

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service**

Firm Transportation Service provides firm distribution capacity for delivery of end user transportation customer gas supply from the company's gate station to the meter. 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. If available, customers served under this tariff may also subscribe to Backup Supply Service.

Effective In:

In all territory served.

Availability

This firm transportation service is available to any customer:

- a. Who qualifies for service under the Cg-2 tariff.
- b. For which 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.
- c. Who have elected to be transportation customers and have made arrangements for the delivery of customer-owned gas to the Company's city gate station either individually or through a contractual agency agreement with the Company.
- d. Whose annual consumption is over 2,000 decatherms

Applicability and Character of Service

Customers under this Rate Schedule will be responsible for arranging for the purchase and delivery of Third-Party Natural Gas Supplies to the Company's facilities for the term of service under this Rate Schedule. Deliveries of Third-Party Natural Gas Supplies to the Company must be nominated on a daily basis in accordance with the terms and provisions of this Rate Schedule.

At the Company's sole discretion, telemetering equipment may be required to be installed by the Company before service will be provided on this Rate Schedule. If required, the customer must provide a business-grade telephone line and connection to existing electrical facilities as necessary for operation of the telemetering equipment. Customers must maintain continuous phone and electric service to the telemetering equipment to continue on this service. Once telemetering is installed, the Company, at its option, may bill the customer based on telemetered consumption, provided that actual meter readings are taken no less often than once every six months to verify the telemetered consumption.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin

City Gas Company

Firm Transportation Service

Rates

Distribution Charges:

Fixed Monthly Customer Service Charge	\$40.00
Volumetric Distribution Service Charge	\$ 0.1739 per therm
Act 141 Service Charge <u>1/</u>	See Sheet 20.1, Schedule ARC-1

Transportation Administration Charge:	\$50.00 per month
Telemetering Charge (if applicable)	\$35.00 per month

The Transportation Administrative Charge recovers the incremental cost of administering Third-Party Natural Gas Supply deliveries. The Telemetering Charge recovers costs associated with equipment necessary to telemeter the customer’s consumption to the Company’s offices.

In addition to the rates above, applicable unauthorized use charges and Commodity Cash-Out Charges / Credits, as described below, will apply to the Pooling Agents of Third-Party Balancing Pools.

1/ Act 141 charges are included in the Volumetric Distribution Service Charge

Minimum Monthly Bill

The minimum monthly bill shall be the sum of the Fixed Monthly Customer Service Charge, the Transportation Administrative Charge and the Telemetering Charge(if applicable). Distribution volume charges shall be added to the minimum monthly bill.

Billing

Bills for natural gas service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued and unless payment or satisfactory arrangement for payment is made within the next eight days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 134.

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Balancing Service in Third-Party Pools**

Customers can form Third-Party Pools to aggregate pool member imbalances. Pooled customers' monthly imbalances will be aggregated for the purpose of minimizing total customers' imbalances. Each Third-Party Pool's imbalances will be calculated separately from other Third-Party Pools. Customers that have formed a Pool shall be subject to a Third-Party Pooling Agreement which must be signed by the party responsible for both financial payments and the balancing of the pool (the designated Pooling Agent), and the customers in the pool.

The Agreement must then be approved by the Company. Customers may join a given Third-Party Pool effective at the beginning of the first gas day of the month or leave a Third-Party Pool at the end of the last gas day of the month.

Pooling Agents must nominate with the Company 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 delivery level.

Balancing Service

For purposes of this Rate Schedule, the Customer's Confirmed Natural Gas Nomination is defined as the pipeline nomination that is confirmed and scheduled for delivery to the Company's facilities as stated by the supplying pipeline. .

Each month, the Company will calculate the individual customer's or pool's Imbalance Volume. The Imbalance Volume for the pool is the absolute difference between the individual customer's or pool's confirmed natural gas nomination and actual aggregated usage. Usage volumes 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 Charge for the pool and will be subject to the Commodity Cash-out. The Pooling Agent will be billed by the Company monthly. If a Pooling Agent becomes in arrears with the Company, the Company will notify individual pool members. Should the Pooling Agent remain in arrears for a period exceeding thirty days, the Company may bill the individual customers in the pool for any outstanding unauthorized used charges and/or Commodity Cash-Out that was billed to the Pooling Agent. When this occurs, the customers in that pool will be moved to a Company-Administered Pool and remain there until they form or join another Third-Party Pool.

