



July 15, 2021

Mr. Will Seuffert, Executive Secretary
Minnesota Public Utilities Commission
121 – 7th Place East
Suite 350
St. Paul, MN 55101

SUBJECT: Application to Change Rates for our
Minnesota Customers

Dear Mr. Seuffert:

The Company makes application for authority to change its Minnesota electric rates and rules so that they conform with existing Wisconsin rates and rules, which were authorized by Public Service Commission of Wisconsin in Order No. 4280-ER-107, dated June 28, 2021.

The following documents will also be submitted electronically:

1. Schedule entitled “Proforma Rate Base and Revenues, Calendar Year 2020”.
2. Schedule entitled “Proforma Minnesota Revenues 2020 at New Rates”, which are existing Wisconsin rates.
3. Copy of final order 4280-ER-107, dated June 28, 2021, which was issued by the Public Service Commission of Wisconsin setting electric rates and general rule changes. The rates were effective in Wisconsin on July 1, 2021.

Exhibits and related testimony are available upon request.

The Company also requests a variance to the paragraphs of the Minnesota rules concerning filing of rate increase applications:

7825.3500C	Description and Purpose of Change in Rates
7825.3900	Jurisdictional Finance Summary Schedule
7825.4000	Rate Base Schedules
7825.4100	Operating Income Schedules
7825.4200	Rate of Return, Cost of Capital Schedule
7825.4300C	Procedures for Cost and Revenue Allocations
7825.4400A	Annual Report
7825.4400B	Schedule Showing Development of Income

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We ask this variance because the size of the rate change is small and it would not be in the rate payers' interest if the company were to comply with these rules. Preparing these schedules for Minnesota only would be expensive for the company when compared to the size of the rate change. Therefore, for the above reasons, we ask for a variance to the requirements listed.

We are also requesting a variance from the section of the Minnesota rules regarding late payment charges that states late payment charge will not be added until delinquent amount exceeds \$10.00. To exempt the first \$10.00 amount is an excessive administrative burden because it would require the Company to apply different late penalty criteria to its 110 Minnesota customers than apply to its 14,580 Wisconsin customers.

We request that the waiver granted in Docket No. E016/AA-92-1187 regarding the methodology for calculating automatic adjustments ("Power Cost Adjustment Clause") be authorized.

Included with this document is a draft of the "Rate Increase Notice", which we propose to mail to all Minnesota customers no later than July 31, 2021.

We will not implement these new electric rates until we have received an order by the Public Utility Commission of Minnesota. Therefore, we are not submitting the "Corporate Agreement for Refunding".

If you require any further information, please advise.

Sincerely,

NORTHWESTERN WISCONSIN ELECTRIC COMPANY



John J. Richards, President

JJR:bd

NOTICE OF PROPOSED RATE CHANGE

On July 15, 2021, Northwestern Wisconsin Electric Company (Northwestern) filed a petition with the Minnesota Public Utilities Commission (Commission) seeking a general rate increase of \$439.64 or 0.51% effective October 1, 2021.

The Minnesota Public Utilities Commission must decide how much of an increase, if any, will be approved. State law allows Northwestern Wisconsin Electric Company to begin charging new rates within 60 days of notifying the Commission of a rate increase and upon providing the Commission with documentation supporting the Company's proposal.

The proposed increase is necessary because the company's operating costs have increased substantially since its last rate increase in July, 2017. The increase in costs is offset by decreased federal income tax expense due to the Tax Cut and Jobs Act of 2017. Individual rate changes may vary depending on the amount of electricity you use and your customer class. The chart below shows the effect of the proposed rate changes on monthly bills, assuming an average monthly usage, for residential, rural and commercial customers.

	<u>EXISTING RATE</u>	<u>PROPOSED RATE</u>	<u>APPROXIMATE INCREASE/(DECREASE)</u>
RESIDENTIAL	\$ 69.39	\$ 69.55	0.22%
RURAL	\$ 74.57	\$ 74.44	(0.18%)
COMMERCIAL	\$ 65.97	\$ 66.59	0.94%

The Minnesota Department of Commerce, Division of Energy Resources representing the general public, and the Minnesota Office of the Attorney General, Antitrust and Utilities Division, representing the residential and small business utility customers, may present comments and recommendations to the Commission. The Commission may initiate an investigation on its own motion or upon a customer complaint with respect to the rates and practices of Northwestern Wisconsin Electric Company in Minnesota.

For More Information

The proposed rate schedules and a comparison of present and proposed rates may be examined by the public during normal business hours at Northwestern's office in Grantsburg, Wisconsin or at the Minnesota Department of Commerce (MDOC):

MDOC

85 7th Place East, Suite 500

St. Paul, MN 55101

Phone: 651-296-9314

Web: <https://www.edockets.state.mn.us/EFiling/search.jsp>.

Select 21 in the year field, enter __ in the number field, click on Search, and the list of documents will appear on the next page.

