters at meter rates, may be served through one gas meter installed by the Company.

Where service to an apartment building is measured through one meter and (1) there are four or less residential units, service will be billed at the residential rate or (2) there are five or more residential units, service will be at the appropriate commercial and industrial distribution service rate schedule. If the apartment building has separately metered residential units, service to the public areas and for other common usage will be billed on the appropriate commercial and industrial distribution service rate schedule.

Distribution service by the Company under this rate schedule will be on a firm basis.

### RATE

|   |                                                                            |          |
|---|----------------------------------------------------------------------------|----------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$0.7500 |
| R | Distribution service per therm.....                                        | \$0.2700 |

<sup>(1)</sup> The system connection and customer service charge will be applied in any billing period the customer is classified as receiving service under this rate schedule.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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-20.1)



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## Small Commercial and Industrial Distribution Service

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### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their gas service under the Company's Firm Gas Sales Service (Rate Schedule FS-1) except for Elroy-area customers who were interruptible customers prior to August 20, 1997, and Viroqua-area customers who can receive their gas under the Company's Interruptible Gas Sales Service (Rate Schedule IS-1), unless customer contracts with the Company for service under the Company's Daily Balancing Service (Rate Schedule DBS-1).

### SPECIAL TERMS AND PROVISIONS

1. Customers who have their meters turned off and back on within a 12-month period will pay the customer charge applicable to the customer for the period while service was not being used.
2. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
3. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
4. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to electronic meter reading equipment necessary for services under the Company's Rate Schedules IS-1, IS-2 and DBS-1. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
5. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of the gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of all liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.

(Next Sheet is G-21)



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## Medium Commercial and Industrial Distribution Service

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### AVAILABILITY

To commercial and industrial customers for general use, including space heating, whose natural gas consumption is equal to or greater than 25,000 therms and less than 200,000 therms in any 12 consecutive billing months. The customer will be removed from this rate schedule if the customer no longer qualifies for service under this rate schedule. A customer will be moved to Rate Schedule GSD-1 when their annual consumption falls below 25,000 therms and remains below 25,000 therms for 12 consecutive months. A customer will be moved to Rate Schedule GSD-3 when their consumption is greater than 200,000 therms for any period during the most recent 12 consecutive months. Changes in rate classification will be effective for the billing period immediately following the determination of eligibility and customers will be bound by the terms and conditions, including Gas Service Options, of the new rate schedule. Unless otherwise agreed to by Company, new customers will initially be placed on Rate Schedule GSD-1 and remain there until their consumption causes them to be moved to Rate Schedule GSD-2 or GSD-3.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined, and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Apartment buildings consisting of two or more residential units, where gas service is included with the rent and where the owner agrees not to resell the gas through meters at meter rates, may be served through one gas meter installed by the Company.

Where service to an apartment building is measured through one meter and (1) there are four or less residential units, service will be billed at the residential rate or (2) there are five or more residential units, service will be at the appropriate commercial and industrial distribution service rate schedule. If the apartment building has separately metered residential units, service to the public areas and for other common usage will be billed on the appropriate commercial and industrial distribution service rate schedule.

Distribution service by the Company under this rate schedule will be on a firm basis.

### RATE

|   |                                                                            |          |
|---|----------------------------------------------------------------------------|----------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$4.0000 |
| R | Distribution service per therm.....                                        | \$0.1846 |

<sup>(1)</sup> The system connection and customer service charge will be applied in any billing period the customer is classified as receiving service under this rate schedule.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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-21.1)



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## Medium Commercial and Industrial Distribution Service

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### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their full requirements gas supply service under the Company's Firm Gas Sales Service (Rate Schedule FS-1) unless the customer requests, in writing, less than 100 percent of their full requirements service under Rate Schedule FS-1 or contracts with the Company for service under the Company's Interruptible Gas Sales Service (Rate Schedule IS-1), or Daily Balancing Service (Rate Schedule DBS-1).

### SPECIAL TERMS AND PROVISIONS

1. Customers who have their meters turned off and back on within a 12-month period will pay the customer charge applicable to the customer for the period while service was not being used.
2. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
3. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
4. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to electronic meter reading equipment necessary for service under the Company's Rate Schedules IS-1, IS-2, or DBS-1. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
5. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of the gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of all liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.

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(Next Sheet is G-22)



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## Large Commercial and Industrial Distribution Service

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### AVAILABILITY

To commercial and industrial customers for general use, including space heating, whose natural gas consumption is equal to or greater than 200,000 therms in any 12 consecutive billing months. The customer will be removed from this rate schedule if the customer no longer qualifies for service under this rate schedule. A customer will be moved to Rate Schedule GSD-2 when their annual consumption falls below 200,000 therms and remains below 200,000 therms for 12 consecutive months. Changes in rate classification will be effective for the billing period immediately following the determination of eligibility and customers will be bound by the terms and conditions, including Gas Service Options, of the new rate schedule. Unless otherwise agreed to by Company, new customers will initially be placed on Rate Schedule GSD-1 and remain there until their consumption causes them to be moved to Rate Schedule GSD-2 or GSD-3.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined, and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Apartment buildings consisting of two or more residential units, where gas service is included with the rent and where the owner agrees not to resell the gas through meters at meter rates, may be served through one gas meter installed by the Company.

Where service to an apartment building is measured through one meter and (1) there are four or less residential units, service will be billed at the residential rate or (2) there are five or more residential units, service will be at the appropriate commercial and industrial distribution service rate schedule. If the apartment building has separately metered residential units, service to the public areas and for other common usage will be billed on the appropriate commercial and industrial distribution service rate schedule.

Distribution service by the Company under this rate schedule will be on a firm basis.

### RATE

|   |                                                                            |          |
|---|----------------------------------------------------------------------------|----------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$27.50  |
| R | Distribution service per therm.....                                        | \$0.1193 |

<sup>(1)</sup> The system connection and customer service charge will be applied in any billing period the customer is classified as receiving service under this rate schedule.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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-22.1)



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## Large Commercial and Industrial Distribution Service

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### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their full requirements gas supply service under the Company's Firm Gas Sales Service (Rate Schedule FS-1) unless the customer requests, in writing, less than 100 percent of their full requirements service under Rate Schedule FS-1 or contracts with the Company for service under Interruptible Gas Sales Service (Rate Schedule IS-1), or Daily Balancing Service (Rate Schedule DBS-1).

### SPECIAL TERMS AND PROVISIONS

1. Customers who have their meters turned off and back on within a 12-month period will pay the customer charge applicable to the customer for the period while service was not being used.
2. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
3. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
4. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to electronic meter reading equipment necessary for service under the Company's Rate Schedules IS-1, IS-2, or DBS-1. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
5. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of the gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of all liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.

(Next Sheet is G-23)



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**Large Commercial and Industrial Demand-Based Distribution Service Pilot (Canceled)**

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-- Canceled --

This rate schedule was canceled per Commission's Final Decision in Docket 3270-UR-125 dated December 20, 2023.

The following sheet also has been canceled:

G-23.1

(Next Sheet is Sheet G-25)





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## Interruptible Generation Distribution Service

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### AVAILABILITY

Available to any customer who was receiving service under the Company's Rate Schedules IGT-1 or IGS-1 as of October 15, 1996, and who:

1. Uses natural gas as a fuel for the generation of electricity or steam.
2. Will curtail or interrupt service upon request of the Company.
3. Will provide and maintain suitable and adequate alternate fuel standby facilities or will discontinue use, during an interruption, of any equipment for which alternate fuel facilities are not maintained.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined, and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Distribution service by the Company under this rate schedule will be on an interruptible basis only, and the Company will have the right to interrupt or curtail deliveries of gas hereunder, whenever and to the extent necessary such interruption or curtailment, in the sole judgment of the Company, may be required.

### RATE

|   |                                                                            |          |
|---|----------------------------------------------------------------------------|----------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$165.00 |
| R | Distribution service per therm.....                                        | \$0.0562 |

<sup>(1)</sup> The system connection and customer service charge will be applied in any billing period the customer is classified as receiving service under this rate schedule.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their gas supply service under the Company's Interruptible Large Boiler Gas Sales Service (Rate Schedule IS-2) or Large Annual Use Gas Sales Service (LS-1) unless customer contracts with the Company for service under Daily Balancing Service (Rate Schedule DBS-1).

### UNAUTHORIZED USE CLAUSE

The customer will be required to pay an additional charge of \$2.50 per therm for all unauthorized use of gas during any interruption or curtailment of service ordered by the Company.

The availability of this charge does not preclude the Company from physically controlling the customer's gas supply upon the customer's failure to curtail or interrupt their gas consumption as instructed by the Company.

(Continued on Sheet G-25.1)



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## Interruptible Generation Distribution Service

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### 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 appropriate commercial and industrial gas distribution service for which they would otherwise qualify, provided that the Company has the capacity to serve the customer under the appropriate commercial and industrial gas distribution service.

2. Service under this rate schedule will commence following approval of the customer's application for service by the Company.
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. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
5. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to electronic meter reading equipment necessary for service under the Company's Rate Schedules IS-1, IS-2, LS-1, or DBS-1. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
6. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of the gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of all liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.
7. Customers who have their meters turned off and back on within a 12-month period will pay the customer charge applicable to the customer for the period while service was not being used.

(Next Sheet is G-26)



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**Seasonal Off-Peak Distribution Service**

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-- Canceled --

This rate schedule was canceled per Commission's Final Decision  
in Docket 3270-UR-122 dated December 20, 2018.

The following sheets are canceled:

Sheet G-26  
Sheet G-26.1

(Next Sheet is G-27)



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## Steam and Power Generation Gas Distribution Service

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### AVAILABILITY

Available to large distribution service customers who:

1. Use at least 17 million therms per year on this rate schedule.
2. Contract for service under this rate schedule with the Company for a term of five years with one-year automatic renewals thereafter unless terminated with a six-month written notice to the Company prior to the end of the initial term or the end of a given renewal term thereafter.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined, and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Distribution service by the Company under this rate schedule will be on a firm basis.

### RATE

|   |                                                                            |            |
|---|----------------------------------------------------------------------------|------------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$2,750.00 |
| R | Distribution service per therm.....                                        | \$0.0696   |

<sup>(1)</sup> The system connection and customer service charge will be applied in any billing period the customer is classified as receiving service under this rate schedule.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their gas supply service under the Company's Large Annual Use Gas Sales Service (Rate Schedule LS-1) unless the customer contracts with the Company for service under Daily Balancing Service (Rate Schedule DBS-1).

(Continued on Sheet G-27.1)



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**Steam and Power Generation Gas Distribution Service**

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**SPECIAL TERMS AND PROVISIONS**

1. Service under this rate schedule will commence following approval of the customer's application for service by the Company.
2. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
3. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
4. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to electronic meter reading equipment necessary for service under the Company's Rate Schedules LS-1 or DBS-1. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
5. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.
6. Customers who have their meters turned off and back on within a 12-month period will pay the customer charge applicable to the customer for the period while service was not being used.

(Next Sheet is G-28)



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## Contracted Distribution Service

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### AVAILABILITY

To commercial and industrial customers for general use, including space heating, whose meet the following requirements.

- R
1. Who are currently served or would otherwise qualify for service under the Company's distribution Rate Schedules GSD-3, IGD-1, SP-1, SUDS-1; and
  2. Have economic alternate fuel capabilities; and
  3. Who have negotiated unique distribution service customer charges and/or distribution charges. The negotiated rate will be a compensatory and have a minimum level that will recover the appropriate contract term incremental costs. The negotiated rate will have a ceiling no higher than the imbedded costs. The contract term incremental costs will be defined as the extra, or additional, costs of serving the additional volume of gas reflecting the duration of the proposed term of the contract. (A copy of the contract will be confidentially filed with the Public Service Commission of Wisconsin.)

The customer will be removed from this rate schedule at the termination of the contract or if the customer no longer qualifies for service under this rate schedule.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined and the total service charge will be the same as though one meter was installed.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Customer will contract with the Company for service under this rate schedule and will be bound by the terms and conditions as specified therein.

### RATE

The rate under this rate schedule will be specified in the contract between the Company and the customer.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### GAS SERVICE OPTIONS

The gas service options available to the customer will be as specified in the contract between the Company and the customer.

### SPECIAL TERMS AND PROVISIONS

As specified in the contract between the Company and the customer.

(Next Sheet is G-29)



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**Compressed Natural Gas Distribution Service**

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-- Canceled --

This rate schedule was canceled per Commission's Final Decision  
in Docket 3270-GA-100 dated March 1, 2018.

(Next Sheet is G-30)



## Firm Gas Sales Service

### AVAILABILITY

To all customers taking service under the Company's Rate Schedules RD-1, GSD-1, GSD-2, and GSD-3.

This rate schedule is to be taken in conjunction with the distribution rate schedule for which the customer qualifies.

### APPLICABILITY AND CHARACTER OF SERVICE

This service provides Company-owned natural gas supply to the customer. Customers receiving distribution service under Rate Schedule RD-1 must take all gas service under this rate schedule. Other customers may take gas sales service under this rate schedule for less than full requirements.

The customer taking less than full requirements will be required to nominate, by July 15 of each year, the daily amount of gas, in therms, for the 12-month period beginning the following November 1. The daily amount must be the same for each day of the entire 12-month period. For customers who do not change their nomination by July 15, the nomination will be the prior year nomination. When a service account is established for a new customer, the customer may make an initial FS-1 nomination that will remain in effect for the remainder of the contract year in which the customer begins service. If the new customer begins service between July 15 and October 31, the customer's initial FS-1 nomination will be in effect for the gas contract year beginning on November 1. The Company may allow adjustments to FS-1 nominations of ten therms or less with a one-month notice once per year for a given customer.

Customers who take less than their full requirements under this rate schedule will be required to take the rest of their Peak Day requirements under Rate Schedules IS-1 or DBS-1. Gas supply provided under this rate schedule will be deemed the first gas through the meter.

Customers who take less than their full requirements under this rate schedule in order to determine the amount of gas subject to interruption under an interruptible gas service schedule will have their daily firm nomination treated as follows. On gas days when the Company calls for an interruption after the start of the gas day, the customer's firm entitlement will be their actual FS-1 firm nomination or 750 therms, whichever is lower. The firm entitlement will be considered first through the meter from the point in time the Company requires the interruption. Any FS-1 firm nomination above 750 therms will not be considered first through the meter during periods of interruption. The firm entitlement will be prorated over the gas day on a 24-hour basis to determine the available firm gas supply for the remainder of a gas day from the time an interruption is required. On gas days when the Company calls for an interruption at the start of the gas day, proration of the firm entitlement is not necessary.

### RATE

Administrative charge per therm:

|                   |          |
|-------------------|----------|
| RD-1, GSD-1 ..... | \$0.0163 |
| GSD-2.....        | \$0.0137 |
| GSD-3.....        | \$0.0106 |

Natural gas service per therm: <sup>(1)</sup>

|                |          |
|----------------|----------|
| R Summer ..... | \$0.5333 |
| R Winter ..... | \$0.5934 |

<sup>(1)</sup> 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.

(Continued on Sheet G-30.1)





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## Firm Gas Sales Service

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### PAYMENT

- R Payment is due no later than the due date shown on the bill. 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.

### TRANSFER PROVISION

Any qualifying FS-1 customer may transfer to the Company's Interruptible Gas Sales Service (Rate Schedule IS-1) or Daily Balancing Service (Rate Schedule DBS-1) after providing the Company with at least one-year written notice of their intent to transfer. However, the Company may, at its sole discretion, waive the one-year notification requirement if it is determined that an earlier termination will not unduly harm system supply customers. Such determination will be made by the Company on a case-by-case basis. If the Company denies the customer's request for a transfer prior to the required 12-month time period, the customer will be given the option to pay an *exit* fee designed to compensate the Company for the stranded pipeline reservation costs.

The exit fee will be calculated by taking the difference in the Company's fully bundled FS-1 cost of gas (less the balancing reservation charge) and the Company's actual commodity cost of gas for the months corresponding with those remaining under the 12-month obligation period. This difference will then be multiplied by the customer's historical usage during the same period.

### SPECIAL TERMS AND PROVISIONS

1. Gas obtained under this rate schedule may not be resold by the customer.
2. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
3. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.

(Next Sheet is G-31)



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## Interruptible Gas Sales Service

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### AVAILABILITY

Available to commercial and industrial customers who receive distribution service under the Company's Rate Schedules GSD-2, GSD-3, SUDS-1; to Elroy-area customers who were interruptible customers prior to August 20, 1997, and are served under the Company's Rate Schedule GSD-1; and to Viroqua-area customers who are served under the Company's Rate Schedule GSD-1. This gas service is for annual gas service supplied at a single point of delivery and may be taken in conjunction with the Company's Firm Gas Sales Service rate schedule. Furthermore, the customer will:

1. Contract for service under this rate schedule with the Company for a term of one year with one-year automatic renewals thereafter unless terminated with a six-month written notice to the Company prior to November 1 of the year of termination. However, the Company may, at its sole discretion, waive the six-month notification requirement if the customer has been under contract for IS-1 service for at least one-year and it is determined that an earlier termination will not unduly harm system supply customers. Such determination will be made by the Company on a case-by-case basis.
2. Interrupt service upon request of the Company.
3. Provide and maintain suitable and adequate alternate fuel standby facilities or will discontinue use, during an interruption, of any equipment for which alternate fuel facilities are not maintained.

### APPLICABILITY AND CHARACTER OF SERVICE

Gas supply provided by the Company to any customer under this rate schedule will be on an interruptible basis only and the Company will have the right to interrupt deliveries of gas supply hereunder, whenever and to the extent necessary such interruption, in the sole judgment of the Company, may be required.

- R Electronic meter reading equipment must be installed by the Company before service will be provided on  
R this rate schedule. The customer must allow the Company continuous access at any time for meter reading  
R purposes and provide connection to existing electrical facilities as necessary for operation of the electronic  
R meter reading equipment. Once electronic meter reading is installed, the Company, at its option, may bill the  
R customer based on electronically read consumption, provided that actual meter readings are taken no less  
R often than once every six months to verify the electronically read consumption.

When the Company, in its sole discretion, determines an interruption of gas service is necessary in an area or areas of its service territory, customers receiving service under this rate schedule in any affected area will be interrupted in the following order:

1. The first customers to be interrupted will be customers receiving distribution service on Rate Schedule SUDS-1 in the interruption area.
2. The next group to be interrupted will be customers in Rate Schedule GSD-3 in the interruption area.
3. If further interruption is necessary after all GSD-3 customers in the interruption area are interrupted, then GSD-2 customers will be interrupted.
4. If further interruption is necessary after all GSD-2 customers in the interruption area are interrupted, then GSD-1 customers will be interrupted.

(Continued on Sheet G-31.1)



## Interruptible Gas Sales Service

### RATE

Administrative charge per therm:

|                     |          |
|---------------------|----------|
| GSD-1, SUDS-1 ..... | \$0.0163 |
| GSD-2.....          | \$0.0137 |
| GSD-3.....          | \$0.0106 |

|   |                                                             |          |
|---|-------------------------------------------------------------|----------|
| R | Electronic meter reading charge per day <sup>(1)</sup> .... | \$1.50   |
| R | Natural gas service per therm <sup>(2)</sup> .....          | \$0.4706 |

<sup>(1)</sup> This charge only applies to customers receiving distribution service under the Company's Rate Schedules GSD-1, GSD-2, and GSD-3 and only to Viroqua-area customers if installed.

<sup>(2)</sup> 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. The effective rates will include an interruptible market reservation component determined on a monthly basis.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### 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 the 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:

1. 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, incremental fees, charges, or surcharges 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.

(Continued on Sheet G-31.2)



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## Interruptible Gas Sales Service

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### 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.
- R 2. If, during an interruption, a customer finds it necessary to use some natural gas on an emergency basis, such gas may be requested from the Company under the Backup Sales Service (Rate Schedule BU-1) subject to the terms and conditions of that rate schedule. The customer will nominate the volume of gas to be purchased under the Backup Sales Service rate schedule, and it will take effect when approved by the Company in each case prior to purchase. The approved Backup Sales Service nomination will be considered first gas through the meter, after any FS-1 gas supply, for billing purposes. Should the customer use gas in excess of the Backup Sales Service nomination approved by the Company during an interruption period, the customer will be subject to the unauthorized use clause of this rate schedule.
3. Gas that may be required for the operation of standby fuel equipment only (pilot lights) will be available during periods of interruption under this rate schedule.
- R 4. Gas obtained hereunder will not be resold by the customer.
- R 5. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
6. Any customer receiving service under this rate schedule that wishes to discontinue the service and have the same load served under one of the Company's other system supply sales services will apply for that service in writing. Availability of the requested service will be determined by the Company and the customer will be treated as a new customer in determining the availability of gas.
7. The Company will file a report with the Public Service Commission of Wisconsin after each curtailment. The report will be filed by the Company within 45 days following the event.
8. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
9. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.

### RESERVED RIGHT TO LIMITATION OF ADDITIONAL CONTRACTS

Service under this rate schedule is predicated on the availability to the Company of a sufficient natural gas supply to enable service thereunder to be made available during a major portion of each year without impairment of service to other customers. The Company, therefore, reserves the right to decline acceptance of any additional contracts for service hereunder at such time as, in the Company's sole judgment, the volumes of service already contracted for equal the gas supply available for this class of service.