City Gas Company

Firm Transportation Service

Balancing Service (continued)

The individual customer's or pool's consumption will be reported in pipeline units as calculated from the aggregated volumes recorded by Company's metering equipment installed at each customer's location. On days when the metering equipment fails to operate properly, the Company will estimate the affected customer's daily consumption during the period the metering equipment was not operating properly. This will be added to the usage data of the other customers in the Third-Party Pool to obtain the pool's consumption. The Company will make available, at the customer's or Pooling Agent's request, a report showing the daily nominations and daily usage (if telemetered) based on telemetered data and Company adjustment factors.

Cash-Out Mechanism

The Company will apply the following Cash-Out Mechanism to adjusted monthly Imbalance Volumes of the respective individual customers or Third-Party Pools that are not covered by an alternative balancing service.

Monthly Scheduling Variance - Nonconstraint Days

A net monthly variance will be determined by comparing customer actual gas use with the amount gas nominated.

Negative Monthly Variance Charges:

The customer's Undertake Credit will be calculated monthly from the Company's lowest cost gas supply contract (whether gas was purchased under that contract or not) based on the Undertake Variance Percentage. The Undertake Variance Percentage will be determined by taking the actual usage for the month divided by the nominated volume for that month. Total credit shall be determined in a graduated manner. The table below shows the percent of the Company's lowest cost gas supply that will be paid for the various levels of Undertake Variance Percentage. The Company will then own this natural gas.

Monthly Undertake Variance Percentage:	Percent of Company's Lowest-Cost Gas Supply
90% or greater	100%
70% to 89%	80%
69% or less	70%

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Monthly Scheduling Variance - Nonconstraint Day (continued)**

Positive Monthly Variance Charges:

The Overtake Charge will be equal to the aggregated monthly imbalance volume times the Company's highest cost gas supply per therm delivered to the company's city gate station during that billing month.

Any over-run or under-run charges or penalties assessed by pipeline companies will be prorated among those customers or third-party pools administrators that contributed to the cause of the penalties.

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. 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.

Imbalance volumes for undernominations (overtakes) will be subject to an unauthorized-use charge. The Overtake Charge will be calculated daily and applied to the volume of gas taken daily in excess of the daily volumes of gas delivered to the Company's city gate station in the customer's name. This volume will not be used in determining net overtake or undertake volumes at the end of the billing period. The net daily variances above 5% of the customer nomination shall be considered unauthorized use.

Public Service Commission of Wisconsin

City Gas Company

Firm Transportation Service**Daily Scheduling Variance - High-Flow Constraint Condition (continued)**

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 \$2.00 per therm for gas used in excess of the maximum quantity level allowed 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 allowed 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 Condition 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. During the time of the Constraint Condition, 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 Condition as possible. Notice of a Low-Flow Constraint Condition may also be given after the start of a gas day.

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

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Daily Scheduling Variance - Low-Flow Constraint Condition (continued)**

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 of 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 or third-party pools administrators that contributed to the cause of the penalties.

Selective Constraint

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

1. The delivered Natural Gas Henry Hub price is at least 110 percent of the current month's weighted average delivered cost of gas 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 7,500 therms.

When the Company notifies a customer or Pooling Agent that they are subject to a Selective Constraint, the daily usage of the affected customer or balancing pool will be monitored. If it is determined that the preceding under delivery limits are exceeded, then the customer or Pooling Agent will be assessed High-Flow Constraint Day charges on the undernominations.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Curtailement/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. Delivery of gas may be subject to supply restrictions when required for situations that include a reduction or interruption in customer-owned quantities being delivered to Company's distribution system. Customers may be required to not exceed their daily nomination. Company will provide notice of supply restriction as far in advance as possible.

The Company reserves the right to curtail or suspend service on any day the Company determines that:

1. Operating conditions are such that interruption is necessary.
2. The producer or transmission supplier curtails or interrupts the supply of customer-owned natural gas to the Company's city gate station.
3. A constraint day 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 at the Company's weighted average cost of gas.

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 eight 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.

Exit Fee

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:

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Exit Fee (continued)**

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.

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 twelve 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 if the Company has adequate supply and capacity to serve the customer.

