

WISCONSIN PUBLIC SERVICE CORPORATION

P.S.C.W. Volume No. 7

5th Rev. Sheet No. E12.40
Replaces 4th Rev. Sheet No. E12.40
Amendment 703 Schedule OPE

On-line Power Exchange (OPE)

Electric

AVAILABILITY

R This service is available to Customers taking service under the Cp, Cg-20, Cp-I2
R or Cp-I3 tariffs that have a minimum of 500 kW interruptible load.

R The Company reserves the right to deny availability to a Customer that receives
credit under one of the direct load control riders (Cg-DC or GDC) or
participates in the Voluntary Energy Reduction Program (VERP).

PURPOSE

The purpose of this tariff is to meet the requirements of SS 196.192 (2) (a) to provide Customers with compensation for interrupting load during peak periods of electric use and to provide the Company with alternative methods to meet system load requirements. The load interrupted by the Customers will be used either to provide service to other Customers of the Company, or for the Company to sell to another utility or supplier. The utilization of this program is at the complete discretion of the Company.

RATES

COMPANY POSTING

At any time, the Company may post an offer for load reduction on the website. This Company Offer shall contain the following information;

1. Compensation Price in \$/kWh,
2. Total amount of load reduction the Company will purchase in kW,
3. Effective Load Reduction Time Period,
4. Offer Close Time, (Customers must accept bid prior to this time)
5. Whether a penalty is applicable or not, and
6. The time periods for which Customer Baselines shall be determined.

Upon the Company posting a bid, an e-mail alerting Customers of the posting will be sent out.

Customers will be required to utilize the Company's designated website to accept the Company's Offer to receive compensation for load reductions. Customers will be accepted on a first-come first-serve basis until the amount of load nominated by the Customers equals the total amount of load reduction contained in the Offer up until the Offer Close Time. The Company retains the right to withdraw an Offer prior to the Offer Close Time, however the Company will honor prior Customer acceptances of the Offer subject to the terms and conditions of this tariff.

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CUSTOMER POSTING

At any time, a participating Customer may post an Offer for load reduction on the website. This offer shall contain the following information;

1. Compensation Price in \$/kWh,
2. Amount of load reduction the Customer will reduce in kW,
3. Effective Load Reduction Time Period,
4. Offer Close Time, (Company must accept bid prior to this time),
5. Whether a penalty is applicable or not, and
6. The time periods for which Customer Baselines shall be determined.

Upon a Customer posting an Offer, an e-mail alerting other Customers of the posting will be sent out. The Company shall have sole discretion to accept and/or reject Offers by Customers. The Company will accept/reject individual Offers based on price, amount of load reduction, the time the bid was submitted and effective, whether a penalty is applicable, impact on the overall system (including geographic or electrical system location of individual Customers) and other items deemed pertinent by the Company.

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Notification by pager is an option to Customers that purchase a pager from the Company. Pager notifications are meant to alert Customers of activity on the website.

REFERENCE LOAD SHAPE FOR DETERMINATION OF LOAD REDUCTION

Customer and Company shall mutually agree on one of the methods listed below.

1. AVERAGE LOAD SHAPE OF PREVIOUS WEEK
The Company shall provide, by 3:00 PM of each Friday, an Average Load Shape to Customers who have chosen this option and have an effective contract on file. This Average Load Shape shall be determined by using the load from Thursday of the previous week through Wednesday of the current week, eliminating the days with the highest and lowest daily energy consumption, any non-business days and any days classified as holidays under the Customer's normal power supply tariff, and averaging the remaining day(s).

The Average Load Shape is then adjusted by the ratio of energy of Actual Load in the two fifteen minute reference intervals to the energy derived from the Average Load Shape during the same two fifteen minute reference intervals to create the Baseline.

When the Average Load Shape includes days of requested curtailment days by the Company, reduced load due to maintenance, or any abnormal load adjusted days, the Average Load Shape may be derived from representative days other than the prior week when mutually agreed upon by the Customer and the Company.