Written Comments

If you wish to comment on the proposed rate increase, on the adequacy and quality of Northwestern Wisconsin Electric Company's service, or other related matters please write to the Minnesota Public Utilities Commission (MPUC):

MPUC
121 7th Place East, Suite 350
St. Paul, MN 55101-2147
Email: PublicComments.puc@state.mn.us
Phone: 651-296-0406 or 1-800-657-3782

Written comments are most effective when they include:

- 1) the issue in Northwestern's proposal you are addressing;
- 2) your specific recommendation; and
- 3) the reason for your recommendation.

Please reference Docket MPUC E-021/GR- ___ in all correspondence. The deadline for written comments is August __, 2021.

Persons with hearing or speech disabilities may contact the MDOC or MPUC through Minnesota Relay at 1-800-627-3529 or by dialing 711.

Important

Comments will be made available to the public on the MPUC's website, except in limited circumstances consistent with the Minnesota Government Data Practices Act. The MPUC does not edit or delete personal identifying information from submissions.

**NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PROFORMA RATE BASE AND REVENUES
CALENDAR YEAR 2020**

15-Jul-21

		<u>TOTAL SYSTEM</u>		<u>MINNESOTA</u>	<u>MINNESOTA RATIO TO TOTAL</u>
AVERAGE RATE BASE INVESTMENT	\$	32,755,919	\$	1,371,242	4.19%
ELECTRIC REVENUES at existing rates - 2020	\$	22,031,024	\$	86,373	0.39%
ELECTRIC REVENUES at rates approved by Wisconsin PSC - 2021	\$	22,205,338	\$	86,813	0.39%

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PROFORMA MINNESOTA REVENUES - 2020
at Rates Approved by PSC Wisconsin

7/01/2021

Rg-1	RESIDENTIAL	\$ 30,878.22
Rw-1	CONTROLLED WATER HEATING	244.72
Rgs-1	RESIDENTIAL SEASONAL SERVICE	669.55
Fg-1	RURAL	27,691.35
Fg-2	RURAL TIME OF DAY	2,156.09
Fgs-1	RURAL SEASONAL	2,145.82
YI-1	YARD LIGHTING	512.49
Gs-1	GENERAL SERVICE All Single Phase	22,373.08
Ms-1	UNMETERED STREET LIGHTS	<u>141.53</u>
TOTALS:		<u>\$ 86,812.86</u>

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
 PROFORMA MINNESOTA REVENUES - 2020
 at Rates Approved by PSC Wisconsin

7/01/2021

	Customer Count	Fixed Charge	Fixed Amount	Kwh Sales	Rate	Kwh Amount	Total Revenue
Rg-1	37	13.00	5,772.00	220,230	0.1140	25,106.22	30,878.22
Rw-1	2	5.00	120.00	1,599	0.0780	124.72	244.72
Rgs-1	3	13.00	468.00	1,768	0.1140	201.55	669.55
Fg-1	31	14.00	5,208.00	193,822	0.1160	22,483.35	27,691.35
Fg-2	On-Peak Energy Off-Peak Energy	14.00	168.00	5,190	0.1785	926.42	1,094.42
			-	11,603	0.0915	1,061.67	1,061.67
			168.00	16,793		1,988.09	2,156.09
Fgs-1	9	14.00	1,512.00	5,464	0.1160	633.82	2,145.82
Yl-1	5	6.00	360.00	1,794	0.0850	152.49	512.49
Gs-1	28	16.00	5,376.00	142,235	0.1195	16,997.08	22,373.08
Gss-1	0	16.00	-	-	0.1195	-	-
Ms-1	1	6.00	72.00	818	0.0850	69.53	141.53
TOTALS:	117		\$ 19,056.00	584,523		\$ 67,756.86	\$ 86,812.86
2020 At Existing Rates							\$ 86,373.23
Difference:							\$ 439.64
Percentage Increase:							0.51%

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
MINNESOTA REVENUES - 2020 (Old Rates)

7/01/2021

	Customer Count	Fixed Charge	Fixed Amount	Kwh Sales	Rate	Kwh Amount	Subtotal Revenue	Plus PCAC	Total Revenue
Rg-1	37	11.00	4,884.00	220,230	0.1161	25,568.70	30,452.70	357.00	30,809.70
Rw-1	2	5.00	120.00	1,599	0.0773	123.60	243.60	3.00	246.60
Rgs-1	3	11.00	396.00	1,768	0.1161	205.26	601.26	4.00	605.26
Fg-1	31	12.00	4,421.50	193,822	0.1187	23,006.67	27,428.17	313.00	27,741.17
Fg-2	1	12.00	144.00	5,190	0.1823	946.14	1,090.14	(36.00)	1,054.14
				11,603	0.0954	1,106.93	1,106.93	-	1,106.93
				16,793		2,053.06	2,197.06	(36.00)	2,161.06
Fgs-1	9	12.00	1,296.00	5,464	0.1187	648.58	1,944.58	12.00	1,956.58
YI-1	5	6.00	366.00	1,794	0.087	156.08	522.08	3.00	525.08
Gs-1	28	16.00	5,376.00	142,235	0.1166	16,584.60	21,960.60	205.00	22,165.60
Gss-1	0	16.00	-	-	0.1166	-	-	-	-
Ms-1	1	7.50	90.00	818	0.0870	71.17	161.17	1.00	162.17
TOTALS:	117		\$ 17,093.50	584,523		\$ 68,417.73	\$ 85,511.23	\$ 862.00	\$ 86,373.23

