

## WISCONSIN ELECTRIC POWER COMPANY

Volume 19 – Electric Rates

Revision 1 Sheet 71.1

Amendment No.745

Effective In All Areas Served In Wisconsin

Rate Schedule RTMP

### GENERAL PRIMARY SERVICE – REAL-TIME MARKET PRICING RIDER

R

#### AVAILABILITY

This rate is a rider to primary service rate schedules Cp1 and CpFN for firm service or non-firm service accounts, respectively. This tariff rider is available to existing customer accounts with a consumption history of 12 months or more at the service location for which this tariff rider will apply. The tariff rider is also available to New Customer accounts that have less than a 12 month consumption history. This includes accounts for Customers that are new to the Company's service territory or existing Customers that are establishing a new facility with a new account within the Company's service territory for which the load level and profile is substantially different than the load level and profile at another facility or facilities at which the Customer has taken service from the Company. Customers cannot transfer load from another utility's service territory into the Company's territory in order to take advantage of this rate. Further definitions, terms and conditions of service to New Customers are specified in the Baselines for New Customer accounts and the CONDITIONS OF DELIVERY sections of this tariff rider.

Eligible Customers shall enter into a one- to four-year service agreement, cancellable without penalty with 30-days notice by the Customer at any anniversary date of the service agreement.

The initial tariff rider participation limit is a program maximum of 100 MW of Billed Demand at pre-subscription demand levels. The Company reserves the right to expand participation in this tariff rider at a future date, with Commission approval. Any customer denied service under this tariff rider has a right to appeal this denial to the Public Service Commission of Wisconsin.

Only customer accounts currently receiving service under one of the Company's non-firm service rates are eligible for the non-firm option of this tariff rider. Customers taking service under the non-firm option of this tariff rider will retain their eligibility for non-firm primary service once they no longer take service under this tariff rider.

#### BASIC RATE DESIGN

Each participating customer with 12-months history at the service location will have unique Usage and Demand Baselines that reflect usage patterns and demand levels from a recent 12-month historical period. For New Customer accounts, Usage and Demand Baselines will be determined per the conditions and requirements outlined in the BASELINES AND RELATED DEMANDS section of this tariff rider.

Participating Customers will be charged their standard tariff rates on their actual monthly usage and demand up to their Baseline levels. Incremental usage and demand above the Baselines will be charged at market-based energy and incremental demand rates specified in this tariff rider. Except for any fuel surcharge, all other surcharges or credits, minimum charges, late payment charges, definitions and conditions of delivery that apply to base tariff service shall also apply to RTMP rider service, unless stated otherwise in this tariff rider. If there is disagreement between this tariff rider and the underlying rate schedule on any of these tariff provisions, this tariff rider governs.

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

**WISCONSIN ELECTRIC POWER COMPANY**

Volume 19 – Electric Rates

Revision 4 Sheet 71.2  
Amendment No. 745  
Rate Schedule RTMP

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**GENERAL PRIMARY SERVICE – REAL-TIME MARKET PRICING RIDER**

**R**

(Continued from Sheet No. 71.1)

**RATES**

**ADMINISTRATIVE CHARGE (per day):** \$5.753

**BASELINE CHARGES:**

Baseline Firm Service Option: For customers taking firm service under this tariff rider, Cp1 rates, definitions and conditions of delivery apply to all usage and demand consumed that does not exceed the baseline for the month. If actual usage or demand are less than the Baselines for each, only the actual consumption will be billed.

Baseline Interruptible Service Option: For customers taking interruptible service under this tariff rider, CpFN rates, definitions and conditions of delivery apply to all usage and demand consumed that does not exceed the baseline for the month. If actual usage or demand are less than the Baselines for each, only the actual consumption will be billed.

**ABOVE-BASELINE CHARGES:**

Incremental Energy above the Baseline:

If actual energy consumed, in kilowatt hours, exceeds the Usage Baseline in any hour of the billing month, this above-baseline energy will be charged at the Incremental Energy Rate (IER), which is comprised of the following components:

1. Day-ahead Locational Marginal Prices (LMPs) published daily by the Midwest Independent System Operator (the MISO) for the WEC.S commercial pricing node.
2. Transaction costs charged to the Company by the MISO, expressed on a dollars per kilowatt hour basis.
3. Distribution Energy Losses represent 1.267% of LMPs, as filed with the PSCW.
4. An Outage Contingency Cost of \$15 / kW year that applies exclusively to Firm Service option customers is distributed across all hours of the year based on a Load Approach Factor.
5. Margin on Energy Above Baseline at \$0.00050 / kWh.
6. Gross Receipts Tax at 3.19% of all other IER charges.
7. Act 141 charges or credits that may apply per the PSCW rules for application of same.
8. Any other credits or charges that may be authorized or mandated by the PSCW from time to time that would apply to incremental usage.