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Special Terms and Conditions**

1. Customers served under this schedule shall be required to execute a written contract between the customer and the Company setting forth specific arrangements as to contract periods, volumes to be transported by Company on behalf of customer, point of delivery, methods of metering, nomination and notification procedures and any other matters deemed necessary. The contract period shall not exceed the period offered by the pipeline supplier(s) and/or the customer's supplier.
- 2) Gas Supplied under firm service under this schedule shall not be used as standby for interruptible gas service, nor shall it be used in lieu of such interruptible service.
- 3) Customers served under this schedule shall have the same curtailment priorities as if customers were being served on the Company's firm rate schedules.
- 4) The number of therms billed under this rate in any billing period shall be based on the volume of gas used by the customer during that month and the average heat content, as determined by the Company, of gas received by the Company's supplier during that same month.
- 5) If the Company is not assured to its own satisfaction of the stability and economic feasibility of an extension to service a customer under this rate, it may require certain contributions, guarantees, or contractual agreements as provided under the Company's extension rules.
- 6) For the purpose of this provision, a "day" shall mean a period of 24 consecutive hours beginning and ending at 9:00 AM CST.
- 7) Service under this rate schedule shall be metered separately from any other gas service.
- 8) The Company's Rules and Regulations for applicable gas sales service schedules shall apply except where otherwise noted in this schedule.

Public Service Commission of Wisconsin**City Gas Company****Firm Transportation Service****Special Terms and Conditions (continued)**

9. The customer must comply with all the conditions as stated in the separate signed service agreement, this schedule and Company's Rules and Regulations.
10. The Company may 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. The Company will continue to own and maintain this equipment.
11. 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.
12. Gas delivered by the Company under this rate schedule will 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.
13. Third Party Pools may be formed of customers served under the TG-1, TG-2 and/or TG-3 rate schedules.

RATE FILE

Sheet No. 6.12

Schedule Tg-1

Amendment No. 438

Public Service Commission of Wisconsin

City Gas Company

Firm Transportation Service

Backup Supply Service

Availability

The Company contracts for annual gas supplies to meet the requirements of customers requesting gas supply service. If the Company determines that such gas supplies are in excess of firm system sales customer requirements at a given time, the Company may make such excess gas supply available for sale under this Rate Schedule. The Company may sell gas supplies under this Rate Schedule only when the Company determines that excess supply is available or if the Company can purchase additional supply for the customer with no adverse effect to existing system sales customers.

Customers subscribing to Backup Service may be allowed to use Company gas should the customer's third party supply be curtailed or interrupted provided that the customer has signed an agreement for such service and that gas supply and capacity are available.

EFFECTIVE: March 1, 2015
PSCW AUTHORIZATION: 1140-GR-109

Public Service Commission of Wisconsin

City Gas Company

Firm Transportation Service

Backup Supply Service (continued)

Rates

Should the customer's third-party supply be curtailed or interrupted, the volumes of actual usage during the period that backup service is in effect^{2/} shall be billed at the greater of the following rates:

Commodity and Demand Costs: \$0.5361 per therm^{1/}
or,

Company's Incremental Costs: ANR-SW STS Rate plus ANR-SW daily rate for spot gas purchased specifically for Backup Service.

^{1/} Subject to adjustment for cost of purchased gas. See Sheet No. 11.5 for purchased gas adjustment schedule and refund provision for current effective rates.

^{2/} Customers will not be allowed to use a combination of third-party supply gas and Backup Supply gas during a period when the customer elects to switch to Backup Supply Service supply. All gas passing through the customer's meter during this period will be billed at the current Commodity Cost Rate. Any third-party gas delivered to the Company's city gate during the period when the customer elects to switch back to Backup Supply Service supply will be an undertake for the period, and be added to the monthly total for cashout purposes.

Terms and Conditions

1. Customers must notify the Company as soon as possible that the Customer's third party supply has been curtailed or interrupted. Failure to notify the Company may result in the Company charging penalties as specified in the Daily Scheduling Variance - High-Flow Constraint Condition provisions on Sheet 6.6.
2. Customers currently having supply delivered under this provision are deemed to have the same status as other CG-2 system customers as it pertains to the Company's Curtailment and Interruption tariff.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service**

Interruptible Transportation Service provides interruptible distribution capacity for delivery of end user transportation customer gas supply from the company's gate station to the meter. Distribution provided by the Company to any customer under this Rate Schedule shall be on an interruptible basis only and the Company shall have the right to interrupt deliveries of gas supply hereunder, whenever and to the extent necessary such interruption, in the sole judgment of the Company, may be required. 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.

Effective In:

In all territory served.

Availability

This interruptible transportation service is available to any customer:

- e. Who qualifies for service under the In-1 tariff.
- f. For which 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.
- g. Who have elected to be transportation customers and have made arrangements for the delivery of customer-owned gas to the Company's city gate station either individually or through a contractual agency agreement with the Company.