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
Bill Comparisons:

	New Rates:		Average Bill	Average kWh usage	% Increase
Rg-1	<u>30,878.22</u>	<u>30,878.22</u>			
	37	X 12 = 444	\$ 69.55	496.0135135 496.01	<u>0.22%</u>
	Old Rates:		Average Bill		
	<u>30,809.70</u>	<u>30,809.70</u>			
	37	X 12 = 444	\$ 69.39		

	New Rates:		Average Bill	Average kWh usage	% Increase
Fg-1	<u>27,691.35</u>	<u>27,691.35</u>			
	31	X 12 = 372	\$ 74.44	521.03 521.03	<u>-0.18%</u>
	Old Rates:		Average Bill		
	<u>27,741.17</u>	<u>27,741.17</u>			
	31	X 12 = 372	\$ 74.57		

	New Rates:		Average Bill	Average kWh usage	% Increase
Gs-1	<u>22,373.08</u>	<u>22,373.08</u>			
	28	X 12 = 336	\$ 66.59	423.32 423.32	<u>0.94%</u>
	Old Rates:		Average Bill		
	<u>22,165.60</u>	<u>22,165.60</u>			
	28	X 12 = 336	\$ 65.97		

SERVICE DATE
Jun 28, 2021

PSC REF#: 414448

Public Service Commission of Wisconsin
RECEIVED: 06/28/2021 1:45:01 PM

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Northwestern Wisconsin Electric Company, as an
Electric Public Utility, for Authority to Adjust Electric Rates

4280-ER-107

FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission of Wisconsin (Commission) on the application of Northwestern Wisconsin Electric Company (applicant) for authority to adjust electric rates. The application is APPROVED, as conditioned by this Final Decision.

Introduction

The applicant applied to the Commission on July 31, 2020 for authority to increase the electric rates by \$847,087, or 3.97 percent. The applicant's last rate change was approved in docket 4280-ER-106 by Final Decision dated June 20, 2017. ([PSC REF#: 305301](#).) The applicant cited that current authorized rates do not provide an equitable rate of return on net investment rate base (NIRB). The final overall rate change authorized is a \$129,856 decrease, or 0.61 percent for the test year ending December 31, 2020.

Pursuant to due notice, the Commission held a telephonic hearing on May 25, 2021. The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. The applicant is the only party to the proceeding.

Findings of Fact

1. A reasonable estimate of average NIRB for the test year is \$32,590,490.

2. The applicant's present authorized rates for electric utility service will produce total operating revenues of \$22,205,338, which are greater than the applicant's revenue requirement of \$22,075,482. The applicant's present rates are unreasonable and unjust as they are above the amount needed to cover the applicant's test-year operating expense and provide an excessive return on utility investments.

3. The rate of return on average NIRB at current rates of 9.01 percent is unreasonable and excessive.

4. A reasonable utility ratemaking capital structure for the test year consists of 60.00 percent equity, 28.94 percent long-term debt, and 11.06 percent short-term debt.

5. A reasonable return on equity (ROE) is 11.00 percent.

6. The applicant's cost of long-term debt is 4.77 percent and short-term debt is 3.27 percent. A reasonable return on average NIRB that will provide adequate interest coverage is 8.72 percent.

7. It is reasonable for the applicant to amortize the over-refunded 2018 and 2019 income tax savings of \$28,742 over a 5-year period, or \$5,749 per year.

8. It is reasonable for the applicant to amortize protected excess deferred income taxes (EDIT) that were accrued between 2018 and 2020 of \$481,294 over a 5-year period, or \$96,259 per year, subject to true-up in the applicant's next rate proceeding.

9. It is reasonable for the applicant to amortize protected EDIT of \$2,754,962 over the life of the underlying assets, or \$152,975 for the 2020 test year.

10. It is reasonable for the applicant to record an annual conservation expense of \$215,653, which consists of estimated conservation expenditures of \$234,011, less the remaining 2005 Wisconsin Act 141 (Act 141) balance of \$91,792 amortized over a 5-year period, or

\$18,358 per year. Further, it is reasonable to direct the applicant to record these expense amounts annually until they are superseded by a Commission order authorizing a new conservation escrow accrual.

11. A decrease in the applicant's operating revenue for the test year of \$129,856 is necessary to generate an 8.72 percent return on average NIRB and to cover the applicant's total cost of service.

12. It is reasonable for the applicant to include monthly forecasts for its working capital accounts in its next rate case for purposes of evaluation its ratio of average NIRB, plus construction work in progress (CWIP) to capital application primarily to utility operations plus deferred investment tax credits (Ratio).

13. The rates and rules in Appendices D and F are just and reasonable and will permit the applicant to earn the necessary revenue requirement for the test year.