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<p>Note: This option requires the Company to obtain the Customer's interval data on a weekly basis. As part of the service to the Cp Customers, the Company utilizes a telephone based meter reading system, which will accommodate this need for interval data at no additional cost to the Company or the Customer. However, Customers on the Cg-1 TOU rate may be responsible for any potential costs of obtaining the weekly readings as required under the Company's "Customer Requested Metering Reading Schedule" located on rate sheet E10.23.</p>	
<p>2. <u>NEGOTIATED LOAD SHAPE (NLS)</u> If the Company determines that the Average Load Shape will not provide an acceptable representation of the Customer's expected load, the Company and the Customer may mutually agree on a reference load shape.</p>	
<p><u>DETERMINATION OF AMOUNT OF LOAD REDUCTION</u></p>	
<p>The amount of load the Customer interrupted shall be determined by subtracting the load for each fifteen-minute billing period during the Effective Load Reduction Time Period of the accepted Offer from the Baseline or Negotiated Reference Load Shape.</p>	
<p><u>CUSTOMER COMPENSATION</u></p>	
<p>For the Effective Load Reduction Time Periods, the following calculation shall apply to determine the amount compensation for Customers with accepted Offers:</p>	
<p><u>Load Interrupted (kW)</u> = ((NLS OR B) - actual fifteen-minute load of Customer). Load Interrupted cannot exceed the Customer's nomination by more than 10% or 1,000 kW, whichever is less.</p>	
<p><u>Customer Payment (\$)</u> = Load Interrupted (kW) * Compensation Price (\$/kW) for each fifteen minute period during the effective time of the accepted bid.</p>	
<p>Where:</p>	
<p>B - Baseline. Average fifteen minute load shape of Customer based on the previous week's consumption pattern adjusted to meet the reference intervals as described in the Average Weekly Load Shape definition above.</p>	
<p><u>NON-COMPLIANCE PENALTIES</u></p>	
<p>A Non-Compliance Penalty will not be applicable if the accepted bid price did not include a Non-Compliance Penalty.</p>	
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If a Non-Compliance Penalty is part of the accepted bid, the following shall apply;

1. The Customer shall be considered in compliance for all fifteen-minute periods in which the actual amount of load is within the lesser of 30% of the Customers Nomination or 1,000 Kw, of the Customer's Nomination.
2. For fifteen-minute intervals where the amount of Load Interrupted is less than the Customer's Nomination by more than the lessor of 30% of the Customer's Nomination or 1,000 kW, the Customer shall be billed a Non Compliance Penalty based on the formula shown below. The Customer will be credited for the amount of load actually interrupted at the accepted bid price.

Non-Compliance Penalty = (Customer Nomination (kW))*Accepted Bid Price (\$/kWh) * 110%.

For times when a Customer fails to reduce load to their minimum required level (Baseline less 70% of their Nomination) and are subject to penalty, the Customer will still be compensated for the amount of load reduced below their Baseline at the Accepted Bid Price.

NOTE: The Company may waive a Non-Compliance Penalty for Force Majuere situations as defined on rate sheet E6.90 or for metering errors.

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<u>TERMS AND CONDITIONS</u>	
<ol style="list-style-type: none"> 1. Customer is required to sign a contract. 2. Company shall not be liable for any damages or losses resulting from load interruptions caused or induced by the terms and conditions of this tariff. 3. The Company retains the right to deny a Customer from participating in this tariff, prior to start of an interruption, where the Customer is attempting to circumvent the intent or the rate design of this tariff, fails to demonstrate the ability to interrupt load as required under this tariff, an error was made in the posting of an Offer, or receive compensation for load that was not expected to be consumed. 4. Compensation under this tariff will be provided as a credit on the Customer's bill. 5. The Customer shall be responsible for the cost and operation of facilities/equipment required to participate in this program. 6. The Customer will receive compensation only if the Customer's load reduction is in response to an accepted Offer by the Company for such load reduction and the Company has previously accepted the Customer's confirmation of such load reduction. 7. Customers receiving interruptible service from the Company under the Cp-I2 or Cp-I3 tariffs are eligible for this service for both the firm and interruptible portion of their load if an economic or emergency interruption is not effective during the Effective Load Reduction Time Period. Participation in this program will not affect service taken under the Cp-I2 or Cp-I3 Tariffs. None of the hours of interruption taken under this tariff are applicable in the determination of hours of interruption under the Cp-I2 or Cp-I3 tariff. The Customer shall receive no compensation under this schedule for load interrupted to meet the requirements of another tariff. 8. For Customers taking service under the Company's CP-I2 or CP-I3 rate schedules, when an economic or emergency interruption is called by the Company, even if the Customer has previously agreed to interrupt load under this tariff, at the time the economic or emergency interruption is called for the CP-I2 or CP-I3 tariff, the Customer is to shed the amount of load required under the Cp-I2 or Cp-I3 tariff, or be subject to the applicable buyout prices. Load reductions and compensation under this tariff terminates at the start of the Cp-I2 interruption for load subject to Cp-I2 or Cp-I3 interruption. For these situations only, the Customer shall not be subject to a Non-Compliance penalty under this tariff for failure to supply the required load reduction as part of an Accepted Offer due to the declaration of a Cp-I2 or Cp-I3 interruption. 	

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