Applicability and Character of Service

Customers under this Rate Schedule will be responsible for arranging for the purchase and delivery of Third-Party Natural Gas Supplies to the Company's facilities for the term of service under this Rate Schedule. Deliveries of Third-Party Natural Gas Supplies to the Company must be nominated on a daily basis in accordance with the terms and provisions of this Rate Schedule.

At the Company's sole discretion, telemetering equipment may be required to be installed by the Company before service will be provided on this Rate Schedule. If required, the customer must provide a business-grade telephone line and connection to existing electrical facilities as necessary for operation of the telemetering equipment. Customers must maintain continuous phone and electric service to the telemetering equipment to continue on this service. Once telemetering is installed, the Company, at its option, may bill the customer based on telemetered consumption, provided that actual meter readings are taken no less often than once every six months to verify the telemetered consumption.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin

City Gas Company

Interruptible Transportation Service

Rates

Distribution Charges:

Fixed Monthly Customer Service Charge	\$60.00
Volumetric Distribution Service Charge	\$ 0.1629 per therm
Act 141 Service Charge <u>1/</u>	See Sheet 20.1, Schedule ARC-1

Transportation Administration Charge:	\$50.00 per month
Telemetry Charge (if applicable)	\$35.00 per month

The Transportation Administrative Charge recovers the incremental cost of administering Third-Party Natural Gas Supply deliveries. The Telemetry Charge recovers costs associated with equipment necessary to telemeter the customer’s consumption to the Company’s offices.

In addition to the rates above, applicable unauthorized use charges and Commodity Cash-Out Charges / Credits, as described below, will apply to the Pooling Agents of Third-Party Balancing Pools.

1/ Act 141 charges are included in the Volumetric Distribution Service Charge

Minimum Monthly Bill

The minimum monthly bill shall be the sum of the Fixed Monthly Customer Service Charge, the Transportation Administrative Charge and the Telemetry Charge(if applicable). Distribution volume charges shall be added to the minimum monthly bill.

Billing

Bills for natural gas service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued and unless payment or satisfactory arrangement for payment is made within the next eight days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 134.

Balancing Service in Third-Party Pools

Customers can form Third-Party Pools to aggregate pool member imbalances. Pooled customers’ monthly imbalances will be aggregated for the purpose of minimizing total customers’ imbalances. Each Third-Party Pool’s imbalances will be calculated separately from other Third-Party Pools. Customers that have formed a Pool shall be subject to a Third-Party Pooling Agreement which must be signed by the party responsible for both financial payments and the balancing of the pool (the designated Pooling Agent), and the customers in the pool.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Balancing Service in Third-Party Pools (continued)**

The Agreement must then be approved by the Company. Customers may join a given Third-Party Pool effective at the beginning of the first gas day of the month or leave a Third-Party Pool at the end of the last gas day of the month.

Pooling Agents must nominate with the Company 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 delivery level.

Balancing Service

For purposes of this Rate Schedule, the Customer's Confirmed Natural Gas Nomination is defined as the pipeline nomination that is confirmed and scheduled for delivery to the Company's facilities as stated by the supplying pipeline. .

Each month, the Company will calculate the individual customer's or pool's Imbalance Volume. The Imbalance Volume for the pool is the absolute difference between the individual customer's or pool's confirmed natural gas nomination and actual aggregated usage. Usage volumes 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 Charge for the pool and will be subject to the Commodity Cash-out. The Pooling Agent will be billed by the Company monthly. If a Pooling Agent becomes in arrears with the Company, the Company will notify individual pool members. Should the Pooling Agent remain in arrears for a period exceeding thirty days, the Company may bill the individual customers in the pool for any outstanding unauthorized used charges and/or Commodity Cash-Out that was billed to the Pooling Agent. When this occurs, the customers in that pool will be moved to a Company-Administered Pool and remain there until they form or join another Third-Party Pool.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin

City Gas Company

Interruptible Transportation Service

Balancing Service (continued)

The individual customer's or pool's consumption will be reported in pipeline units as calculated from the aggregated volumes recorded by Company's metering equipment installed at each customer's location. On days when the metering equipment fails to operate properly, the Company will estimate the affected customer's daily consumption during the period the metering equipment was not operating properly. This will be added to the usage data of the other customers in the Third-Party Pool to obtain the pool's consumption. The Company will make available, at the customer's or Pooling Agent's request, a report showing the daily nominations and daily usage (if telemetered) based on telemetered data and Company adjustment factors.

