

JEFFERSON UTILITIES

New Load Market Pricing Tariff

1. Effective In

All territories served by the Utility.

2. Eligibility

Available to existing and new customers that would not expand load or take service from the Utility absent this New Load Market Pricing (NLMP) Tariff to include: (A) any existing customer with a Maximum Measured Demand in excess of 200 kW for 3 or more months in a consecutive 12 month period and an expected electric demand growth of at least 500 kW or (B) a new customer with an expected peak demand of at least 500 kW.

An existing customer must affirmatively declare that it would not be expanding load with the Utility absent this NLMP Tariff, and a new customer must affirmatively declare that it would not be taking service with the Utility absent this NLMP Tariff.

This NLMP Tariff is only available to customers that (A) have informed the Utility at least 3 months prior to receiving service under this tariff, (B) have electric meters that record 15 minute interval load data prior to the commencement of service hereunder, (C) will be billed on a calendar month basis, (D) have completed an application for participation under the NLMP Tariff and received approval from the Utility (an "Approved Application") and (E) have had an energy efficiency assessment completed by a Focus on Energy Advisor within 12 months prior to taking service under this tariff or agree to have an energy efficiency assessment completed by a Focus on Energy Advisor within six months after taking service under this tariff.

A customer under this NLMP Tariff shall maintain a minimum of 500 kW of incremental demand for eight out of the twelve months in each year of the contract. Failure to meet this criterion will result in the customer being removed from this tariff. For purposes of eligibility, incremental demand is:

- For an existing customer that is expanding, the customer's total demand purchased from the Utility minus the Demand Baseline Levels defined below.
- For a new customer, the customer's total demand purchased from the Utility for the applicable month.

This NLMP Tariff is not available to customers transferring existing load from any other electric utility provider in Wisconsin to the Utility.

This NLMP Tariff is available to eligible customers on a first-come, first-served basis up to a maximum eligible load of 10 MW per customer, provided that (A) there is sufficient

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unsubscribed capacity available to the Utility under the WPPI Wholesale Sale of Electricity Requirements for Eligible Load Growth wholesale schedule (the "WPPI NLMP Schedule"), and (B) WPPI Energy, the Utility's wholesale electricity supplier ("WPPI"), approves such service on a first-come, first-served basis. Service under the NLMP Tariff must commence no later than 3 months after the date the Approved Application is signed by the customer and the Utility.

3. Term

Service under this NLMP Tariff is for a single term of four (4) consecutive years from the commencement of service on the first day of the month specified in an Approved Application. A customer may terminate service on the annual anniversary date of the NLMP Tariff service as long as the customer provides at least 30 days' written notice to the Utility. Upon termination, the customer will return to service under an applicable rate for which it is eligible under the utility's tariff. A customer who terminates service or is removed from this tariff may not return to the NLMP Tariff.

4. Rate

The eligible electric consumption for this NLMP Tariff is the amount of customer electric consumption above the customer's Monthly Baseline Demand Level and Monthly Baseline Energy Levels (defined below). The standard applicable retail tariff rates shall apply for customer electric consumption up to and including its Baseline Demand Level and Baseline Energy Levels and amounts above the Baseline Demand Level and Baseline Energy Levels will be subject to the charges and rates defined below.

A. Administrative Charge: \$150.00 per month

B. Incremental Demand Rate:

If the customer's monthly peak demand exceeds the Baseline Demand Level for the month, utility will charge the customer for the monthly peak demand less the Baseline Level (i.e., the "Incremental Demand") at the following monthly fixed costs charged to the Utility by WPPI to provide service to the customer under the NLMP Tariff. These costs are a pass through of charges from the Midcontinent Independent System Operator, Inc. ("MISO") and generally include, but are not limited to the following:

1. MISO Resource Adequacy charge based on the applicable MISO LRZ clearing price and accounting for MISO's reserve margin requirement [applies only to firm load];

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- 2. MISO Network Integration Transmission Service charge (actual previous year average per unit cost incurred by WPPI load); per kW of Incremental Demand
- 3. Other fixed transmission and ancillary service costs
 - a. MISO Schedule 1: Scheduling, System Control & Dispatch;
 - b. MISO Schedule 2: Reactive Supply & Voltage Control;
 - c. MISO Schedule 10: MISO Cost Adder;
 - d. MISO Schedule 10-FERC: FERC Annual Charges;
 - e. MISO Schedule 11: Wholesale Distribution Service;
 - f. MISO Schedule 26: Network Upgrade Transmission Expansion Charge;
 - g. MISO Schedule 33: Blackstart Service;
 - h. MISO Schedule 43: System Support Resources; and
 - i. Direct Network Upgrade Charges (if any)

A multiplication factor to account for distribution loss and applicable gross receipts taxes will be applied to the Incremental Demand Rate calculated from the above components as further described below. In addition, a 1.02 multiplication factor will be applied to the Incremental Demand Rate calculated from the above components to account for transmission losses.

The MISO Resource Adequacy charge will only apply to firm load, and customers taking service on an interruptible basis will not incur that component of the Incremental Rate.

