

<b>TITLE</b>
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Superior Water, Light and Power Company  
 2915 Hill Ave  
 Superior, Wisconsin 54880

Schedule of Rates for Electricity,  
 Gas and Water supplied in Douglas County:

Electric	Gas	Water
City of Superior	City of Superior	City of Superior
Town of Frog Creek*	Town of Amnicon	Village of Superior
Town of Lakeside	Town of Bennett	
Town of Parkland	Town of Brule	
Town of Superior	Town of Hawthorne	
Town of Wascott	Town of Highland	
Town of Hawthorne	Town of Maple	
	Town of Parkland	
Village of Oliver	Town of Solon Springs	
Village of Superior	Town of Superior	
*Washburn County	Village of Lake Nebagamon	
	Village of Poplar	
	Village of Solon Springs	
	Village of Superior	

Rate Report Volume No 1

Original Schedules Issued March 1, 1981  
 Original Schedules Effective March 1, 1981  
 Revised Sheets Issued and Effective as Noted Thereon

Issued: August 9, 2017  
 PSC Authorization by Order No. 5820-UR-114

**EFFECTIVE FOR SERVICE ON AND AFTER:**  
August 14, 2017  
 Letter: SJP 08/09/17

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When a rate sheet is revised, the nature of the revision is noted on the right margin as follows: R - Revision, D - Deletion, A - New or Added provision.

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**EFFECTIVE FOR SERVICE ON AND AFTER:**  
January 1, 2019  
 Letter: SPC 12/20/18

**GAS - RESIDENTIAL SERVICE**

APPLICATION

To gas service for residential purposes in single-family dwellings.

RATE (Monthly)

Customer Charge

\$7.25 per meter.

Distribution Charge

All therms: \$0.3245

Gas Acquisition Charge

All therms: \$0.0190

Base Commodity Charge (\$ per therm)

All therms: \$0.3929

(See PGA Rider for currently effective rate.)

MINIMUM CHARGE (Monthly)

The Customer Charge.

CONTRACT MINIMUM

Where no extension of main or services are required:

One month-year - if customer requests that service be disconnected and thereafter within twelve months applies for reconnection at the same location, there will be a reconnection charge of \$50.00 during regular working hours and \$100.00 during other than regular working hours.

Where extension of mains or services is required: Subject to Extension Rules.

SERVICE REGULATIONS

Service is subject to orders of regulatory bodies having jurisdiction and to the Company's Service Regulations currently on file in Company's offices.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of the Company's Service Regulations.

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R

R

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**GAS - RESIDENTIAL SERVICE**

SEASONAL BILLING

Service may be billed for six months (May through October) for customers in the Village of Lake Nebagamon. The customer charge will be twice the normal monthly customer charge as stated above. The service may remain connected during the off season with incidental usage during this period to be billed with the first bill of the following season. If the incidental usage during this period is determined to be excessive (over 300 therms), the Company reserves the right to bill such usage at the rate in effect at the time such usage was determined to have occurred.

SPECIAL RULES

- 1) In buildings having two or more dwelling units, hereinafter referred to as apartments, each apartment shall be classified as a single-family dwelling. At the option of the landlord or agent, service within a building may be through a separate meter for each apartment or combined through one meter for two or more apartments. Where service is separately metered, this schedule shall apply as though each separately metered apartment were a single-family dwelling. Service shall not be sub-metered or resold.  
Apartment Defined
  - a) An apartment is defined as a portion of a building consisting of two or more rooms completely equipped for living purposes. Janitor quarters shall be classified as an apartment.
  - b) In buildings where five or more rooms, exclusive of apartments, are rented or are for rent, each five rooms or major fraction thereof (real estate rating), exclusive of apartments, shall be counted as an apartment.
- 2) Apartment buildings may be served under Schedule GR1 subject to the provisions of 1) above or under Schedule GC1 at the option of the customer.
- 3) A customer occupying a building or apartment for residential and commercial purposes jointly shall not combine their residential and commercial use under Schedule GR1.

PURCHASED GAS ADJUSTMENT

See PGA Rider to Schedule GR1 beginning with Sheet No. G 42.

**GAS - RESIDENTIAL SERVICE**

ENERGY CONSERVATION STANDARDS

Before natural gas service will be rendered to existing residential structures converting to gas space heating service, Superior Water, Light and Power Company will require that the following construction standards be met:

- 1) Ceiling or attic insulation: If a structure has insulating material with insulation value less than R-19, the customer must install insulation to a level of R-38. If insulation materials equal to a level of R-38 cannot be installed because of inadequate space between the ceiling and the roof, then as much insulation as space permits must be installed. Exception: If the structure has existing insulation material with a value of R-11 or more and the customer is installing batt insulation, the customer need only install additional insulation material with a value of R-19. If insulation does not reach a level of R-19 or greater, the customer may qualify for gas service by installing either of the following:
  - a) Furnace modifications as suggested by Superior Water, Light and Power Company; or
  - b) Insulation materials equal to R-5 on the walls of a heated basement to 3 feet below grade.
- 2) Sill box area insulation to a level of R-19, unless physically impractical to install.
- 3) Floor insulation over vented crawlspaces or unheated basements is required to reach a level of R-19. In a heated crawlspace, insulation materials with an R factor of at least 5 must be installed on the walls and, if the sill box area is accessible, insulating materials equal to R-19 must be installed.
- 4) In unheated areas, insulation is required on all heating ducts, cold air returns and hot water pipes.
- 5) Windows are required to be double-glazed or have storms
- 6) All doors exposed to the outside atmosphere, including the door to an attached unheated garage, will have a storm door or equivalent insulated door.
- 7) Weather-stripping shall be required on all movable doors and windows exposed to an unheated space. Caulking shall be required between exterior joints around windows and door frames; between wall cavities and windows and door frames; between walls and foundations; between walls and floors; and all other openings in the exterior building envelope.
- 8) If a new central heating unit is to be installed, the equipment must meet the energy efficiency requirements of IND 22.13, Wis. Adm. Code, which are as follows:

Combustion space heating equipment shall be provided with electronic ignition and automatic flue dampering, except sealed combustion equipment or equipment located in enclosures and provided with combustion air need not be provided with flue dampering.

**GAS - RESIDENTIAL SERVICE**

ENERGY CONSERVATION STANDARDS (cont'd)

- 9) Ventilation above the ceiling/attic insulation shall be required. The free ventilating area shall be at least 1/300 of the horizontal area if a vapor barrier is present and at least 1/150 of the horizontal area if there is no vapor barrier. One half of the venting should be near the eaves and the other half near the top of the roof.
  
- 10) If a residence is unable to meet all required standards because of physical limitations, other methods of energy conservation may be substituted such that the energy savings will be the same or greater. This substitution must be based on heat loss calculations performed in a normally-accepted manner.

Before natural gas service is rendered to an existing residential structure, Superior Water, Light and Power Company will provide the owner of the structure with a complete energy audit.

**GAS – COMMERCIAL AND INDUSTRIAL SERVICE**

APPLICATION

To commercial and industrial customers for all purposes.

RATE

Customer Charge

\$15.00 per meter.

Distribution Charge

All therms: \$0.2305

R

Gas Acquisition Charge

All therms: \$0.0190

R

Base Commodity Charge (\$ per therm)

All therms: \$0.3929

R

(See PGA Rider for currently effective rate.)

MINIMUM CHARGE (Monthly)

The Customer Charge.

CONTRACT PERIOD

Not less than one year.

SERVICE REGULATIONS

Service is subject to orders of regulatory bodies having jurisdiction and to the Company's Service Regulations currently on file in Company's offices.

SPECIAL RULES

Service under this schedule is for the exclusive use of the customer and is not to be resold or shared with others.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of the Company's Service Regulations.

**GAS – COMMERCIAL AND INDUSTRIAL SERVICE**

ENERGY CONSERVATION STANDARDS

Superior Water, Light and Power Company will require that natural gas service for new commercial and industrial space heating use for buildings constructed before July 1, 1978, be provided only to those buildings meeting the following requirements:

- 1) Design heat loss, excluding infiltration and ventilation, through above-grade gross walls and roofs facing heated interiors shall not exceed 13 Btu per hour per square foot for the total building envelope.
- 2) If a building exceeds the heat loss of 1) above, the building may receive gas service provided that it demonstrates additional innovative building or system designs that will reduce fuel consumption to a level equal to or less than the fuel consumption which results from complying with 1) above.
- 3) All exterior windows and doors shall be designed to limit leakage into or from the building and shall be weather-stripped.
- 4) Special use buildings such as greenhouses, inflatable structures, and the like or any building exempt from the heating and ventilating requirements of Chapter IND 63, Wis. Adm. Code, are exempt from these requirements.

**GAS - LARGE VOLUME COMMERCIAL & INDUSTRIAL SERVICE-FIRM (OPTIONAL)**

APPLICATION

Large commercial and industrial customers, for all purposes with minimum annual consumption of 36,000 therms, are subject to an annual review. Reclassification to an alternative rate schedule for future billings will be made upon agreement between the Company and the customer based on the customer's current and expected future use.

RATE (Monthly)

Customer Charge

\$160.00 per meter.

Distribution Charge

All therms: \$0.1489

R

Gas Acquisition Charge

All therms: \$0.0190

R

Base Commodity Charge (\$ per therm)

All therms: \$0.3929

R

(See PGA Rider for currently effective rate.)

MINIMUM CHARGE (Monthly)

The Customer Charge.