Cash-Out Mechanism

The Company will apply the following Cash-Out Mechanism to adjusted monthly Imbalance Volumes of the respective individual customers or Third-Party Pools that are not covered by an alternative balancing service.

Monthly Scheduling Variance - Nonconstraint Days

A net monthly variance will be determined by comparing customer actual gas use with the amount gas nominated.

Negative Monthly Variance Charges:

The customer's Undertake Credit will be calculated monthly from the Company's lowest cost gas supply contract (whether gas was purchased under that contract or not) based on the Undertake Variance Percentage. The Undertake Variance Percentage will be determined by taking the actual usage for the month divided by the nominated volume for that month. Total credit shall be determined in a graduated manner. The table below shows the percent of the Company's lowest cost gas supply that will be paid for the various levels of Undertake Variance Percentage. The Company will then own this natural gas.

Monthly Undertake Variance Percentage:	Percent of Company's Lowest-Cost Gas Supply
90% or greater	100%
70% to 89%	80%
69% or less	70%

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Monthly Scheduling Variance - Nonconstraint Day (continued)**

Positive Monthly Variance Charges:

The Overtake Charge will be equal to the aggregated monthly imbalance volume times the Company's highest cost gas supply per therm delivered to the company's city gate station during that billing month.

Any over-run or under-run charges or penalties assessed by pipeline companies will be prorated among those customers or third-party pools administrators that contributed to the cause of the penalties.

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. 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.

Imbalance volumes for undernominations (overtakes) will be subject to an unauthorized-use charge. The Overtake Charge will be calculated daily and applied to the volume of gas taken daily in excess of the daily volumes of gas delivered to the Company's city gate station in the customer's name. This volume will not be used in determining net overtake or undertake volumes at the end of the billing period. The net daily variances above 5% of the customer nomination shall be considered unauthorized use.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Daily Scheduling Variance - High-Flow Constraint Condition (continued)**

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 \$2.00 per therm for gas used in excess of the maximum quantity level allowed 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 allowed 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 Condition 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. During the time of the Constraint Condition, 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 Condition as possible. Notice of a Low-Flow Constraint Condition may also be given after the start of a gas day.

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

EFFECTIVE: January 1, 2003

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Public Service Commission of Wisconsin

City Gas Company

Interruptible Transportation Service**Daily Scheduling Variance - Low-Flow Constraint Condition (continued)**

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 of 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 or third-party pools administrators that contributed to the cause of the penalties.

Selective Constraint

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

1. The delivered Natural Gas Henry Hub price is at least 110 percent of the current month's weighted average delivered cost of gas 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 7,500 therms.

When the Company notifies a customer or Pooling Agent that they are subject to a Selective Constraint, the daily usage of the affected customer or balancing pool will be monitored. If it is determined that the preceding under delivery limits are exceeded, then the customer or Pooling Agent will be assessed High-Flow Constraint Day charges on the undernominations.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Curtailement/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. Delivery of gas may be subject to supply restrictions when required for situations that include a reduction or interruption in customer-owned quantities being delivered to Company's distribution system. Customers may be required to not exceed their daily nomination. Company will provide notice of supply restriction as far in advance as possible.

The Company reserves the right to curtail or suspend service on any day the Company determines that:

1. Operating conditions are such that interruption is necessary.
2. The producer or transmission supplier curtails or interrupts the supply of customer-owned natural gas to the Company's city gate station.
3. A constraint day 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 at the Company's weighted average cost of gas.

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 eight 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.

Exit Fee

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:

City Gas Company

Interruptible Transportation Service

Exit Fee (continued)

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 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.

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 twelve 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 if the Company has adequate supply and capacity to serve the customer.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Special Terms and Conditions**

1. Customers served under this schedule shall be required to execute a written contract between the customer and the Company setting forth specific arrangements as to contract periods, volumes to be transported by Company on behalf of customer, point of delivery, methods of metering, nomination and notification procedures and any other matters deemed necessary. The contract period shall not exceed the period offered by the pipeline supplier(s) and/or the customer's supplier.
- 2) Customers served under this schedule shall have the same curtailment priorities as if customers were being served on the Company's interruptible rate schedules.
- 3) The number of therms billed under this rate in any billing period shall be based on the volume of gas used by the customer during that month and the average heat content, as determined by the Company, of gas received by the Company's supplier during that same month.
- 4) If the Company is not assured to its own satisfaction of the stability and economic feasibility of an extension to service a customer under this rate, it may require certain contributions, guarantees, or contractual agreements as provided under the Company's extension rules.
- 5) For the purpose of this provision, a "day" shall mean a period of 24 consecutive hours beginning and ending at 9:00 AM CST.
- 6) Service under this rate schedule shall be metered separately from any other gas service.
- 7) The Company's Rules and Regulations for applicable gas sales service schedules shall apply except where otherwise noted in this schedule.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Special Terms and Conditions (continued)**