14. Closing Rg-1, Rg-2, Gs-1, and Gs-2 seasonal rates to new customers is reasonable so long as the applicant communicates with affected customers to ensure they do not incur unexpected late payment fees or other penalties following their transition from seasonal to monthly billing.

15. It is reasonable for the applicant to transition existing seasonal customers to monthly billing following installation of meters with remote reading capabilities so long as the applicant installs these meters in a non-discriminatory manner.

16. Authorizing the applicant to continue to apply a power cost adjustment clause (PCAC) for retail electric service during the test year is reasonable.

17. The annual depreciation rates in Appendix G are reasonable.

18. Energy conservation, renewable resources, or energy priorities listed in Wis. Stat. §§ 1.12 or 196.025 and their combination would not be a cost-effective, technically feasible, or environmentally sound alternative to the rate increase authorized in this Final Decision.

Conclusions of Law

1. The applicant is an electric public utility as defined in Wis. Stat. §§ 66.0801 and 196.01(5).

2. The Commission has authority under Wis. Stat. §§ 196.025, 196.03, 196.20 and 196.37, to authorize the applicant to establish electric rates and rules and annual depreciation rates in accordance with this Final Decision and to determine that the rates and rules in Appendices D, F, and G are reasonable and just as a matter of law.

3. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Energy Regulation and Analysis those functions vested by law as enumerated above. It has delegated the authority to the Administrator of the Division of Energy Regulation and Analysis to issue a Final Decision in this matter.

Opinion

Applicant and its Business

The applicant is an electric public utility as defined in Wis. Stat. §§ 66.0801 and 196.01(5). The applicant provides service to approximately 14,410 customers in various villages and towns¹ in Burnett and Polk Counties in northwest Wisconsin.

¹ Villages of Grantsburg, Siren, Webster, Balsam Lake, Centuria, Frederic, and Milltown and the Towns of Anderson, Blaine, Daniels, Grantsburg, Jackson, Lincoln, Meenon, Oakland, Scott, Siren, Swiss, Trade Lake, Union, Webb Lake, West Marshland, Wood River, Balsam Lake, Clam Falls, Eureka, Laketown, Lorain, Luck, Milltown, Saint Croix Falls, Sterling, and West Sweden.

Average NIRB

The average NIRB for the test year is as follows:

Electric Utility Plant	\$76,211,800
Less: Accumulated Depreciation	<u>37,548,075</u>
Net Plant:	\$38,663,725
Plus: Materials and Supplies	1,217,004
Less: Customer Advances	17,901
Less: Deferred Taxes	<u>7,272,338</u>
NIRB	\$32,590,490

This rate base is reasonable and just.

Comparative Income Statement

Income statements showing revenues and expenditures estimated for the test year ending December 31, 2020, at present rates and at rates authorized in this Final Decision, are contained in Appendix B. Such income statements are reasonable and just for purposes of this proceeding. Appendix B also shows the percent change in revenues for the various rate classes at present and authorized rates. The applicant's present rates will generate gross operating revenues of \$22,205,338, which results in an annual revenue excess of \$129,856. The applicant's present rates are unreasonable and unjust because they produce excess revenues.

The depreciation expense included in the revenue requirement for the 2020 test year were computed using the depreciation rates shown in Appendix G. These depreciation rates are effective on the effective date of this Final Decision for computing the depreciation expense on the average investment for each plant account.

Tax Reform

Income Statement Component

On December 22, 2017 the Tax Cuts and Jobs Act (TCJA) was signed into law with an effective date of January 1, 2018. The TCJA made significant changes to the Federal Tax Code and included changes to individual, business, and international tax provisions, which impacted all Wisconsin investor-owned utilities (IOU). Notable for Wisconsin IOUs, the TCJA reduced the corporate tax rate from a maximum of 35.00 percent under the existing graduated rate structure to a flat 21.00 percent rate for tax years beginning after 2017. In its May 24, 2018 Order in docket 5-AF-101 ([PSC REF#: 343223](#)), the Commission ordered the IOUs to implement a line-item credit to reflect the difference in rates between the 21.00 percent income tax rate and the old income tax rate of 35.00 percent. In doing so, the Commission effectively restated each IOU's income statement at the lower tax rate and provided for credits in the amount needed to adjust the IOU's net income to its previously authorized amount. Each credit would then remain in place until the IOU's authorized revenue requirement incorporated the 21.00 percent income tax rate.

The Commission's Order in docket 5-AF-101 found "that the IOUs' current rates are unjust and unreasonable as a result of the TCJA" and stated the Commission's belief "that the tax savings should be returned to customers or otherwise used for the customers' benefit as soon as possible." ([PSC REF#: 343223](#).) As an interim solution, the Commission's Order directed the applicant to issue bill credits for the income statement savings. The Order did not explicitly establish an end date for those credits, stating simply "[t]he monthly, volumetric bill credits shall continue until further Commission action in this docket or Commission action in a future rate case." (*Id.* at 29.)

Commission staff conducted a true-up of the income tax savings, including carrying costs at the short-term debt rate, with the bill credits issued during 2018 and 2019, and determined that the applicant has over-refunded its income tax savings to ratepayers by \$28,742. The Commission finds it reasonable to allow the applicant recovery of the over-refund by increasing revenue requirements over a 5-year period, based on the average length of time between the applicant's rate cases, or \$5,749 per year, subject to true-up in the next rate case proceeding.