(Next Sheet is G-32)



## Interruptible Large Boiler Gas Sales Service

### AVAILABILITY

Available to commercial and industrial customers who receive distribution service under the Company's Rate Schedule IGD-1. This gas service is for annual gas service supplied at a single point of delivery. Furthermore, the customer will:

1. Contract for service under this rate schedule with the Company for a term of one year with one-year automatic renewals thereafter unless terminated with a six-month written notice to the Company prior to November 1 of the year of termination.
2. Interrupt service upon request of the Company.
3. Provide and maintain suitable and adequate alternate fuel standby facilities or will discontinue use, during an interruption, of any equipment for which alternate fuel facilities are not maintained.

### APPLICABILITY AND CHARACTER OF SERVICE

Gas supply provided by the Company to any customer under this rate schedule will be on an interruptible basis only, and the Company will have the right to interrupt deliveries of gas supply hereunder, whenever and to the extent necessary such interruption, in the sole judgment of the Company, may be required.

R Electronic meter reading equipment must be installed by the Company before service will be provided on this  
R rate schedule. The customer must allow the Company continuous access at any time for meter reading  
R purposes and provide connection to existing electrical facilities as necessary for operation of the electronic  
R meter reading equipment. Once electronic meter reading equipment is installed, the Company, at its option,  
R may bill the customer based on electronically read consumption, provided that actual meter readings are  
R taken no less often than once every six months to verify the electronically read consumption.

When the Company, in its sole discretion, determines an interruption of gas service is necessary in an area or areas of its service territory, all customers receiving distribution service under Rate Schedule IGD-1 in conjunction with this rate schedule in any affected area will be interrupted before any customers receiving service under GSD-3 are interrupted.

### RATE

|   |                                                    |          |
|---|----------------------------------------------------|----------|
|   | Administrative charge per day .....                | \$50.00  |
| R | Electronic meter reading charge per day...         | \$1.50   |
| R | Natural gas service per therm <sup>(1)</sup> ..... | \$0.4581 |

<sup>(1)</sup> 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. The effective rates will include the interruptible market reservation component (75 percent of the IS-1 Market Reservation Component) determined on a monthly basis. Customers will be charged any and all penalties, incremental fees, and charges or surcharges assessed to the Company by the interstate pipelines that are related to the customer's service.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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-32.1)



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## Interruptible Large Boiler Gas Sales Service

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### 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:

- R 1. 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.
- R 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.
- R Incremental cost, as referenced above, will include any interstate pipeline penalties, incremental fees,
- R charges, or surcharges 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.

### 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.
- 2. If, during an interruption, a customer finds it necessary to use some natural gas on an emergency basis, such gas may be requested from the Company under the Backup Sales Service (Rate Schedule BU-1) subject to the terms and conditions of that rate schedule. The customer will nominate the volume of gas to be purchased under the Backup Sales Service rate schedule, and it will take effect when approved by the Company in each case prior to purchase. The approved Backup Sales Service nomination will be considered first gas through the meter for billing purposes. Should the customer use gas in excess of the Backup Sales Service nomination approved by the Company during an interruption period, the customer will be subject to the unauthorized use clause of this rate schedule.
- R
- R
- 3. The Company will file a report with the Public Service Commission of Wisconsin after each curtailment. The report will be filed by the Company within 45 days following the event.
- 4. Gas that may be required for the operation of standby fuel equipment only (pilot lights) will be available during periods of interruption under this rate schedule.

(Continued on Sheet G-32.2)



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## Interruptible Large Boiler Gas Sales Service

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### SPECIAL TERMS AND PROVISIONS (continued)

- R 5. Gas obtained hereunder will not be resold by the customer.
- R 6. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
7. Any customer receiving service under this rate schedule that wishes to discontinue the service and have the same load served under one of the Company's other system supply sales services will apply for that service in writing. Availability of the requested service will be determined by the Company, and the customer will be treated as a new customer in determining the availability of gas.
8. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
9. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.

### RESERVED RIGHT TO LIMITATION OF ADDITIONAL CONTRACTS

Service under this gas rate schedule is predicated on the availability to the Company of a sufficient natural gas supply to enable service thereunder to be made available during a major portion of each year without impairment of service to other customers. The Company, therefore, reserves the right to decline acceptance of any additional contracts for service hereunder at such time as, in the Company's judgment, the volumes of service already contracted for equal the gas supply available for this class of service.

(Next Sheet is G-33)



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## Large Annual Use Gas Sales Service

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### AVAILABILITY

Available to large annual use customers who receive distribution service under the Company's Rate Schedule SP-1. This gas service is for annual gas service supplied at a single point of delivery with a minimum annual usage of 17 million therms. Customers served on the Company's IGD-1 Interruptible Generation Distribution Service are also eligible for this rate schedule, without the minimum annual usage requirement. Furthermore, the customer will:

1. Contract for service under this rate schedule with the Company for an initial term of five years with one-year automatic renewals thereafter unless terminated. Service can begin at any time the Company is able to provide the service; however, the initial contract year will begin the following November 1 and continue through October 31 of the following year. Notice of termination must be provided to the Company in writing by May 1 of a given year with a one-year termination notice period to begin no earlier than November 1 of that same year.
2. Interrupt the interruptible portion of this service upon request of the Company.
3. Provide and maintain suitable and adequate alternate fuel standby facilities or will discontinue use, during an interruption, of any equipment for which alternate fuel facilities are not maintained down to the level of nominated firm sales service provided hereunder.

### APPLICABILITY AND CHARACTER OF SERVICE

A contracted daily level of gas, subject to availability as determined by the Company, will be provided on a firm basis as first through the meter for customers on this rate schedule. The customer may choose zero therms per day of firm service, but if the customer wishes to contract for firm service, a minimum of 50,000 therms per day will be required. The contracted firm service will remain in effect on a rolling three-year period. Reductions in the contracted firm service will take effect three years after notification from the customer. However, the Company may, at its sole discretion, waive the three-year notification requirement if it is determined that an earlier termination will not unduly harm system supply customers. Increases are subject to availability of firm service from the Company and will take effect when approved by the Company.

Gas used above the contracted firm gas supply will be provided by the Company on an interruptible basis, and the Company will have the right to interrupt deliveries of gas supply hereunder, whenever and to the extent necessary such interruption, in the sole judgment of the Company, may be required.

- R Electronic meter reading equipment must be installed by the Company before service will be provided on  
R this rate schedule. The customer must allow the Company continuous access at any time for meter reading  
R purposes and provide connection to existing electrical facilities as necessary for operation of the electronic  
R meter reading equipment. Once the electronic meter reading equipment is installed, the Company, at its  
option, may bill the customer based on the electronically read consumption, provided that actual meter  
readings are periodically taken to verify the electronically read consumption.

When the Company, in its sole discretion, determines an interruption of gas service is necessary in an area or areas of its service territory, the interruptible portion of service provided hereunder in any affected area will be interrupted before any customers receiving service under Rate Schedule IS-1 are interrupted.

(Continued on Sheet G-33.1)





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## Large Annual Use Gas Sales Service

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### RATE

|   |                                                                    |                            |
|---|--------------------------------------------------------------------|----------------------------|
|   | Administrative charge per day .....                                | \$80.00                    |
| R | Electronic meter reading charge per day .....                      | \$1.50                     |
|   | Natural gas service: <sup>(1)</sup>                                |                            |
|   | Firm reservation rate per therm of contracted firm demand          |                            |
| R | (contractured therms times number of days in billing period) ..... | \$0.0263                   |
|   | Volumetric rate .....                                              | See Pricing Formula below. |

<sup>(1)</sup> Subject to adjustment for purchased gas. See sheet G-38 for purchased gas adjustment clause and refund provision and sheet G-3.1 for the current effective rates. The effective rates will include an interruptible market reservation component (75 percent of the IS-1 Market Reservation Component) for the interruptible portion of gas delivered. The interruptible portion of gas delivered will be total billing period therms less the product of the number of therms of contracted firm sales volume times the number of days in the billing period. The interruptible portion will not be less than zero. Customers will be charged any and all penalties, incremental fees, charges, or surcharges assessed to the Company by the interstate pipelines that are related to the customer's service.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### USAGE ESTIMATES

Customers will, by February 28 of each year, provide the Company with estimates of annual natural gas needs by month for the twelve-month period beginning November 1 of the current year through October 31 of the following year. This will include estimated daily swing volume ranges for each month.

By the 15th of each month, customers receiving service under this rate schedule will provide an estimate of expected gas usage for the next month, including preliminary estimates of daily usage. The usage will be broken down into three pricing categories: System Priced Supply, Fixed Priced Supply, and Daily Priced Supply. Daily volumes will be estimates and can be changed, but only in accordance with the Nominations process described below. Fluctuations of actual volumes when compared to estimate may result in pricing differences as described in Pricing Formula below. On a best-efforts basis, and avoiding harm to other system supply customers, the Company may allow a customer to modify their monthly estimate within the month to acquire additional or dispose of excess monthly supply. The Company reserves the right to reject the estimate or limit the amount of daily swing supply available to the customer if the Company's contracted interstate pipeline capacity is not expected to be available for the service.

(Continued on Sheet G-33.2)



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## Large Annual Use Gas Sales Service

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### PRICING FORMULA

R Gas used by the customer will be priced based on the three separate pricing methods as follows. The price  
R will include applicable pipeline transportation charges but exclude (1) the cost of storage gas and storage-  
R related cost and benefit and (2) financial instrument cost/benefits purchased for sales service other than  
R LS-1.

1. **System Priced Supply.** Unless otherwise elected by the customer or directed by the Company, as described in Nos. 2 and 3 below, gas used by the customer will be priced at the Company's weighted average cost of all gas purchased for the Company's system supply for each month.
2. **Fixed Price Supply.** If a customer desires to fix all or a portion of its gas needs at a certain gas commodity price, the customer will notify the Company. The volume to be fixed will be in 100,000 therm increments. The Company will determine the approximate fixed price in the market and provide the information to the customer. The Company, upon receiving written approval from the customer, will fix the prices based on the prevailing market price, subject to meeting the requirements of the Company's approved Risk Management Plan. The Company will charge the customer any costs incurred to fix the price of the supply. During the month for which the gas price was fixed, the customer will be charged for the physical supply as though it was System Priced Supply. The customer will receive a credit for any net positive benefit of the financial or physical instrument or be charged any additional cost of the net financial or physical instrument as appropriate.
3. **Daily Priced Supply.** Daily priced volumes will be purchased as needed to meet the customer's requirements under two situations: (a) When the customer informs the Company that they wish to have volumes priced on a daily basis or (b) When the Company determines and notifies the customer that it cannot meet the customer's estimated daily demand with supply purchased for the customer using estimates provided by the customer prior to the beginning of the month. If the customer chooses to nominate an amount of gas greater than what the Company has available, the Company will, on a best-effort basis, secure additional Daily Priced Supplies. If the customer has nominated less than what the Company has purchased for the customer through the System Priced Supply or Fixed Price  
R Supply on a day, the Company may sell off such supplies. During the month for which the Daily Priced  
R Supply was secured, the customer will be charged for the physical supply as though it was System  
R Priced Supply. The customer will receive a credit or an additional charge for any cost incurred as a  
R result of either circumstance.

### NOMINATIONS

Daily nominations will be required by 8 a.m. on the business day prior to the gas day for which the nomination will be in effect. The daily nomination will be for the 24 consecutive hours starting at 9 a.m. For this provision, business day will mean any day except Saturday, Sunday, or holidays as determined in the gas supply market. The nomination deadlines are based on current industry definitions, if those definitions change, the Company will change the definitions in this section as appropriate.

The Company will acknowledge a nomination but reserves the right to reject any nomination or limit the amount of daily swing supply available to the customer if pipeline capacity or gas supply are not available.

Intraday nominations may be allowed; however, such nominations are subject to pipeline tariff requirements and market availability. Nomination changes or usage variation from nomination can result in price changes, the cost of which will be passed on to the customer.

(Continued on Sheet G-33.3)



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## Large Annual Use Gas Sales Service

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### MONTHLY CASHOUT

If the customer's actual usage differs from the accepted nomination, the difference will be cashed out monthly in the sequence described below.

1. Daily priced supply will be considered first through the meter. If, at the end of the month, daily priced gas scheduled by the customer exceeds the actual usage of the customer, the customer will reimburse the Company for the cost impact of the excess supply.
2. Fixed price supply monthly gas will be considered next through the meter. Undertakes will be cashed out at the lower of the current month's First of the Month (FOM) Index or the subsequent month's FOM Index. The index price used for the current month and the subsequent month will be the highest FOM price including applicable pipeline transportation charges paid by the Company in determining the System Priced Supply cost for each month.
3. System priced supply will be considered last through the meter. System Priced Supply will be billed based on the gas use in excess of use designated under paragraphs 1 and 2 above.

R A monthly tolerance band will be established as the greater of 300,000 therms or 7 percent of the System Priced Supply monthly nomination. Any overtakes or undertakes within the tolerance band will not be subject to a cashout charge.

Any overtakes or undertakes outside the tolerance band will be subject to an incremental cost cashout charge:

- a. Overtakes will be assessed a premium based on the difference between the current month's System Priced Supply cost and the higher of the current month's System Priced Supply cost, or the subsequent month's System Priced Supply cost. The premium will be zero if the current month's System Priced Supply cost is equal to or higher than the subsequent month's.
- b. Undertakes will be assessed a premium based on the difference between the current month's System Priced Supply cost and the lower of the current month's System Priced Supply cost, or the subsequent month's System Priced Supply cost. The premium will be zero if the current month's System Priced Supply cost is equal to or lower than the subsequent month's.

(Continued on Sheet G-33.4)



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## Large Annual Use Gas Sales Service

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### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### UNAUTHORIZED USE CLAUSE

R Customers are responsible for an additional charge for unauthorized use upon failure to curtail or interrupt natural gas requirements down to the available nominated firm sales volume 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:

1. 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 the incremental cost to the Company that results from a failure to curtail or interrupt or \$10.00 per therm for the gas used in excess of the maximum quantity level requested by the Company.

R Incremental cost, as referenced above, will include any interstate pipeline penalties, incremental costs,  
R charges, or surcharges 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.

(Continued on Sheet G-33.5)



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## Large Annual Use Gas Sales Service

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### 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 down to the available contracted firm daily quantity. Interruptions or curtailments can be called at any time during the day and can be called for daily and hourly flow reasons. When an interruption is called for part of a gas day, the available contracted firm daily quantity will be prorated over the gas day on a 24-hour basis to determine the available firm gas supply for the portion of the gas day that the interruption is required. 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 appropriate firm gas sales rate schedule for which they would otherwise qualify, provided the Company has the capacity to serve the customer under the firm gas sales service rate schedule.

2. Gas obtained hereunder will not be resold.
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. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
5. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to electronic meter reading equipment necessary for service under this rate schedule or the Company's DBS-1 rate schedule. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
6. Any customer receiving service under this rate schedule that wishes to discontinue the service and have the same load served under one of the Company's other system supply sales services or through a third party under Daily Balancing Service, will apply for that service in writing. Availability of the requested service will be determined by the Company. If the customer is requesting one of the Company's gas sales services, the customer will be treated as a new customer in determining the availability of gas.
7. The Company will file a report with the Public Service Commission of Wisconsin after each curtailment. The report will be filed by the Company within 45 days following the event.

### RESERVED RIGHT TO LIMITATION OF ADDITIONAL CONTRACTS

Service under this gas rate schedule is predicated on the availability to the Company of a sufficient natural gas supply to enable service thereunder to be made available during a major portion of each year without impairment of service to other customers. The Company, therefore, reserves the right to decline acceptance of any additional contracts for service hereunder at such time as, in the Company's judgment, the volumes of service already contracted for equal the gas supply available for this class of service.

(Next Sheet is G-34)



## Daily Balancing Service

### AVAILABILITY

The Daily Balancing Service (DBS) is available to customers served under Rate Schedules GSD-1, GSD-2, GSD-3, IGD-1, SP-1, or SUDS-1 and is required for customers delivering Third-Party Natural Gas Supplies to the Company for distribution on the above schedules. This rate schedule applies to balancing service provided to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined and the total administrative charge and electronic meter reading charge will be the same as though one meter was installed.

The customer must have an effective Daily Balancing Service Contract prior to the commencement of service under this rate schedule. Service under this rate schedule will start on the first gas day of the month and terminate on the last gas day of the month.

### APPLICABILITY AND CHARACTER OF SERVICE

Customers under this rate schedule will be responsible for arranging for the purchase and delivery of Third-Party Natural Gas Supplies to the Company's facilities for the term of service under this rate schedule. Deliveries of Third-Party Natural Gas Supplies to the Company must be nominated on a daily basis in accordance with the terms and provisions of this rate schedule. Daily imbalances between nominated Third-Party Natural Gas Supplies and customer usage must also be dealt with in accordance with the terms and provisions of this rate schedule. In calculating daily imbalances, customers will receive the benefit of pooling positive and negative imbalances with other customers by being a member of a Third-Party Balancing Pool or a Company-Administered Balancing Pool. Balancing Service is available to customers to resolve daily imbalances and cash out accumulated monthly commodity imbalances. Customers in the Viroqua service territory may form Third-Party Balancing Pools. Deliveries in the Viroqua service territory must be nominated and balanced separately from deliveries to other areas of the Company.

Electronic meter reading equipment must be installed by the Company before service will be provided on this rate schedule. The customer must allow the Company continuous access at any time for meter reading purposes and provide connection to existing electrical facilities as necessary for operation of the electronic meter reading equipment. Once electronic meter reading equipment is installed, the Company, at its option, may bill the customer based on electronically read consumption, provided that actual meter readings are taken no less often than once every six months to verify the electronically read consumption.

### BALANCING ADMINISTRATIVE RATES

The following charges will apply to each individual customer any month the customer is classified under this rate schedule. The administrative charge recovers the incremental cost of administering Third-Party Natural Gas Supply deliveries. The electronic meter reading charge recovers costs associated with equipment necessary to electronically read the customer's consumption to the Company's offices.

|                                            |        |
|--------------------------------------------|--------|
| Administrative charge per day.....         | \$4.30 |
| Electronic meter reading charge per day... | \$1.50 |

In addition to the Balancing Administration Rates above, Balancing Service Charges and Commodity Cashout Charges/Credits, as described below, will apply to the Pooling Agents of Third-Party Balancing Pools and to individual customers in the Company-Administered Balancing Pool.

(Continued on Sheet G-34.1)



## Daily Balancing Service

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### BALANCING SERVICE IN A COMPANY-ADMINISTERED POOL

R Customers who do not form or join Third-Party Pools to aggregate imbalances will be included in a separate and combined pool administered by the Company (Company-Administered Pool), unless customer selects an alternate balancing service. To the extent that the alternate balancing services do not cover the entire customer's imbalance, the Company will provide Default Balancing Service at the Maximum rates specified in the Balancing Service Charge section of this rate schedule. Customers in a Company-Administered Pool will be subject to a Company-Administered Pool Agreement which must be signed by each customer in the pool. A Company-Administered Pool imbalance will be calculated separately from all Third-Party Pool imbalances.

N Separate Company-Administered Pools may be required for deliveries to pool member customers in individual delivery areas, and these areas may be balanced separately and individually as is deemed necessary by the Company. Customers may join a Company-Administered Pool effective at the beginning of the first gas day of the month or leave a Company-Administered Pool at the end of the last gas day of the month, provided proper notice has been given. Customers electing to be covered by alternate balancing services must form or join a Third-Party Pool.

Each customer must nominate with the Company, on a properly executed Third-Party Natural Gas Supply Nomination Form as specified in the Special Terms and Provisions herein, the gas that will be delivered on a daily basis for the customer. The nominations must be at the pipeline contract level.

R Customers in a Company-Administered Pool will receive the Company's Balancing Service under this rate schedule. For each customer in a pool, an Imbalance Volume will be determined daily. The Imbalance Volume is the absolute difference between the customer's confirmed natural gas nomination, including any Backup Sales Service (BU-1) nomination, and actual usage (imbalance volume). For purposes of this rate schedule, the Customer's Confirmed Natural Gas Nomination is defined as the pipeline nomination that is confirmed and scheduled for delivery to the Company's facilities with a properly executed and Company-accepted Third Party Natural Gas Supply Nomination Form. In the event the allocated delivery to the Company's facility does not match the volume on the accepted Third Party Natural Gas Supply Nomination Form, the difference is subject to the unauthorized nomination charge and/or cashout in accordance with this rate schedule.

R For the purpose of calculating a customer's Imbalance Volume in a Customer-Administered Pool, an individual customer will be allowed to pool the usage and nominations of multiple meters at a single location. Each customer's Imbalance Volume will be adjusted by a Pooling Factor, which will include the imbalance volume diversity of that Company-Administered Pool. The Pooling Factor is the ratio of the customers' aggregated imbalance volumes to the total pool Imbalance Volume. Based on the adjusted Imbalance Volume, each customer in a Company-Administered Pool will incur a Balancing Service Charge and, for monthly imbalance volumes, an Overtake Charge or Undertake Credit, as described in the Cashout Mechanism of this rate schedule.