- 8) The customer must comply with all the conditions as stated in the separate signed service agreement, this schedule and Company's Rules and Regulations.
- 9) The Company may 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. The Company will continue to own and maintain this equipment.
- 10) 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.
- 11) Gas delivered by the Company under this rate schedule will 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.
- 12) Third Party Pools may be formed of customers served under the TG-1, TG-2 and/or TG-3 rate schedules.
- 13) When interruption of deliveries hereunder is required, the customer shall interrupt the use of gas at the time and to the extent requested by the Company. The Company will notify the customer as far in advance as is feasible, and the customer shall discontinue or interrupt the use of gas under this Rate Schedule as ordered by the Company. In addition, the Company reserves the right to test the interruptibility of any customer on this Rate Schedule for any period of at least four hours that the Company requests. The Company has the option of requesting this test interruption of service at least one time each year. The Company reserves the right to move any customer who fails three interruptions, either actual or test, to the firm Rate Schedule for which they would otherwise qualify, provided that the Company has the capacity to serve the customer under the firm Rate Schedule.

Public Service Commission of Wisconsin

City Gas Company

Interruptible Transportation Service

Special Terms and Conditions (continued)

- 14) Any customer who fails to interrupt when required to do so may be subject to physical disconnection of service by the utility. The utility shall not be liable for damages for so doing..
- 15) Customer must designate a person or priority list of persons, together with instructions for communicating with such person at all times, who will be in responsible charge of curtailing customer's usage of natural gas as required by the Company.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service**

Interruptible Transportation Service provides interruptible distribution capacity for delivery of end user transportation customer gas supply from the company's gate station to the meter. Distribution provided by the Company to any customer under this Rate Schedule shall be on an interruptible basis only and the Company shall have the right to interrupt deliveries of gas supply hereunder, whenever and to the extent necessary such interruption, in the sole judgment of the Company, may be required. 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.

Effective In:

In all territory served.

Availability

This interruptible transportation service is available to any customer:

- a. Who qualifies for service under the In-2 tariff.
- b. For which 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.
- c. Who have elected to be transportation customers and have made arrangements for the delivery of customer-owned gas to the Company's city gate station either individually or through a contractual agency agreement with the Company.

Applicability and Character of Service

Customers under this Rate Schedule will be responsible for arranging for the purchase and delivery of Third-Party Natural Gas Supplies to the Company's facilities for the term of service under this Rate Schedule. Deliveries of Third-Party Natural Gas Supplies to the Company must be nominated on a daily basis in accordance with the terms and provisions of this Rate Schedule.

At the Company's sole discretion, telemetering equipment may be required to be installed by the Company before service will be provided on this Rate Schedule. If required, the customer must provide a business-grade telephone line and connection to existing electrical facilities as necessary for operation of the telemetering equipment. Customers must maintain continuous phone and electric service to the telemetering equipment to continue on this service. Once telemetering is installed, the Company, at its option, may bill the customer based on telemetered consumption, provided that actual meter readings are taken no less often than once every six months to verify the telemetered consumption.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

City Gas Company

Interruptible Transportation Service

Rates

Distribution Charges:

Fixed Monthly Customer Service Charge	\$200.00
Volumetric Distribution Service Charge	\$ 0.1400 per therm
Act 141 Service Charge <u>1/</u>	See Sheet 20.1, Schedule ARC-1

Transportation Administration Charge:	\$50.00 per month
Telemetry Charge (if applicable)	\$35.00 per month

The Transportation Administrative Charge recovers the incremental cost of administering Third-Party Natural Gas Supply deliveries. The Telemetry Charge recovers costs associated with equipment necessary to telemeter the customer’s consumption to the Company’s offices.

In addition to the rates above, applicable unauthorized use charges and Commodity Cash-Out Charges / Credits, as described below, will apply to the Pooling Agents of Third-Party Balancing Pools.

1/ Act 141 charges are included in the Volumetric Distribution Service Charge

Minimum Monthly Bill

The minimum monthly bill shall be the sum of the Fixed Monthly Customer Service Charge, the Transportation Administrative Charge and the Telemetry Charge(if applicable). Distribution volume charges shall be added to the minimum monthly bill.