Balance Sheet Component

The TCJA also required IOUs to revalue their accumulated deferred income taxes (ADIT) based on the reduced corporate tax rate. ADIT are the result of differences between tax laws and accounting methods, and a lower corporate tax rate generally creates EDIT.

EDIT are created due to the timing differences in computing income under tax laws and generally accepted accounting principle rules. Ordinarily, the tax expense incurred by utilities is comprised of current income tax and deferred income tax. Both taxes are recovered from the ratepayers via the revenue requirement. Current income tax is that which is paid to the tax agency in that year. Deferred tax is the tax that would be paid in a later year. When a change in tax rate occurs, the utility continues to collect tax at the old rates from ratepayers until the time the rates are corrected for the new tax rates. Simply put, EDIT are the excess deferred taxes collected from ratepayers.

The Internal Revenue Service (IRS) requires that the portion of EDIT that are related to the use of accelerated depreciation are amortized no faster than over the life of the underlying assets. If amortized faster, the IRS could consider it to be a normalization violation, and the applicant could lose the right to use accelerated depreciation on future income tax returns. The EDIT that

are subject to the normalization rules are referred to as “protected” EDIT. The rest of the applicant’s EDIT would be considered as “unprotected” and may be amortized over a shorter time period or recognized immediately. The applicant has indicated they have no unprotected EDIT.

The applicant reported protected EDIT balances of \$2,754,962 amortized over a 28-year period, based on the estimated life of the underlying assets. Of that reported amount, the applicant noted that \$481,294 of protected EDIT amortizations was accrued between 2018 through 2020. The Commission finds it reasonable for the applicant to amortize protected EDIT of \$481,294 that was accrued between 2018 through 2020 over a 5-year period, based on the average length of time between the applicant’s rate cases, or \$96,259 per year.

Conservation

The revenue requirement for the test year includes annual conservation expenses consisting of estimated Act 141 payments less an amortization expense of the remaining Act 141 balance of \$91,792 amortized over a 5-year period, or \$18,358 per year. The Commission finds it reasonable for the applicant to record an annual conservation expense of \$215,653, which consists of estimated conservation expenditures of \$234,011, less the annual amortization expense amount of \$18,358. Further, the Commission finds it reasonable to direct the applicant to record these expense amounts annually until they are superseded by a Commission order authorizing a new conservation escrow accrual. The applicant shall continue to account for its conservation expenditures on an escrow basis since the required Act 141 expenditure amount changes each year.

Capital Structure

Capital structure refers to the types and proportions of capital utilized in the organization, including common stockholders’ equity, long-term debt, and short-term debt. The capital

structure is a significant consideration with respect to the creditworthiness of the organization, and impacts its ability to access the capital markets when necessary at a reasonable cost. The capital costs and rate of return authorized as part of the revenue requirements must fairly compensate the applicant for its debt service obligations during the test year and provide the applicant's owners with a return on invested capital that fairly compensates for time preference and investment risk, and enable it to preserve and attract capital in its long-term operations.

The applicant filed a capital structure consisting of 68.26 percent equity, 17.07 percent long-term debt, and 14.67 percent short-term debt. In determining an appropriate capital structure for the applicant, the Commission considers the impact on customer rates and the applicant's financial flexibility and creditworthiness at various levels of equity embedded in the applicant's total capitalization. Commission staff conducted a financial analysis that included examination of the applicant's capital structure, financial integrity, and risk profile on a standalone basis as well as relative to peers regulated by this Commission. In connection with its analysis, Commission staff determined that an imputed capital structure consisting of 60.00 percent equity, 28.94 percent long-term debt, and 11.06 percent short-term debt would be more comparable to the applicant's regulated peer group.

In instances where a given utility has more risk exposure than its peers, a higher equity ratio in the capital structure and/or a higher ROE may be justified. No material risk factors unique to the applicant were identified that would support a higher equity ratio or ROE relative to its peers. Therefore, by applying a capital structure and rate of return comparable to the applicant's peers for the purposes of calculating its revenue requirement, its owners are adequately compensated from a risk/reward perspective. It also protects the applicant's

customers from bearing the incremental cost of an excessive rate of return without receiving any incremental benefit, given the higher cost of equity capital relative to debt, as discussed below.

Based on the evidence in the record, the Commission finds that for the purpose of establishing just and reasonable rates, an appropriate imputed capital structure consists of 60.00 percent equity, 28.94 percent long-term debt, and 11.06 percent short-term debt.

ROE and Cost of Capital

In reaching its determination as to the appropriate ROE, the Commission must balance the interests of equity owners and the applicant’s lenders with those of consumers, with due consideration to economic and financial conditions along with public policy considerations. Commission staff performed an independent financial review that included a sensitivity analysis to evaluate the applicant’s credit metrics and other measures of financial strength at various rates of return, and recommended that an ROE of 11.00 percent be authorized as a reasonable level to balance the needs of customers and investors. Commission staff also confirmed this ROE remains reasonable in comparison to the returns authorized for the applicant’s peers.

