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Fixed Bill Rider

Natural Gas

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1. EFFECTIVE IN: All territory served.

2. AVAILABILITY:
 - A. Service under this experimental Rider shall be available to any eligible Residential Sales Service (Rg-3), Standard Service Commercial (Cg-FST) or Small Commercial (Cg-FS) customer who elects to take service under this Rider for a period of one year and who accepts the conditions of this tariff. The company has the right to limit this tariff to 7,500 customers. This service will be available on a first come, first served basis.

 - B. Eligible customers are those that meet the following conditions:
 - 1) Gas usage at the current premise for sufficient billing periods (typically 12 months).
 - 2) Have gas usage that is predictable with respect to temperature.
 - 3) Cannot have been disconnected due to non payment or have a past due balance for greater than 60 days within the previous 12 months.
 - 4) If on the Budget Billing plan, the customer must settle any outstanding budget Billing balance upon enrollment in the Fixed Gas Bill Program and must be willing to forego enrollment in the Budget Billing plan for gas and/or electric service provided by the Company.
 - 5) If the customer enrolls in Fixed Bill while participating in the Seasonal Billing option, the customer must forego the Seasonal Billing option once Fixed Billing begins.

3. RATES AND CHARGES:
 - A. The Monthly Fixed Gas Bill amount for gas sales service under this Rider shall be computed as follows. Each Qualified Customer accepting the terms of service under this rider shall pay an individually calculated fixed bill based upon that Customer's unique historic consumption of natural gas normalized for the actual temperatures occurring over a normalization period. The rates applied to each Customer's annual usage profile, not including any applicable sales tax, from the otherwise applicable rate schedule (Rg-3, Cg-FST or Cg-FS) will be:

Continued to Sheet No. G5.81.

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R

Fixed Bill Rider

Natural Gas

Continued from Sheet No. G5.80.

- 1) The applicable Monthly Fixed Charge,
- 2) The applicable Local Distribution Service Rate,
- 3) The applicable Gas Supply Acquisition Service Rate,
- 4) The applicable Gas Industry Transition Charges,
- 5) A charge for commodity gas cost that will be fixed by the Company prior to the time of the Customer's enrollment, which shall include the costs for commodity supply, costs to fix commodity price, pipeline transportation, storage and balancing, and
- 6) A Fixed Gas Bill Program administrative charge not to exceed 7% of the total charges of items 3.A.1.-3.A.5. The administrative charge for program year 2010-2011 will be 6%.

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4. PURCHASED GAS ADJUSTMENT CLAUSE:

Therms billed under this Rider are not subject to the Purchased Gas Adjustment Clause.

5. MINIMUM CHARGE:

The monthly minimum charge is the Monthly Fixed Gas Bill amount.

6. SURCHARGE FOR UNAUTHORIZED USE OF GAS:

A. The penalty rates described in Sections 6.A.1. and 6.A.2. below will be assessed against customers regardless of whether the Company is actually assessed penalties from the interstate pipeline(s) serving the Company's system.

- 1) Customers shall be required to pay a minimum penalty rate of \$2.00 per Therm, plus any Incremental Costs, for all unauthorized use of gas.
- 2) When the Company is exposed to penalties greater than \$2.00 per Therm from any interstate pipeline(s) serving the Company's system, the penalty rate will increase to \$10.00 per Therm, plus any Incremental Cost greater than \$10.00 per Therm, for all unauthorized use of natural gas.

7. TERM OF RIDER:

Election to receive optional service under this Rider shall be for a one (1) year term, billed in 12 consecutive billing periods, subject to Customer rescission rights as contained in the Fixed Gas Bill terms and conditions agreement. Customer shall have the right to rescind participation, without paying an Early Termination Fee, until and including the due date of Customer's first Fixed Gas Bill.

Continued to Sheet No. G5.82.

R

Fixed Bill Rider

Natural Gas

Continued from Sheet No. G5.81.

8. RENEWAL OF TERM:

The contract term will automatically be extended year-to-year with at least thirty (30) days notice to affected Customers. The notification will include an updated Fixed Gas Bill amount for each new program term. Each participating customer who remains eligible to participate in the subsequent term shall be automatically re-enrolled. The Customer shall have the right to rescind the re-enrollment until and including the due date of the first bill issued in the new service term. Each annual automatic extension shall be deemed to be a new service term for purposes of this Rider and will reflect an updated Fixed Gas Bill amount to reflect any change in usage, rates and/or cost of gas. In the event service under this Rider is terminated, as further described in the Rider, then Customers shall automatically return to the rate schedule under which they are eligible to receive gas sales service (e.g. Rate Schedules Rg-3, Cg-FST or Cg-FS).

Changes to the terms and conditions of service under which a Customer has enrolled shall not affect the service provided to the Customer until the Customer is re-enrolled for a subsequent term.

9. ENROLLMENT PROCESS:

Election to receive service under this Rider shall be made by agreeing to the terms and conditions of service through either a telephonic communication with the Company or third party contractor Customer Service Representative, a direct response to a direct mail piece distributed by the Company or third party contractor or via a secure internet site. All outbound telemarketing will be in compliance with Company-approved procedures.

10. ENROLLMENT PERIOD:

Each enrollment period will be communicated in marketing materials and the Company may close enrollment early due to reaching the maximum enrollment level identified by the Company.

Continued to Sheet No. G5.83.

R

Fixed Bill Rider

Natural Gas

Continued from Sheet No. G5.82.

11. TERMINATION OF CUSTOMER PARTICIPATION:

Customers who are removed from the Fixed Gas Bill Program before the end of the contract year, for any reason, may be charged the Early Termination Fee and shall be subject to an Early Termination Adjustment.