(Continued on Sheet G-34.2)



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## Daily Balancing Service

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### BALANCING SERVICE IN A COMPANY-ADMINISTERED POOL (continued)

- R Each customer's daily consumption will be as reported on the Company's electronic meter reading  
R equipment at each location. On days when the electronic meter reading equipment fails to operate properly,  
R the Company will estimate the customer's daily consumption during the period the electronically read use  
data is not available. The estimated and actual hourly usage will then be added to obtain daily consumption.

The Company will make available, at a customer's request, a report showing the customer's daily nomination and actual daily usage based on electronically read data and Company adjustment factors.

### BALANCING SERVICE IN THIRD-PARTY POOLS

Customers can form Third-Party Pools to aggregate pool member imbalances. Pooled customers' usage will be aggregated for the purpose of minimizing the total pool's imbalances. All customers that do not participate in a third-party pool will instead be included in a Company-Administered Pool described above. Each Third-Party Pool's imbalances will be calculated separately from other Third-Party Pool imbalances and Company-Administered Pool imbalances. Customers that have formed a Pool will be subject to a Third-Party Pooling Agreement which must be signed by the party responsible for both financial payments and the balancing of the pool (the designated Pooling Agent), and the DBS-1 customer in the pool. The Agreement must then be approved by the Company. Customers may join a given Third-Party Pool effective at the beginning of the first gas day of the month or leave a Third-Party Pool at the end of the last gas day of the month, provided that proper notice has been given.

Pooling Agents must nominate with the Company, on a properly executed Third-Party Natural Gas Supply Nomination Form as specified in the Special Terms and Provisions herein, the gas that will be delivered on a daily basis for the pool. For a Third-Party Pool, the daily nomination must be at the pipeline contract level. Separate nominations may be required for deliveries to pool member customers in individual delivery areas, and these areas may be balanced separately and individually as is deemed necessary by the Company. For purposes of this rate schedule, the Pool's Confirmed Natural Gas Nomination is defined as the pipeline nomination that is confirmed and scheduled for delivery to the Company's facilities with a properly executed and Company-accepted Third Party Natural Gas Supply Nomination Form. In the event the allocated delivery to the Company's facility does not match the volume on the accepted Company Nomination Form, the difference is subject to the unauthorized nomination charge and/or cashout in accordance with this rate schedule.

For each Pool, an Imbalance Volume will be determined daily. The Imbalance Volume for the pool is the absolute difference between the pool's confirmed natural gas nomination not covered by an alternative balancing service, including the combination of the total Backup Sales Service (BU-1) nominations made by individual customers in the pool or by the Pooling Agent, and actual aggregated usage less any usage covered by an alternate balancing service. Usage volumes and Backup Sales Service nominations will be adjusted as necessary to be on a comparable basis with nomination volumes before an overnomination or undernomination is calculated.

Pooling Agents have the option of selecting alternative balancing services to the extent such services are authorized by the transporting pipeline or the Company's Balancing Service for the pool. To the extent that alternative balancing services do not cover the entire imbalance of the pool, the Company will provide Default Balancing Service at the Maximum rates specified in the Balancing Service Charge section of this rate schedule. Based on the pool Imbalance Volume, the Third-Party Pool will incur a Balancing Service Charge and, for monthly imbalance volumes, an Overtake Charge or Undertake Credit under the Cashout Mechanism of this rate schedule.

(Continued on Sheet G-34.3)





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## Daily Balancing Service

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### BALANCING SERVICE IN THIRD-PARTY POOLS (continued)

The party responsible for administration of a pool under this rate schedule (the Pooling Agent) will be billed the Balancing Service Charge for the pool and will be subject to the Commodity Cashout. The Pooling Agent will be billed by the Company monthly. If a Pooling Agent becomes in arrears with the Company, the Company will notify individual pool members. Should the Pooling Agent remain in arrears for a period exceeding thirty days, the Company may bill the individual customers in the pool for any outstanding Balancing Service costs and/or Commodity Cashout that was billed to the Pooling Agent. When this occurs, the customers in that pool will be moved to a Company-Administered Pool and remain there until they form or join another Third-Party Pool.

- R The Third-Party Pool's consumption will be reported from the aggregated volumes recorded by Company's electronic meter reading equipment installed at each pool customer's location. On days when the electronic meter reading equipment fails to operate properly, the Company will estimate the affected customer's daily consumption during the period the electronically read use data is not available. The estimated usage will then be added to the actual hourly usage to obtain the daily consumption of the individual customer. This will be added to the usage data of the other customers in the Third-Party Pool to obtain the pool's daily consumption. The Company will make available, at the Pooling Agent's request, a report showing the pool's daily nomination and daily usage based on electronically read data and Company adjustment factors.

### BALANCING SERVICE CHARGES

The Company will apply the following Balancing Service Charges to the adjusted Imbalance Volume of customers in a Company-Administered Pool and to the Imbalance Volumes of the respective Third-Party Pools that are not covered by an alternative balancing service. The rates are set out in two tiers to minimize the cost impact of Third-Party Natural Gas Supply imbalances on the rates to system sales service customers. Imbalances within the first tier of service receive the benefit of the Company's contracted swing and no-notice services. Imbalances in the second tier receive the benefit of pipeline over-run services that are available to the Company. These tier rates do not recover the commodity cost of gas associated with the imbalances. The commodity cost of gas is cashed out according to the Cashout Mechanism.

The First Tier Maximum Rate is set based on the fully distributed cost of providing balancing service. This rate recovers a full cost allocation of ANR's No-Notice Service (NNS), Enhanced Transportation Service (ETS), and Firm Storage Service (FSS) contracted by the Company for balancing purposes and is effective for Third-Party Pools that default to the Company for balancing because their pipeline balancing service has been interrupted or does not cover the entire pool imbalance. The Second Tier Maximum Rate is equal to the First Tier Maximum Rate plus ANR Pipeline's effective NNS Overrun Charge. These rates will be adjusted accordingly whenever ANR changes its rates.

The First Tier and Second Tier Effective Rates are set monthly based on market information and are not greater than the respective tier Maximum Rates, nor lower than the respective tier Minimum Rates. The Effective Rates are assessed for service provided to customers in a Company-Administered Pool and for Company Balancing Service that is properly elected by Third-Party Balancing Pools.

The First Tier Minimum Rate is based on the variable cost of providing Balancing Service. The Second Tier Minimum Rate is the higher of First Tier Effective Rate or a rate based on ANR Pipeline's effective NNS Overrun Charge.

(Continued on Sheet G-34.4)



## Daily Balancing Service

### BALANCING SERVICE CHARGES (continued)

#### Nonconstraint Day

**First tier rates** for Imbalance Volumes that are either overnominations or undernominations between 0% and 25%:

|   |            | Maximum Rate<br>per Therm | Effective Rate<br>per Therm | Minimum Rate<br>per Therm |
|---|------------|---------------------------|-----------------------------|---------------------------|
| R | DBS charge | \$0.24670                 | (1)                         | \$0.00510                 |

(1) The Effective Rate is discountable between the Maximum and Minimum Rates. See Sheet G-3.1 for the current Effective First Tier Rate.

**Second tier rates** for Imbalance Volumes that are either overnominations or undernominations greater than 25%:

|   |            | Maximum Rate<br>per Therm | Effective Rate<br>per Therm | Minimum Rate<br>per Therm |
|---|------------|---------------------------|-----------------------------|---------------------------|
| R | DBS charge | \$0.28367                 | (1)                         | \$0.03899 (2)             |

(1) The Effective Rate is discountable between the Maximum and Minimum Rates. See Sheet G-3.1 for the current Effective First Tier Rate.

(2) The higher of this rate or the Effective First Tier Rate.

Any over-run or under-run charges, incremental fees, charges, surcharges, and/or penalties assessed by pipelines will be prorated among those customers in a Company-Administered Pool and/or Third-Party Pools that contributed to the cause of the costs. The daily balancing revenues received from balancing charges at rates higher than the Effective First-Tier Rate will be netted against these pipeline charges or penalties assessed on the same day on each month's Balancing Service bill for affected customers or Third-Party Pools.

#### High-Flow Constraint Condition

A High-Flow Constraint Condition is one in which the Company expects natural gas demand in an area or areas of its service territory to exceed the available delivered supply of gas. The condition can result from, but will not be limited to, economic factors, extremely cold weather, pipeline regulator or compressor failure, main breaks, and other emergency situations.

When the Company determines that a High-Flow Constraint Condition exists, the Company will declare a High-Flow Constraint Period in the affected area(s). During this period, the Company will: (1) require customers using Third-Party natural gas supplies to use no more than their daily confirmed, scheduled, and Company-accepted pipeline nominations and (2) to the extent necessary, interrupt interruptible customers. One or both of these actions may be necessary to (a) avoid incurring pipeline penalties, (b) assure adequate supplies are available for firm sales service needs, and (c) to preserve system integrity. Separate nominations will be required for deliveries to pool member customers in individual constrained areas, and these areas may be balanced separately and individually as is deemed necessary by the Company. Company personnel will give Pooling Agents and/or customers as much advance notice of a High-Flow Constraint Condition as possible. Notice of a High-Flow Constraint Condition may also be given after the start of a gas day.

(Continued on Sheet G-34.5)

## Daily Balancing Service

### BALANCING SERVICE CHARGES (continued)

- N Imbalance Volumes for over-nominations (undertakes) will be subject to the Nonconstraint Day First Tier and Second Tier Balancing Service Charges. Any over-run or under-run charges, incremental fees, charges, surcharges, and/or penalties assessed by pipelines will be prorated among those customers in a Company-Administered Pool and/or Third-Party Pools that contributed to the cause of the costs. The daily balancing revenues received from balancing charges at rates higher than the Effective First-Tier Rate will be netted against these pipeline charges or penalties assessed on the same day on each month's Balancing Service bill for affected customers or Third-Party Pools.
- R Imbalance volumes for undernominations (overtakes) will be subject to the Nonconstraint Day First Tier and
- R Second Tier Balancing Service Charges and an additional unauthorized-use charge. Availability of this charge does not preclude Company from physically controlling customer's gas supply upon customer's failure to curtail to confirmed, scheduled, and Company-accepted pipeline delivery volume. The additional charge for unauthorized use will be assessed as follows:
1. 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 allowed by the Company.
  - R 2. During a curtailment or interruption when interstate pipeline capacity is limited, 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 allowed by the Company.
  3. The Company will file a report with the Public Service Commission of Wisconsin after each constraint. The report will be filed by the Company within 45 days following the event.
- R Incremental cost, as referenced above, will include any interstate pipeline penalties and/or incremental
- R Reservation charges or surcharges 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. To the extent that gas commodity charges are assessed through this provision, the volume assessed charges in this mechanism will not be subject to cash out in the cashout mechanism.

### Low-Flow Constraint Condition

- A Low-Flow Constraint Condition is one in which the Company expects natural gas supplies delivered to the Company exceed demand in an area or areas of its service territory.
- R When the Company determines that a Low-Flow Constraint Condition exists, the Company will declare a Low-Flow Constraint Period in the affected area(s). During this period, the Company will require customers using Third-Party Natural Gas Supplies to use no less than their daily confirmed, scheduled, and Company-accepted pipeline nominations to avoid incurring pipeline penalties. Separate nominations will be required for deliveries to pool member customers in individual constrained areas, and these areas may be balanced separately and individually as is deemed necessary by the Company. Company personnel will give Pooling Agents and/or customers as much advance notice of a Low-Flow Constraint Condition as possible. Notice of a Low-Flow Constraint Condition may also be given after the start of a gas day.

(Continued on Sheet G-34.6)



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## Daily Balancing Service

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### BALANCING SERVICE CHARGES (continued)

Imbalance Volumes for under-nominations will be subject to the Nonconstraint Day First Tier and Second Tier Balancing Service Charges.

- R During a Low-Flow Constraint Condition when the pipeline does not assess any under-run charges,
- R incremental fees, charges, surcharges, and/or penalties, the Imbalance Volumes for over-nominations will be subject to the Nonconstraint Day First Tier and Second Tier Balancing Service Charges.
- R During a Low-Flow Constraint Condition when the pipeline does assess under-run charges, incremental
- R fees, charges, surcharges, and/or penalties, the Imbalance Volumes for over-nominations will be assessed the applicable pipeline charges caused by customers receiving Third-Party Natural Gas Supply in addition to the Nonconstraint Day First Tier and Second Tier Balancing Service Charges. Any over-run or under-run
- R charges, incremental fees, charges, surcharges, and/or penalties assessed by pipelines will be prorated among those customers in a Company-Administered Pool and/or Third-Party Pools that contributed to the
- R cause of the costs. The daily balancing revenues received from balancing charges at rates higher than the Effective First-Tier Rate will be netted against these pipeline charges or penalties assessed on the same day on each month's Balancing Service bill for affected customers or Third-Party Pools.

### Selective Constraint - Underdelivery

An Underdelivery Selective Constraint may be called for an individual customer or pool before or during a gas day if:

1. The delivered Chicago City Gate index price is at least 110 percent of the current month's weighted average delivered cost of gas, including gas in storage, and the Company believes a customer or Third-Party Pool is either:
  - a. Underdelivering by more than 4,000 therms, or
  - b. Underdelivering by at least 1,000 therms and the percentage underdelivery is expected to be greater than 10 percent of the expected usage; or
2. The underdelivery percentage is expected to be greater than 20 percent; or
3. The underdelivery is expected to be greater than 7,500 therms.

When the Company notifies a customer or Pooling Agent that they are subject to a Selective Constraint, the daily usage of the affected customer or balancing pool will be monitored. If it is determined that the preceding underdelivery limits are exceeded, then the customer or Pooling Agent will be assessed High-Flow Constraint Day charges on the undernominations. If it is determined that a customer or Third-Party Pool subject to a Selective Constraint did not exceed the preceding limits, then any imbalance volumes will be subject to the normal balancing charges in effect on the Company's system. When an Underdelivery Selective Constraint is called, and the customer or pool for whom the constraint is called delivers adequate supply during the constraint period, overnomination balancing charges during that period may be waived.

(Continued on Sheet G-34.7)



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## Daily Balancing Service

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### M BALANCING SERVICE CHARGES (continued)

#### Selective Constraint - Overdelivery

An Overdelivery Selective Constraint may be called for an individual customer or pool before or during a gas day if:

1. The delivered Chicago City Gate index price is less than 90 percent of the current month's weighted average delivered cost of gas, including gas in storage, and the Company believes a customer or Third-Party Pool is either:
  - a. Overdelivering by more than 4,000 therms, or
  - b. Overdelivering by at least 1,000 therms and the percentage overdelivery is expected to be greater than 10 percent of the expected usage; or
2. The overdelivery percentage is expected to be greater than 20 percent; or
3. The overdelivery is expected to be greater than 7,500 therms.

When the Company notifies a customer or Pooling Agent that they are subject to a Selective Constraint, the daily usage of the affected customer or balancing pool will be monitored. If it is determined that the preceding overdelivery limits are exceeded, then the customer or Pooling Agent will be assessed a balancing fee on the overdeliveries equal to the higher of the First Tier Maximum Rate or the incremental cost to the Company of selling gas supply within 20 days of the constraint period to avoid violating pipeline storage contract restrictions. If it is determined that a customer or Third-Party Pool subject to a Selective Constraint did not exceed the preceding limits, then any imbalance volumes will be subject to the normal balancing charges in effect on the Company's system. When an Overdelivery Selective Constraint is called, and the customer or pool for whom the constraint is called does not overdeliver gas supply during the constraint period, undernomination balancing charges during that period may be waived.

### M CASHOUT MECHANISM

When the actual usage of customers in a Company-Administered Pool and/or the usage of a Third-Party Pool is more than the customer's or pool's confirmed natural gas nomination respectively, the Company's purchased natural gas supply is being utilized, and the customers in a Company-Administered Pool and/or the Third-Party Pool(s) will be assessed the Overtake Charges listed below. When the opposite occurs and excess natural gas is left on the Company's system, the customers in a Company-Administered Pool and/or the Third-Party Pool(s) will receive the appropriate Undertake Credit on their Balancing Service bills as described below. Commodity Cashout charges and/or credits will be included on the Balancing Service bill that is sent to the respective Pooling Agent as long as the Pooling Agent continues to pay its bills in a timely manner. If the Pooling Agent of a given Third-Party Pool does not pay the Company for the billed amount for a period exceeding 30 days, the Company may bill the customer(s) that are members of the respective Third-Party Pool based on their individual usage.

The monthly imbalance volume is the accumulated daily volumes for the billing period.

(Continued on Sheet G-34.8)



## Daily Balancing Service

### CASHOUT MECHANISM (continued)

#### Cashout Price Supply Area Definitions

Several supply area prices are compared for the calculation of the Overtake Cashout Price and the Undertake Cashout Price as further described in their sections below. The descriptions for the components to be used in each supply area's pricing structure is defined as follows:

| Supply Area  | Index Designation <sup>(1)</sup>     | Pipeline | Receipt Segment     | Delivery Segment |
|--------------|--------------------------------------|----------|---------------------|------------------|
| SE           | Louisiana - Onshore South - ANR, La. | ANR      | Southeast Area (SE) | Northern (ML-7)  |
| SW           | Oklahoma - ANR, Okla.                | ANR      | Southwest Area (SW) | Northern (ML-7)  |
| Joliet Hub   | City Gates - Chicago - City Gates    | ANR      | Northern (ML-7)     | Northern (ML-7)  |
| NNG - Vent   | Others - Northern (Ventura)          | NNG      | Market MID17        | Market MID17     |
| NNG - Demarc | Others - Northern (Demarc)           | NNG      | Market MID16B       | Market MID17     |

<sup>(1)</sup> *Gas Daily's* "Weekly Weighted Average Prices" index identifier. In the event index changes or becomes unavailable, an industry-accepted equivalent will be substituted.

#### Overtake Charges

The Overtake Charge will be equal to the aggregated monthly imbalance volume within each Overtake Variance percentage bracket multiplied by the applicable percentage of the Cashout Price. The Overtake Variance percentage is calculated by dividing the monthly imbalance volumes by a Company-Administered Pool Customer's or Third-Party Pool's monthly confirmed natural gas nominations. Each respective Company-Administered Pool Customer or Third-Party Pooling Agent will pay the indicated percentage(s) of the Cashout Price for the quantities of Imbalance Volume that fall within each respective bracket. Cashout Charges will be billed monthly.

| <u>Overtake Variance Percentage</u> | <u>Percentage of Overtake Cashout Price <sup>(1)</sup> Paid by Customer to Company</u> |
|-------------------------------------|----------------------------------------------------------------------------------------|
| > 0% and up to 3.5% .....           | 100%                                                                                   |
| > 3.5% and up to 10% .....          | 115%                                                                                   |
| > 10% and up to 15% .....           | 130%                                                                                   |
| > 15% and up to 20% .....           | 140%                                                                                   |
| > 20% .....                         | 150%                                                                                   |

<sup>(1)</sup> See Sheet G-3.2 for the Overtake Cashout prices effective in the most recently completed cashout month.

For purposes of this provision, the Overtake Cashout Price is the higher of:

- R
1. The average of the highest four (4) weekly prices calculated price of all the defined supply areas for the month. Each price is calculated as follows: The price in the *Gas Daily* "Weekly Weighted Average Prices" table (of each week that ends during the billing month) reported for the Index Designation or a calculated Weekly Weighted Average price (of each flow day Daily Price of applicable week), plus the appropriate Pipeline's Interruptible rate schedule transportation costs and surcharges and equivalent fuel costs from the Pipeline's Receipt Segment to the Pipeline's Delivery Segment plus the Company's interruptible gas supply administrative charge; or
  2. The weighted average delivered cost of gas filed in the Company's PGA plus the Company's interruptible gas supply administrative charge.

(Continued on Sheet G-34.9)



## Daily Balancing Service

### CASHOUT MECHANISM (continued)

#### Undertake Credit

- R The Undertake Credit will be equal to the aggregated monthly imbalance volume within each Undertake Variance percentage bracket multiplied by the applicable percentage of the Undertake Cashout Price. The Undertake Variance percentage is calculated by dividing the monthly imbalance volume by a Company-Administered Pool Customer's or Third-Party Pool's monthly confirmed natural gas nominations. The Company will credit each respective Company-Administered Pool Customer or Third-Party Pooling Agent the indicated percentage(s) of the Cashout Price for the quantities of imbalance volume that fall within each respective bracket. The Company will then own this natural gas.

| <u>Overtake Variance Percentage</u> | <u>Percentage of Overtake<br/>Cashout Price <sup>(1)</sup> Paid<br/>by Customer to Company</u> |
|-------------------------------------|------------------------------------------------------------------------------------------------|
| > 0% and up to 3.5% .....           | 100%                                                                                           |
| > 3.5% and up to 10% .....          | 85%                                                                                            |
| > 10% and up to 15% .....           | 70%                                                                                            |
| > 15% and up to 20% .....           | 60%                                                                                            |
| > 20% .....                         | 50%                                                                                            |

- R <sup>(1)</sup> See Sheet G-3.2 for the Undertake Cashout Credits effective in the most recently completed cashout month.

For purposes of this rate schedule, the Undertake Cashout Credit is the lower of:

- R 1. The average of the lowest four (4) weekly prices calculated price of all the defined supply areas for the month. Each price is calculated as follows: The price in the *Gas Daily* "Weekly Weighted Average Prices" table (of each week that ends during the billing month) reported for the Index Designation plus the appropriate Pipeline's Interruptible rate schedule transportation costs and surcharges and equivalent fuel costs from the Pipeline's Receipt Segment to the Pipeline's Delivery Segment; or
2. The weighted average delivered cost of gas in the Company's monthly PGA.