The applicant’s weighted average cost of capital (WACC) includes the aforementioned imputed capital structure and an embedded cost of long-term debt of 4.77 percent. These capitalization ratios and cost rates result in a composite cost of capital considered just and reasonable for setting rates in this proceeding of 8.34 percent, derived as follows:

Capital Structure Component	Percent	Cost Rate	Weighted Cost
Utility Common Equity	60.00%	11.00%	6.60%
Long-Term Debt	28.94%	4.77%	1.38%
Short-Term Debt	11.06%	3.27%	0.36%
WACC			8.34%
Ratio of Average NIRB Plus CWIP to Capital Plus Deferred Income Tax Credits			95.65
Required Return on NIRB			8.72%

WACC

The WACC of 8.34 percent for the applicant supports estimated pre-tax interest coverage of 1.42 times. This estimate reflects all appropriate Commission staff adjustments, and is a reasonable and just factor for use in translating the applicant's composite cost of capital into a return requirement.

Ratio and Rate of Return on Rate Base

The applicant filed a Ratio of 95.07 percent in its application for this proceeding. The Ratio is the mechanism in Wisconsin ratemaking to provide the applicant sufficient return to finance its net working capital position and its CWIP balances. These items are not included in rate base but are necessary for providing utility service to customers. The WACC is divided by the Ratio to obtain the required return on NIRB. The Ratio for the test year is 95.65 percent. This estimate reflects all appropriate Commission staff adjustments, and is a reasonable and just factor for use in translating the applicant's composite cost of capital into a return requirement. Accordingly, an 8.72 percent return on average NIRB is reasonable for the purpose of determining just and reasonable rates in this proceeding.

In future rate cases, the applicant shall provide monthly forecasts for each working capital account for the test year and not just the total 13-month average. Without the necessary information for the Ratio, Commission staff may consider using a Ratio of 100 percent, meaning that due to the information received being insufficient for proper analysis, Commission staff may assume that current assets are equal to current liabilities on average for the test year.

PCAC

The applicant's earnings are extremely sensitive to the wholesale rates and fuel adjustment charged by its supplier and to the cost of fuel of generation. Purchased power and fuel costs represent approximately 70.34 percent of the applicant's total operations and maintenance expenses. Fluctuations in the applicant's earnings can result from changes in the wholesale demand-energy rate and fuel adjustment charged by the applicant's power suppliers, and changes in the cost of fuel. In order to mitigate fluctuations in the applicant's earnings due to changes in the cost of purchased power and fuel, the Commission authorizes the applicant to continue to apply a PCAC to all of its retail bills. This clause permits increases or decreases in the cost of purchased power and fuel to be passed directly to the customer. The applicant presumably makes no profit from applying this PCAC to its retail bills.

This Final Decision revises the PCAC to reflect the change in the base average cost of power (the "U" factor of the clause) for the test year. The PCAC is applicable each month and shall reflect the difference between monthly and test-period wholesale purchased power costs and the applicant's fuel costs.

The authorized rates, as shown in Appendix D, reflect the test-year PCAC factor. This average per kilowatt-hour (kWh) adjustment to a customer's retail electric bill represents expected changes in the wholesale cost of purchased power and fuel for the test year. The cost of purchased power used to compute this average adjustment is based upon rates set by the applicant's power suppliers, which are effective on and after January 1 of the test year.

Uncontested Adjustments to Revenue Requirements

Commission staff proposed various adjustments to the applicant’s estimated test-year revenue requirement that were not contested by the applicant. As such, the Commission finds it reasonable to accept and incorporate all uncontested audit adjustments in the final authorized revenue requirement.

Revenue Requirement

Based on the Commission’s determinations above, the Commission finds that a decrease in electric sales revenue of \$129,986 is reasonable for the purpose of determining reasonable and just rates in this proceeding, which are calculated as follows:

Required Return on NIRB	8.72%
NIRB	\$32,590,490
Required Earnings	\$2,841,891
Earnings at Present Rates	2,936,467
Earnings Deficiency (Excess)	(\$94,576)
Revenue Deficiency (Excess) to Provide for Earnings Adjusted for State and Federal Income Taxes	(\$129,986)
Sales Revenues at Present Rates	21,310,673
Total Sales Revenue at Proposed Rates	21,180,687
Other Operating Revenues	894,665
Total Revenue Requirement	\$22,075,352

Rates

The Commission adjusted the applicant’s base rates in addition to revising the PCAC. The authorized rates will decrease revenues by approximately \$129,856, or 0.61 percent, resulting in an estimated net operating income of \$2,842,020 for the test year. This net operating income provides a rate of return of 8.72 percent on the applicant’s average NIRB of \$32,590,490.

Rate Design

The Commission has a statutory responsibility to establish reasonable and just rates. It is reasonable and just to authorize flat usage and time-of-day (TOD) electric rates. The flat usage rate design provides an appropriate price signal to the consumer in lieu of TOD rates.