CONTRACT PERIOD

Not less than one year.

SERVICE REGULATIONS

Service is subject to orders of regulatory bodies having jurisdiction and to the Company's Service Regulations currently on file in Company's offices.

**GAS - LARGE VOLUME COMMERCIAL & INDUSTRIAL SERVICE-FIRM (OPTIONAL)**

SPECIAL RULES

Service under this schedule is for the exclusive use of the customer and is not to be resold or shared with others.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of the Company's Service Regulations.

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**EFFECTIVE FOR SERVICE ON AND AFTER:**  
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**GAS – COAL DISPLACEMENT RATE**

APPLICATION

To all large commercial and industrial customers who would normally be served under our large interruptible rate schedule, GI6, but are unable to obtain gas supplies under that schedule at a price competitive with the customers' existing coal facilities and who have made arrangements to have customer owned natural gas delivered to the Company's distribution system or have made arrangements for the Company to acquire natural gas supplies on behalf of the customer and who demonstrate to the Company's sole satisfaction that they will not purchase or continue to purchase natural gas unless served under this rate schedule.

RATE (Monthly)

Customer Charge

\$1,000.00 plus the currently applicable customer charge from rate schedule GI6.

Rate Per therm

The maximum effective rate per therm shall be the currently effective distribution rate for rate schedule GI6. The minimum effective rate shall be no less than \$.015 per therm.

INTERRUPTION OF SERVICE

Service under this rate schedule shall be subject to curtailment or complete interruption whenever the Company has determined that operating conditions are such that curtailment/interruption is necessary, that the natural gas distribution system capacity is not sufficient to meet the requirements of existing firm delivery customers regardless of the ownership of the gas, or the producer or transmission supplier curtails or interrupts the supply of customer owned natural gas to the Company's city gate station.

PENALTY FOR NON-INTERRUPTION

If a customer fails to curtail/interrupt its use of natural gas when requested to do so by Company, the customer shall pay a penalty charge equal to the tariffed pipeline penalty rate or \$2.00 per therm, whichever is greater. This penalty is in addition to all other charges incurred under this schedule. The Company also reserves the right to disconnect customer if customer fails to curtail/interrupt its use of natural gas when ordered to do so by the Company.

CONTRACT

Service under this rate schedule requires a written contract between the Company and the Customer.

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**GAS - PARTIAL FIRM / INTERRUPTIBLE**

AVAILABILITY

This service is available to large volume commercial and industrial customers who would otherwise qualify for service under rate schedule GI6 except that a portion of their load is considered to be firm load and separate metering for this firm load is economically unfeasible or physically impractical. The firm contract portion of the load must not exceed 10% of the maximum daily or maximum hourly load and must be in excess of 25,000 therms annually.

RATE (Monthly)

Customer Charge

The GI6 Customer Charge

Distribution Charge

Firm Contract Load

The GL1 Distribution Charge

Interruptible Load

The GI6 Distribution Charge

Gas Acquisition Charge

The GL1 Gas Acquisition Charge

Base commodity Charge (See PGA Rider for currently effective rate.)

Firm Contract Load

The GL1 Commodity Charge

Interruptible Load

The GI6 Commodity Charge

MINIMUM CHARGE

The Customer Charge.

**GAS - PARTIAL FIRM / INTERRUPTIBLE**

CONTRACT PERIOD

Not less than one year.

SERVICE REGULATIONS

Service is subject to orders of regulatory bodies having jurisdiction and to Company's Service Regulations currently on file in Company's offices.

VOLUME DETERMINATION

For monthly billing purposes, the Company will rely on either an actual meter read taken by a Company representative or the information available through telemetering equipment to determine a customer's gas usage. The firm contract portion of the load shall be considered the first through the meter.

INTERRUPTION OF SERVICE

Service under this schedule is subject to interruption or curtailment to the level of firm contract supply whenever the Company is unable to obtain from its suppliers or pipelines the natural gas to be delivered hereunder, whenever Company distribution system constraints warrant interruption, or whenever such curtailment or interruption is ordered by any governmental agency having jurisdiction.

The Company reserves the right to test the interruptibility of customers served under this schedule. Customers who have failed to interrupt to the level of their firm contract during a minimum test period of four hours or an actual interruption shall be subject to further testing. A customer who has failed to reduce their load to the firm contract amount for three consecutive interruption periods, either actual or test, shall be transferred to the appropriate firm rate schedule provided the Company has the capacity to serve the customer under the firm rate schedule.

PENALTY FOR NON-INTERRUPTION

If a customer fails to curtail/interrupt its use of natural gas when requested to do so by Company, the customer shall pay a penalty charge equal to the tariffed pipeline penalty rate or \$2.00 per therm, whichever is greater. This penalty is in addition to all other charges incurred under this schedule. The Company also reserves the right to disconnect customer if customer fails to curtail/interrupt its use of natural gas when ordered to do so by the Company.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of Company's Service Regulations

**GAS - PARTIAL FIRM / INTERRUPTIBLE**

SPECIAL TERMS AND CONDITIONS

- 1) Customer must execute a written contract which specifies, at a minimum, the level of firm contract supply and other conditions as deemed necessary and mutually agreed upon.
- 2) The level of firm contract supply shall be subject to adjustment if customer fails to curtail to the level of firm contract supply when requested to do so by the Company. The new level of firm contract supply shall be the maximum hourly load experienced during the period of interruption in which the customer has exceeded the current level of firm contract supply.
- 3) The Company's telemetering equipment shall be used for purposes of monitoring customers' hourly loads during periods of interruption.
- 4) The customers' firm contract supply may be determined from an actual or estimated hourly maximum load and may be stated in terms of maximum daily load.
- 5) The Company's tariffs for rate classes GL1 and GI6 are referenced and incorporated herein as appropriate.

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**GAS - SMALL VOLUME COMMERCIAL & INDUSTRIAL SERVICE—INTERRUPTIBLE (OPTIONAL)**

APPLICATION

To large commercial and industrial customers whose maximum hourly requirements are in excess of 8 therms with maximum daily requirements of less than 2,000 therms and who will agree to discontinue service on thirty minutes notice.

RATE (Monthly)

Customer Charge

\$135.00 per meter.

Distribution Charge

All therms: \$0.1658

R

Gas Acquisition Charge

All therms: \$0.0190

R

Base Commodity Charge (\$ per therm)

All therms: \$0.3299

R

(See PGA Rider for currently effective rate.)

MINIMUM CHARGE (Monthly)

The Customer Charge.

CONTRACT PERIOD

Not less than one year.

INTERRUPTION OF SERVICE

Service under this schedule shall be subject to curtailment or complete interruption whenever the Company is unable to obtain from its suppliers or pipelines the natural gas to be delivered hereunder, whenever Company distribution system constraints warrant interruption, or whenever such curtailment or interruption is ordered by any governmental agency having jurisdiction.

The amount of gas available at any time under this schedule is that portion of the total amount of natural gas available to the Company's system, if any, in excess of the amount of natural gas required to meet the needs of the Company's firm gas customers.

**GAS - SMALL VOLUME COMMERCIAL & INDUSTRIAL SERVICE-INTERRUPTIBLE (OPTIONAL)**

INTERRUPTION OF SERVICE (cont'd)

The Company reserves the right to test the interruptibility of customers served under this schedule. Customers who have failed to interrupt during a minimum test period of four hours or who have failed an actual interruption shall be subject to further testing. A customer who has failed three consecutive interruption periods, either actual or test, shall be transferred to the appropriate firm rate schedule provided the Company has the capacity to serve the customer under the firm rate schedule. Incidental usage during an actual interruption will not constitute an interruption failure but will be billed at the normal rate plus any applicable penalties. Penalties will not be applicable during a test interruption.

PENALTY FOR NON-INTERRUPTION

If a customer fails to curtail/interrupt its use of natural gas when requested to do so by Company, the customer shall pay a penalty charge equal to the tariffed pipeline penalty rate or \$2.00 per therm, whichever is greater. This penalty is in addition to all other charges incurred under this schedule. The Company also reserves the right to disconnect customer if customer fails to curtail/interrupt its use of natural gas when ordered to do so by the Company.

SERVICE REGULATIONS

Service is subject to orders of regulatory bodies having jurisdiction and to Company's Service Regulations currently on file in Company's offices.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of Company's Service Regulations.

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**GAS - LARGE VOLUME COMMERCIAL & INDUSTRIAL SERVICE – INTERRUPTIBLE (OPTIONAL)**

APPLICATION

To large commercial and industrial customers whose maximum hourly requirements are in excess of 8 therms with maximum daily requirements in excess of 2,000 therms and who will agree to discontinue service on thirty minutes notice.

RATE (Monthly)

Customer Charge

\$430.00 per meter.

Distribution Charge

All therms: \$0.0914

R

Gas Acquisition Charge

All therms: \$0.0190

R

Base Commodity Charge (\$ per therm)

All therms: \$0.3299

R

(See PGA Rider for currently effective rate.)

MINIMUM CHARGE (Monthly)

The Customer Charge.

CONTRACT PERIOD

Not less than one year.

INTERRUPTION OF SERVICE

Service under this schedule shall be subject to curtailment or complete interruption whenever the Company is unable to obtain from its suppliers or pipelines the natural gas to be delivered hereunder, whenever Company distribution system constraints warrant interruption, or whenever such curtailment or interruption is ordered by any governmental agency having jurisdiction.