- A. Possible reasons for early termination and removal from the Fixed Gas Bill Program include, but are not limited to the following:
 - 1) If the customer has significantly altered their natural gas usage from the customary usage pattern adjusted for temperatures reflected in their historical consumption data;
 - 2) If the customer's natural gas usage has a component not explained by temperature that is different from that which is the basis of the customers offer, and the component is 15% or more greater than the annual usage in the offer for two consecutive months, then the company has a right, but not the obligation to, remove the customer from the program;
 - 3) If there is a change in statute, regulation or order of a court in some way precludes the company from allowing the customer to complete the program year;
 - 4) If the customer is no longer receiving service at the premise for which they were participating in the Fixed Gas Bill Program;
 - 5) If the customer has an outstanding balance due and meets the requirements for sending a disconnection notice or is placed on a deferred payment arrangement due to non-payment, then the company has a right, but not the obligation to, remove the customer from the program;
 - 6) If an extraordinary event, unusual circumstance or hardship has occurred.

- B. In hardship situations, the company reserves the right to waive the Early Termination fee.

- C. Early termination of customers from the Fixed Gas Bill Program shall occur at the next billing cycle following when it is known by the company that the customer shall be terminated from the program before the program year is completed.

12. EARLY TERMINATION FEE:

The Early Termination Fee for the Fixed Gas Bill Program is fifty dollars (\$50.00).

Continued to Sheet No. G5.84.

R

Fixed Bill Rider

Natural Gas

Continued from Sheet No. G5.83.

13. EARLY TERMINATION ADJUSTMENT:

Any customer terminating participation in the Fixed Gas Bill Program prior to the end of the entire annual term will be subject to an Early Termination Adjustment (ETA) credit or charge. The ETA is calculated as follows:

$$\text{ETA} = \text{Total Program Charge (TPC)} - \text{Total Program Payment (TPP)}$$

Total Program Charge (TPC) = The sum of the total actual customer therm usage while participating in the Fixed Gas Bill Program multiplied by the per therm program rates listed above in Section 3.A. 2.-5. Also, the total monthly fixed customer charges and program administrative charges applicable to the time period of participation in the Fixed Gas Bill Program.

Total Program Payment (TPP) = Total amount of dollars paid by the customer while participating in the Fixed Bill Program.

14. TERMINATION OF PROGRAM:

The Company retains the right to terminate the Fixed Gas Bill Program and return Customers to their otherwise applicable rate schedule during, or at the conclusion of the term due to a change in an applicable Wisconsin statute or Public Service Commission of Wisconsin Order, policy or regulation that adversely impacts this program. Program termination is subject to Commission approval. If the Company requests early termination of the program, it may request Customer's bills to be adjusted by the Early Termination Adjustment. The Early Termination Fee shall not be applied.

15. ENERGY EFFICIENCY REWARD:

Customers participating in the Fixed Bill program may qualify for Energy Efficiency Rewards indicated below, if they meet all of the requirements for the following energy efficiency measures.

A. Conservation measures and incentive levels.

- 1) Furnaces and boilers: A 10% bill reduction, when the furnace or boiler qualifies for a Focus Cash-Back Reward or a Focus Targeted Home Performance equipment replacement offered at the time of its installation. A copy of a paid invoice or other documentation acceptable to Focus is required to be eligible for this discount.
- 2) Water heaters: A 5% bill reduction, when the water heater qualifies for a Focus Cash-Back Reward or a Focus Targeted Home Performance equipment replacement offered at the time of its installation. A copy of a paid invoice or other documentation acceptable to Focus is required to be eligible for this discount.

Continued to Sheet No. G5.85.

R

Fixed Bill Rider

Natural Gas

Continued from Sheet No. G5.84.

- 3) Air sealing and insulation: A 10% bill reduction, when the participant has a "Home Performance with Energy Star" in-home evaluation or a Focus Targeted Home Performance assessment; completes recommended air sealing plus the top two recommended insulation measures; and qualifies for the Focus Cash-Back Reward(s) that are offered at the time of installation. Confirmed completion of a Home Performance or Targeted Home Performance assessment plus installation of the top two recommended insulation and air sealing measures are required to be eligible for this bill reduction.
- 4) Window and doors: A 3% bill reduction for installation of at least three windows and/or doors, when the units qualify for a federal energy efficiency tax credit that is offered at the time the units are installed.
- B. The maximum bill reduction for a participant is 15% for all energy efficiency measures installed during one program year, which is a reasonable achievable level for combining several efficiency measures.
- C. Bill reductions will become effective with the first bill after the participant provides the appropriate documentation verifying that the energy efficiency measure has been installed. If the energy efficiency measure is installed after March 1, the bill reduction would be applied to the subsequent program year.
- D. Qualification for all Energy Efficiency Rewards is subject to the current year program terms and conditions as specified in "Terms and Conditions" in the program document.

16. SPECIAL RULES:

- A. Customers taking service under this rider are subject to terms and conditions of the appropriate Rate schedule (Rg-3, Cg-FST or Cg-FS).
- B. All rules and practices of the Company in this rider shall apply to participants of the Fixed Gas Bill Program. For participants in the Fixed Gas Bill Program, the rules, practices and conditions of this pilot program shall prevail over the rules, practices and conditions of the tariff and the Wisconsin Administrative Code Section 134 where they contradict.
- C. Customers participating in the Fixed Gas Bill Program shall not be eligible for pipeline refunds, and or refunds or credits due to the Company's Purchased Gas Adjustment Clause.