Billing

Bills for natural gas service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued and unless payment or satisfactory arrangement for payment is made within the next eight days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 134.

Balancing Service in Third-Party Pools

Customers can form Third-Party Pools to aggregate pool member imbalances. Pooled customers’ monthly imbalances will be aggregated for the purpose of minimizing total customers’ imbalances. Each Third-Party Pool’s imbalances will be calculated separately from other Third-Party Pools. Customers that have formed a Pool shall be subject to a Third-Party Pooling Agreement which must be signed by the party responsible for both financial payments and the balancing of the pool (the designated Pooling Agent), and the customers in the pool.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Balancing Service in Third-Party Pools (continued)**

The Agreement must then be approved by the Company. Customers may join a given Third-Party Pool effective at the beginning of the first gas day of the month or leave a Third-Party Pool at the end of the last gas day of the month.

Pooling Agents must nominate with the Company 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 delivery level.

Balancing Service

For purposes of this Rate Schedule, the Customer's Confirmed Natural Gas Nomination is defined as the pipeline nomination that is confirmed and scheduled for delivery to the Company's facilities as stated by the supplying pipeline. .

Each month, the Company will calculate the individual customer's or pool's Imbalance Volume. The Imbalance Volume for the pool is the absolute difference between the individual customer's or pool's confirmed natural gas nomination and actual aggregated usage. Usage volumes 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 Charge for the pool and will be subject to the Commodity Cash-out. The Pooling Agent will be billed by the Company monthly. If a Pooling Agent becomes in arrears with the Company, the Company will notify individual pool members. Should the Pooling Agent remain in arrears for a period exceeding thirty days, the Company may bill the individual customers in the pool for any outstanding unauthorized used charges and/or Commodity Cash-Out that was billed to the Pooling Agent. When this occurs, the customers in that pool will be moved to a Company-Administered Pool and remain there until they form or join another Third-Party Pool.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

City Gas Company

Interruptible Transportation Service

Balancing Service (continued)

The individual customer's or pool's consumption will be reported in pipeline units as calculated from the aggregated volumes recorded by Company's metering equipment installed at each customer's location. On days when the metering equipment fails to operate properly, the Company will estimate the affected customer's daily consumption during the period the metering equipment was not operating properly. This will be added to the usage data of the other customers in the Third-Party Pool to obtain the pool's consumption. The Company will make available, at the customer's or Pooling Agent's request, a report showing the daily nominations and daily usage (if telemetered) based on telemetered data and Company adjustment factors.

Cash-Out Mechanism

The Company will apply the following Cash-Out Mechanism to adjusted monthly Imbalance Volumes of the respective individual customers or Third-Party Pools that are not covered by an alternative balancing service.

Monthly Scheduling Variance - Nonconstraint Days

A net monthly variance will be determined by comparing customer actual gas use with the amount gas nominated.

Negative Monthly Variance Charges:

The customer's Undertake Credit will be calculated monthly from the Company's lowest cost gas supply contract (whether gas was purchased under that contract or not) based on the Undertake Variance Percentage. The Undertake Variance Percentage will be determined by taking the actual usage for the month divided by the nominated volume for that month. Total credit shall be determined in a graduated manner. The table below shows the percent of the Company's lowest cost gas supply that will be paid for the various levels of Undertake Variance Percentage. The Company will then own this natural gas.

Monthly Undertake Variance Percentage:	Percent of Company's Lowest-Cost Gas Supply
90% or greater	100%
70% to 89%	80%
69% or less	70%

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Monthly Scheduling Variance - Nonconstraint Day (continued)**

Positive Monthly Variance Charges:

The Overtake Charge will be equal to the aggregated monthly imbalance volume times the Company's highest cost gas supply per therm delivered to the company's city gate station during that billing month.

Any over-run or under-run charges or penalties assessed by pipeline companies will be prorated among those customers or third-party pools administrators that contributed to the cause of the penalties.

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. 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.

Imbalance volumes for undernominations (overtakes) will be subject to an unauthorized-use charge. The Overtake Charge will be calculated daily and applied to the volume of gas taken daily in excess of the daily volumes of gas delivered to the Company's city gate station in the customer's name. This volume will not be used in determining net overtake or undertake volumes at the end of the billing period. The net daily variances above 5% of the customer nomination shall be considered unauthorized use.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Daily Scheduling Variance - High-Flow Constraint Condition (continued)**

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 \$2.00 per therm for gas used in excess of the maximum quantity level allowed 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 allowed 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 Condition 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. During the time of the Constraint Condition, 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 Condition as possible. Notice of a Low-Flow Constraint Condition may also be given after the start of a gas day.