The amount of gas available at any time under this schedule is that portion of the total amount of natural gas available to the Company's system, if any, in excess of the amount of natural gas required to meet the needs of the Company's firm gas customers.

**GAS - LARGE VOLUME COMMERCIAL & INDUSTRIAL SERVICE – INTERRUPTIBLE (OPTIONAL)**

INTERRUPTION OF SERVICE (cont'd)

The Company reserves the right to test the interruptibility of customers served under this schedule. Customers who have failed to interrupt during a minimum test period of four hours or who have failed an actual interruption shall be subject to further testing. A customer who has failed three consecutive interruption periods, either actual or test, shall be transferred to the appropriate firm rate schedule provided the Company has the capacity to serve the customer under the firm rate schedule. Incidental usage during an actual interruption will not constitute an interruption failure but will be billed at the normal rate plus any applicable penalties. Penalties will not be applicable during a test interruption.

PENALTY FOR NON-INTERRUPTION

If a customer fails to curtail/interrupt its use of natural gas when requested to do so by Company, the customer shall pay a penalty charge equal to the tariffed pipeline penalty rate or \$2.00 per therm, whichever is greater. This penalty is in addition to all other charges incurred under this schedule. The Company also reserves the right to disconnect customer if customer fails to curtail/interrupt its use of natural gas when ordered to do so by the Company.

SERVICE REGULATIONS

Service is subject to orders of regulatory bodies having jurisdiction and to Company's Service Regulations currently on file in Company's offices.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of Company's Service Regulations.

**GAS - TRANSPORTATION SERVICE**

Transportation service provides for the transportation of customer-owned gas from the applicable city gate station through the Company’s distribution system to the customer’s meter. The customer is responsible for arranging for the purchase and delivery of gas to the Company’s city gate station.

AVAILABILITY

This service is available when the installed distribution capacity and facilities are sufficient to provide service under this schedule without reducing the quality or quantity of services to any higher priority customer, as defined in the priority of service program and curtailment plan beginning on rate sheet No. G 42. This service is available for customers who would otherwise be qualified to receive service under the Company’s system supply schedules but have elected to be transportation customers and have made arrangements for the delivery of customer-owned gas to the Company’s city gate station. Customers seeking service under this rate schedule must also execute a balancing agreement with the Company. 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.

RATE

Transportation Administration Charge: \$25.00 per month per meter  
 Transportation Charge:

	Applicable System Sales Rate Class	Customer Charge Per Month	Base Rate Per therm
Transportation Service:	GC-1	\$15.00	\$0.2305
	GL-1	\$160.00	\$0.1489
	GI-1	\$135.00	\$0.1658
	GI-6	\$430.00	\$0.0914

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Service under this schedule is subject to the Purchased Gas Adjustment Clause beginning at rate sheet No. G 36. Current effective rates are shown on rate sheet No. G 42.

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**GAS - TRANSPORTATION SERVICE**

MINIMUM BILL

The minimum bill shall include the transportation administration charge plus the applicable customer charge.

PROMPT PAYMENT OF BILLS

See Section XIV - "Charges and Billings" of the Company's service regulations.

CURTAILMENT/INTERRUPTION OF SERVICE

The Company will attempt to deliver the customer-owned gas on a day-to-day basis in accordance with the customer's requirements and subject to maximum allowable delivery restrictions; however, the Company reserves the right to curtail or suspend service on any day, when, in its sole discretion, the Company determines that any of the following conditions exist and all interruptible sales customers have been interrupted:

- 1) Operating conditions are such that interruption is necessary.
- 2) The natural gas distribution system capacity is not sufficient to meet the requirements of existing firm delivery customers regardless of the ownership of the gas.
- 3) The producer or transmission supplier curtails or interrupts the supply of customer-owned natural gas to the Company's city gate station.
- 4) A constraint day, as defined on rate sheet G 46 of the Company's rules and regulations, is declared and the transportation customer is required to stay within nominated volumes.

If in the event of a disruption on the Company's system it is determined that the Company has delivered gas transported under this tariff to the Company's system customers, compensation to the transporting customer shall be made in accordance with the balancing agreement between the customer and the Company.

CONVERSION FROM SYSTEM SALES SERVICE TO TRANSPORTATION

Any customer who wishes to convert from the Company's system sales service and be served under this schedule shall provide a minimum of twelve months written notice prior to November 1 of the year preceding the year in which the conversion is to become effective. In lieu of the waiting period, the Company may condition conversion on the payment of an exit fee as described below.

**GAS - TRANSPORTATION SERVICE**

A current Company sales service customer transferring to transportation service may be required to pay an exit fee. The purpose of the exit fee is to recover the costs of the next 12-month period that will not be recovered as a result of the customer's transfer from sales service to transportation service. The exit fee shall include all costs incurred by the Company to provide service to the customer as a sales service customer. These costs include, but are not limited to, the following:

- 1) any take-or-pay or similar charges incurred by the Company under its supply contracts that result from the customer's decision to transport and to purchase supplies from an entity other than the Company for the next twelve months,
- 2) any charges, including, but not limited to, reservation charges, commodity charges, minimum bills, penalties, balancing charges, transition costs, and take-or-pay costs, incurred by the Company under its capacity, storage, peaking, and other contracts that result from the customer's decision to transport and to purchase supplies from an entity other than the Company; and
- 3) any other charges that are incurred as a result of the customer's decision to transport and to purchase supplies from an entity other than the Company.

A system sales service customer that has decided to convert to transportation service and purchase capacity from an entity other than the Company must pay the total exit fee as described above. A system sales service customer that agrees to accept an assignment of a pro rata portion of the Company's firm upstream pipeline capacity and other services contracted for on behalf of the customer and also agrees to pay all charges and rates of whatever kind associated with those services shall have the exit fee reduced by such an amount.

The Company shall determine the total amount of the above costs and bill the transporter for either the total amount or for the amount reduced for costs associated with any capacity assignment. Transporter must pay this preliminary bill in full prior to the commencement of service under this tariff.

**GAS - TRANSPORTATION SERVICE**

CONVERSION TO SYSTEM SALES SERVICE

Any customer served under this schedule that plans to transfer to the Company's system sales service shall provide a minimum of 12 months' notice prior to November 1 of the year preceding the year in which the conversion is to become effective. The Company may waive this notice requirement at the Company's sole discretion and if there will be no undue detriment to the Company's existing sales service customers.

In the event that the Company receives a notice stating that a marketer will no longer be providing gas supply service to a particular gas customer or group of customers, the Company will meet with the marketer's customer(s) to offer replacement service as it deems appropriate. The form of such notice must be in writing and must be delivered to the Company during normal business hours via USPS, fax or hand delivered to the Company's office and clearly marked for the attention of the General Manager. The Company will effectuate the marketer's request no later than 9:00 a.m. on the fifth regular business day following receipt of the notice.

BALANCING SERVICE

Balancing Administrative Rates

The following charges will apply to each individual customer any month the customer is classified as receiving service under this rate schedule. The administrative charge recovers the incremental cost of administering third-party natural gas supply deliveries.

Administrative Charge: \$2.00 per day per meter

In addition to the balancing administration rates above, balancing service charges and commodity cash-out 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.

Balancing Service in the Company Administered Pool

Customers who do not form or join third party pools to aggregate imbalances will be included in a separate and combined pool administered by Company. Customers in this pool will be subject to the Company administered pool agreement that must be signed by each customer in the pool. The Company administered pool imbalance will be calculated separately from all third party pool imbalances.

**GAS - TRANSPORTATION SERVICE**

Balancing Service in the Company Administered Pool (cont'd)

Customers in the Company administered pool will receive the Company's balancing service under this rate schedule. For each customer in this pool, an imbalance volume will be determined daily. The imbalance volume is the absolute difference between the customer's confirmed natural gas nomination and actual usage. For the purpose of calculating a customer's imbalance volume, 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 the 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 the Company administered pool will incur a balancing service charge and, for monthly imbalance volumes, an overtake charge or undertake credit, as described in the cash-out mechanism section of this rate schedule.

Each customer's daily consumption will be as reported by the Company's telemetering equipment. On days when the telemetered use data is not available, the Company will estimate the customer's daily consumption during the period the telemetered 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 telemetered data and Company adjustment factors.

Customers can form third party pools to aggregate pool member imbalances. Pooled customers' daily imbalances will be aggregated for the purpose of minimizing total customers' imbalances. All customers that do not participate in a third-party pool will instead be included in the Company administered pool described above. Each third party pool's imbalances will be calculated separately from other third party pool imbalances and the Company administered pool imbalances. Customers that have formed a pool shall be subject to a third party pooling agreement that must be signed by the party responsible for both financial payments and the balancing of the pool (the designated pooling agent), and the transportation customers in the pool. The Company must then approve the agreement. 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.

**GAS - TRANSPORTATION SERVICE**

Balancing Service in the Company Administered Pool (cont'd)

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. Each day, the Company will calculate the pool's daily imbalance volume.

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 and actual aggregated usage less any usage covered by an alternate balancing service. Usage will be adjusted as necessary to be on a comparable basis with nomination volumes before an over-nomination or under-nomination is calculated.

The party responsible for administration of a pool under this rate schedule (the pooling agent) will be billed the balancing service charges for the pool and will be subject to the commodity cash-out. The Company will bill the pooling agent 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 cash-out that was billed to the pooling agent. When this occurs, the customers in that pool will be moved to the Company administered pool and remain there until they form or join another third party pool.