Mandatory and/or voluntary TOD rates have been provided for all of the applicant's customers.

The rates in Appendix D are generally based on the cost-of-service principle; that is, rates are designed to recover the costs of providing service to each customer class. Commission staff performed a cost-of-service study (COSS), based on the applicant's costs, to design rates for this proceeding. The Commission recognizes that any COSS is not a precise reflection of cost causality, but rather depends heavily on the accuracy of the data and projections used and the many judgments of the person performing the study. Selecting final class revenue targets, using the COSS as a guideline and adhering to the general principles of rate-making, is also largely a matter of judgment. Final decisions regarding the increase or decrease for each class, as well as the rate design for each class, were influenced by all of the following factors: Commission staff's COSS; consideration of rates charged to customers of the adjacent large private power company; concern regarding rate impact; and the expressed wishes of the applicant.

The authorized rates, as shown in Appendix B, will produce modest decreases in revenues from multiple customer classes, and modest increases from other classes for the test year. The present rates and authorized rates, listed by rate class, appear in Appendix D. It is reasonable to make the changes in electric rates as shown in Appendix D that:

1. Roll the test-year PCAC of \$0.0025 per kWh into base rates;
2. Reflect current operating costs, the emerging competitive environment in the electric utility industry, and the customer bill impacts; and

3. Adjust energy and demand charges to better reflect costs in the applicant's purchased power bills.

4. Reflect rates for Centuria customers authorized by the Commission in docket 5-BS-218 that took effect October 16, 2020. ([PSC REF#: 397051](#).) On June 26, 2017 the Commission issued the Final Decision in docket 5-BS-218 granting approval for the applicant to acquire certain electric plant assets from Centuria Municipal Electric Utility and its customers shall be transitioned to the applicant's rates over a 5-year period consistent with Commission staff's scenario "C" rate design alternative as described in the Final Decision. ([PSC REF#: 319748](#)).

The authorized rate and rule tariffs appear in Appendices D and F, respectively. The applicant requested the creation of a new Athletic Field Lighting Service (AL-1) class for baseball fields, softball fields, football fields, and other customers identified in the applicant's rate application and data request responses. Customers served under the new AL-1 class will be responsible for paying a monthly fixed customer charge, a distribution demand charge, and energy charge. The determination of distribution demand charges is identical to the method used for customers served under the Cp-1, Cp-1 TOD, Cp-2, Cp-3, Cp-4, and Cp-5 classes.

Seasonal Customer Billing Provision

The seasonal billing option has been closed to new customers served under the Rg-1, Rg-2, Gs-1, and Gs-2 tariff schedules. Previous alterations to this provision ensured that it functioned and charged customers the same amount annually as the standard tariff. This approach is maintained for existing seasonal customers who will pay the same amount annually in fixed monthly customer charges as they would under monthly billing. Any off-season energy

usage will continue to be charged at the applicable rate and either collected from the customer at the beginning of the next seasonal billing period, or in the month following usage if the usage is significant. Existing seasonal customer will be transitioned to monthly billing following installation of an electric meter capable of remote reading with the understanding that the applicant will install these meters for all seasonal customers on a non-discriminatory basis. The only effect of closing the seasonal billing provision is that customers (either new or existing customers transitioned to monthly billing) will now receive a bill every month rather than just during the three seasonal billing periods. Closing this provision seeks to simplify billing for the applicant. The definition of a seasonal customer has been retained in the Rg-1, Rg-2, Gs-1, and Gs-2 tariffs to support the existing seasonal reconnection provisions included in Schedules OC-1 and X-1, which remain unchanged. It is reasonable for the applicant to communicate with affected seasonal customers to ensure that they are aware of their transition to monthly billing. This will ensure that customers take appropriate steps to avoid unexpected late payment fees following their transition from seasonal to monthly billing.

Rule Changes

The applicant's current service extension construction allowances are not based on current costs and, based on data submitted at the hearing, are unreasonable and unjust. The Commission finds it reasonable to revise the applicant's construction allowances as shown in Appendix D. The revised construction allowance amounts for each customer class are contained in Schedule OC-1, Other Charges and Billing Provisions.

Reasonableness of Rates and Rules

The rates and rules authorized by this Final Decision will require each class of customers to bear a fair and equitable portion of the applicant's total revenue requirement for the test year ending December 31, 2020. The rate and rule changes authorized by this Final Decision are reasonable and just.

Effective Date

The Commission finds it reasonable for the authorized rate and tariff changes to take effect July 1, 2021, provided that these rates and tariff provisions are made available by that date to the public at locations where customer payments are accepted, on the applicant's Internet site, or in a form and place that is otherwise readily accessible to the public. If these rate increases and tariff provisions are not made available to the public by that date, it is reasonable to require that they take effect on the date the applicant makes them available at locations where customer payments are accepted, on the applicant's Internet site, or in a form and place that is otherwise readily accessible to the public.