#### TERM

The customer must take service for a minimum 12-month period under this rate schedule. This service will automatically be extended for additional 12-month periods unless otherwise terminated.

Service under this rate schedule will be terminated as follows:

1. The Company has received written notice of termination of service under this rate schedule to be effective at the end of the 12-month period at least 30 days prior to the end of a 12-month period;
2. The Company has determined that the customer fails to qualify for service under this rate schedule. In this event, the termination will be effective the first day of the month immediately following such determination.

(Continued on Sheet G-34.10)



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## Daily Balancing Service

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### M SPECIAL TERMS AND PROVISIONS

1. The Company reserves the right, subject to regulatory requirements, to change the terms and conditions of this rate schedule resulting from changes made by any of the transporting interstate pipelines in their terms and conditions for transportation service.
2. The Company will provide balancing on a Company-Administered Pool Customer's or Third-Party Pool's behalf only upon receipt from the respective Company-Administered Pool Customer or Third-Party Pooling Agent of a properly completed and executed Third-Party Natural Gas Supply Nomination Form; the form of which will be specified by the Company.

Each Third-Party Natural Gas Supply Nomination Form is subject to acceptance by the Company prior to becoming effective. Any nomination for the delivery of natural gas supply by a customer or pooling agent must be received by the Company one hour prior to pipeline nomination cycles.

All information requirements described herein must be satisfied in order for any nomination to be processed by the Company. All nominations, including intraday nominations, will be a daily quantity. Nominations will be subject to the delivering pipeline flow rules including, but not limited to, hourly flow rights as defined by pipeline tariffs.

The Company will allow nominations for the following cycles as defined by NAESB Standards: Timely, Evening, Intraday 1, and Intraday 2. Nominations made and accepted by the Pipeline at any time other than the above-defined cycles will be accepted at the sole discretion of the Company.

Nominations confirmed on the pipeline for any cycle not defined above does not deem acceptance by the Company.

If a nomination is not received by the appropriate deadline, a \$10.00 charge per account will be assessed for each instance the nomination is late provided the customer or Pooling Agent has not made other arrangements with the Company. In addition, the Company may, at the Company's sole discretion, not confirm and/or accept any nomination on the pipeline if the nomination is not received by the Company by the appropriate deadline.

The customer or Pooling Agent must submit a revised nomination to the Company any time the amount of gas to be delivered by the pipeline(s) or any other information contained on the most recently submitted Third-Party Natural Gas Supply Nomination Form changes, regardless of whether the changes were initiated by the customer (or Pooling Agent) or the pipeline. If notification is not received in a timely manner, the Company may, in the Company's sole discretion, not confirm and/or accept the nomination.

The nominations given to and accepted by the Company must match the nominations given to the pipeline transporter and confirmed, scheduled, and delivered by the pipeline, or the difference between the Company-accepted nomination and the nomination confirmed, scheduled and delivered by the pipeline will be subject to unauthorized nomination charge of \$0.05 per therm. The Company will then adjust either the Company nomination or pipeline nomination as it determines is appropriate for the situation.

(Continued on Sheet G-34.11)





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## Daily Balancing Service

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### SPECIAL TERMS AND PROVISIONS (continued)

3. Gas supplies must be delivered by each customer in a Company-Administered Pool and the Pooling Agent of each Third-Party Pool under separate and distinct pipeline transportation agreements, unless the parties that arrange for joint use of a pipeline transportation agreement file an agreement with the Company indicating how the nomination is split between Third-Party Pools (or between customers in a Company-Administered Pool) and how the parties would like nomination curtailments or other adjustments to be allocated. The Company reserves the right to make the final determination of how changes in nominations of joint-use contracts will be allocated.
4. If an upstream transporter notifies a Company-Administered Pool Customer or Third-Party Pool that deliveries to the Company's distribution system on behalf of the respective Company-Administered Pool Customer or Third-Party Pool are interrupted, the respective customer or Pooling Agent will promptly advise the Company of such notification.
5. Customers or Pooling Agents may purchase gas from the Company under the Backup Sales Service rate schedule subject to the terms and conditions of that rate schedule. The customer or Pooling Agent will nominate the volume of gas to be purchased under the Backup Sales Service rate schedule and the Company must approve it prior to purchase. Any Backup Sales Service will be considered to be through the meter prior to Third-Party Natural Gas Supply in the application of the balancing provisions of this rate schedule.
6. The purchase of gas under any of the Company's Interruptible Gas Sales Service rate schedules is not permitted during the period balancing is being provided under this rate schedule. Gas may be purchased under the Company's Firm Sales Service Schedule in conjunction with service provided under this rate schedule. If Firm Sales Service is used in conjunction with this rate schedule, the Firm Sales Service must be nominated according to the Terms and Provisions of the Firm Sales Service rate schedule and will be considered the first gas through the meter.
7. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to standard electronic meter reading equipment necessary for service under this rate schedule. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
8. Any customer receiving service under this rate schedule who, after the term of service, wishes to discontinue this service and have the same load served under one of the Company's other rate schedules will apply for that service in writing. Availability of the requested service will be determined by the Company. Customers may not move or be removed from a Third-Party Pool by a pooling agent without written notice at least three business days prior to the move to be effective on the first gas day of the month. The customer will be treated as a new customer in determining the availability of gas.
9. Measurement of gas delivered to the customer will be through the Company's meter at the customer's facilities and billing will be based on measurements adjusted to Company standard conditions.

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(Continued on Sheet G-34.12)



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## Daily Balancing Service

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### SPECIAL TERMS AND PROVISIONS (continued)

10. Gas delivered by the Company under this rate schedule will be commingled with other natural gas, vaporized liquefied natural gas, and propane-air vapor which is delivered by the Company. Accordingly, the gas of the customer will be subject to such changes in heat content as may result from such commingling, and the Company will be under no obligation to redeliver for the customer's account gas of a heat content identical to that caused to be delivered by the customer to the Company.
11. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
12. If firm and interruptible distribution customers are part of the Third-Party Pool, separate nominations for firm volumes and interruptible volumes are required. This requirement is for interruption administration and does not normally affect daily balancing service.
13. When interruption of interruptible distribution service is necessary, the Company will notify the Pooling Agent in addition to notifying the customer.
14. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
- N { 15. Individual Firm Gas Sales Service (FS-1) or Backup Sales Service (BU-1) customers will not resell gas supplied hereunder. Pooling agents may resell gas to customers in their designated MGE Third-Party Balancing Pool.

(Next Sheet is G-35)



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**ANR Hourly Operational Flow Order Rider (Experimental)**

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*This rate schedule is effective in all areas served with natural gas by the Company and ANR Pipeline. This rider will remain in effect on an experimental basis until otherwise determined by the Public Service Commission of Wisconsin (PSCW).*

**APPLICABILITY**

This rider applies to all customers and Third-Party Balancing Pools served under the Company's Daily Balancing Service (DBS) tariff that transport natural gas supplies on ANR Pipeline. The total quantity of gas available to a customer or their pooling agent may be limited on an hourly basis by the Company to the quantity allowable under provisions of contracts or tariffs of ANR Pipeline Company. Hourly take restrictions will apply when ANR Pipeline enacts its hourly Operation Flow Order (OFO). Third-Party Balancing Pool Agents are responsible for ensuring its pool customers comply. The Pooling Agent is also responsible for any costs and penalties that may be charged as a result of its end-use customers' actions during an OFO. If a Pooling Agent becomes in arrears with the Company, the Company will notify individual pool members. Should the Pooling Agent remain in arrears for a period exceeding 30 days, the Company may bill the individual customers in the pool for any outstanding charges resulting under this rate schedule.

R Consumption will be reported in pipeline units as calculated from volumes recorded by the Company's  
R electronic meter reading equipment installed at each customer's location. For periods when electronic meter  
R reading equipment fails to operate properly, the Company will estimate the affected customer's consumption  
R during the period the electronic meter reading equipment was not operating properly. If the customer is in a  
Third-Party Pool, the estimated usage will be added to the measured hourly usage of the other customers in  
the pool to determine total pool hourly consumption.

**HOURLY BALANCING REQUIREMENTS**

The DBS is designed and priced to address daily imbalances when the underlying pipeline contract requirements are implemented on a daily basis. Hourly balancing requirements through this rider are additional conditions that result from the implementation of pipeline tariff and/or contract hourly flow restrictions specified in the pipeline's Federal Energy Regulatory Commission (FERC) tariff and/or contract(s) each shipper has with each upstream pipeline. As specified in the order in Docket 05-GI-112, the hourly requirements of ANR Pipeline may be applied. The Company will attempt to notify Third-Party Pool Agents and Company-Administered Pool Customers as soon as possible when it becomes aware of hourly flow restrictions being implemented by ANR Pipeline.

When ANR Pipeline implements its tariff and/or contractual hourly flow requirements, Company-Administered Pool Customers and Third-Party Pooling Agents must comply with the hourly flow restrictions of the pipeline contracts used to make deliveries. Any charges or penalties assessed by ANR Pipeline relative to these requirements will be prorated among customers or pools based on their imbalances compared to their hourly contractual pipeline delivery rights.

In addition to the above, hourly flow imbalances that contribute to the loss of ANR Pipeline's minimum-pressure agreement may be assessed a penalty charge under the general or selective constraint provisions of this tariff.

(Continued on Sheet G-35.1)



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**ANR Hourly Operational Flow Order Rider (Experimental)**

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**GENERAL HOURLY CONSTRAINT CONDITION**

A General Hourly Constraint Condition is one in which the Company expects actual hourly gate station flows may exceed the pipeline hourly flow requirements such that it may result in the loss of the Company minimum-pressure guarantee from ANR Pipeline to an area or multiple areas of the Company's service territory.

When the Company determines a General Hourly Constraint Condition exists, the Company may declare a General Hourly Constraint Period in the affected area(s). During this period, Company-Administered Pool Customers and each Third-Party Pool will be required to utilize gas in accordance with the hourly flow restrictions of the pipeline delivery contracts being utilized. Failure to comply with this General Hourly Constraint Condition may result in an unauthorized use charge of \$1.00 per therm being assessed under this provision. This charge will be assessed if the following conditions are met: a Company-Administered Pool Customer or a Third-Party Pool as a group is in violation of the hourly flow restrictions, and the Company exceeded the maximum allowable flow at any gate stations under its minimum-pressure guarantee. The Company will give as much notice of a General Hourly Constraint Period as possible, normally not less than two hours. Notice of a General Hourly Constraint Period may also be given after the start of a gas day. In accordance with the order in Docket 05-GI-112, a report will be filed with the PSCW prior to the assessment of penalties under this provision.

**HOURLY SELECTIVE CONSTRAINTS**

An Hourly Selective Constraint may be called for an individual customer or pool before or during a gas day if:

1. A critical notice is issued by ANR Pipeline and/or the Company believes the usage of a customer or pool is likely to be in violation of the hourly flow restrictions of the pipeline services used by the customer or pool by:
  - a. More than 750 therms in any hour; or
  - b. More than 250 therms in any hour and the percentage underdelivery or overdelivery for an hour is expected to be greater than 10 percent of expected use; or
  - c. The percentage underdelivery or overdelivery for an hour is expected to be greater than 25 percent of the expected use.
2. When the Company notifies a customer or Pooling Agent that they are subject to an Hourly Selective Constraint, the daily usage of the affected customer or balancing pool will be monitored. If it is determined the preceding underdelivery or overdelivery limits are exceeded, then the customer or Pooling Agent will be assessed a charge of \$1.00 per therm on the underdeliveries or overdeliveries. In accordance with the order in Docket 05-GI-112, a report will be filed with the PSCW prior to the assessment of penalties under this provision.

(Next Sheet is G-36)



## 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

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: <sup>(1)</sup>

|                                         |          |
|-----------------------------------------|----------|
| R Summer per therm <sup>(2)</sup> ..... | \$0.5333 |
| R Winter per therm <sup>(2)</sup> ..... | \$0.5934 |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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)



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## Backup Sales Service

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### 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:

1. 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)



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## Backup Sales Service

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### 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.
2. 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.



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## Purchased Gas Adjustment and Refund Provision

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### GAS SUPPLY PLAN

- R A Gas Supply Plan (Plan) will be filed with the Public Service Commission of Wisconsin (PSCW) by July 1 for the upcoming November through October contract year. The Company can request the Plan be updated as the contract year progresses if significant changes occur in the forecast for the remainder of the contract year.

### FILING AND APPROVAL

- R The Company will calculate a purchased gas adjustment (PGA) each month to reflect changes to the base gas costs. The PGA will also include the reconciliation between actual gas costs and the amount recovered from customers during the PGA year. In addition, the PGA filing may include refunds received by the Company from interstate pipelines.

The Company will file the proposed changes to the effective rates under the operation of the PGA schedule with the Commission prior to the first day of each month. These rates will be effective as of the first day of the month following the filing, will be subject to change and, if necessary, refund upon Commission review within a 21-day period from receipt of the filing by Commission staff. The PGA filings will include the rate sheets, the Commission's standardized PGA report, and any supporting information that may be necessary.

The Company will file with the Commission significant deviations from the Company's approved Gas Supply Plan. Upon approval, any significant change in sales data may be reflected in future PGA filings. Any significant changes in firm capacity, storage, firm supply, and any other reliability-related change must be filed for Commission approval at least 21 days prior to the effective date of the change.

For purposes of the operation of this schedule, the PGA year will be the period from November 1 through October 31, which is consistent with the planning periods from the Company's Gas Supply Plan.

### BASE AVERAGE GAS COST RATE COMPONENTS

- R The Company's base average cost of gas rate components, as calculated in Docket 3270-UR-126, are as follows:

|   |                                                                    |          |
|---|--------------------------------------------------------------------|----------|
| R | Annual Demand per therm .....                                      | \$0.0712 |
| R | Seasonal Demand per therm.....                                     | \$0.0601 |
| R | Commodity per therm .....                                          | \$0.4517 |
| R | Balancing Reservation per therm .....                              | \$0.0104 |
| R | LS-1 Firm Reservation per therm of contracted demand per day ..... | \$0.0263 |

When the Company's cost of gas changes from these base average gas costs, new average gas cost rate components will be calculated as noted below.

- R There are two basic categories of costs that flow to the various cost of gas rate components: (1) Pipeline Capacity Costs, FERC-Approved/Mandated Rates and Charges, and Gas Supply Costs, and (2) Commodity Benchmark, Pipeline Capacity Costs, and FERC-Approved/Mandated Rates and Charges.

(Continued on Sheet G-38.1)





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## Purchased Gas Adjustment and Refund Provision

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### BASE AVERAGE GAS COST RATE COMPONENTS (continued)

#### Pipeline Capacity Costs, FERC-Approved/Mandated Rates and Charges, and Gas Supply Costs

These costs will be included as part of the approved Plan and will be estimated prior to the beginning of the month to determine the total dollars to be collected. When actual costs are known, the beginning of the month estimate will be reconciled with the actual costs. The difference will then be collected or refunded in a future PGA filing. The estimated gas supply costs associated with certain financial instruments, premiums/discounts associated with special LS-1 purchases, Carlton premiums/discounts and variable balancing charges will be treated in the same manner as the Pipeline Capacity Costs, FERC-Approved/Mandated Rates and Charges, Capacity Release Revenues, and Gas Supply Costs and included directly in the PGA. When actual costs are known, the beginning of the month estimate will be reconciled with the actual costs. The difference will then be collected or refunded in a future PGA filing.

#### Commodity Benchmark

A commodity benchmark will be calculated for the beginning of each month and will be used to calculate the commodity cost of gas that is included in the current month's PGA. This benchmark will include the adder defined in the Gas Supply Adder section of this schedule. The benchmark will also be compared with actual costs as noted in the Comparison of Benchmark to Actual section of this schedule below.

The commodity benchmark costs will be calculated for each supply area, including storage, based on Plan volumes and prices by supply area. For the current month's PGA, the sum of the area benchmark costs will provide the total commodity benchmark dollar amount for the PGA. For the Comparison of Benchmark to Actual, the sum of the area benchmark costs will be divided by the Plan volume total to provide the benchmark unit cost for comparison to actual.

The supply area benchmark costs will be calculated by multiplying the expected volumes as listed in the Plan by the index plus fuel, variable pipeline transportation costs, FERC-Approved/Mandated variable rates and charges, second pipeline costs, and the adder for the supply area. The index by supply area is the first-of-the-month published area index price except for the purchases described below. The supply area benchmark cost for storage withdrawals will be determined by multiplying the expected volumes as identified in the Plan by the Weighted Average Cost of Gas (WACOG) in storage at the beginning of the month plus fuel, variable pipeline transportation costs, storage withdrawal costs, FERC-Approved/Mandated variable rates and charges, and the adder. The fuel, variable pipeline transportation costs, storage withdrawal costs, FERC-Approved/Mandated variable rates and charges, second pipeline costs, and adder will be allowed to change any time the change has been filed with the FERC or the PSCW.

(Continued on Sheet G-38.2)

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**Purchased Gas Adjustment and Refund Provision**

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**BASE AVERAGE GAS COST RATE COMPONENTS (continued)**

R The supply area benchmark index price for gas supply purchased under a contract for the Carlton sourcing obligation, containing a demand charge, reservation fee, and/or premium/discounts will be the actual price of gas as listed on the contract. The demand charge, reservation fee and premium/discounts will be treated in the same manner as the Pipeline Capacity Costs, FERC-Approved/Mandated Rates and Charges and Gas Supply Costs. The fuel, FERC-Approved/Mandated variable rates and charges, and variable pipeline transportation costs will be allowed to change any time the change has been filed with the FERC or the PSCW.

The commodity cost of gas for LS-1 service excludes the cost of storage gas and storage-related cost and benefit included in the PGA. The LS-1 Daily Priced Supply or physical Fixed Price Supply difference between the actual price of gas plus fuel, FERC-Approved/Mandated variable rates and charges, and variable transportation costs and the appropriate index price, fuel, FERC-Approved/Mandated variable rates and charges, and variable transportation costs and any financial instruments will be treated in the same manner as the Pipeline Capacity Costs, FERC-Approved/ Mandated Rates and Charges, and Gas Supply Costs and will be collected or refunded in a future PGA filing.

The individual supply area benchmark costs will be added together to determine the total beginning-of-the-month commodity benchmark costs. This commodity benchmark cost will be added to the gas supply costs for the PGA commodity rate calculation.

**Storage**

**Injection period.** Gas will be injected into storage at the WACOG for the entire MGE system at the time of injection. In addition to the WACOG, the cost of gas injected into storage will be increased to reflect any additional fuel, variable pipeline transportation costs, FERC-Approved/Mandated variable rates and charges, injection costs, inventory costs or any other cost applicable to the storage injection.

If there is a net withdrawal during an injection month, the gas withdrawn from storage will be valued at the beginning of the month WACOG in storage. The adder will apply to storage as well as the withdrawal costs, fuel, FERC-Approved/Mandated variable rates and charges, and variable pipeline transportation costs to MGE gate stations.

**Withdrawal period.** The gas will be withdrawn from storage at the WACOG in storage at the beginning of the withdrawal month. The adder will apply to storage as well as the withdrawal costs, fuel, FERC-Approved/Mandated variable rates and charges, and the variable pipeline transportation costs to MGE gate stations.

If there is a net injection during a withdrawal month, the net amount of gas injected into storage during a withdrawal month will be valued at the first-of-the-month benchmark unit cost for all gas during the month of injection. In addition, the cost of gas injection into storage will be increased to reflect any additional fuel, variable pipeline transportation costs, injection costs, inventory costs, FERC-Approved/Mandated variable rates and charges, or any other cost applicable to the storage injection. This will be included in the cost of gas in storage and a new cost of gas in storage will be calculated for the following month. Any difference in the actual cost compared to the benchmark cost will be reflected in the current month. No adjustment will be made to the cost of gas in storage for the difference between benchmark costs and actual costs when gas is injected into storage during the withdrawal season.

The actual cost of gas in storage may increase or decrease during the withdrawal season due to No-Notice Service activity, any overrun activity, net injections made into storage accounts, inventory costs, or any other costs applicable to storage injection or carrying activities.

(Continued on Sheet G-38.3)



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## Purchased Gas Adjustment and Refund Provision

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### BASE AVERAGE GAS COST RATE COMPONENTS (continued)

#### Gas Supply Adder

A single adder of 2 percent will be added to all costs and volumes in each supply area.

#### Estimate of Benchmark

Since the first-of-the-month index prices are not known prior to the beginning of the month, an estimate of the commodity benchmark costs will be calculated using estimated index prices. The estimate of the commodity benchmark costs will be included in the PGA for collection from customers. When commodity benchmark costs and actual volumes are known, the estimate of the commodity benchmark costs will be reconciled with the commodity benchmark costs at actual volumes. This difference, as well as any difference in the gas supply costs, will be collected or refunded in a future PGA filing.