The third party pool's consumption will be reported as calculated from the aggregated volumes recorded by Company's telemetering equipment installed at each pool customer's location. On days when the telemetering equipment fails to operate properly, the Company will estimate the affected customer's daily consumption during the period the telemetering equipment was not operating properly. 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 telemetered data and Company adjustment factors.

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**GAS - TRANSPORTATION SERVICE**

Balancing Service Charges

The Company will apply the following balancing service charges to adjusted daily imbalance volumes of customers in the 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 three tiers to minimize the cost impact of third party natural gas supply imbalances on the rates to system sales service customers. The rates are based on the rates of Northern Natural Gas Company and will be adjusted whenever Northern Natural Gas Company changes its rates. 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 cash-out mechanism.

Daily Scheduling Variance – Non-Constraint Day:

A net daily variance for each gas day will be determined by comparing customer actual gas use with the amount of gas nominated. The daily imbalance percentage will be calculated by dividing the daily variance by the amount of gas nominated.

Negative Daily Variance Charges:

If the amount of gas used by a customer is less than the nominated amount for any day that is not a constraint day; customer shall be charged an amount equal to the following:

Daily Imbalance Percentages:	Daily Variance Charge:
First 5%	\$.0000 / therm
Next 10%	\$.0072 / therm
All remaining daily variance	\$.0400 / therm

**GAS - TRANSPORTATION SERVICE**

Daily Scheduling Variance – Non-Constraint Day: (cont'd)

Positive Daily Variance Charges:

If the amount of gas used by a customer is more than the nominated amount for any day that is not a constraint day; customer shall be charged an amount equal to the following:

Daily Imbalance Percentages:	Daily Variance Charge:
First 5%	\$.0000 / therm
Next 10%	\$.0072 / therm
All remaining daily variance	\$.1000 / therm

Any over-run or under-run charges or penalties assessed by pipelines will be prorated among those customers in the Company administered pool and/or third party pools that contributed to the cause of the penalties. The daily balancing revenues received from balancing charges will be netted against these pipeline charges or penalties on each month's balancing service bill for affected customers or third party pools.

Daily Scheduling Variance – 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 shall 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 shall declare a high-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 more than their daily confirmed pipeline deliveries and, to the extent necessary, interrupt interruptible customers to avoid incurring pipeline penalties, assure adequate supplies are available for firm sales service needs, and to preserve system integrity. Separate nominations will be required for deliveries to 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.

**GAS - TRANSPORTATION SERVICE**

Daily Scheduling Variance – High-Flow Constraint Condition (cont’d)

Imbalance volumes for over-nominations (undertakes) will be subject to the non-constraint day negative daily variance charges. To the extent that the Company requests customers or pooling agents to curtail usage, or requires customers on interruptible distribution service schedules to interrupt usage, during a high-flow constraint day, the Company may waive the non-constraint day negative daily variance charges.

Imbalance volumes for under-nominations (overtakes) will be subject to an unauthorized use charge. The net daily variances above 5% of the customer nomination shall be considered unauthorized use. Availability of this charge does not preclude Company from physically controlling customer’s gas supply upon customer’s failure to curtail to confirmed pipeline delivery volume. The additional charge for unauthorized use shall be assessed as follows:

- 1) During a curtailment or interruption when interstate pipeline capacity is not limited, the additional charge shall 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 shall 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, shall 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. 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 cash-out mechanism.

Daily Scheduling Variance – Low-Flow Constraint Condition:

A low-flow constraint day is in effect when the 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 nominations to avoid incurring pipeline penalties. Company personnel will give pooling agents and/or customers as much advance notice of a low-flow constraint day as possible. Notice of a low-flow constraint day may also be given after the start of a gas day.

**GAS - TRANSPORTATION SERVICE**

Daily Scheduling Variance – Low-Flow Constraint Condition (cont'd)

Imbalance volumes for under-nominations will be subject to the non-constraint day positive daily variance charges.

Imbalance volumes for over-nominations (undertakes) will be subject to an imbalance volume penalty. The net daily variance below 5% of the customer nomination shall be assessed. The additional charge shall be the greater of incremental cost to the Company that results from a pipeline penalty caused by the customers receiving third-party natural gas supply, or \$.50 per therm for the net daily variances below 5% of the customer nomination. The over-run or under-run charges or penalties assessed by pipelines will be prorated among those customers in the Company administered pool and/or third party pools that contributed to the cause of the penalties.

Selective Constraint – Over-delivery:

A selective constraint can be called for an individual customer or pool before or during a gas day if

- 1) The delivered natural gas price at Demarcation 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) Over-delivering by more than 4,000 therms, or
  - b) Over-delivering by at least 1,000 therms and the percentage over-delivery is expected to be greater than 10 percent of the expected usage; or
- 2) The over-delivery percentage is expected to be greater than 20 percent; or
- 3) The over-delivery is expected to be greater than 5,000 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 over-delivery limits are exceeded, then the customer or pooling agent will be assessed low-flow constraint day charges on the over-nominations. 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 balancing charges in effect on the Company's system.

**GAS - TRANSPORTATION SERVICE**

Selective Constraint – Under-delivery:

A selective constraint can be called for an individual customer or pool before or during a gas day if:

- 1) The delivered natural gas price at Demarcation 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) Under-delivering by more than 4,000 therms, or
  - b) Under-delivering by at least 1,000 therms and the percentage under-delivery is expected to be greater than 10 percent of the expected usage; or
- 2) The under-delivery percentage is expected to be greater than 20 percent; or
- 3) The under-delivery is expected to be greater than 5,000 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 under-delivery limits are exceeded, then the customer or pooling agent will be assessed high-flow constraint day charges on the under-nominations. 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 balancing charges in effect on the Company's system.

CASH-OUT MECHANISM

When the actual usage of customers in the Company administered pool and/or the usage of a third party pool is more than has been nominated, the Company's purchased natural gas supply is being utilized, and the customers in the 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 the 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 cash-out 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 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.

**GAS - TRANSPORTATION SERVICE**

OVERTAKE CHARGE

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 cash-out Price. The overtake variance percentage is calculated by dividing the monthly imbalance volumes by the Company administered pool customer’s or third party pool’s monthly nominations. The respective Company administered pool customer or third party pooling agent will pay the indicated percentage(s) of the cash-out price for the quantities of imbalance volume that fall within each respective bracket. Cash-out charges will be billed monthly.

Overtake Variance Percentage	Percentage of Cash-Out Price Paid by Customer to Company
> 0% and up to 5%	100%
> 5% and up to 15%	115%
> 15% and up to 25%	130%
> 25%	150%

For purposes of this provision, the overtake cash-out price is the higher of:

- 1) The highest average weekly price. The average weekly price shall be the average of the small package range of the Gas Daily, weekly weighted average prices (of the weeks that end during the billing month), reported for Northern-Demarc plus Northern Natural Gas Company’s applicable Interruptible transportation costs and surcharges and equivalent fuel costs from the receipt point to the delivery point; or
- 2) The weighted average delivered cost of gas filed in the Company’s PGA.

**GAS - TRANSPORTATION SERVICE**

UNDERTAKE CREDIT

The undertake credit will be equal to the monthly aggregated imbalance volume within each undertake variance percentage bracket multiplied by the applicable percentage of the cash-out price. The undertake variance percentage is calculated by dividing the monthly imbalance volume by the Company administered pool customer's or third party pool's monthly nominations. The Company will credit the respective Company administered pool customer or third party pooling agent the indicated percentage(s) of the cash-out price for the quantities of imbalance volume that fall within each respective bracket. The Company will then own this natural gas.

Undertake Variance Percentage	Percentage of Cash-Out Price (1) Credited to Customer by Company
> 0% and up to 5%	100%
> 5% and up to 15%	85%
> 15% and up to 25%	70%
> 25%	50%

For purposes of this rate schedule, the cash-out credit is the lower of:

- 1) The lowest average weekly price. The average weekly price shall be the average of the small package range of the Gas Daily, weekly weighted average prices (of the weeks that end during the billing month), reported for Northern-Demarc plus Northern Natural Gas Company's applicable interruptible transportation costs and surcharges and equivalent fuel costs from the receipt point to the delivery point; or
- 2) The weighted average delivered cost of gas in the Company's monthly PGA.

**GAS - TRANSPORTATION SERVICE**

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 shall 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 the 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.

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 shall provide balancing on the 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 shall be specified by the Company.

Each third party natural gas supply nomination form is subject to acceptance by the Company prior to becoming effective. The daily nomination must be submitted to the Company at least two hours in advance of the nomination notice period applicable on the transporting pipeline. If a nomination for a gas day is not received by the appropriate deadline, a \$10.00 charge per account may be assessed for each day 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 any nomination on the pipeline if the Company does not receive the nomination by the appropriate deadline.

**GAS - TRANSPORTATION SERVICE**

SPECIAL TERMS AND PROVISIONS (cont'd)

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. The nominations given to the Company must match the nominations given to the pipeline transporter. Customer nominations shall be adjusted for natural gas supplies not confirmed and delivered by the pipeline.