The Incremental Energy Rate shall not be less than \$0.007 / kWh in any hour. Customers will be notified by e-mail of day-ahead Incremental Energy Rates by no later than 5:00pm Central Time on the day before they become effective.

To provide transparency of rate design to prospective or participating customers, a greater level of detail than is practical to include here, as it relates to calculations used in developing the Incremental Energy Rate (IER), is available upon customer request.

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

**WISCONSIN ELECTRIC POWER COMPANY**

Volume 19 – Electric Rates

Revision 2 Sheet 71.3  
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**R**

(Continued from Sheet No. 71.2)

**ABOVE-BASELINE CHARGES (cont.):**

Billed Demand above the Baseline

Billed Demand above the Baseline will be charged an Incremental Transmission Charge (ITC) based on the American Transmission Company’s (ATC) charges to the Company for transmission service within the Company’s Wisconsin jurisdiction. The ITC is calculated as the total dollars charged to the Company by ATC and attributed to the Wisconsin retail jurisdiction divided by the associated kilowatts consumed. See CONDITIONS OF DELIVERY for more.

Customer Demand above the Baseline consumption will not be charged.

**MONTHLY BILL CALCULATIONS USING THE INCREMENTAL ENERGY RATE (IER)**

Total Incremental Energy charges for the month =  $\sum [ IER_{hour} \times (Actual\ kWh_{hour} - Baseline\ kWh_{hour}) ]$   
for all hours in which Actual kWh<sub>hour</sub> exceeds Baseline kWh<sub>hour</sub>

Where: IER<sub>hour</sub> = The Incremental Energy Rate (defined above) for each individual hour.

Actual kWh<sub>hour</sub> = The actual kilowatt hours consumed in the same hour.

Baseline kWh<sub>hour</sub> = The Baseline kilowatt hours for the same hour.

**BASELINES AND RELATED DEMANDS**

Each customer subscribing to this tariff rider will have four Baselines for each month; one for each of weekday and weekend usage (energy), one for Measured On-peak Demand and one for Customer Demand. The definitions of Measured On-peak Demand and Customer Demand are as used in the base tariff rate schedules for firm service and interruptible service accounts.

The Usage Baselines for each month will represent the forecasted hourly loadshapes for each of average weekdays and average weekends. For example, the January weekday Usage Baseline represents the hourly usage forecast for an average January weekday. The January weekend Usage Baseline similarly reflects the hourly forecast for an average January weekend or holiday, and so on for each month of the year.

The Measured On-peak Demand Baseline for each month is a single number that represents the forecasted maximum on-peak demand for the month. Billed Demand represents the Measured On-peak Demand Baseline adjusted for the Power Factor in the actual billed month. The Measured to Billed Demand calculations are as outlined in the underlying base rate schedules.

The Customer Demand Baseline for each month is a single number that represents the forecasted maximum any-hour demand for the twelve month period including the month in question and the eleven months just prior to that month.

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

## WISCONSIN ELECTRIC POWER COMPANY

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Revision 1 Sheet 71.4  
Amendment No. 745  
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### GENERAL PRIMARY SERVICE – REAL-TIME MARKET PRICING RIDER

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(Continued from Sheet No. 71.3)

#### Determination of Baselines for Existing Customer accounts:

The Baseline Period for each customer account represents 12-months of a recent historical period. Historical usage patterns and demand levels derived from the Baseline Period make up each Usage and Demand Baseline and are used for billing the corresponding months of the contract term; January Baseline numbers for each January billed month, and so on.

Some adjustments to the strict historical Baselines may be made in conjunction with the Customer to eliminate data anomalies in the Baseline period that are not expected to recur.

#### Determination of Baselines for New Customer accounts:

As defined in the AVAILABILITY section of this tariff rider, New Customers are those without a 12-month history of energy consumption at the service location for which they seek service under the RTMP rider. This includes accounts of customers that are new to the Company's service territory. It also includes existing Customers that are establishing an account for a new facility within the Company's service territory for which the load level and profile is substantially different than the load level and profile at another facility or facilities at which the Customer has taken service from the Company. Customers cannot transfer load from another utility's service territory into the Company's territory in order to take advantage of this rate.

In the case of the existing Customer establishing a new facility, the Customer must demonstrate how the new facility differs from existing or prior facilities served by the Company such that consumption patterns or levels at the new facility are dissimilar to that of existing or past facilities. Higher or lower production capacity levels or production processes that are unique to the new facility are demonstrations of dissimilarity.