C. Incremental Energy Rate:

If the customer’s energy consumption exceeds the Monthly Baseline Energy Level (on-peak or off-peak, as applicable) in any hour of the billing month, the Utility will charge the customer for the hourly energy consumption less the Monthly Baseline Energy Level (i.e., the “Incremental Hourly Energy”) at the following energy costs charged to the Utility by WPPI to provide service to the customer under the NLMP Tariff. Except for the margin on energy, these costs are a pass through of charges from MISO and generally include, but are not limited to the following:

- 1. MISO Energy Costs:
 - a. Day-Ahead Hourly Locational Marginal Price (LMP) at applicable MISO CPNode per kWh of Incremental Hourly Energy (currently “WEC.WPPI” for the Utility)
 - b. Day-Ahead RSG Distribution Amount
 - c. Real-Time Demand Response Uplift Charge
 - d. Real-Time Distribution of Losses Credit

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- e. Real-Time MVP Distribution Amount
- f. Real-Time Neutrality Uplift Amount
- g. Real-Time RSG First Pass Distribution Amount
- 2. MISO Market Administration:
 - a. Schedule 17: Day-Ahead and Real-Time Market Administration Amount
 - b. Schedule 24: Control Area Operator Cost Recovery
- 3. MISO Ancillary Services:
 - a. Schedule 3: Regulation Cost Distribution Amount
 - b. Schedule 5: Spinning Reserve Cost Distribution Amount
 - c. Schedule 6: Supplemental Reserve Cost Distribution Amount
- 4. MISO Transmission:
 - a. Schedule 10: MISO Cost Adder
 - b. Schedule 26: Multi-Value Project Cost Recovery
- 5. Adder on Energy at \$0.0005/kWh

A multiplication factor to account for distribution loss and applicable gross receipts taxes will be applied to the Incremental Energy Rate calculated from the above components as further described below.

The minimum Incremental Energy Rate billed shall not be less than \$0.007 / kWh in any hour.

D. Incremental Distribution Demand Rate:

A distribution demand billing option will be selected by the customer for the contract term as the Incremental Distribution Demand Rate for demand above the Baseline Distribution Demand Level (defined below) as follows:

- 1. Option 1 – Distribution Demand above the Baseline Distribution Demand Level will be subject to the same Distribution Demand charges applied to demand up to the Baseline Distribution Demand Level. A customer that selects Option 1 will receive a construction allowance per the Utility’s Electric Rules.
- 2. Option 2 – Distribution Demand above Baseline Distribution Demand Level will not be subject to the Distribution Demand charges applied to demand up to the Baseline Distribution Demand Level. A customer that selects this Option 2 will not receive a construction allowance per the Utility’s Electric Rules.

5. Monthly Baseline Demand Levels and Monthly Baseline Energy Levels for Existing Customers

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Each existing customer’s Monthly Baseline Demand Level and Monthly Baseline Energy Levels shall be based on the most recent available historical 12 consecutive month time period (i.e., the “Baseline Period”) preceding the date of an Approved Application. Historical electric consumption patterns and demand levels experienced during the Baseline Period make up Monthly Baseline Demand Levels and Monthly Baseline Energy Levels that are to be used for billing for the duration of the applicable term of the NLMP Tariff. These levels are to be determined prior to beginning service and will remain constant throughout the term of service.

Specifically, baseline levels will be established for monthly demand and monthly on- and off-peak energy as each of the following:

- Average hourly on-peak energy consumption by month for each of the twelve months preceding an Approved Application (“Monthly On-Peak Baseline Energy Level”);
- Average hourly off-peak energy consumption by month for each of the twelve months preceding an Approved Application (“Monthly Off-Peak Baseline Energy Level”);
- Firm on-peak demand by month for each of the twelve months preceding an Approved Application (“Monthly Baseline Demand Level”); and

The baseline 12-month ratcheted customer demand (the “Baseline Distribution Demand”) will remain the same over the entire term of NLMP service and will be equal to the Distribution Demand applicable in the month immediately preceding the date of an Approved Application.

Adjustments to the historical consumption patterns may be made by the Utility to eliminate data anomalies in the Baseline Period that are not expected to reoccur, or to accommodate unique production patterns as demonstrated in the historical data from the 24 months preceding the date of an Approved Application (e.g. if production is commonly reduced during a specific day of the week for maintenance shutdown).

6. Baseline Demand Levels and Baseline Energy Levels for New Customers

Baseline Demand Levels and Baseline Energy Levels for new customer accounts with less than 12 months of history will be based on a forecast, supplied by the new customer and reasonable to the Utility, of electric energy consumption and demand for the new facility. If applicable, the new customer must demonstrate how the new facility differs from prior facilities served by the

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Utility such that consumption patterns or levels at the new facility are dissimilar to that of past facilities. Corporate name changes, change in ownership of a facility or a corporation, the formation of subsidiaries, or similar actions will not qualify a customer as a new customer for purposes of determining the Baseline Demand Levels and Baseline Energy Levels.

Baseline Demand Levels and Baseline Energy Levels for new customers require approval by the Utility and will be no less than 70 percent of the forecasted demand and energy consumption for year one of service under this NLMP Tariff. After year one, the original Baseline Levels will be adjusted to new Baseline Levels for the remainder of the contract term to reflect the percentage of actual electric consumption in year one, rather than the percentage of the original forecast of year one consumption. For example, if the initial Baseline Level agreed upon for a specific month was at 70 percent of the year one energy forecast and that forecast was 1,000 MWh, then the initial Baseline would reflect 700 MWh. If actual consumption in that month of year one turned out to be 1,100 MWh, the Baseline would then be adjusted for that month in the remaining years of the contract term to reflect 70 percent of 1,100 MWh, which equates to 770 MWh.

The Baseline Distribution Demand will be equal to zero for the entire term of NLMP service.

7. Distribution Loss Multiplication Factor

The following table defines the Distribution Loss Multiplication Factor for customers under this NLMP Tariff:

	Multiplication Factor
Interconnection Voltage Greater than or equal to 100 kV	1.00
Interconnection Voltage Greater than 12 kV and Less than 100 kV	1.02
Interconnection Voltage Less than 12 kV	1.03

8. Gross Receipts Taxes Multiplication Factor

A Gross Receipts Taxes Multiplication Factor of 1.0319 times the total bill shall apply to applicable customer load served under this NLMP Tariff and located outside the municipal boundaries of the Utility.

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