- 3) Each customer in the Company administered pool and the pooling agent of each third party pool must deliver gas supplies under separate and distinct pipeline transportation agreements.
- 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 shall promptly advise the Company of such notification.
- 5) The Company shall require the installation and operation of equipment and other facilities to remotely read the customer's meter. Installation and operation shall include access to electric power, telephone lines or data transmission lines and customer property or other customer equipment when it is necessary to make the remote meter reading operational. The customer agrees to allow the Company to install and operate such equipment and the customer further agrees to pay the one-time equipment and installation charge for such equipment. The Company will continue to own and maintain this equipment. In addition, costs, if any, of providing electric power, telephone, or data transmission line service, shall be paid by the customer.
- 6) If special equipment, such as motor-operated valves, metering bypass, and remote control is required to monitor gas service, the Company at the customer's expense shall install such special equipment. The ownership, installation, operation, and maintenance of all such equipment shall be under the exclusive control of the Company.
- 7) Service under this rate schedule shall be metered separately from any other gas service. Measurement of gas delivered will be through the Company's meter at the customer's facilities and billing will be based on measurements adjusted to Company standard conditions.
- 8) Charges for any portion of a negative daily variance charge caused by failure of Company to deliver customer-owned supplies to customer due to capacity constraints on Company's distribution system will be waived.

**GAS - TRANSPORTATION SERVICE**

SPECIAL TERMS AND PROVISIONS (cont'd)

- 9) Gas delivered by the Company under this rate schedule may be commingled with other natural gas, vaporized liquefied natural gas, and propane-air vapor that are delivered by the Company. Accordingly, the gas of the customer shall be subject to such changes in heat content as may result from such commingling, and the Company shall 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.
- 10) The rates and character of service under this rate schedule are subject to review and change by the Public Service Commission of Wisconsin.
- 11) The Company reserves the right to require any customer on this rate schedule to stay within its daily nomination for any period the Company requests. The Company has the option of requesting a compliance test one time each year between November 1 and March 31 unless the customer was unable to stay within 5 percent of its nomination for the required full test period, at which time the Company will have the right to retest within the year or move the customer to an appropriate firm gas sales service rate schedule, provided that the Company has the capacity to serve the customer under the firm gas sales service rate schedule.
- 12) When interruption of service is necessary, the Company will notify the pooling agent or customer if the customer is in the Company administered pool.
- 13) This service is subject to the conditions of delivery set forth herein and to the Company's rules and regulations for gas service.
- 14) The Company shall not be required to extend or reinforce its established distribution system for the purpose of furnishing service under this schedule, unless, in the Company's sole judgment, the cost to the Company of making such installation is justified by the character and permanence of the applicant's load.

**GAS - CONTRACT SERVICE RIDER**

APPLICATION

Service under this schedule is available to any individual customer:

- 1) Whose average monthly requirements are not less than 200,000 therms of gas in a twelve-month period,
- 2) Who have substitute fuel services available that can be economically accomplished,

(Evidence showing the actual ability to obtain substitute fuel service with an economic evaluation of the substitute fuel service will be submitted through the Company to the PSCW.)

- 3) Who has negotiated a unique distribution charge with the Company that will be filed with the PSCW, The negotiated rate will be 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 embedded costs.

Contract term incremental costs will be defined as the extra, or additional, costs of serving the additional volumes of gas reflecting the duration of the proposed term of the contract including incremental costs of:

- a) Metering site investment revenue requirements (capital and O&M)
  - b) Meter Reading and bill issuance expense
  - c) Customer Service personnel costs
  - d) Odorization
  - e) Safety-related costs (valve inspection, leak detection, etc.)
- 4) Who is willing to abide by all terms of the Company's appropriate gas transportation service tariff except where modified by this tariff or by contract.

GAS - CONTRACT SERVICE RIDER

MONTHLY RATE

Customer Charge

\$1,000.00 per month.

Per therm Rate

All therms - Rate per individual contract.

MONTHLY MINIMUM CHARGE

The monthly minimum charge is the customer charge.

SPECIAL RULES

- 1) Service under this schedule requires a written contract between the Company and the customer.
- 2) The contract period shall be as negotiated and contracted for between the Company and the customer.

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**GAS - AGENCY SERVICE**

APPLICATION

This service is offered for Superior Water, Light and Power Company customers who elect to have the Company make arrangements to acquire natural gas supplies in customer's name and have those customer-owned natural gas supplies delivered to the Company's distribution system for the Company to transport to the customer under the transportation service schedule (TSP).

SERVICE AVAILABILITY

This service is available to all SWL&P customers who execute a written contract for service under this service schedule and complies with all the conditions included in all the customer's contracts and all of the conditions included in this service schedule and in the appropriate transportation service schedule. Service under this rate schedule will provide for a fixed rate over the life of the contract and will be subject to a take or pay provision as stated in the contract.

RATE (Monthly)

For this service, each customer shall be charged a monthly agency charge plus the agency rate applicable for any gas used under this service schedule.

- 1) Monthly Agency Charge: A \$150.00 agency charge will be charged each month for any customer for whom the Company acquired gas supplies under this service schedule and had such supplies delivered to the Company's distribution system.
- 2) Agency Rate: The rate as provided for in the agency contract. When this service is provided to more than one customer under the same terms, an average agency pool rate will be charged.
- 4) Transportation Charge: Monthly transportation charges as defined in rate schedule TSP, Rate Sheet Numbers G 16 through G 31, shall also be applicable to this rate.

ASSIGNMENT OF GAS

Superior Water, Light and Power Company, with normally not less than two hours' notice to the customer, may interrupt or curtail deliveries under this service schedule whenever according to current Company practices and in the Company's judgement the gas supplied are needed for higher priority class customers in cases of shortages on peak days or due to operating emergencies.

VOLUME DETERMINATION

For monthly billing purposes, the Company will rely on an actual meter read taken by a Company representative of through its telemetering equipment. In the event the meter read date falls upon a weekend or Company holiday, the equipment to determine a customer's gas usage.

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**GAS - AGENCY SERVICE**

UNAUTHORIZED USAGE CHARGES

If a customer fails to curtail/interrupt its use of natural gas when requested to do so by company, the customer shall pay a penalty charge equal to the tariffed pipeline penalty rate or \$2.00 per therm, whichever is greater. This penalty is in addition to all other charges incurred under this schedule. The Company also reserves the right to disconnect customer if customer fails to curtail/interrupt its use of natural gas when ordered to do so by the Company.

CHARACTER OF SERVICE

The character of service provisions are set forth in the customer's applicable class schedule, including the Company's rules and regulations. Those provisions are applicable under this service schedule.

PROMPT PAYMENT OF BILLS

See section XIV – "Charges and Billings" of the Company's Service Regulations.

MINIMUM CHARGE

The monthly minimum charge would be the sum of any charges under the customer's class schedule under which the customer is receiving the service.

SPECIAL TERMS AND PROVISIONS

- 1) Customers will not be eligible for service under this service schedule in any month in which gas is delivered under their normal service schedule.
- 2) Customers using this service will not be eligible for refunds received by the Company resulting from FERC-approved pipeline rate changes.

**GAS - ALL CLASSES**

**PURCHASED GAS ADJUSTMENT AND FERC RELATED REFUND PROVISION**

PURCHASED GAS ADJUSTMENT

Superior Water, Light and Power Company (Company) shall calculate a purchased gas adjustment (PGA) each month to reflect changes to the base average gas costs. The PGA shall also include reconciliation between the actual cost of gas supply and the amount recovered from customers from the rates in the PGA Rider Schedule. The PGA may include refunds received by the Company from its wholesale suppliers in accordance with the FERC Related Refund Provision of this PGA Schedule.

The Company shall file with the Public Service Commission of Wisconsin (Commission) by the fifth working day of each month the proposed rate changes under the operation of this PGA schedule. Filings shall include the rate sheets, Commission's standardized PGA report, source data and supporting calculations. All rate adjustments shall be taken to the nearest 0.01 cent per therm. The new rates shall be effective as of the first day of the month and upon Commission review may be subject to change and, if necessary, refund.

The Company shall file with the Commission significant deviations from the Company's most recent approved Gas Supply Plan. Any significant change in sales data should be reflected in future PGA filings. Any changes in reservation of firm capacity, storage, firm supply and any other reliability-related change, such as capacity release without recall, 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 shall be the period November 1 through October 31, and the winter season shall be the period October 1 through April 30. Both periods are consistent with the planning periods from the Company's Gas Supply Plan.

**GAS - ALL CLASSES**

BASE AVERAGE GAS COST

The rates for the base average gas costs as determined in docket 5820-UR-115 are as follows:

	Firm	Interruptible
Peak Day Demand Costs (D1)	\$0.0630	
Annual Demand Costs (D2)	\$0.0325	\$0.0325
Commodity Costs	\$0.2974	\$0.2974
Total Base Average Cost Per therm	\$0.3929	\$0.3299

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NEW AVERAGE GAS COSTS

When the Company's gas costs related to natural gas supply or sales data changes from the estimates reflected in the base average gas costs, new rates for average gas costs shall be calculated. The source of gas supply, sales data, and the purchased gas to sales ratio shall be from the Company's most recent approved Gas Supply Plan.

The Company's PGA year gas costs associated with peak day demand shall include costs for firm capacity reserved under 1) TF5 and TFX pipeline services for the period October through April and 2) TF12 Base and Variable pipeline services for the period November through March, and 3) FDD storage services as it relates to deliverability. The cost of the TF12 Base and Variable services shall be allocated to peak day demand costs by pricing it at the difference between the winter and summer seasonal reservation rates. The peak day demand costs shall exclude GRI demand fees and any other demand surcharges applicable to each service. Peak day demand costs shall be reduced by any capacity release and opportunity sales credits related to peak day demand costs as forecasted in the Company's approved Gas Supply Plan.