Baselines for New Customer accounts will be based on a realistic forecast, supplied by the Customer, of usage and demand for the new facility. To reflect potential growth in year one of the service agreement term, the Baselines will not reflect 100% of the forecasted year-one load. Rather, Baseline levels will be agreed upon by the parties and will be no less than 70% of the forecasted consumption for year one of the service agreement.

If the service agreement continues into a second or subsequent years, the Baselines used in year one will be adjusted to new Baselines for the remaining contract term to reflect the percentage of *actual* usage in year one, rather than the percentage of the original *forecast* of year-one usage. For example, if the initial Baseline agreed upon was at 70% of the year-one energy forecast and the forecast was 10,000 MWh, then the initial Baseline would reflect 7,000 MWh of usage. If actual consumption in year one was 11,000 MWh, the Baseline would be adjusted for subsequent years to reflect 70% of 11,000 MWh or 7,700 MWh.

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

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**GENERAL PRIMARY SERVICE – REAL-TIME MARKET PRICING RIDER**

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(Continued from Sheet No. 71.4)

**CONDITIONS OF DELIVERY**

- (1) Customers subscribing to this tariff rider will implement all energy efficiency measures that are economically efficient, based upon the Customer's analyses.
- (2) Customers subscribing to this tariff rider shall enter into a Service Agreement for a term of one, two, three or four years with a monthly 15 minute integrated demand of at least 300 kilowatts for firm service load and / or a minimum of 1,000 kilowatts of interruptible load. Interruptible service customers may choose to elect a firm service level, per the terms and conditions outlined in the CpFN rate schedule.
- (3) Baselines for existing Customer accounts will not change for the duration of the Service Agreement. Baselines for New Customer accounts will not change for the duration of the Service Agreement, except as noted to reflect an adjustment between year-one *forecasted* and year-one *actual* consumption for Customers starting without 12 months of consumption history at the service location.
- (4) The component of the Incremental Energy Rate related to transaction charges from MISO and the Incremental Transmission Charge on Billed Demand above the Baseline representing charges from ATC are subject to revision on January first of each year. Revisions will reflect exclusively the changes in the underlying costs charge by the MISO and ATC with no change in how the rate components are calculated. RTMP Customers will receive timely notification when these prices change.
- (5) The Distribution Energy Losses and Outage Contingency Cost components of the Incremental Energy Rate are subject to revision after each new comprehensive rate case, but no more than once every two years. The Customer will receive timely notification when these prices change.
- (6) Participants will start on the RTMP tariff rider at the beginning of the billing period after a contract is signed and price communication processes are functioning.
- (7) The customer can terminate service under this tariff rider, without penalty, with 30 days notice at any contract anniversary date. A Customer that terminates service under this tariff rider will not be allowed back on the rate for one year from the time of their early termination. Customers that return after an early termination will have new Baseline values that reflect recent historical consumption at the time that the customer returns to service under this tariff rider.
- (8) A designee or designees of the Customer will be notified by e-mail of Incremental Energy Rates (IER) no later than 5PM on the day before they become effective. It is the responsibility of the Customer to notify the Company if they did not receive the IER pricing for the day.

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

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**GENERAL PRIMARY SERVICE – REAL-TIME MARKET PRICING RIDER**

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(Continued from Sheet No. 71.5)

- (9) Customers subscribing to the Interruptible option of this tariff rider will be subject to the curtailment terms, provisions and penalties outlined in the underlying base rate schedules. Usage Baselines and RTMP pricing, terms and conditions do not apply to any energy consumed during the curtailment event. Once a curtailment event is over, pricing, terms and conditions of delivery revert to those of the RTMP tariff rider.
- (10) If the customer's total actual demand exceeds the Baseline demand levels to the extent that the installation of additional facilities is required, then the customer shall pay for such additional facilities.
- (11) All other Conditions of Delivery of rate schedule Cp1 apply to Customer accounts taking the Firm Service option under this tariff rider. Where there is a discrepancy between the Cp1 rate schedule and this tariff rider, the rider shall govern.
- (12) All other Conditions of Delivery of rate schedule CpFN apply to Customer accounts taking the Interruptible Service option under this tariff rider. Where there is a discrepancy between the base rate schedule and this tariff rider, the rider shall govern.

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

**WISCONSIN ELECTRIC POWER COMPANY**

Volume 19 – Electric Rates

Revision 1 Sheet 71.7  
Amendment No. 745

Effective In All Areas Served In Wisconsin

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Reserved for Future Use

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11

**WISCONSIN ELECTRIC POWER COMPANY**

Volume 19 – Electric Rates

Revision 1 Sheet 71.8  
Amendment No. 745

Effective In All Areas Served In Wisconsin

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Reserved for Future Use

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Issued: 8-24-11

Effective: For service furnished on and after 8-24-11

PSCW Authorization: Docket No. 6630-GF-134 Order dated 8-11-11