#### Comparison of Benchmark to Actual

After the month has ended and actual volumes and dollars are known, the commodity benchmark costs will be updated and compared to the actual commodity costs on a unit cost basis. To do this, the commodity benchmark unit cost as calculated for the beginning of the month will be compared to the actual commodity unit cost, excluding the gas supply costs. To arrive at the actual commodity unit cost, the appropriate actual commodity costs will be divided by actual volumes. When the actual commodity unit cost is less than the commodity benchmark unit cost, the difference in actual costs and benchmark costs will be collected or refunded in a future PGA filing. If actual unit cost is greater than the benchmark unit cost, the product of the actual volume and commodity benchmark unit cost will be collected in a future PGA filing. The excess difference will be filed with the PSCW with an explanation of the key drivers for exceeding the commodity benchmark unit cost of gas. Upon review, and written approval, the excess difference will be collected in a future PGA filing.

#### Exclusions

- R Any costs and volumes associated with any sales to customers served under the BU-1 rate schedule that are made at the actual cost of gas incurred to serve those customers, as well as any costs and volumes associated with transportation and LS-1 customer imbalances and cashouts will be removed from the actual costs and volumes.

(Continued on Sheet G-38.4)

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**Purchased Gas Adjustment and Refund Provision**

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**RATE COMPONENT CALCULATION**

The **Annual Demand** gas cost rate component will include pipeline reservation costs, enhanced storage reservation costs, and reservation-based FERC-Approved/Mandated rates and charges for the contracted capacity not specifically assigned to Seasonal Demand and/or Balancing Reservation components below.

- R The Annual Demand cost of gas will be adjusted by any Capacity Release revenues related to annual demand; any Interruptible Market Reservation collected from IS-1, IS-2, or LS-1 rate schedules; or any LS-1 Firm Reservation collected. The Annual Demand gas cost rate will be calculated by dividing the Annual Demand costs by the total estimated therms of firm sales volume, excluding the firm portion of LS-1 sales, for the PGA month.

The **Seasonal Demand** gas cost rate component will include pipeline reservation costs, seasonal storage reservation costs, and reservation-based FERC-Approved/Mandated rates and charges for the contracted capacity associated with Northern Natural Gas TF5 service and ANR Pipeline's Firm Seasonal storage service with the associated transportation contracts for injection and withdrawal storage activities. The

- R Seasonal Demand cost of gas will be adjusted by any Capacity Release revenues related to seasonal demand. The Seasonal Demand gas cost rate will be calculated by dividing the Seasonal Demand costs by the total estimated therms of firm sales volume, excluding the firm portion of LS-1 sales, for the seasonal period, November through March, for the PGA year's winter season.

The **Commodity** gas cost rate component will include the benchmark-related commodity cost of gas including purchase price, fuel, variable pipeline transportation costs, variable storage costs, variable FERC-Approved/Mandated rates and charges, second pipeline costs and any and all other commodity and/or variable costs not associated with specific gas supply cost categories, plus the gas supply costs including certain financial instruments and the cost and benefits of hedging activity under the Company's approved Natural Gas Risk Management Plan, premiums/discounts associated with LS-1 special purchases/sales, Carlton premiums/discounts, and variable balancing charges. The Commodity gas cost rate component will

- R be adjusted for the Cashout Mechanism of the DBS-1 and LS-1 rate. The Commodity gas cost rate will be calculated by dividing the Commodity costs by the total estimated therms of commodity sales volume for the PGA month.

The **Balancing Reservation Demand** gas cost rate component will include storage reservation costs, pipeline reservation costs, No-Notice Service reservation costs, and reservation-based FERC-Approved/Mandated rates and charges for the contracted capacity associated with ANR's No-Notice service entitlement, the associated Firm Enhanced Storage service with the associated transportation contracts for injection and withdrawal storage activity entitlement levels. The Balancing Reservation cost of gas will be adjusted by any values associated with Balancing Service Charges, except for penalties, collected under the DBS-1 rate schedule. The Balancing Reservation gas cost rate will be calculated by dividing the Balancing Reservation costs by the total estimated therms of commodity sales volume, excluding IS-2 and LS-1 sales, for the PGA month.

(Continued on Sheet G-38.5)



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## Purchased Gas Adjustment and Refund Provision

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### RATE COMPONENT CALCULATION (continued)

The **LS-1 Firm Reservation** gas cost rate component will include pipeline reservation costs and reservation-based FERC-Approved/Mandated rates and charges for all contracted capacity not associated with Firm Storage services, No-Notice service or the associated transportation contracts for the injection and withdrawal storage activity. The LS-1 Firm Reservation gas cost rate will be calculated by dividing the LS-1 Firm Reservation costs by the total of the contracted pipeline capacity included in the cost. This rate will be assessed on a customer contracted firm volume basis through the LS-1 rate schedule.

### INTERRUPTIBLE MARKET RESERVATION RATE COMPONENT

In addition to the cost of gas rate components above, an effective Interruptible Market Reservation rate component will be calculated each month as described below. There is no base cost associated with this rate component. It is calculated on the basis of comparable market prices. This rate component will be the rate per therm of the current month's estimated market cost of capacity reservation fees. The reservation charge will be determined on a monthly basis using estimated market prices. It will be capped at the maximum pipeline capacity rate and will have a minimum of 20 percent of the maximum pipeline capacity rate.

### GAS COST RATE COMPONENTS INCLUDED IN GAS RATES

**FS-1 - Natural gas service rate.** During the **summer season**, April through October, this rate will be the sum of the Annual Demand, Commodity, and Balancing Reservation gas cost rate components. During the **winter season**, November through March, this rate will be the sum of the Annual Demand, Seasonal Demand, Commodity, and Balancing Reservation gas cost rate components.

**IS-1 - Natural gas service rate.** This rate will be the sum of the Commodity, and Balancing Reservation gas cost rate components plus the Interruptible Market Reservation rate component.

D

**IS-2 - Natural gas service rate.** This rate will be the sum of the Commodity gas cost rate component and 75 percent of the Interruptible Market Reservation rate component.

**LS-1 - Natural gas service rate - firm supply.** This rate will be the commodity cost of gas priced through the formula in the LS-1 rate schedule. This rate will apply to the firm supply used by an LS-1 customer in each billing period. This rate will apply to the lower of the actual use during the billing period or the contracted daily firm reservation volume times the number of days in the billing cycle.

A separate LS-1 Firm Reservation rate will apply to the contracted daily firm reservation volume times the number of days in the billing cycle, regardless of the customer's actual use. This reservation charge is what distinguishes this supply from the LS-1 interruptible supply.

**LS-1 - Natural gas service rate - interruptible supply.** This rate will be the commodity cost of gas priced through the formula in the LS-1 rate schedule plus 75 percent of the Interruptible Market Reservation rate component. This rate will apply to the volume the customer uses in excess of the LS-1 Firm Supply volume.

(Continued on Sheet G-38.6)



## Purchased Gas Adjustment and Refund Provision

### MONTHLY GAS COST RECONCILIATION

At the conclusion of each month, the actual cost of gas determined in accordance with this schedule will be compared to the cost of gas actually recovered from customers. The amount of the difference will be recovered from or returned to customers through an adjustment that is added to or subtracted from each gas cost component's estimated gas costs for the time periods as described below.

For the Annual Demand gas cost rate component, the monthly reconciliation adjustment will be calculated based on the total month-end over or under collection divided by the estimated firm sales volumes, excluding the firm portion of LS-1 sales, within a defined time period. The defined time period used will be determined by the Company on a monthly basis and will never be less than one month or greater than the remaining months in a given PGA year.

For the Seasonal Demand gas cost rate component, the monthly reconciliation adjustment will be calculated based on the total month-end over or under collection divided by the estimated firm sales volumes, excluding the firm portion of LS-1 sales, within a defined time period. The defined time period used will be determined by the Company on a monthly basis and will never be less than one month or greater than the remaining months of the seasonal recovery, November through March, in a given PGA year.

For the Balancing Reservation Demand gas cost rate components, the monthly reconciliation adjustment will be calculated based on the month-end total over or under collection divided by the estimated commodity sales volumes, excluding the IS-2 and LS-1 sales, within a defined time period. The defined time period used will be determined by the Company on a monthly basis and will never be less than one month or greater than the remaining months in a given PGA year.

For the Commodity gas cost rate component, the monthly reconciliation adjustment will be calculated based on total month-end over or under collection divided by the estimated commodity sales volumes within a defined time period. The defined time period used will be determined by the Company on a monthly basis and will never be less than one month or greater than the remaining months in a given PGA year.

The monthly commodity reconciliation adjustment will include the difference between actual commodity gas costs and the benchmark unit costs as determined in the Comparison of Benchmark to Actual section above plus gas supply actual costs.

Any over or under collection of gas costs remaining at the end of each PGA year or heating season will become a beginning balance brought forward for the new PGA year.

### REFUND PROVISION

Natural gas cost-related refunds received by the Company from its wholesale suppliers resulting from actions taken by the FERC (wholesale refunds) will be refunded to customers by means of the ongoing PGA and true-up mechanism. All refunds received by the Company will be placed in a refund account, and the Company will manage the refund account balance to return outstanding balances to customers as soon as practicable, while allowing for considerations such as those listed below.

(Continued on Sheet G-38.7)

## Purchased Gas Adjustment and Refund Provision

### REFUND PROVISION (continued)

R The Company will devise a crediting plan for prospectively returning the account balance to the customers. An outstanding refund account balance sufficient to decrease the gas rate paid by the average residential customer by the higher of \$0.10 per therm or \$5.00 per average residential customer will be considered material for these purposes. This does not prohibit the Company from making refunds that would have an effect of less than \$0.10 per therm or \$5.00 per average residential customer. The Company will inform the Commission of the crediting plan no later than the date the Company makes its first PGA filing after receiving the refund. The crediting plan will state the amount of the refund, the current refund account balance, and the distribution of the refund balance to services. In accordance with the crediting plan, each PGA filing will include a summary of the refund account balance by service category, the amount refunded through the PGA by service category for that month, and the remaining balance to be refunded to customers in future PGAs.

The following factors will be considered in determining the crediting plan as to how refund credits will be distributed to the various services.

1. Wholesale refunds will be distributed to services eligible to receive refunds on the same basis by which related costs were collected.
2. To the extent practicable, refund distributions for services provided will recognize the payment patterns authorized for those services provided over a recent full, one-year period.
3. The Company will develop an amortization schedule which appropriately distributes the refund credits for the service provided when executing multiple-month refund plans.

The following factors will be considered in determining how refund credits will be distributed to individual customers:

1. Prospective multi-month refund credits will be based on an amortization schedule and a resulting pattern of monthly refund credits which appropriately distribute the credit by the type of service and not by individual customer. Therefore, if the customer changes to another type of service during the refund credit period, the customer will then prospectively receive the refund credit level applicable to the new type of service. New active customers will receive the refund credit level applicable to the customer's type of service.
2. The Company will provide notice of the refund to customers by means of a billing message, identified credit, or insert.

The Company will credit interest to the refund account at the prevailing Federal Reserve Bank discount rate as most recently published in the weekly U.S. Financial Data prepared by the Federal Reserve Bank of St. Louis, on the outstanding average daily balance per month of the refund account, payable at the beginning of the following billing cycle.

The Company may file for approval from the Commission to offset refund proceeds with escrowed or other expenses related to Federal-level regulatory matters.

Notwithstanding the tariff provisions requiring prospective crediting of wholesale refunds, the Company may file for approval from the Commission to execute refunds by means of lump-sum payments or other means if the circumstances of the wholesale refund warrant doing so.

## Natural Gas Sales Priority Use Program

The purpose of this program is to provide a mechanism to allocate gas supplies contracted for by the Company to serve new requests for system sales service.

The Company purchases system natural gas supplies to serve those customers who have requested Company system sales service. For those customers, the Company maintains an obligation to provide natural gas service consistent with the availability, terms, and provisions contained in the Firm Gas Sales Service (FS-1).

For interruptible sales customers, the Company purchases open-market gas supplies on a reasonable efforts basis. Interruptible sales customers wishing to transfer to firm system natural gas supplies will be provided firm sales service as the Company is able to secure the firm system natural gas supply for these customers.

- R Daily Balancing Service (DBS-1) customers transferring to system natural gas supplies will be provided interruptible open-market purchases on a reasonable efforts basis until such time as the Company is able to secure system natural gas supply for these customers. DBS-1 customers will apply for service under the Company's BU-1 Rate Schedule until such time system sales service is made available. The customer will be treated as a new customer in determining the availability of gas and for the purpose of deposit considerations.

### DEFINITIONS

The following definitions will apply to this program:

1. **Existing system sales customer.** An existing system sales service customer is defined as any customer currently served on one of the following rate schedules for which the Company has contracted for natural gas supplies: Firm Gas Sales Service (FS-1), Interruptible Gas Sales Service (IS-1), Interruptible Large Boiler Gas Sales Service (IS-2), or Large Annual Use Sales Service (LS-1).  
R
2. **New system sales customers.** Except as defined above, a new system sales customer is defined as any future customer not currently receiving service under any of the Company's available rate schedules who would qualify for one of the following rate schedules: FS-1, IS-1, IS-2, and LS-1.  
R
3. **System supply.** The natural gas planned for and purchased by the Company to meet the needs of those customers having previously requested system sales service. Normal system sales growth as forecast by the Company is included in purchase decisions for future system supply. Those customers classified as either nonsystem sales or transportation service customers are not included in the Company's system supply and will be provided service consistent with the purpose of the gas sales priority use program and the terms and conditions of the rate schedules under which they are currently served.
4. **Customer.** A consumer of natural gas at one location. An entity using gas at separate locations is considered a separate customer at each location.

(Continued on Sheet G-39.1)





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## Natural Gas Sales Priority Use Program

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### DEFINITIONS (continued)

5. **Residential service.** A service to customers for all residential purposes in a single-family dwelling, an individually metered apartment, or an apartment building where four or less residential units are served on a single meter.
6. **Commercial service.** A service to customers who are primarily engaged in wholesale or retail trade, agriculture, forestry, fisheries, transportation, communications, sanitary services, finance, insurance, real estate, personal services, government, five or more residential units on a single meter, and service that does not fall directly within one of the other classifications.
7. **Industrial service.** A service to customers who are primarily engaged in a process which creates or changes raw or unfinished materials into another form or product. This includes mining and manufacturing.
8. **Reasonable efforts.** A reasonable effort on the part of the Company to secure gas when it is available on an economical basis as determined by the customer and the Company. The Company need not use any extraordinary effort to secure gas supplies under this tariff.

Service will be provided to existing and new customers based on the level or type of service requested and the available natural gas supplies and the following priorities. Highest priority customers are served first. It is possible that customer classes requiring only annual gas supplies could be served before customer classes in a higher priority requiring peak-day supplies if the peak-day supplies are not available.

### PRIORITIES

- Priority 1: Use of natural gas for a residential service. Contained in this priority category are existing customers receiving service or new customers requesting service under Rate Schedule RD-1.
- Priority 2: Use of natural gas by a firm commercial or industrial customer for any purpose when the total use does not exceed 25,000 therms per year. Contained in this priority category are existing customers receiving service or new customers requesting service under Rate Schedule GSD-1 who elect service under Rate Schedule FS-1.
- Priority 3: Use of natural gas for any purpose by any firm commercial or industrial customer over 25,000 therms per year. Contained in this priority category are existing customers receiving system sales service or new customers requesting system sales service under Rate Schedules GSD-2 and GSD-3 who elect service under Rate Schedule FS-1.
- Priority 4: Use of natural gas for any purpose by any existing or new customer requesting interruptible commercial or industrial system sales service on Rate Schedule IS-1.
- Priority 5: Use of natural gas for any purpose by any existing or new customer requesting interruptible commercial or industrial system sales service on the IS-2 and LS-1 rate schedules.
- Priority 6: Use of natural gas for any purpose by existing customers receiving or new customers requesting Company transportation service in the following transportation rate schedules: DBS-1.

(Continued on Sheet G-39.2)



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## Natural Gas Sales Priority Use Program

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### SPECIAL PROVISIONS

To maintain maximum flexibility for system sales service, and to conserve an adequate supply of natural gas for firm customers, the following special provisions will be in effect:

1. The Company may prohibit a customer presently purchasing gas on an interruptible rate from purchasing gas on a firm rate for the same uses.
2. The Company will inform the Public Service Commission of Wisconsin of changes in the natural gas supply which would make it necessary to restrict sales in priorities, or in case of additional supplies, remove priorities from restriction. The Commission will review and approve these changes within 60 days or, in the alternative, notice the matter for hearing and further order.
3. In the event that the Company cannot secure natural gas supplies to serve all customers in an unrestricted priority, the Company will serve new customers or increases to existing customers in the order of receipt of their requests within each priority class and will maintain a listing of receipt of such requests in chronological order. In the event supplies can be obtained to supply the new customers, the Company will attempt to do so on a reasonable-efforts basis.

(Next Sheet is G-40)



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## Natural Gas Curtailment Plan

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### GENERAL

1. Whenever the Company determines that the natural gas supply is insufficient to meet the total demands, the public interest requires that the curtailment of gas to existing customers be controlled in a manner which will be equitable to all customers and will be consistent with guidelines established by the Federal Energy Regulatory Commission (FERC) and with the historical availability of gas service to customers. The Company will determine the quantity of gas which each customer will be entitled to receive and promptly notify each affected customer regarding the curtailment and period covered. Such notice will be given as far in advance as possible. The Company may change the curtailment period and quantity of gas the customer may be entitled to if conditions require.
2. Curtailment will be in the order of the curtailment priority categories listed below, with full or 100 percent assigned curtailment to be directed and achieved in each category before proceeding to the next category. Priority 7 customers will be the last to be curtailed. If priority categories are curtailed and additional supplies of gas become available, customers will be reinstated in a descending order of priorities.
3. Nothing in this plan will allow a customer to obtain gas in excess of the Company's Natural Gas Sales Priority Use Program.
4. Relief From Liability - The Company will be relieved of all liabilities, penalties, charges, payments and claims of whatever kind, contractual or otherwise resulting from or arising out of the Company's failure to provide supply or deliver all or any portion of the volumes of gas desired by any particular customer or group of customers to the extent that such failure results from the implementation of the curtailment procedures prescribed herein or from any other orders or directives of the duly constituted authorities, including, but not limited to, all regulatory agencies having jurisdiction.
5. Company will have the right to reasonably limit distribution and/or sales service on part or all of Company's facilities according to the rate schedule to permit maintenance, repair, overhaul, replacement, or construction of facilities and equipment. Company will provide notice as far in advance as possible prior to any routine maintenance, repair, overhaul, replacement or construction of facilities or equipment.

### EMERGENCY ADJUSTMENT

If any customer notifies the Company in a sworn statement that verifies a curtailment will result in emergency conditions or a shutdown of essential operations, the Company may depart from the curtailment priority categories listed and allow that customer to use gas when it would normally be curtailed if, in the sole judgment of the Company, gas can be made available. The Company will be under no obligation to grant such emergency adjustments. Company will not be liable for granting an emergency exemption under this section. The party who is granted the exemption will indemnify and hold the Company harmless for such exemption.

(Continued on Sheet G-40.1)



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## Natural Gas Curtailment Plan

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### CURTAILMENT PRIORITY CATEGORIES

1. Requirements for boiler fuel use having a maximum day requirement of 30,000 therms or more.
2. Requirements for boiler fuel use having a maximum day requirement of 15,000 to 30,000 therms.
3. Requirements for boiler fuel use having a maximum day requirement of 3,000 to 15,000 therms.
4. All requirements not specified in 1, 2, 3, 5, 6, or 7.
5. Commercial and industrial requirements having a maximum day requirement of less than 3,000 therms and all industrial requirements for feedstock and process needs.
6. Essential agricultural requirements of essential agricultural users as designated by the Secretary of Agriculture and calculated in accordance with 7 C.F.R. 2900, et seq., less any volumes of natural gas which the FERC determines, in accordance with Section 401(b) of the Natural Gas Policy Act of 1978, that essential agricultural users have alternate fuel capability. All such requirements to be calculated in accordance with the provisions of Part 281 of the FERC's regulations.
7. Residential, small commercial requirements having a maximum day requirement of less than 500 therms, firm service for schools, hospitals, sanitation facilities, correctional facilities, police and fire protection facilities, and company use except for power generation.

Curtailment of gas service within each priority category will be done as follows:

1. Interruptible sales service pro rata, for customers receiving their distribution service under Rate Schedule IGD-1 and the interruptible portion of SP-1.
2. Interruptible sales service pro rata, for customers receiving their distribution service under Rate Schedule SUDS-1.
3. Interruptible sales service pro rata, for customers receiving their distribution service under Rate Schedule GSD-3.
4. Interruptible sales service pro rata, for customers receiving their distribution service under Rate Schedule GSD-2.
5. Interruptible sales service pro rata, for customers receiving their distribution service under Rate Schedule GSD-1.
6. Firm service, except for essential Company use, under Rate Schedules RD-1, GSD-1, GSD-2, and GSD-3 by size, with service to customers having the largest maximum-day requirement for use in such priority category being curtailed first.



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## Arrears Management Program (AMP) Pilot

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### AVAILABILITY

All residential customers receiving energy assistance from a qualifying agency within the current or past calendar year and those customers with an approved medical certification on file with the Company are eligible to enroll in the Arrears Management Program (AMP) if they have a past-due balance over an established dollar threshold for 60 or more days.

### BILLING

Once enrolled, customers' existing arrears will be set aside with 1/12 of the initial arrears amount being forgiven for each current monthly bill balance that is paid in full. After full payment of 12 monthly bills, the customer will be left with a current and past-due balance of zero.