**GAS - ALL CLASSES**

NEW AVERAGE GAS COSTS (cont'd)

The new rate for average peak day demand costs for the PGA year shall be calculated by dividing the Company's total peak day demand costs by the total estimated therms of firm gas sales from October 1 through April 30. The peak day demand costs shall be collected from firm sales customers on a seasonal basis for sales during the October through April period.

The Company's PGA year gas costs associated with annual demand shall include costs for 1) firm pipeline capacity reserved under SMS and TF12 Base and Variable services not included in peak day demand costs and 2) firm storage capacity reserved under FDD and FSS service. The cost of the TF12 services shall be allocated to annual demand costs by pricing it at the summer seasonal reservation rates for each month of the year. The annual demand costs shall also include GRI demand fees and any other demand surcharges applicable to the Company's firm pipeline capacity reserved. Annual demand costs shall be reduced by any capacity release and opportunity sales credits related to annual demand costs as forecasted in the Company's approved Gas Supply Plan. The new rate for average annual demand costs shall be calculated by dividing the Company's total annual demand costs by the total estimated therms of commodity gas sales for the PGA year.

The Company's PGA year gas costs associated with commodity shall include items that are recovered on a dollar-for-dollar basis, such as Carlton Resolution costs, any pipeline volumetric charges and surcharges applicable to commodity transported by the pipelines, overrun costs, fuel costs, the loss or gain on imbalances and storage injection and withdrawal fees. The new rate for average commodity costs shall be calculated by dividing the Company's estimated commodity gas costs by the therms of commodity gas sales for the current month.

MONTHLY GAS COST RECONCILIATION

In addition to the new estimate of average gas costs, the PGA may include an adjustment to reconcile the difference between the revenues collected from customers during the PGA year with the actual cost of gas supply incurred.

The reconciliation adjustment will be calculated monthly by customer service category and shown separately in the PGA Rider Schedule.

For the peak day demand gas costs, the reconciliation adjustment will be calculated based on the total month-end over or under collection for the PGA year divided by the estimated firm sales volume for the remainder of the winter season period, October through April.

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**GAS - ALL CLASSES**

MONTHLY GAS COST RECONCILIATION(cont'd)

For the annual demand gas costs, the reconciliation adjustment will be calculated based on the total month-end over or under collection for the PGA year divided by the estimated commodity sales volume for the remainder of the PGA year.

For the commodity gas cost component, the reconciliation adjustment will be calculated based on total month-end over or under collection for the PGA year divided by the estimated commodity sales for the next three months.

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

FERC RELATED REFUND PROVISION

Natural gas cost-related refunds received by the Company from its wholesale suppliers resulting from actions taken by the Federal Energy Regulatory Commission (wholesale refunds) shall be refunded to customers by means of the PGA schedule. All wholesale refunds received by the Company will be placed in a balance sheet account for these refunds. The Company shall manage the refund account balance to return outstanding balances to customers as soon as practicable, while allowing for considerations such as those listed below.

The Company shall devise a crediting plan for prospectively returning the account balance to its customers. An outstanding refund account balance sufficient to decrease the gas rate paid by the average residential customer by \$0.0010 per therm shall be considered material for these purposes. This does not prohibit the Company from making refunds that would have an effect of less than \$0.0010 per therm.

The Company shall inform the Commission of the crediting plan no later than the date the Company files the monthly PGA filing for the first month during which related credits are made. The crediting plan shall state the amount of the refund, the current refund account balance, and the proposed distribution of the refund balance to appropriate service categories. In accordance with the crediting plan, each PGA filing shall include a summary of the refund account balance by service category showing the amount refunded through the PGA to date and the anticipated future refunds based on sales data from the Company's approved Gas Supply Plan.

**GAS - ALL CLASSES**

FERC RELATED REFUND PROVISION (cont'd)

The following factors shall be considered in the crediting plan in determining how refund credits shall be distributed to the company's service categories:

- 1) Wholesale refunds shall 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 pipeline services provided shall recognize the payment patterns authorized for those services provided over a recent 12-month period.
- 3) When executing multiple month refund plans, the Company shall develop an amortization schedule, which appropriately distributes the refund credits on the same basis by which related costs were collected.

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

- 1) Prospective multiple month refund credits shall be based on an amortization schedule and a resulting pattern of monthly refund credits, which appropriately distributes 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 shall provide notice of the refund to customers by means of a billing message, identified credit, or insert.

The Company shall credit interest to the refund account at an interest rate equal to the interest rate used to calculate interest on customer deposits as defined in PSC 134.061(9)(b).

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.

**GAS - ALL CLASSES**

Effective rates are based on Northern Natural Gas Company's currently effective tariff rates for demand and transportation and the currently effective commodity rate of various suppliers.

<b>Gas Acquisition</b>						
	Distribution Charge	Base Rate (\$/therm)	Charge (\$/therm)	PGA	True-up Adjustment	Effective Rate
Residential Service (GR1) Customer Charge \$7.25 All therms						
	0.3245	0.3929	0.0190			0.7364
Com & Ind Service (GC1) Customer Charge \$15.00 All therms						
	0.2305	0.3929	0.0190			0.6424
Lg Vol. Com & Ind (GL1) Customer Charge \$160.00 All therms						
	0.1489	0.3929	0.0190			0.5608
Small Vol. - Inter. (GI1) Customer Charge \$135.00 All therms						
	0.1658	0.3299	0.0190			0.5147
Large Vol. - Inter. (GI6) Customer Charge \$430.00 All therms						
	0.0914	0.3299	0.0190			0.4403

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<b>GAS – Natural Gas Transportation</b>
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Effective rates are based on Northern Natural Gas Company’s currently effective tariff rates for demand and transportation and the currently effective commodity rate of various suppliers.

	Charge	PGA	Adjustment	Rate	
Com & Ind Service (GC1) Customer Charge \$15.00 All therms					
	0.2305			0.2305	R
Lg Vol. Com & Ind (GL1) Customer Charge \$160.00 All therms					
	0.1489			0.1489	R
Small Vol. - Inter. (GI1) Customer Charge \$135.00 All therms					
	0.1658			0.1658	R
Large Vol. - Inter. (GI6) Customer Charge \$430.00 All therms					
	0.0914			0.0914	R

**GAS - ALL CLASSES**

PRIORITY-OF-SERVICE PROGRAM

The Company may limit or deny gas service to new customers and additional service to existing customers when the Company determines that it is necessary to conserve the Company's remaining gas supplies for higher priority service or when supplies are totally depleted. Such limitation or denial shall be imposed in uniform manner in accordance with the end use to be made of the gas. The lowest priority will be restricted first. For control purposes, the following priority categories are established, of which category 5 constitutes the lowest priority use and category 1(a), the highest priority use:

<u>Priority</u>	<u>Description</u>
1)	a) Residential for any purpose other than space heating. b) Residential for any purpose.
2)	a) Commercial loads with maximum daily requirements of less than 100 therms per day for any purpose. b) Industrial loads with maximum daily requirements of less than 100 therms per day for any purpose.
3)	a) Commercial loads with maximum daily requirements of 100 therms per day or more, but less than 500 therms per day for any purpose. b) Industrial loads with maximum daily requirements of 100 therms per day or more, but less than 500 therms per day for any purpose.
4)	a) Industrial loads for process gas or feedstock with maximum daily requirements of 500 therms per day or more, but less than 2,000 therms per day. b) Commercial and Industrial loads for any purpose, except boiler fuel, with maximum daily requirements of 500 therms per day or more but less than 2,000 therms per day. c) Commercial and Industrial loads with maximum daily requirements of 500 therms per day or more, but less than 2,000 therms per day for any purpose.
5)	a) Commercial and Industrial loads for any purpose with maximum daily requirements of 2,000 therms per day or more.

**GAS - ALL CLASSES**

SPECIAL TERMS AND CONDITIONS

- 1) Under the priority-of-service program, applications for interruptible service will be treated independently from applications for firm service that different limitations or denials of service may be imposed upon each type of customer, depending on the characteristics of the available gas supply and type of service requested.
- 2) The Company will report its gas supply situation to the Public Service Commission every six months and at any other time when there is a change in the priority categories being restricted.
- 3) The Company shall inform the Public Service Commission when changes are made in the availability of gas to various priority groups. The changes will be effective upon date of filing with the PSC. The PSC will review the matter and approve the change in availability within 60 days or, in the alternative, notice the matter for hearing and further order. The availability of natural gas in accordance with the priority-of-service program should be filed in the Company's Rules and Regulations on file with the PSC.
- 4) Natural gas service for new commercial and industrial space heating use for buildings constructed before July 1, 1978, will be provided for buildings meeting the following requirements:
  - a) The design heat loss, excluding the infiltration and ventilation, through above-grade gross walls and roofs facing heated interiors shall not exceed 13 BTU per hour per square foot for the total building envelope.
  - b) If a building exceeds the heat loss of (1) above, the building may receive gas service provided that it demonstrates additional innovative building or system designs that will reduce fuel consumption to a level equal to or less than the fuel consumption which results from complying with (1) above;
  - c) All exterior windows and doors shall be designed to limit leakage into or from the building and shall be weather-stripped;
  - d) Special use buildings such as greenhouses, inflatable structures, and the like, or any building exempt from the heating and ventilating requirements of Chapter IND 63, Wis. Adm. Code, are exempt from these requirements.

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**GAS - ALL CLASSES**

DEFINITIONS FOR GAS SERVICE

Residential: Service to customers for all residential purposes in a single-family dwelling or in individually-metered apartment units.