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

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Daily Scheduling Variance - Low-Flow Constraint Condition (continued)**

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 of 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 or third-party pools administrators that contributed to the cause of the penalties.

Selective Constraint

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

1. The delivered Natural Gas Henry Hub price is at least 110 percent of the current month's weighted average delivered cost of gas 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 7,500 therms.

When the Company notifies a customer or Pooling Agent that they are subject to a Selective Constraint, the daily usage of the affected customer or balancing pool will be monitored. If it is determined that the preceding under delivery limits are exceeded, then the customer or Pooling Agent will be assessed High-Flow Constraint Day charges on the undernominations.

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****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. Delivery of gas may be subject to supply restrictions when required for situations that include a reduction or interruption in customer-owned quantities being delivered to Company's distribution system. Customers may be required to not exceed their daily nomination. Company will provide notice of supply restriction as far in advance as possible.

The Company reserves the right to curtail or suspend service on any day the Company determines that:

1. Operating conditions are such that interruption is necessary.
2. The producer or transmission supplier curtails or interrupts the supply of customer-owned natural gas to the Company's city gate station.
3. A constraint day 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 at the Company's weighted average cost of gas.

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 eight 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.

Exit Fee

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:

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Exit Fee (continued)**

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 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.

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 twelve 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 if the Company has adequate supply and capacity to serve the customer.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin

City Gas Company

Interruptible Transportation Service

Special Terms and Conditions

1. Customers served under this schedule shall be required to execute a written contract between the customer and the Company setting forth specific arrangements as to contract periods, volumes to be transported by Company on behalf of customer, point of delivery, methods of metering, nomination and notification procedures and any other matters deemed necessary. The contract period shall not exceed the period offered by the pipeline supplier(s) and/or the customer's supplier.
- 2) Customers served under this schedule shall have the same curtailment priorities as if customers were being served on the Company's interruptible rate schedules.
- 3) The number of therms billed under this rate in any billing period shall be based on the volume of gas used by the customer during that month and the average heat content, as determined by the Company, of gas received by the Company's supplier during that same month.
- 4) If the Company is not assured to its own satisfaction of the stability and economic feasibility of an extension to service a customer under this rate, it may require certain contributions, guarantees, or contractual agreements as provided under the Company's extension rules.
- 5) For the purpose of this provision, a "day" shall mean a period of 24 consecutive hours beginning and ending at 9:00 AM CST.
- 6) Service under this rate schedule shall be metered separately from any other gas service.
- 7) The Company's Rules and Regulations for applicable gas sales service schedules shall apply except where otherwise noted in this schedule.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin**City Gas Company****Interruptible Transportation Service****Special Terms and Conditions (continued)**

- 8) The customer must comply with all the conditions as stated in the separate signed service agreement, this schedule and Company's Rules and Regulations.
- 9) The Company may 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. The Company will continue to own and maintain this equipment.
- 10) 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.
- 11) Gas delivered by the Company under this rate schedule will 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.
- 12) Third Party Pools may be formed of customers served under the TG-1, TG-2 and/or TG-3 rate schedules.
- 13) When interruption of deliveries hereunder is required, the customer shall interrupt the use of gas at the time and to the extent requested by the Company. The Company will notify the customer as far in advance as is feasible, and the customer shall discontinue or interrupt the use of gas under this Rate Schedule as ordered by the Company. In addition, the Company reserves the right to test the interruptibility of any customer on this Rate Schedule for any period of at least four hours that the Company requests. The Company has the option of requesting this test interruption of service at least one time each year. The Company reserves the right to move any customer who fails three interruptions, either actual or test, to the firm Rate Schedule for which they would otherwise qualify, provided that the Company has the capacity to serve the customer under the firm Rate Schedule.

EFFECTIVE: January 1, 2003

PSCW AUTHORIZATION: 1140-GR-105

Public Service Commission of Wisconsin

City Gas Company

Interruptible Transportation Service

Special Terms and Conditions (continued)

- 14) Any customer who fails to interrupt when required to do so may be subject to physical disconnection of service by the utility. The utility shall not be liable for damages for so doing..
- 15) Customer must designate a person or priority list of persons, together with instructions for communicating with such person at all times, who will be in responsible charge of curtailing customer's usage of natural gas as required by the Company.