### SPECIAL TERMS AND PROVISIONS

Before enrolling, customers must be removed from participation in other existing payment programs, and only the customer's primary residence qualifies.

Customers agree to notify the Company of any change of address which may result in a transfer of the program to the new address or removal from the program if the customer no longer receives the Company's services.

Customers participating in the program will not be subject to disconnection or late-payment charges.

Customers will be removed from the program if a current bill is not paid in full within 60 days of bill issuance. Customers removed from the program will be eligible to reenroll after 90 days if all other criteria are met at that time. After being removed three times for non-compliance, a customer is not eligible to reenroll in the future until the account has been paid in full since the last enrollment.

The Company will notify the Commission of the initial established dollar threshold and any additional qualifying criteria that is considered with the threshold. These may be updated during the pilot period to encourage participation and successful completion of the program.

(Next Sheet is G-42)



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**Seasonal Distribution Service**

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-- Canceled --

This rate schedule was canceled per Commission's Final Decision  
in Docket 3270-UR-122 dated December 20, 2018.

The following sheets are canceled:

Sheet G-42  
Sheet G-42.1



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## Seasonal Use Distribution Service

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### AVAILABILITY

For commercial and industrial customers who anticipate a vast majority of their natural gas consumption will take place during the off-peak period of April 1 through December 31. Examples of such business ventures include but should not be limited to agricultural canning and grain drying operations, gas used in the manufacturing process of asphalt for road paving and/or repair. While SUDS-1 service is available year-round, incentive pricing is in place to discourage consumption during the on-peak period of January 1 through March 31.

This rate schedule applies to gas distributed to one customer at one location through one meter. For those customers where, at the Company's sole discretion, two or more meters are required for service, all such meters will be combined and the system connection and customer service charge will be the same as though one meter was installed.

SUDS-1 is an optional rate schedule which requires a written contract with the Company. Customers who choose to be served under this rate schedule must provide the Company with their request and, if approved, shall remain on this schedule for a minimum of one year.

### APPLICABILITY AND CHARACTER OF SERVICE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible customers.

Distribution service by the Company under this rate schedule will be on a firm basis.

### RATE

|   |                                                                            |          |
|---|----------------------------------------------------------------------------|----------|
| R | System connection and customer service charge per day <sup>(1)</sup> ..... | \$1.75   |
|   | Distribution rates per cycle bill:                                         |          |
| R | Distribution service per therm (first 5,000 therms).....                   | \$0.2117 |
| R | Distribution service per therm (all therms > 5,000 therms).....            | \$0.1975 |

Distribution service during the period of January 1 through March 31 will pay the same declining block rates illustrated above plus an incremental \$0.10 per therm.

<sup>(1)</sup> The system connection and customer service charge will be applied year-round regardless of consumption.

### METERING

Service furnished hereunder will be separately metered. Meter reading will be done on a monthly basis according to the customer's billing cycle. Each SUDS-1 meter must be equipped with a data-logging Encoder Receiver Transmitter (ERT) which allows for accurate billing of both off-peak and on-peak period consumption.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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-43.1)



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## Seasonal Use Distribution Service

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### GAS SERVICE OPTIONS

Customers taking service under this rate schedule will receive their gas supply service under the Company's Interruptible Gas Sales Service (Rate Schedule IS-1) unless the customer contracts for service under the Company's Daily Balancing Service (Rate Schedule DBS-1).

### SPECIAL TERMS AND PROVISIONS

1. Customers who have their meters turned off and back on within a 12-month period will pay the system connection and customer service charge applicable to the customer for the period while service was not being used.
2. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
3. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
4. If special equipment, such as motor-operated valves, metering bypass, flow restrictors, and remote control is required to monitor gas service, such special equipment will be installed by the Company at the customer's expense. This requirement will not apply to ERT equipment necessary for service under this schedule or equipment required for IS-1, IS-2, or DBS-1 gas supply if the customer elects this supply option. The ownership, installation, operation, and maintenance of all such equipment will be under the exclusive control of the Company.
5. For any natural gas supply which is not furnished by Company, customer warrants for itself, its successors and assigns, that it has or will have at the time of the delivery of the gas to Company for distribution hereunder, good title to such gas and the right to cause the gas to be delivered to Company for distribution. Customer warrants for itself, its successors and assigns, that the gas it furnishes to Company for distribution hereunder will be free and clear of all liens, encumbrances, or claims, and that it will indemnify and save Company harmless from all suits, actions, damages, costs, losses, and expenses, including reasonable attorney's fees, arising out of or from any adverse claims of any and all persons to the gas, or to any claims of royalties, taxes, license fees, or charges thereon which are directly applicable to the delivery of the gas, and further that customer will indemnify and save Company harmless from all taxes or assessments, and any costs associated therewith, including reasonable attorney's fees, which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.
6. Service under this rate schedule will commence following approval of the customer's application for service by the Company.

(Next Sheet is G-44)





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## Renewable Natural Gas Service Rider Pilot

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### AVAILABILITY

- R To residential, commercial, and industrial gas customers for general use, including space heating, who agree to participate in this voluntary Renewable Natural Gas (RNG) pilot under this schedule. Participation is limited to customers in good standing with the Company.

### APPLICABILITY AND CHARACTER OF SERVICE

- R This voluntary offering is designed to provide participating qualified Customers an opportunity to purchase RNG. Participation by Customers will support the use and development of organic sources of natural gas, such as landfills, wastewater treatment plants, dairy and farm waste, or others.
- R
- N The Company will purchase or generate Renewable Thermal Certificates (RTC) for resources the Company owns or contracts to purchase. An RTC represents the environmental attributes of the generation and use of one dekatherm of RNG. The RTCs shall be recognized and retired via M-RETS, an independent third-party tracking system. Under this program's structure, each block or term of RNG usage which a customer contracts to purchase is equivalent to one tenth of an RTC.

This schedule's billing for RTCs may be structured as a block sale and purchase and, therefore, would be applied to the Customer's bill regardless of actual energy consumption.

### RATE

- R All the provisions of Customer's otherwise applicable rate schedule will apply, with the exception that Customers served on this rider elect to purchase under one of the three following options:
- R 1. A block of RTCs will also have a cost-per-therm rate of \$1.78 per therm. This contracted rate will be multiplied by the monthly therm block size for which the Customer has contracted and be added to each bill; or
  - R 2. A percent of their natural gas consumption under this program. Under this rider, the Customer will have an incremental gas charge on a per-therm basis of \$1.78 per therm. This contracted rate will be multiplied by the contracted percentage of therms consumed by the Customer in each billing period; or
  - N 3. A customer may elect to enter into a contract with the Company to procure RTCs from the market at a negotiated rate not less than the per-therm cost of the RTCs plus administrative costs. This contracted rate will be multiplied by the monthly therm block size for which the Customer has contracted and be added to each bill. This option is subject to the availability of RTCs and the Company's ability to procure them.

### PAYMENT

Payment is due no later than the due date shown on the bill. 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.

### SPECIAL TERMS AND PROVISIONS

1. The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
2. This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
3. Program may be temporarily closed or 'sold-out' to new program subscribers if there are insufficient sources of renewable natural gas available for the program standard.

(Next Sheet is G-45)



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## Gas Rules and Regulations: General Information

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### INFORMATION AVAILABLE TO CUSTOMERS

See Wis. Admin. Code § PSC 134.05.

### APPLICATION FOR SERVICE

Application for gas service will be accepted at the Company's General Office or at such other locations as may from time to time be authorized by the Company. Application may be made in person, by telephone, by email, through the Company's Web site ([www.mge.com](http://www.mge.com)), or by signed application at the discretion of the Company. Service connections and extensions will be made in accordance with filed rules and regulations.

### RESPONSIBILITY FOR USE OF SERVICE

Receipt of service will make the receiver a customer of the Company, subject to its rates, rules, and regulations, whether service is based upon contract, signed application, or otherwise.

Subject to its rates, rules, and regulations, the Company will continue to supply service until ordered to discontinue, and the customer will be responsible for payment for all service furnished until discontinued.

New occupants of premises previously receiving service must make official application to the Company before commencing the use of service.

Customers who have been receiving service must notify the Company when discontinuing service; otherwise, they will be liable for the use of the service by their successors should said successors refuse to pay.

Customers assume all responsibility on the customer's side of the point of delivery for the service supplied or taken, as well as for the service installation, appliances, and apparatus used in connection therewith, and shall save the Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on the customer's side of the point of delivery unless such injury or damage is caused by the negligence of the Company.

(Continued on Sheet G-45.1)

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**Gas Rules and Regulations: General Information**

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**DIVERSION OF SERVICE**

When the Company has sufficient evidence that a customer is obtaining a gas service in whole or in part by means of devices or methods which stop or interfere with the proper metering of the gas service being delivered to the premises or otherwise results in unmetered gas service being delivered to the premises, the customer shall be subject to disconnection under the Company's rules and regulations on disconnection.

Except as limited by law, when such diversion has been discovered by the Company, the customer shall be subject to the following:

1. The customer will be required to pay the Company for the estimated losses of revenue occasioned by the diversion for the period that customer has been responsible for paying for utility service. The Company may, however, waive billing the customer when the projected costs of billing and recovery exceed the amount likely to be recovered.
2. The customer may be required to pay the Company for any and all damages to the Company's equipment due to such diversion.
3. The customer may be required to pay the Company for any and all costs incurred by the Company in investigating and correcting the diversion.
4. The customer may be required to pay for any reconnection charges arising out of the diversion.
5. The customer may be required to pay for the cost of making the installation tamper proof.
6. The Company may bill the customer for the unmetered service, the cost of correcting the problem or damage, the reconnection charges, the cost of making the installation tamper proof, and the cost of investigation. Payment may be due within 24 hours of billing or the customer may be subject to an eight-day notice of disconnection.
7. In the event any tamper-proof installation so installed shall be the subject of further damage or interference by the customer or customer's permittees, the Company shall have the right to terminate service without further notice.

**DISCONTINUANCE OF SERVICE**

Notice by customers of discontinuance of service will be accepted at the Company's General Office or at other such locations as may from time to time be authorized by the Company. Such notice may be made in person, by telephone, by e-mail, through the Company's Web site ([www.mge.com](http://www.mge.com)), or in writing.

**PREFERRED SERVICE CHARGES**

When application is made for gas service with the request that meters be set or read after regular working hours or within the same half working day, a charge of \$30 per meter will be made.

(Continued on Sheet G-45.2)

## Gas Rules and Regulations: General Information

### DEPOSIT RULE

#### Considerations for deposit

- For new residential service, see Wis. Admin. Code § PSC 134.061(1)(a)(b)(c).
- For existing residential service, see Wis. Admin. Code § PSC 134.061(4)(a)(b)(c).
- For new commercial service, see Wis. Admin. Code § PSC 134.0615(1)(2)(a)(b)(c)(d)(e).
- For existing commercial service, see Wis. Admin. Code § PSC 134.0615(5)(a)(b).

#### Amount of deposit

- For new and existing residential service, see Wis. Admin. Code § PSC 134.061(7)(a)(b).
- For new and existing commercial service, see Wis. Admin. Code § PSC 134.0615(8)(a)(b).

#### Deposit interest

- For new and existing residential service, see Wis. Admin. Code § PSC 134.061(9)(a)(b)(c).
- For new and existing commercial service, see Wis. Admin. Code § PSC 134.0615(9)(a)(b)(c).

#### Refund of deposit

##### *Time of refund*

- For residential service, see Wis. Admin. Code § PSC 134.061(10)(11). Payment is considered prompt if made prior to notice of disconnection for nonpayment not in dispute.
- For commercial service, see Wis. Admin. Code § PSC 134.0615(10). Payment is considered prompt if made prior to notice of disconnection for nonpayment not in dispute.

##### *Refund at termination of service*

- For residential service, see Wis. Admin. Code § PSC 134.061(13).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(12).

##### *Apply deposit to arrearage*

- For residential service, see Wis. Admin. Code § PSC 134.061(14)(a)(b)(c).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(13)(a)(b)(c).

##### *Method of refund*

- For residential service, see Wis. Admin. Code § PSC 134.061(12).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(11).

#### Written explanation

- For residential service, see Wis. Admin. Code § PSC 134.061(5).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(6)(a)(b).

#### Refusal or disconnection of service

- For residential service, see Wis. Admin. Code § PSC 134.061(8).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(7).

(Continued on Sheet G-45.3)



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## Gas Rules and Regulations: General Information

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### **GUARANTEE**

#### **Terms and conditions**

- For residential service, see Wis. Admin. Code § PSC 134.061(3)(a)(b)(c).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(4)(a)(b)(c).

#### **Payment terms**

- For residential service, see Wis. Admin. Code § PSC 134.061(2).
- For commercial service, see Wis. Admin. Code § PSC 134.0615(3).

#### **Applicability**

The rules as described in Deposit Rule, Guarantee Rule, and Deferred Payment Agreement are not applicable to deposits or guarantees made in connection with the financing of extensions or other equipment.

### **DISCONNECTION OF SERVICE**

- For residential service, see Wis. Admin. Code § PSC 134.062, PSC 134.0624, and PSC 134.0625.
- For commercial service, see Wis. Admin. Code § PSC 134.0622.

### **RECONNECTION OF SERVICE**

See Wis. Admin. Code § PSC 134.0623.

### **RECONNECTION CHARGES**

From 8 a.m. to 4:30 p.m., Monday through Friday, except holidays: \$42. All other times: \$63.

#### **Application**

- For reconnection of gas service following disconnection for nonpayment of a required deposit or bills for gas utility service.
- For reconnection of gas service for the same customer upon the same premises within one year when disconnection was for reasons other than nonpayment.
- A reconnection charge may be applied to utility accounts of disconnected customers who reconnect their own service and the Company must disconnect the customer again.

### **DEFERRED PAYMENT AGREEMENT**

See Wis. Admin. Code § PSC 134.063.

### **DISPUTE PROCEDURES**

See Wis. Admin. Code § PSC 134.064.

### **CUSTOMER COMPLAINTS**

See Wis. Admin. Code § PSC 134.17.

(Continued on Sheet G-45.4)



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## Gas Rules and Regulations: General Information

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### APPLICATION OF RATES

The schedules of rates apply to gas furnished to one customer at one location for one class of service through one meter. The schedules of rates is based on delivering and billing service to the ultimate user for retail service only and does not permit resale or redistribution.

Where a single large commercial, industrial, or institutional customer occupies more than one unit of space in the conduct of the same business, each separate unit will be metered separately and considered a distinct customer, unless the customer makes the necessary provisions to permit metering of all gas used for each class of service in the various units at a single metering location. This rule shall apply only where the units are located on contiguous property with no intervening public property or private property controlled by others. Only one service connection will be provided for each class of service furnished, and the metering location shall be as close as possible to the point of service entrance.

In those cases where, at the Company's election, two or more meters are installed at a single metering location on the same premises for the same customer for the same class of service, the amount of gas supplied through all such meters will be combined in arriving at the total charge, and the minimum bill will be the same as though one meter was installed.

A "month" does not refer to a calendar month, but shall mean the period between any two scheduled consecutive readings of the meters by the Company.

When the Company is unable to obtain the reading of the meter or meters after reasonable effort, the fact will be plainly indicated on the monthly bill and an estimate may be made and so indicated on the bill.

Claims of errors should be made immediately upon receipt of bill.

### METER READINGS AND BILLING PERIODS

See Wis. Admin. Code § PSC 134.12.

### BILLING

See Wis. Admin. Code § PSC 134.13.

In addition, where rental residential dwelling gas service is in the tenant's name, and the tenant vacates the residential dwelling unit, continued gas service for such dwelling unit will be placed in the name of the owner or property manager when the Company has no information concerning a new tenant to start service.

The Company will provide the owner or property manager with written notice of its intent to transfer billing responsibility. Such notice will provide the owner or property manager with 15 days to notify the Company of:

1. The name of the customer who should be placed in service, such service date not to be later than 15 days from the notice mailing date; or
2. That gas service to the premises should be terminated. The owner or property manager must affirm to the Company that such termination will not endanger human health or life or cause damage to property during the period of disconnection.

(Continued on Sheet G-45.5)



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## Gas Rules and Regulations: General Information

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### PAYMENTS

- R MGE offers several payment options, including debit and credit card payment with no convenience fees. Contact us at (608) 252-7222, (800) 245-1125, or [www.MGE.com/customer-service/payment-and-billing/options](http://www.MGE.com/customer-service/payment-and-billing/options) for details on payment options.

Failure to receive a bill does not relieve the customer of the obligation to make payment by the due date.

Customers who fail to make payment by the due date are also subject to the application of the rules covering disconnection of gas service. Payment to a third party, other than to an authorized pay station, does not constitute payment to the Company. MGE will not be responsible for disputes regarding payments to third parties which are not authorized pay stations.

When a payment made to the Company and credited to a customer's account is reversed for insufficient funds, a charge of \$20 plus applicable late payment charges will be applied to the customer's account.

### LATE PAYMENT CHARGE

See Wis. Admin. Code § PSC 134.13(1)(j).

### BUDGET PAYMENT PLAN

See Wis. Admin. Code § PSC 134.13(5)(a)-(g).

(Next Sheet is G-47)



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## Gas Rules and Regulations: Meter Installations

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### METER INSTALLATIONS AND SEALING OF METERS

Gas meters are furnished by the Company and set without charge; however, gas space-heating installations require an authorized gas permit in the cities of Fitchburg, Madison, and Monona; the villages of Maple Bluff, Shorewood Hills, and Waunakee; and the towns of Blooming Grove, Madison, and Westport. All other areas require no gas space-heating permits.

Meters are sealed by the Company, and such seals will not be broken or tampered with without the consent of the Company except in cases of emergency. The Company should be notified within 48 hours after the seal has been broken.

### METER TESTS

Routine tests of gas meters are made in accordance with the rules prescribed by the Public Service Commission of Wisconsin.

### BILLING DEAD METERS AND METERS SHOWING UNDER-REGISTRATION

See Wis. Admin. Code § PSC 134.14.

### REFUNDS FOR FAST METERS

See Wis. Admin. Code § PSC 134.14.

### ACCESS TO CUSTOMERS' PREMISES

R { Authorized agents of the Company will have access to customers' premises at all reasonable times for the purpose of reading meters, making repairs, installing and upgrading equipment, making inspections, making investigations, removing Company property, or for any other purpose incident to providing service. Refusal or failure to provide authorized personnel access to Company equipment and refusal or failure to allow installation and upgrading of Company equipment may result in disconnection of service.

### CONTINUITY OF SERVICE

The Company will use reasonable diligence to provide an uninterrupted and regular supply of service, but it will not be liable for any interruptions, deficiencies, or imperfections of service not due to its own negligence. 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.

The Company will not be liable for any losses, injuries, or damages to persons or property due to disconnection of service in accordance with the disconnection rules.

(Continued on Sheet G-47.1)





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## Gas Rules and Regulations: Meter Installations

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### LOCATION OF METERS, PRESSURE REGULATORS, AND SHUTOFFS

1. The meters, pressure regulators, and master shutoff valve will be installed above ground outside of buildings where applicable as set forth below under "Installation of Service Laterals"; otherwise, at the point of service entrance inside the building at a location prescribed by the Company. This equipment will be furnished and installed by the Company.
2. Meters installed inside of buildings will be located as close as possible to the point of service entrance.
3. The customer will provide ready access for utility employees to meter, pressure regulator, and master shutoff valve locations.
4. Gas meters, pressure regulators, and main shutoff valves will not be installed in bedrooms, closets, bathrooms, coal bins, over doors, in very damp places, under combustible stairways, in unventilated or inaccessible places; closer than three feet to sources of ignition including furnaces and water heaters; near unprotected electric wiring or devices; in the proximity of belts, shafting, engines, or machinery; in locations where material or equipment-handling operations are carried on; in rooms which are locked; or in places dangerous to meter readers.
5. In all instances, the customer will furnish, own, and maintain the house piping from the outlet of the meter or pressure control installation, whichever is further down stream, to the utilization equipment. In cases of multiple meter installations, a permanent tag designating the area of utilization (such as an apartment or office number) will be attached to the house piping at the meter location. Where a concrete slab or footing is necessary for the support of the meter, pressure regulator, and associated devices, it will be the responsibility of the customer to provide such slab or footing satisfactory to the Company.

### RELOCATING METERS, PRESSURE REGULATORS, AND SHUTOFFS AT CUSTOMER REQUEST

When requested by the customer for reasons other than set forth below in "Installation of Service Laterals," gas meters, pressure regulators, and master shutoff valve will be relocated from inside to outside of buildings to a location approved by the Company at no cost to the customer provided that the riser for the pressure regulators and meters is located within ten feet either side of the existing service lateral.

When the location of the riser is more than ten feet either side of the existing service lateral, the Company will require payment equal to the actual total cost of moving the pipe.

In all instances, the customer will be responsible for reconnecting the house piping.

(Continued on Sheet G-47.2)



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## Gas Rules and Regulations: Meter Installations

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### PRESSURE

#### Standard Pressure

The standard pressure at the outlet of service meters is 8" of water column. The deviations from standard pressure will not exceed the amounts set forth in Wis. Admin. Code § PSC 134.23.