Commercial: Service to customers who are primarily engaged in wholesale or retail trade, agriculture, local, state or federal governments, forestry, fisheries, transportation, communications, sanitary services, finance, insurance, real estate, personal services (clubs, hotels, rooming houses, hospitals, auto repair, etc.), and any service that does not fall within one or the other classification of service.

Industrial: Service to customers who are engaged primarily in a process which creates or changes raw or unfinished materials to another form or product including in some cases the generation of electric power.

Feedstock Gas: The use of chemical properties of natural gas as a raw material in creating an end product.

Process Gas: Gas use for which alternative fuels are not technically feasible, such as in applications requiring precise temperature controls and precise flame characteristics.

Boiler Fuel: Natural gas used as a fuel for the generation of steam or electricity (this includes the utilization of gas turbines for the generation of electricity).

Maximum Daily Requirements: Estimates of maximum daily requirements will be determined by multiplying the maximum firing rate of customer's equipment by 20 hours of operation per day, unless a more accurate determination is possible.

AVAILABILITY OF GAS BY PRIORITY GROUP

Natural gas is currently available to the priority-of-service categories as follows:

<u>PRIORITY GROUP</u>		<u>STATUS</u>
1	(a)	Open
	(b)	Open
2	(a)	Open
	(b)	Open
3	(a)	Open
	(b)	Open
4	(a)	Open
	(b)	Open
	(c)	Open
5	(a)	Open

**GAS - ALL CLASSES**

NATURAL GAS CURTAILMENT PLAN

During periods when the demand for natural gas service exceeds available supplies, the public interest requires that the curtailment of natural gas service be controlled in a manner which will be equitable to all customers, will provide the greatest benefit for the greatest number of people and will be consistent with the way in which gas service is supplied to a utility by its pipeline supplier. Accordingly, each utility receiving gas supplies from Northern Natural Gas Company shall limit or deny service to its customers in a uniform manner in accordance with the priority categories set forth below. Curtailment of gas service shall be implemented in the inverse order of the categories listed below, with full or 100% assigned curtailment to be directed and achieved in each priority category before proceeding to the next category. Curtailments shall be terminated in reverse order as gas supplies permit. Within each category, interruptible customers shall be curtailed prior to the curtailment of firm customers in that category:

- | <u>Category</u> | <u>Description</u>   |
|-----------------|--|
| 1)              | <ul style="list-style-type: none"><li>a) Residential, small commercial and irrigation requirements less than 50 MMBtu on a peak day.</li><li>b) All commercial and irrigation requirements from 50 MMBtu per day through 199 MMBtu per day and all industrial requirements through 199 MMBtu per day.</li><li>c) Customer storage injection requirements.</li><li>d) Requirements greater than 199 MMBtu per day for schools, hospitals, sanitation facilities, correctional institutions, police protection, and fire protection except where the use of a fuel other than natural gas is economically practicable and that fuel is reasonably available.</li><li>e) Requirements for essential agricultural uses as certified by the USDA except where the use of a boiler fuel other than natural gas is economically practicable and that fuel is reasonably available.</li></ul> <p>If curtailment in this Category (1) is required, the order of curtailment shall be (e), (d), (c), (b) and then (a).</p> |
| 2)              | Requirements for essential process and feedstock uses and plant protection other than when production operations are shut down, except where the use of a fuel other than natural gas is economically practicable and that fuel is reasonably available.   |
| 3)              | All commercial and industrial requirements from 200 MMBtu per day through 499 MMBtu per day, not otherwise classified.   |

**GAS - ALL CLASSES**

NATURAL GAS CURTAILMENT PLAN (cont'd)

<u>Category</u>	<u>Description</u>
4)	All commercial and industrial requirements for non-boiler use 500 MMBtu per day and over, not otherwise classified; commercial requirements for boiler fuel use from 500 MMBtu per day through 1,499 MMBtu per day, not otherwise classified.
5)	Industrial requirements for boiler fuel use from 500 MMBtu per day through 1,499 MMBtu per day, not otherwise classified.
6)	Commercial and industrial requirements for boiler fuel use from 1,500 MMBtu per day through 2,999 MMBtu per day, not otherwise classified.
7)	Commercial and industrial requirements for boiler fuel use from 3,000 MMBtu per day through 10,000 MMBtu per day, not otherwise classified.
8)	Commercial and industrial requirements for boiler fuel use over 10,000 MMBtu per day, not otherwise classified.

DEFINITIONS

Curtailment: A reduction in contracted natural gas supplies from Northern Natural Gas Company. Should Northern Natural curtail its utilities below contract demand, and a utility does not have adequate supplies to service existing requirements, a utility shall curtail service to customers beginning with the lowest priority category until supplies are adequate to serve all remaining customers.

Interruption: A short-term restriction of supply to customers to enable a utility to avoid exceeding its daily entitlement and to avoid penalty charges or restricting provisions from the pipeline company. Interruptible customers will generally be interrupted to allow a utility to stay within its contract demand with the pipeline but may also occur because of emergency situations which arise on a utility's system.

Constraint Day: Any day which meets all of the following criteria:

- 1) The utility expects natural gas demand to exceed its capacity to deliver or its available supply of gas for system sales needs.
- 2) The utility anticipates the necessity to interrupt interruptible customers and/or hold transportation customers to their daily nominations to avoid incurring pipeline penalties and preserve utility system integrity.
- 3) The utility gives notice of the constraint day.

**GAS - EXTENSION RULES**

RULES FOR EXTENSION OF GAS MAINS AND SERVICES

1) DEFINITIONS

- a) Extension is defined as any additional facilities installed by the Company to make gas service available to customers not now being supplied with such service.
- b) Main is defined as a distribution line that serves as a common source of supply for one or more service lines.
- c) Service Line (Lateral) is defined as a distribution line that transports gas from a common source of supply (main) to the meter serving the customer.
- d) Metering Location is defined as a location on the customer's premises which is adequate by Company standards, for the installation of Company's metering equipment.
- e) Modification is defined as any change, regardless of nature, to existing Company equipment.
- f) Point of Delivery is defined as the outlet side of the meter servicing the customer and at which point the Company's equipment terminates.

2) GENERAL POLICY

Provided adequate gas supply is available, the Company, may, at its own expense, extend, enlarge or modify its distribution or other facilities to supply gas service when needed or as provided in Section 9, Modification of Existing Facilities.

Upon request by the customer, the Company shall extend or modify its gas distribution facilities. Any such extension or modification shall be in compliance with other provisions of these rules. In all cases, the Company reserves the right to disapprove the service applied for by the customer if such service would, in the opinion of the Company, create undue hardship upon the Company or any third party(s).

Any extension or modification made to existing distribution facilities shall be subject to possible advance payments as provided in Section 4, Main Extension Charges. If the Company is not assured as to the stability and economic feasibility of any project, the right is reserved by the Company to require the customer to execute a contract for a definite period and level of service, to pay a minimum guarantee or to otherwise protect the Company against possible loss. However, all projects of \$5,000 or more will be reviewed for economic consideration and service may be refused by the Company provided that the reasons and supporting analysis for such refusal are furnished to the customer in writing. Customers shall be informed of their right to appeal such refusal to the Public Service Commission of Wisconsin.

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**GAS EXTENSION RULES**

3) SERVICE LATERAL CHARGE

- a) Company will designate the route and location of the service lateral and associated facilities. Meters will normally be located outdoors.
- b) No charge will be made for the original installation of a **meter-set, riser, service tee** and service lateral not exceeding 95 feet in length, as measured from the customer's property line to the point of service on the premises.
- c) For service laterals exceeding 95 feet in length a nonrefundable charge per foot will be made for that length in excess of 95 feet. The nonrefundable charge will be equal to the current incremental costs for installing service pipe of the size required. The current incremental cost for residential installations is \$2.00 per foot. All other service lateral installations shall be determined by the Company for each individual project.
- d) If service lateral is dedicated to a backup generator, Customer shall pay for full cost of service installation.

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4) MAIN EXTENSION CHARGES

- a. Individual Extensions to Residential, Commercial and Industrial Customers

Upon request of prospective customer for natural gas service for which a main extension is required, the Company shall investigate the costs of installing the required main extension and shall provide the customer with an estimate of the costs. Such estimate shall be determined in accordance with the following provisions:

Estimated cost for installation of the main extension shall be calculated individually and based on estimated current year installed costs.

The estimated cost of the installation shall be reduced by an allowance determined by the following formula:

$$\text{Allowance} = \frac{M \times \text{EAU}}{I}$$

- Where M = Distribution margin for the applicable rate class.
- EAU = Customer's estimated annual use in therms.
- I = First year carrying charge for mains.

**GAS EXTENSION RULES**

4) MAIN EXTENSION CHARGES (cont'd)

The current values for the above formula which will be updated with each rate case are as follows:

Residential customers:

Allowance = \$2,135

Where  $M = \$0.3245$

$EAU = 916$  therms

$I = 14.32\%$

The allowance for Commercial and Industrial customers will be calculated on an individual basis.

Prior to the extension being made a customer shall deposit with the Company an amount equal to the estimated cost of the required main extension less the customer allowance as determined above. Such deposit shall be refundable in accordance with Section 5 of these Rules and Regulations.

When a larger than normal size main is installed to insure adequate service to an area, the customer's deposit will be based on the size main required for their load, but not less than 2 inch nominal size.