#### High-Pressure Service

Pressures in excess of the standard pressure set forth above will be provided only upon written request of the customer and subject to any or all of the following conditions:

1. Higher than standard pressure is available at the customer's premises or may be made available in accordance with the filed extension rules.
2. Higher than standard pressure is required for proper operation or economical operation of the customer's utilization equipment.
3. The customer will provide the Company with information as to the quantity of use, the purpose for which used, and the type of gas utilization equipment.
4. The Company may require that such pressure will conform to the pressures made available to other customers presently served from distribution facilities with similar pressure characteristics.
5. The higher than standard pressure will be agreed upon between the customer and the Company, and the maximum pressure variation will not exceed 15 percent of the agreed-upon pressure.
6. The customer has satisfied municipal requirements regarding house piping at other than standard pressure and has any permits, etc., required.
- N 7. Customer requests must be reviewed and approved by the Company prior to beginning system design and/or installation.

### Measurement

For the purpose of correcting high-pressure gas measurements, the following values will be used:

Temperature base..... 60 degrees Fahrenheit  
Assumed atmospheric pressure ..... 14.23 PSI  
Pressure base ..... 14.52 PSI

Supercompressibility will be used when gas is metered at pressures of 35 PSIG or greater.

(Next Sheet is G-49)



## Gas Rules and Regulations: Service Laterals and Extensions

### INSTALLATION OF SERVICE LATERALS

#### Definition

Service lateral is defined as the Company's natural gas piping and related facilities extending from the Company's gas mains to the point of connection with the customer's service facilities. The service lateral is intended to provide service to a single and/or multiple customers in a common building. A branch service lateral is intended to provide service to two adjacent or adjoining residents or small commercial customers.

#### Location, Design, and Cost of Service Laterals

R { The Company will install, own, and maintain service lateral extensions that conform, to the extent possible, with each of the following standards:

N { **Route:** By way of an executed service application, the customer shall grant the Company non-possessory property rights to excavate the service trench and allow for reasonable access to the property for the purpose of inspection, maintenance, or repairs to the service line. The Company shall make the service extension using the most direct route to the inlet of the Company-prescribed meter location using the best information available at the time of the design planning. The route will typically be the least expensive and least environmentally degrading as determined by the Company. The Company-prescribed trench route will typically avoid crossing obstructions including, but not limited to, other piping, wiring, cables, or conduit. When a service lateral must cross customer-owned underground facilities, the customer is responsible for the identification and location of such facilities. The Company is not responsible for damage to silt fencing, erosion control, ponds, tree roots, shrubs, plants, flowers, or any unmarked private underground facilities not identified within the prescribed trenching route.

**Design:** The Company shall design and install facilities to deliver safe and reliable natural gas service to the customer at the lowest reasonable cost. The facilities shall comply with the Wisconsin Admin. Code and other generally accepted engineering and planning practices.

**Cost estimates:** The Company shall engineer and estimate the cost of each extension based on the tariffed rates and allowances as outlined in the Company's natural gas extension rules. The Company shall provide the customer with such estimate prior to the start of any construction. While the Company will make every effort to provide a comprehensive and accurate cost estimate, the final or billed cost for the customer may be different due to necessary changes to the plan after the initial estimate.

#### Meter Installations

R { The meter location will be selected by the Company using the best information available at the time of the design planning. For new construction, the Company reserves the right to make any changes to the prescribed meter location based on revisions to the design and construction plans of the building or structure. Where the setback or side yard clearances from the building to the property line are sufficient, the master shut-off valve will be installed aboveground outside of the building. The location of other necessary equipment will be determined on a case-by-case basis in accordance with the rules and regulations as outlined in the Wis. Admin. Code. The Company will apply the charges set forth below to the footage between either the supply main or the property line parallel to the supply main and the service riser pipe, whichever is less, at the outside building wall. Any offset in the service, which is required by the Company's construction standards, will be included in the charge.

For single-family residential installations, the Company will only install the meter indoors when the setback or side yard clearances are insufficient. For multifamily dwellings and commercial and industrial-type properties, meter installations will be considered on a case-by-case basis in accordance with the rules and regulations as outlined in Wis. Admin. Code. The charges set forth below will apply to the footage between the property line parallel to the supply main and one foot inside the building wall.

(Continued on Sheet G-49.1)



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## Gas Rules and Regulations: Service Laterals and Extensions

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### INSTALLATION OF SERVICE LATERALS (continued)

#### Replacement of Gas Service Laterals

When a customer's gas service has been discontinued due to the service being obsolete or deteriorated, the Company will replace the service at no charge to the customer. The replacement will also include reconnection to the house piping.

Replacements due to increased customer demand also will be made at no charge to the customer. However, the customer will be responsible for the cost of any meter slab as well as the cost of reconnecting the house piping.

#### Relocation of Gas Service Laterals

Where the customer requests a change or relocation of the installed gas facilities of the Company (mains, service lines, meters, regulators, etc.), or where such change, in the sole judgment of the Company, is required due to construction, reconstruction, alteration, or demolition on the customer's premises, the full cost of the relocation of the gas facilities will be paid by the customer in advance of the work being performed. The advance payment will be based on a price quote provided by the Company. The price quote will be valid for up to 90 calendar days and will only be subject to change based on modifications in scope or the work to be performed.

#### Reactivation of Gas Service Laterals

Service laterals deactivated (physically disconnected from the main) under Public Service Commission of Wisconsin (PSCW) rules because of lack of use or abandonment will not be reactivated. A new service lateral will be installed under the same rules and costs that apply for new service applicants.

### R Gas Service Laterals

The customer shall grant an easement to the Company for the service lateral along with the right to enter upon the customer's premises and excavate as necessary to install the gas service piping and to keep it in repair.

The Company will provide the customer with an initial written cost estimate and design that will include both ordinary and any identifiable extraordinary costs related to the installation of a gas service lateral.

Examples of identifiable extraordinary costs include but should not be limited to the following:

1. Costs related to customer requested modifications that go beyond the design and scope of the construction specifications as presented by the Company.
2. Excavating costs when special equipment such as those associated with, but not limited to, river or wetland and rail bed crossing or excavating in rock and frost.
3. Costs related to the cutting of pavement or boring when such activities are deemed necessary for a suitable service installation unless the section in question is located within public right-of-way.

(Continued on Sheet G-49.2)



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## Gas Rules and Regulations: Service Laterals and Extensions

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### INSTALLATION OF SERVICE LATERALS (continued)

R The Company will extend, at no charge to the customer, up to 25 feet of service lateral for a residential general use, nongas space-heating customer and up to 65 feet of service lateral for all other customer service classes. For a branched service lateral, the Company will extend up to 130 feet from the property line to the Company-prescribed meter location at no charge to the customer. Any installed service lateral footage beyond the aforementioned free limits will be at the customer's expense. Charges for excess footage are identified below. A customer's premise is deemed site ready when the dwelling's foundation wall is in and backfilled, the area where the Company's gas regulating and metering equipment is protected from damage, and the Company's planned trench route is cleared, marked, and graded to within 6 inches of final grade verifiable by the Company.

The Company will normally provide gas service to a customer at any one structure through a single gas service line. Multifamily structures with common ownership will normally be served through a single gas service line.

The Company reserves the right to set up a payment plan and will make such determination on a case-by-case basis.

### Winter Construction Charges

For gas service installations that take place from December 1 through March 31, the Company will provide the customer with an initial cost estimate which will include both ordinary and extraordinary service installation costs as well as the incremental costs associated with winter construction. At the sole discretion of the Company, winter construction charges may be waived if the customer's application for service is received by the Company on or before October 15 and the customer's premises is deemed to be site ready and verifiable by the Company prior to November 1.

The Company will file any revisions to its footage charges with the Commission by March 1 of each year to be effective on or before April 1 of the same year. Current footage charges are:

| Size of pipe                   | Charges for footage in excess of Company allowance to Company-prescribed meter location |
|--------------------------------|-----------------------------------------------------------------------------------------|
| Less than or equal to 2 inches | \$6.50 per foot                                                                         |

Service laterals using pipe size greater than 2 inches will be charged the 2-inch footage charge plus any applicable material and labor cost differential.

### EXTENSION OF NATURAL GAS MAINS

#### Availability

Subject to the availability of the required natural gas supplies, the Company may extend its natural gas mains to serve new customers.

#### Definition of Gas Main

Gas main is defined as that portion of the Company's natural gas piping and related facilities which are intended to provide service to more than a single customer.

(Continued on Sheet G-49.3)



## Gas Rules and Regulations: Service Laterals and Extensions

### EXTENSION OF NATURAL GAS MAINS (continued)

#### Customer Contribution to Gas Main Installation

Each new customer resulting from a natural gas main extension will pay a contribution to the Company equal to the estimated cost of the extension required to provide the level of service needed, including such charges as street intersections as well as other estimated extraordinary expenses including any necessary upstream interstate pipeline upgrade costs, less a per-customer allowance as follows:

$$\text{Residential Allowance} = \frac{((\text{DCC} \times 365) + (\text{DM} \times \text{EAT}))}{\text{CC}} = \$3,270 \text{ for space-heating service}$$

DCC = Daily customer charge: \$0.6411

DM = Distribution margin: \$0.3090

EAT = Estimated annual throughput.

CC = Annual carrying cost (13.96%) = (Economic cost of capital plus distribution and customer accounts expense divided by plant in service).

*\*Normal residential space-heating allowance using 720 therms. Company may, at its sole discretion, adjust the allowance for unusually large residences with anticipated significant annual consumption.*

$$\text{Commercial and Industrial Allowance} = \frac{(\text{DM} \times \text{Estimated AT}) + (\text{DCC} \times 365)}{\text{CC}}$$

DM = Distribution margin for applicable service class.

EAT = Customer's estimated annual throughput.

DCC = Daily customer charge for applicable service class.

CC = Annual carrying cost (13.96%) = (Economic cost of capital plus distribution and customer accounts expense divided by plant in service).

The allowance only applies to the extension of Company facilities and does not apply to upstream interstate pipeline upgrade costs.

- R The Company's estimated construction cost for gas main extension will be based on an average of \$17.20 per foot for 2-inch plastic main, excluding any extraordinary costs. Construction cost estimates involving main sizes other than 2-inch will be priced at the Company's actual cost.

The Company will make every effort to include all anticipated extraordinary costs including but not limited to boring, trenching in rock, river crossings and pavement cutting located outside public right-of-way, and upstream interstate pipeline upgrade costs in the cost estimate. For main installations that take place between December 1 and March 31, the Company will provide the customer with an initial cost estimate which will include the additional costs associated with winter installations as well as any other extraordinary costs including but not limited to boring, trenching in rock, river crossings, and pavement cutting located outside public rights-of-way. The cost estimate is valid for 90 days from the date of the initial estimate. A new estimate will be required for construction beyond the 90-day period. In all cases, payment in full is required prior to any work being performed.

The Company will file any revisions to its per-foot charges with the Commission by March 1 of each year to be effective on or before April 1 of the same year.

(Continued on Sheet G-49.4)

## Gas Rules and Regulations: Service Laterals and Extensions

### M CONNECTION OF ADDITIONAL CUSTOMERS

#### M Extensions to More Than One Customer

M The Company may consider requests for gas service requiring main extensions which are received concurrently from a number of prospective customers as a series of individual requests or as one joint request. If considered individually, any required contribution will be determined for each customer in accordance with Customer Contribution to Gas Main Installation based on the allowance and main required by that customer. If considered as a joint request, any required contribution will be determined by comparing the total extension cost to the combined allowances of the customers and prorated among the customers. However, if in the Company's sole judgment such apportionment would be discriminatory, the Company will consider customer class, usage, location, and other factors in allocating the required contribution among the customers. The method to be used will be determined by the Company and applied in a manner to minimize confusion over contribution and/or refund policies.

#### M Extensions to Developments

M Upon request of a developer for gas service to a residential development for which a main extension is required, the Company will make such installation subject to the availability of gas supply at that location and in accordance with the general provisions of Customer Contribution to Gas Main Installation and the following provisions:

- M 1. The developer will furnish a recorded plat, map, or print showing the location and nature of the area for which gas service is requested. The characteristics, nature, and amount of initial gas load to be served will be indicated.
- M 2. The developer will pay in advance to the Company or make payment arrangements that are satisfactory to the Company, the total cost of the required main installation. For a period of five years from the date of installation, as customers take service within the development, refunds or credits against the payment arrangement will be made to the developer annually, or sooner at the Company's sole discretion, equal to the allowance for mains determined by the formula contained in Customer Contribution to Gas Main Installation. The total of refunds or credits will not exceed the original contribution requirement.
3. The development to be served includes five or more residential building lots.

If a development is other than residential standalone single family, full payment in advance is required to the Company.

### Refunds - Excluding Extensions to Developments

The following refund policy applies to all main extensions except for those made within developments:

1. If within five years after installation of a main extension for which a contribution is required, one or more additional customers are connected to the extension by a service lateral, the Company will make a refund annually, or sooner at the Company's sole discretion or credit the monthly bill to the current record owner of the premises for which the extension was installed. The amount of the refund will equal the allowance for additional customers as determined in accordance with Customer Contribution to Gas Main Installation. If the extension was made as a result of a joint request under Extensions to More Than One Customer, the Company will allocate the refund in the same manner used to allocate the contribution.

(Continued on Sheet G-49.5)



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## Gas Rules and Regulations: Service Laterals and Extensions

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### CONNECTION OF ADDITIONAL CUSTOMERS (continued)

- M 2. Unless otherwise provided by written agreement at the time a contribution is made, the right to receive refund of any contribution held hereunder will attach to the ownership of the premises at each service location, and any refund will be made to the person who owns such premises at the time the refund becomes due.
- M 3. The refund of any payment made in advance of construction will not include interest and will not exceed the original payment.

### M ECONOMIC CONSIDERATIONS

- M When the total cost of a main extension is \$10,000 or more, the Company may reject such extensions due to: the need for substantial reinforcement of its existing distribution system to provide adequate service, the possibility of inadequate revenues to cover the fixed costs associated with the investment, the risk inherent in making a substantial capital investment which might have a very limited future, etc.
- M In the event of such rejection, the Company will advise the applicant, in writing, of the reasons for rejection and will advise the applicant that their application may be pursued through the PSCW.

### M Relocation and Replacement of Existing Facilities

- M Where the customer requests a change or relocation of the installed gas facilities of the Company (mains, service lines, meters, regulators, etc.), or where such change, in the sole judgment of the Company, is required due to construction, reconstruction, alteration, or demolition on the customer's premises, the full cost of the change in gas facilities will be paid by the customer in advance of the work being performed. The advance payment will be based on a price quote provided by the Company. The price quote will be valid for up to 90 calendar days and will only be subject to change based on modifications in scope or the work to be performed.

### Extraordinary Investment by the Company

Where, in the opinion of the Company, the investment in an extension appears extraordinary or unusual, or where the extensive rebuilding of existing facilities is necessary to accommodate the customer making application for service, the Company reserves the right to require the customer who will be served from the extension to execute a contract for a definite period of service and otherwise to protect the Company and its existing customers against possible losses.

The Company shall have the option of rejecting any extension requiring an extraordinary investment. The Company shall advise the applicant(s) in writing of the reasons for rejection and advise the applicant(s) that further evaluation of the extension proposal may be pursued through the PSCW.

(Continued on Sheet G-49.6)





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## Gas Rules and Regulations: Service Laterals and Extensions

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### PAYMENT OF CUSTOMER CONTRIBUTION

#### New Developments

For extension of gas mains to new developments, the Company may, in its sole discretion, allow the applicant to execute a promissory note in favor of the Company binding the Applicant, and Applicant's successors, for a principal amount equal to the lesser of: (1) the estimated installation cost of the necessary main extension required to provide the needed level of service for the customers plus the estimated carrying costs, or (2) the maximum customer allowance estimated for the development. The carrying charge will be calculated as 50 percent of the economic cost of capital as determined in the most recent rate order for the term of the promissory note. The note will have a term of 65 months. Any unpaid principal balance remaining at the end of the 65-month term will accrue interest charges until the date such payment is made, including interest.

The Company will be assured to its own satisfaction of the customer's ability to meet the obligations of the promissory note. If, in the Company's sole judgment, the obligation of the promissory note may not be met, the Company will have the right to require full payment of the customer contribution equal to the estimated gas main extension cost prior to construction.

The principal of the promissory note will be reduced to reflect any reductions in footage of main and extraordinary expenses required as compared to the original estimate. The principal of the promissory note will not be increased if the actual construction costs exceed the original estimate.

As customer additions are made in a development, the principal of the note will be reduced based on the customer main allowance for each type of service lateral placed in service. For commercial and industrial customers, estimated consumption will be used as the basis for the customer main allowance.

In the event that the total estimated cost of the main extension plus the applicable carrying costs exceeds the total customer allowance, the customer will be required to pay the difference prior to the start of construction, and this amount will not be refundable.

#### Residential Developments

1. Determine the estimated cost of the natural gas extension required to serve the requested level of service. This involves estimating the footage and pipe charge required plus any extraordinary costs.
2. Calculate customer allowances using the formula provided herein. The sum of individual customer allowances in the development is the maximum customer allowance.
3. Calculate the carrying charge expense by multiplying the main extension cost (No. 1) times the economic cost of capital for new investment in distribution mains, as shown in this tariff, for one-half of the life of the promissory note ( $9.66\% \times 2.7 \text{ years} = 26.08\%$ ).
4. Add the estimated cost of the main extension (No. 1) to the carrying charge (No. 3) to determine the total estimated cost of the main extension.
5. Determine if the natural gas extension is economical by comparing the total estimated cost of the extension to the maximum customer allowance. If the cost is greater than the allowance, the difference will be paid prior to the start of construction, and the remainder is the principal of the promissory note. If the cost is less, it is the principal of the promissory note.

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(Continued on Sheet G-49.7)

## Gas Rules and Regulations: Service Laterals and Extensions

### PAYMENT OF CUSTOMER CONTRIBUTION (continued)

#### M Commercial and Industrial Developments

- M For commercial and industrial developments, the principal of the promissory note will be equal to the estimated cost of the natural gas extension. Any carrying charges due on the extension will be paid at the maturity date of the promissory note based on the remaining principal if the development is not fully saturated. The carrying charge will be based on one-half of the currently authorized economic cost of capital.
- M Consistent with the Company's Transportation Service rate schedule, if a transportation customer applies for service as part of a new development, the principal of the promissory note will be reduced only after the Company's satisfaction regarding the permanence of the applicant's load or appropriate arrangements are made between the Company and applicant regarding purchase volume commitment or other financial arrangements.

#### M Applicability

- M The above refund provisions are effective for natural gas main extension applications received on or after March 1. Applications received prior to March 1 will be completed under the old rules.

#### M AREA DEVELOPMENT PROGRAM (ADP)

- M When the total cost of an extension of service to a new or additional service area is in excess of \$5,000, the Company may, at its sole discretion, determine the economic feasibility of the project using a PSCW staff-approved Cash Flow Analysis Model.
- M The model utilizes a number of standardized assumptions and the financial information and margin rates from the Company's most recent rate case. The Company will survey the new service area and make a projection of customer estimates by rate class for up to seven years, using a maximum 80 percent saturation of existing potential customers to be served from the project. Methods used for estimating a customer's annual consumption will include but will not be limited to average usages per customer service class, historical alternative fuel consumptions, or engineered estimates based on size and/or scope of the property.
- M The first-year construction costs will include the Company's estimate of capital costs for both materials and construction. Projected overheads including engineering, construction supervision and inspection, easement, and special construction costs will be included in the estimated construction costs to the extent that the costs would be included as part of the work order for the project.

The model requires the following criteria be met:

1. After-tax cash flow must be positive following the eighth year of the project.
2. Net present value must be positive for the depreciated life of the project.
3. Internal rate of return must equal or exceed the Company's after-tax weighted cost of capital.

If the result of the economic analysis determines the internal rate of return is less than the desired after-tax weighted cost of capital, then the Company may either refuse to make the extension or require the customers to be served to make contributions of sufficient amount to provide an internal rate of return equal to the after-tax weighted cost of capital. The required contribution can be paid either before construction is started, collected through monthly bill surcharges, or a combination of both from customers served by the project. The surcharge recovery period will be a maximum of seven years and will begin immediately following the completion of the initial phase of construction.

(Continued on Sheet G-49.8)



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## Gas Rules and Regulations: Service Laterals and Extensions

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### AREA DEVELOPMENT PROGRAM (ADP) (continued)

Given that the economics of an ADP can be highly dependent on the participation of larger use customers, the Company may, at its sole discretion, require these essential customers to sign an ADP agreement and/or pay their contribution up front as a precondition to initiating construction. The effective ADP surcharge will be added to the monthly bills of all customers who participate in the program and do not pay an up-front contribution.

The effective monthly ADP surcharge will be applied to each customer beginning on the date the meter serving the customer becomes active for the purpose of measuring and billing. The ADP surcharge is transferrable to home owners and businesses or their successors, assigns, and estates, and is not subject to refund.

The ADP surcharge will discontinue when the required contribution for the ADP approaches zero or the predetermined recovery period has been completed, whichever comes first. The effective surcharge will be terminated with each customer's ensuing scheduled billing cycle.

Any gas main additions whether located inside or immediately outside the prescribed ADP area or defined zone will be treated as a separate extension and will be subject to the Company's existing extension rules. New customer additions whether inside the ADP area or immediately outside the prescribed ADP area or defined zone shall be subject to the effective ADP surcharge.

A tariff will be filed with the PSCW with each new ADP. The tariff (G-49A) will specify each ADP by zone and will include a description of the boundaries, the effective surcharge, the effective start date, and the anticipated date of termination.

ADP gas services and meter sets will be extended in accordance with the Company's regular gas extension rules and regulations. All other rules and regulations that govern the Company's natural gas service remain in effect in the ADP area.

### MAINS AND SERVICES - CONTROL AND TITLE

All mains and services will be installed by the Company.

Control of and title to all gas main installations and gas service connections from the point at which the mains are tapped, to and including the meter connection facilities and meters installed on customers' premises, will be and remain in the Company.

D

(Continued on Sheet G-49.9)



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## Gas Rules and Regulations: Service Laterals and Extensions

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### EXCEPTION TO RULES AND REGULATIONS

It is understood that the Commission may, from time to time, order a waiver of the Company's gas service priorities (Sheet G-39) and, as a condition of ordering gas service to be rendered, may order the Company to extend gas distribution facilities under terms which are not in conformity with filed rules and regulations.

D

### MISCELLANEOUS JOBBING WORK

Charges for miscellaneous jobbing work change from time to time. Current information concerning these charges may be obtained from the Company.

*(PSCW authorization is not required for Miscellaneous Work Charges. See PSCW Opinion and Order pertaining to Miscellaneous Jobbing Work: "Proposal of Madison Gas and Electric Company to Revise Its Rules Pertaining to Miscellaneous Work 2-U-1802," dated June 3, 1942.)*

(Next Sheet is G-51)



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## **Zones for Area Development Program**

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### **Zone 1**

The Zone 1 surcharge is \$0.00 per therm  
effective July 1, 2016.



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## **Zones for Area Development Program**

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### **Zone 2**

The Zone 2 surcharge is \$0.00 per therm  
effective March 1, 2016.



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## **Zones for Area Development Program**

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### **Zone 3**

The Zone 3 surcharge is \$0.00 per therm  
effective August 1, 2016.



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## **Zones for Area Development Program**

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### **Zone 4: Sun Prairie/Burke**

The Zone 4 surcharge is \$0.00 per therm  
effective September 1, 2017





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## **Zones for Area Development Program**

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### **Zone 5**

The Zone 5 surcharge is \$0.00 per therm  
effective October 1, 2015



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**Zones for Area Development Program**

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**Zone 6: Town of Vienna**

The Zone 6 surcharge is \$0.00 per therm  
effective November 1, 2017



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## **Zones for Area Development Program**

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### **Zone 7**

The Zone 7 surcharge is \$0.00 per therm  
effective July 1, 2016.



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## **Zones for Area Development Program**

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### **Zone 8: Town of (South) Leeds/Windsor**

The Zone 8 surcharge is \$0.00 per therm  
effective March 1, 2018.



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## **Zones for Area Development Program**

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### **Zone 9: Town of Hampden (2014)**

The Zone 9 surcharge is \$0.00 per therm  
effective December 1, 2018.



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**Zones for Area Development Program**

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**Zone 10**

The Zone 10 surcharge is \$0.00 per therm effective June 1, 2022



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## **Zones for Area Development Program**

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### **Zone 11**

The Zone 11 surcharge is \$0.00 per therm  
effective July 1, 2023.



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**Zones for Area Development Program**

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**Zone 12: Vernon County (2015)**

The Zone 12 surcharge is \$0.00 per therm effective June 1, 2022.





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## **Zones for Area Development Program**

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### **Zone 13**

The Zone 13 surcharge is \$0.00 per  
therm effective October 4, 2023.



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## **Zones for Area Development Program**

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### **Zone 14**

The Zone 14 surcharge is \$0.00 per  
therm effective October 4, 2023.



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**Zones for Area Development Program**

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**Zone 15: Town of Hampden (2017)**

The Zone 15 surcharge is \$0.00 per  
therm effective September 27, 2024.



## Gas Service Rules and Regulations: Forms

| <b>DISCONNECT NOTICE</b>                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------|--|-------------|------------------------|---------------------|--|-------------|------------------------------------------------------------------|------------------|------------------------------------------------------------------|
| Madison Gas and Electric Company<br>PO Box 1231, Madison, Wisconsin 53701-1231<br>608-252-7144 TDD 608-252-4777 1-800-245-1125                                                                                                                                                                                                                                                                                            | Viroqua Gas Company<br>PO Box 109, Viroqua, Wisconsin 54665<br>608-637-3139 1-877-388-3139 | Prairie du Chien Gas Company<br>PO Box 286, Prairie du Chien, Wisconsin 53821<br>608-326-2417 1-888-326-2417 |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| <b>Important - See Reverse Side</b>                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Your account is past due. Unless full payment is made within <b>10 days</b> after date of this notice, service will be discontinued. To avoid interruption of service and payment of a reconnection charge, please give this matter your immediate attention.                                                                                                                                                             |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| <b>AVISO DE DESCONEXION - para prevenir la interrupcion de su servicio, contacte a MGE inmediatamente.</b>                                                                                                                                                                                                                                                                                                                |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Pay your bill by credit card or electronic check. Call 1-888-201-1967. Processor fees apply.                                                                                                                                                                                                                                                                                                                              |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| <b>Madison Gas and Electric Company</b><br>133 South Blair Street, PO Box 1231, Madison, Wisconsin 53701-1231<br>Phone 608-252-7144 TDD 608-252-4777 Toll Free 1-800-245-1125                                                                                                                                                                                                                                             |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| <b>DISCONNECT NOTICE</b>                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Please return this portion with payment within 10 days.                                                                                                                                                                                                                                                                                                                                                                   |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| <table border="1" style="width: 100%;"><tr><td colspan="2">Account Number</td></tr><tr><td>Notice Date</td><td><b>Amount Past Due</b></td></tr><tr><td colspan="2">Reconnection Charge</td></tr><tr><td>Gas Service</td><td>\$ [ ] 8 a.m. - 4:30 p.m. Monday through Friday, except Holidays</td></tr><tr><td>Electric Service</td><td>\$ [ ] 8 a.m. - 4:30 p.m. Monday through Friday, except Holidays</td></tr></table> |                                                                                            |                                                                                                              | Account Number |  | Notice Date | <b>Amount Past Due</b> | Reconnection Charge |  | Gas Service | \$ [ ] 8 a.m. - 4:30 p.m. Monday through Friday, except Holidays | Electric Service | \$ [ ] 8 a.m. - 4:30 p.m. Monday through Friday, except Holidays |
| Account Number                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Notice Date                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Amount Past Due</b>                                                                     |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Reconnection Charge                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                            |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Gas Service                                                                                                                                                                                                                                                                                                                                                                                                               | \$ [ ] 8 a.m. - 4:30 p.m. Monday through Friday, except Holidays                           |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |
| Electric Service                                                                                                                                                                                                                                                                                                                                                                                                          | \$ [ ] 8 a.m. - 4:30 p.m. Monday through Friday, except Holidays                           |                                                                                                              |                |  |             |                        |                     |  |             |                                                                  |                  |                                                                  |

MGE 003 (March 1, 2016)

### BACK OF NOTICE

In accordance with Wisconsin Administrative Code, please contact our office immediately upon receipt of this notice for any of the following reasons:

- A. If you dispute the amount shown as past due on this notice.
- B. If you wish to negotiate a deferred payment agreement as an alternative to disconnection.
- C. If disconnection of service poses a threat to the health, safety or well-being of a resident of your premises due to any of the following reasons:
  - infirmities of aging
  - developmental, mental or physical disabilities
  - use of life-sustaining equipment connected to the meter
  - frailties associated with infants or young children

Residential utility service will be continued for up to 21 days to enable you to arrange for payment, if you provide our office with a statement from a licensed Wisconsin physician or a notice from a public health, social services, or law enforcement official which identifies the medical or protective services emergency and specifies the period of time during which disconnection will aggravate the circumstance.

An appeal may be made to the staff of the Public Service Commission of Wisconsin, telephone 1-800-225-7729, if the grounds for the proposed disconnect or the amount of any bill remains in dispute after contacting this company for available remedies.

If you make a payment using a credit or debit card or at an authorized MGE pay station, and it is needed to keep your service on, contact us at (608) 252-7144 with your payment confirmation number to ensure prompt processing.

(Continued on Sheet G-51.1)



**Gas Service Rules and Regulations: Forms**

| <b>MADISON GAS AND ELECTRIC COMPANY</b><br>Post Office Box 1231<br>Madison, Wisconsin 53701<br>(608) 252-7141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>DEPOSIT REQUEST</b><br><br><b>DEPOSIT INFORMATION</b><br><br><b>Name</b><br><br><b>Date</b><br><b>Due Date</b><br><br><b>Bill Type</b><br><b>Account No.</b><br><b>Deposit Amount Due</b> \$<br><b>For Service At:</b> |             |        |                                                       |  |                                    |  |                    |    |           |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|-------------------------------------------------------|--|------------------------------------|--|--------------------|----|-----------|--|
| <b>PLEASE RETURN TOP PORTION WITH PAYMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                           |             |        |                                                       |  |                                    |  |                    |    |           |  |
| <table style="width: 100%;"><thead><tr><th style="text-align: left; width: 80%;">DESCRIPTION</th><th style="text-align: right; width: 20%;">AMOUNT</th></tr></thead><tbody><tr><td colspan="2" style="padding-top: 20px;">A security deposit is requested for service at _____.</td></tr><tr><td colspan="2" style="text-align: center; padding: 20px 0;"><h1 style="margin: 0;">Sample</h1></td></tr><tr><td style="text-align: right; padding-top: 20px;">DEPOSIT AMOUNT DUE</td><td style="text-align: right; vertical-align: bottom;">\$</td></tr><tr><td colspan="2" style="padding-top: 10px;">Due Date:</td></tr></tbody></table> |                                                                                                                                                                                                                           | DESCRIPTION | AMOUNT | A security deposit is requested for service at _____. |  | <h1 style="margin: 0;">Sample</h1> |  | DEPOSIT AMOUNT DUE | \$ | Due Date: |  |
| DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | AMOUNT                                                                                                                                                                                                                    |             |        |                                                       |  |                                    |  |                    |    |           |  |
| A security deposit is requested for service at _____.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                           |             |        |                                                       |  |                                    |  |                    |    |           |  |
| <h1 style="margin: 0;">Sample</h1>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                           |             |        |                                                       |  |                                    |  |                    |    |           |  |
| DEPOSIT AMOUNT DUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$                                                                                                                                                                                                                        |             |        |                                                       |  |                                    |  |                    |    |           |  |
| Due Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                           |             |        |                                                       |  |                                    |  |                    |    |           |  |
| Please Retain Lower Portion for Your Records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                           |             |        |                                                       |  |                                    |  |                    |    |           |  |

(Continued on Sheet G-51.2)



**Gas Service Rules and Regulations: Forms**

|  <b>GUARANTEE AGREEMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                      |        |                                                  |                    |              |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------|--------------------------------------------------|--------------------|--------------|----------|
| Bill No.<br><b>50</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Account No.                          | Amount | Date Received                                    | Service Start Date | Date Taken   | Taken by |
| Billing Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                      |        | Service Address                                  |                    |              |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                      |        |                                                  |                    |              |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                      |        | <b>PLEASE RETURN WITHIN 20 DAYS.</b>             |                    |              |          |
| Home Phone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <input type="checkbox"/> Residential |        | <input type="checkbox"/> Electric                |                    | Meter Number |          |
| Work Phone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <input type="checkbox"/> Commercial  |        | <input type="checkbox"/> Gas                     |                    |              |          |
| <input type="checkbox"/> If this box is checked, we may require additional security following the accumulation of usage data - see attached letter for explanation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                      |        |                                                  |                    |              |          |
| <p>I guarantee payment, up to the amount listed above, for any services furnished by Madison Gas and Electric Company (MGE) to the customer at the address shown. This agreement will begin on the Service Start Date and will last through the earliest of the following dates:</p> <ol style="list-style-type: none"><li>1. The date I request my guarantee to end. I understand this request must be submitted to MGE in writing at least 30 days in advance <b>OR</b></li><li>2. The date the account is closed <b>OR</b></li><li>3. _____</li></ol> <p>I waive the privilege of receiving copies of disconnect notices sent to the customer whose account I guarantee. The undersigned hereby authorizes Madison Gas and Electric Company to investigate my personal credit, including obtaining consumer credit reports, solely for the purpose of establishing my viability and credit worthiness as guarantor.</p> |                                      |        |                                                  |                    |              |          |
| Guarantor's Signature                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                      |        |                                                  |                    |              |          |
| Guarantor's Home Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                      |        |                                                  |                    |              |          |
| Business Phone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                      |        | Home Phone                                       |                    |              |          |
| Approved by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      |        | <b>Madison Gas and Electric Company 252-7141</b> |                    |              |          |
| <p>Both spouses will be responsible for payment of utility services <b>unless</b> a copy of the marital property agreement, unilateral statement, or court decree is provided to MGE before service is started. The guarantor agrees to be responsible for all legal fees MGE incurs in enforcing this agreement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                      |        |                                                  |                    |              |          |

2706 02/07



## Renewable Natural Gas Interconnection Pilot

### N AVAILABILITY

To commercial and industrial natural gas customers who agree to participate in this voluntary Renewable Natural Gas Interconnection (RNG-2) pilot under this schedule.

Participation in this program is available to a maximum of five customers and may be limited by the Company based upon the economic or technical feasibility of a specific project and/or interconnection location.

Service under this rate schedule is available on a best-efforts basis.

### APPLICABILITY AND CHARACTER OF SERVICE

This voluntary offering is designed to provide participating qualified customers the opportunity to inject and deliver renewable natural gas (RNG) produced on the customer's premise into the Company's natural gas distribution system. RNG is pipeline-quality natural gas that is derived from the biogas of decomposing organic materials. Customers that wish to produce RNG for delivery into the Company's natural gas distribution system are required to complete the Application for Study process and to execute an RNG Interconnection Agreement as a condition of access.

Pursuant to this tariff, RNG collected from the following sources may be accepted into MGE's natural gas distribution system.

- Landfill
- Wastewater Treatment Plant (WWTP)
- Organic Waste (e.g., livestock waste)

All RNG injected into the Company's system by a customer must be designated for delivery to the Company, or, at the sole discretion of the Company, to a customer contracting with the Company for service under Daily Balancing Service (Rate Schedule DBS-1) or a third-party pooling agent. Customers may also enter into a renewable attributes purchase agreement with the Company.

Customers electing service under this rate must pay for all equipment necessary for the delivery of RNG at the point of interconnection with the Company, including, but not limited to, gas processing equipment, metering, electrical power, telecoms, piping and instrumentation, and physical facilities. The Company will install gas quality check equipment and piping in rights-of-way.

### RATE

System connection and customer service charge:

The system connection and customer service charge from rate schedules, GSD-1, GSD-2 and GSD-3 will apply to RNG-2 customers according to the volumetric applicability requirements of these rate schedules.

Distribution service per therm:

The distribution service per-therm rate from rate schedules, GSD-1, GSD-2 and GSD-3 will apply to RNG deliveries according to the volumetric applicability requirements of these rate schedules.

|                                       |                    |
|---------------------------------------|--------------------|
| Quality Monitoring: .....             | \$99.0400 per day  |
| Maintenance: .....                    | \$78.0317 per day  |
| Odorization: .....                    | \$0.0004 per therm |
| Electronic Meter Reading Charge ..... | \$1.50 per day     |

(Next Sheet is G-52.1)



## Renewable Natural Gas Interconnection Pilot

### CALCULATION OF MAIN ALLOWANCE

The calculation of annual margin for the determination of the customer's Main Allowance per the Gas Rules and Regulations: Service Laterals and Extensions, G-49, will include only the applicable system connection and customer service charge rate and distribution service rate.

### REMOTE METER READING REQUIREMENT

The customer is required to install facilities that enable the Company to remotely read the customer's meter and gas quality as necessary. Installation and operation will include access to electrical power or other equipment as necessary to make the remote reading capabilities operational.

### GAS QUALITY

All RNG received directly into the Company's natural gas distribution system shall conform to the specifications and testing requirements listed in this schedule, as well as specifications listed in the Customers RNG Interconnection Agreement. The customer shall, at its own expense, monitor, test, or otherwise inspect its RNG prior to the delivery into the Company's facilities and communicate the results of such monitoring, testing, or inspection to the Company.

All RNG delivered into the Company's natural gas distribution system shall, in all respects and at all times, consist solely of RNG which is merchantable and fit for use by retail customers, that is suitable for transportation in the Company's natural gas distribution system, and that will not damage or jeopardize the safe operation of the Company's natural gas distribution system facilities and its customers facilities and equipment. Minimum quality requirements are listed in the table below.

| Constituents                        | Limit                   | Units    | Testing Frequency |
|-------------------------------------|-------------------------|----------|-------------------|
| Higher Heating Value                | ≥966                    | Btu/scf  | Continuous        |
| Carbon Dioxide                      | 2.0                     | mol %    | Continuous        |
| Oxygen                              | 0.2                     | mol %    | Continuous        |
| Total Inerts                        | 5.0                     | mol %    | Continuous        |
| Hydrogen Sulfide (H <sub>2</sub> S) | 4                       | ppm      | Continuous        |
| Total Sulfur                        | 16                      |          | Continuous        |
| Water Vapor Content                 | 7                       | lb/MMscf | Continuous        |
| Nitrogen                            | 3                       | mol %    | Continuous        |
| Temperature                         | 35-140                  | °F       | Continuous        |
| Hydrocarbon Dew Point               | ≤40 @ delivery pressure | °F       | Continuous        |
| Wobbe Index                         | 1274-1380               |          | Continuous        |
| Siloxanes                           | ≤ 1                     | ppmv     | Periodic          |
| Ammonia                             | ≤ 10                    | ppmv     | Periodic          |
| Biologicals                         | Technically free of     | N/A      | Periodic          |
| Volatile Organic Compounds (VOC's)  | ≤ 500                   | ppmv     | Periodic          |

Testing requirements will vary depending on the source of RNG to be received by the Company and may be required for both raw biogas produced by the customer and processed RNG, as determined by the RNG Interconnection Agreement. For quality parameters to be monitored on a continuous basis, the customer shall install, operate, and maintain gas analysis equipment, at its own expense, as specified in the RNG

(Next Sheet is G-52.2)



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**Renewable Natural Gas Interconnection Pilot**

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Interconnection Agreement. For quality parameters that will be monitored by periodic testing, the Company will require the customer undertake testing on a periodic basis, but at a minimum annually, or following a significant change in feedstock or operations. The Company shall be permitted to require more frequent testing, or to require continuous monitoring of some parameters if such testing or monitoring is necessary, in the Company's sole discretion, to protect the safety and reliability of its gas distribution system and/or the safe and reliable operation of equipment operated by its retail natural gas customers.

The Company reserves the rights to continuously monitor the constituents noted in the table above and in the customer's RNG Interconnection Agreement and shut off the supply of RNG into the Company's natural gas distribution system if the RNG delivered has violated any of the quality specifications.

**SALE OF GAS TO THE COMPANY**

For a period of not less than 10 years, customers may enter into a Natural Gas Purchase Agreement that includes the sale of the RNG from the customer to the Company at a monthly rate equal to the NGI Chicago Citygate First of Month Index rate. At the Company's sole discretion, the customer and the Company may negotiate alternative terms in the Natural Gas Purchase Agreement.

Buyer of Last Resort: If a Natural Gas Purchase Agreement is not in place between the Company and the customer, it is the responsibility of the customer or designee to find end users for the gas. To ensure the RNG stays on the Company's distribution system, the Company will act as the Buyer of Last Resort on a month-to-month basis if the customer or their designee provides notice to the Company three (3) days prior to the beginning of the month. The Company will purchase all of the RNG produced by the customer for that month at a monthly rate equal to 90% of the NGI Chicago Citygate First of Month Index rate. If notice is given less than three (3) days or no notice is given to the Company prior to the first of the month the Company will purchase the entire month's delivery of RNG on a best-efforts basis at a monthly rate equal to 80% of the NGI Chicago Citygate First of Month Index rate.

**CONDITIONS OF SERVICE**

- (a) The RNG delivered must meet all applicable Company gas quality standards and testing schedules as described in this schedule and the RNG Interconnection Agreement.
- (b) The quantity of RNG the Company will accept each day may be limited and is dependent on the Company's ability to physically accept RNG deliveries at the designated interconnection point and the ability of receiving end-users of RNG to consume the total quantities produced.
- (c) Terms for Company purchases of RNG will be established by written contract with the customer.
- (d) Terms for Company purchases of renewable attributes will be established by written contract with the customer.
- (e) If the Commission objects to any terms of an RNG Delivery Service Agreement, the Company and customer agree to renegotiate the contract in good faith.
- (f) As allowed by physical limitations of RNG at designated interconnection points, RNG may be included as a supply source under DBS-1. Other than exclusion identified for RNG service, terms of DBS-1 will apply.
- (g) All RNG injected into the Company's system by a customer must be designated for delivery to either the Company, a customer contracting with the Company for service under DBS-1, or third-party pooling agent. Partial designation of deliveries between the Company, a customer contracting with the Company for service under DBS-1, and/or a third-party pooling agent are not allowed.
- (h) RNG sales to a customer contracting with the Company for service under DBS-1 or pooling agent are subject to Company daily balancing charges, DBS-1.