Main extensions will be subject to the availability of gas supply as set forth in the Company's Priority of Service Program, sheet no. G 42, and in accordance with the general provisions contained in Section 2.

b) Extensions to more than one customer

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 deposit will be determined for each customer in accordance with Section 4a and based on the allowance and main required by that customer. If considered as a joint request, any required deposit 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 judgement such apportionment would be discriminatory, the Company will consider customer class, usage, location and other factors in allocating the required deposit among the customers. The method to be used will be determined by the Company and applied in a manner to minimize confusion over deposit and/or refund policies.

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**GAS EXTENSION RULES**

5) CONSTRUCTION COSTS AND REVENUES

The Company will base its estimate of construction costs on its experience with similar installations, taking into account reasonable current costs and anticipated changes to these costs. The Company's estimate of the costs of an extension or modification will include right-of-way costs and all items of labor, equipment and materials (except meters), together with allowances thereon for engineering, administrative costs and such other incidental expenses necessary to the supplying of gas service to the customer(s) including a frost charge if weather conditions dictate. The Company shall make extensions or modifications over the least cost, least environmentally degrading and most direct route available unless other overriding factors exist. **Actual costs will be reviewed upon completion of construction and the construction cost estimate will be adjusted accordingly. If said recalculation differs by more than \$20 from the original estimate, a refund or additional billing shall be rendered to the customer.**

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A  
A  
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If a larger than normal size main is installed to insure adequate service to an area, the customer's obligation will be based on the size main required for customer's load, but not less than nominal size.

6) CONSTRUCTION STANDARDS

Each request for new service or modification of service will require a written application agreeing to pay the contribution required. Such contribution is payable in accordance with Sections 3 and 4.

The applicant(s) for new service or modification of service may select, subject to the approval of the Company based off of gas safety standards, the metering location. The outlet of the meter terminates Company's facilities and is considered the point of delivery.

It is necessary that the meter be located at a point most readily accessible to the Company's distribution system. Where no distribution system has been established, the customer(s) shall request the Company to specify acceptable locations for the metering facilities. The Company will furnish this information in writing upon request.

Meter and regulator will be furnished and installed by the Company. The customer(s), however, must furnish and install all necessary piping to meet the meter connection and must furnish a safe and convenient place for the meter and regulator.

In the event a customer desires an additional meter installed for their own convenience, customer shall contract for the installation with a contractor and shall be responsible for the total cost of same, including meter.

Not more than one service lateral will be installed to the same building or utilization point.

**GAS EXTENSION RULES**

6) CONSTRUCTION STANDARDS (cont'd)

In gas facilities installation, the applicant(s) shall furnish, at no expense to the Company, recordable easements, granting rights-of-way in form and substance satisfactory to the Company for the installation and maintenance of underground facilities. The rights-of-way as designated by the Company shall be a minimum of 8 feet in width. No buildings or trees shall be placed on said rights-of-way. The rights-of-way may be used for gardens, shrubs, landscaping and other purposes that will not interfere with maintenance of gas facilities.

Except for damage caused by negligence, the Company shall not be held liable for damage to trees, shrubs, fences, sidewalks or other obstructions, incident to installation, repair or replacement of gas facilities.

The applicant(s) shall inform the Company of any known or expected underground obstructions within the pipe routes on their property (septic tanks, drainage tile, underground electric cables, etc.). All pipe routes shall be within 4 inches of final grade prior to installation of pipe. Any earth fill added to bring the pipe route to within 4 inches of final grade prior to construction shall not contain large rocks, boulders, debris or rubbish.

In the event of future changes in grade levels by the customer(s) that would materially change the depth of cover over underground piping, the landowner shall notify the Company in advance of grading and shall pay the Company its cost of moving or replacing its equipment to accommodate the change in grade. Such charges will also be made for changes in buildings, structures, foundations or walls, or other obstructions (including decks).

**GAS EXTENSION RULES**

7) MODIFICATION OF EXISTING FACILITIES

a) Relocation and Replacement of Existing Facilities

The Company shall perform relocation and replacement of main and/or service facilities upon request of a customer(s). The requesting party shall pay the total cost of such relocation or replacement.

The cost for such changes shall be determined as follows:

- 1) The full cost of the new facilities including any charges for necessary changes and additions to remaining facilities;
- 2) Less accrued depreciation of the facilities to be removed from service;
- 3) Less any salvage;
- 4) Plus the cost of removal;
- 5) Plus the cost of any related maintenance.

The cost will be estimated and the requesting party(ies) shall make a payment equal to such estimated costs in advance of construction to be billed in actual. Upon completion of project, final costs will be determined and billing adjustments will be made.

Where the Company relocates its distribution system on its own volition, and it is impracticable to bring a service to the existing service entrance facilities, the Company will make the necessary changes in the customer's piping and equipment without expense to the customer(s) for the area the Company works on. If system leaks or code violations are found on Customers piping and equipment outside of work area, customer is responsible for all costs to remedy.

In the event that the Company is ordered by a unit of government to move its distribution facilities, a new service will be installed, where practicable, to the existing service location without expense to the customer(s). If in the opinion of the Company, it is impracticable to utilize the existing service entrance facilities, the Company will specify a new service location and the expense of the necessary changes in the customer's piping and service equipment shall be borne by the customer(s).

**GAS EXTENSION RULES**

7) MODIFICATION OF EXISTING FACILITIES (cont'd)

b) Increased Capacity

Customers responsible, when responsibility can be determined, for the installation of main and/or service facilities of increased capability due to an increase in their requirements, shall pay the actual cost of such installation, including the relocation and/or removal of existing facilities, less the accumulated depreciation and salvage of the facilities removed.

The actual cost of the installation shall be reduced by an allowance based on the customer's anticipated increased annual usage and determined by the formula set forth in Section 4a.

c) Relocation of meter to outside

In the event the company elects to move the gas meter from inside the building to outside, the Company will make necessary changes in the customers piping and equipment without expense to the customer. However, if the system leaks or code violations are found on customers piping and equipment outside of work area, customer is responsible for all costs to remedy. Upon completion of meter move out, Customer becomes responsible of all piping on downstream side of meter.

b) Excess Flow Valves

An excess flow valve (EFV) is designed to reduce the risk of accidents by automatically stopping the flow of natural gas in your gas service line when excess or abnormally high gas flow is detected.

Consistent with federal ruling 49 CFR 192.383, SWL&P has been installing EFV's in all single-family service installations as a standard of practice since 2009. A recent expansion of this ruling states in part that any customer with a connected load of 1,000 cubic feet or less per hour may request an EFV to be installed in their gas service lateral. At the time of the request, the Company will determine and inform the customer if the EFV already exists and if it is feasible to install at their location. If one does not exist and is deemed feasible, the Company will schedule an EFV to be installed at a mutually agreed date and time. The full cost of the installing the valve (including materials, excavation, and restoration) is \$1,600. The cost will be the sole responsibility of the customer. Payment in full by the customer is required prior to any installation.

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**GAS EXTENSION RULES**

9) INSPECTION REQUIREMENTS

In a new service or modification of service, the contractor or person responsible for the installation of the customer's piping and associated equipment related to each type of service, shall contact the appropriate governmental agency or their representative for approval of the new or modified installation.

If, upon inspection by the Company or appropriate governmental agency, certain installations are found to contain discrepancies, such discrepancies shall be corrected before service is rendered.

The Company will not be responsible for damage or injury resulting from unauthorized disconnection or reconnection of service piping.

10) OWNERSHIP OF EXTENSION

The title to every extension at all times is with the Company. The Company reserves the right at all times to add additional customers to an extension and to make new extensions to an existing extension, under the provisions of these rules, without procuring the consent of any customer or customers contributing to the original construction costs, and without incurring any liability for refunding contributions except as additional customers may be added as provided for herein.

11) COMPANY FACILITIES ON CUSTOMER'S PREMISES

This rule shall apply to the distribution facilities required to serve either a group of customers in multi-tenancy premises or a single customer where, in either case, the Company finds that it is necessary to install portions of such facilities on the premises being served. Such customer or property owner, when requested by the Company, shall make provision on their property for the installation of Company-owned facilities required for their service or services. Company facilities shall consist of those which, in the opinion of the Company, are necessary to furnish adequate service at the Company's point of delivery.

12) CUSTOMER'S RESPONSIBILITY FOR COMPANY'S EQUIPMENT

The customer(s) shall be responsible for all damage to the Company's equipment and for all loss resulting from interference or tampering therewith, caused by the customer(s) or their permittees, including compensation for consumed energy not recorded upon the meter (see Service Regulations, SR 11, Paragraph 6, Diversion of Service).

13) CONTRACTS

Customers may be required to contract to take service.

**GAS EXTENSION RULES**

14) MODIFICATIONS OF RATES, RULES AND REGULATION

The Company reserves the right, in any manner by law, to modify any of its rates, rules, regulations or other provisions now or hereafter in effect. The rates, terms, conditions and other matters agreed to in a fixed term contract shall be in harmony with the Company's rates, rules and regulations in effect at the time the contract is entered into but thereafter the contract is binding upon both parties and, except as provided therein, the contract can be changed only by mutual agreement and by lawful authority having jurisdiction.

15) COMMISSION WAIVER OF CONTROLLED SERVICE PROGRAM

It's understood that the Public Service Commission of Wisconsin may from time to time order a waiver of the Company's Controlled Service Program and, as a condition of ordering gas service be rendered, may order the Company to extend gas distribution facilities under terms not in conformity with this extension rule.