Order

1. The authorized rate and tariff changes shall take effect July 1, 2021, provided that these rate and tariff provisions are made available by that date to the public at locations where customer payments are accepted, on the applicant's Internet site, or in a form and place that is otherwise readily accessible to the public. If these rate changes and tariff provisions are not made available to the public by that day, they shall take effect on the date the applicant makes them available at locations where customer payments are accepted, on the applicant's Internet site, or in a form and place that is otherwise readily accessible to the public.

2. The applicant shall revise its existing rates and tariff provisions for electric service, substituting the authorized rate and tariff changes shown in Appendix D and F. These changes shall be in effect until the Commission issues an order establishing new rates and tariff provisions.

3. The annual depreciation rates specified in Appendix G are effective on the effective date of this Final Decision.

4. The applicant shall inform the Commission, in writing within 20 days of the effective date of this Final Decision, of the date that the applicant makes the authorized rates and rules effective.

5. Pursuant to Wis. Stat. § 196.19, the applicant shall be deemed to have filed with the Commission the rates authorized in this Final Decision when the applicant receives completed tariff sheets reflecting this Final Decision from the Commission.

6. Extension applications made before the effective date of this Final Decision and ready to receive service within 60 days following the effective date of this Final Decision shall be completed under the applicant's current rules, rather than the rules specified in Appendix D. "Ready to receive service" means having the premises in a condition to receive permanent service or having temporary service for construction purposes. The applicant shall immediately inform all parties with pending extension requests of the new rules and 60-day limitation.

7. The applicant's PCAC shall be applicable each month and shall reflect the difference between monthly and test-period wholesale purchased power costs.

8. The applicant shall inform each customer of the new rates as required by Wis. Admin. Code § PSC 113.0406(1)(d).

9. The applicant shall send direct communication to all seasonal customers within 60 days of the effective date of this Final Decision regarding the closure of Rg-1, Rg-2, Gs-1, and Gs-2 seasonal rates to ensure those customers are aware of the steps required to avoid unexpected late payment fees following their transition from seasonal to monthly billing in a manner that is non-discriminatory.

10. The applicant shall amortize the over-refunded 2018 and 2019 income tax savings of \$28,742 over a 5-year period, or \$5,749 per year.

11. The applicant shall amortize protected EDIT that were accrued between 2018 and 2020 of \$481,294 over a 5-year period, or \$96,259 per year, subject to true-up in the applicant's next rate proceeding

12. The applicant shall amortize protected EDIT of \$2,754,962 over the life of the underlying assets, or \$152,975 for the 2020 test year.

13. It is reasonable for the applicant to record an annual conservation expense of \$215,653, which consists of estimated conservation expenditures of \$234,011, less the remaining Act 141 balance of \$91,792 amortized over a 5-year period, or \$18,358 per year. Further, it is reasonable to direct the applicant to record these expense amounts annually until they are superseded by a Commission order authorizing a new conservation escrow accrual.

14. The applicant shall include monthly forecasts for its working capital accounts in its next rate case application.

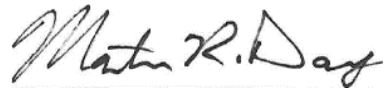
15. This Final Decision takes effect one day after the date of service.

Docket 4280-ER-107

16. Jurisdiction is retained.

Dated at Madison, Wisconsin, June 28, 2021

For the Commission:

A handwritten signature in black ink that reads "Martin R. Day". The signature is written in a cursive style with a horizontal line underneath.

Martin R. Day
Administrator
Division of Energy Regulation and Analysis

MRD:DAP:cmb:jlt:DL: 01793014

Attachments

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
4822 Madison Yards Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.² The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

² See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

Appendix A

PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party but must be served per Wis. Stat. § 227.53)

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MADISON, WI 53707

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PUBLIC SERVICE COMMISSION OF WISCONSIN

DEBRA PROBST

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY
COMPARATIVE INCOME STATEMENT
TEST YEAR ENDED DECEMBER 31, 2020

	Present Rates*	Proposed Rates	Dollar Change	Percent Change
OPERATING REVENUES				
RETAIL SALES OF ELECTRICITY				
Residential Service	\$11,693,313	\$11,564,022	(129,291)	-1.11%
General Service	\$1,986,861	\$1,991,654	4,793	0.24%
Small Power Service	3,236,554	\$3,203,614	(32,940)	-1.02%
CP-3	1,911,277	\$1,929,165	17,888	0.94%
CP-4	1,082,953	\$1,090,001	7,048	0.65%
CP-5	451,051	\$451,213	162	0.04%
Wholesale Sales -- CLOSED	\$0	\$0	-	0.00%
Lighting Service	\$244,774	\$255,910	11,136	4.55%
Centuria - Residential Service	\$420,729	\$412,157	(8,572)	-2.04%
Centuria - General Service	\$135,010	\$138,562	3,552	2.63%
Centuria - Small Power Service	\$140,380	\$137,214	(3,166)	-2.26%
Centuria - Lighting Service	\$7,771	\$7,305	(466)	-6.00%
CENTURIA RETAIL SALES OF ELECTRICITY	<u>\$703,890</u>	<u>\$695,238</u>	<u>(\$8,652)</u>	<u>-1.23%</u>
TOTAL RETAIL SALES OF ELECTRICITY	<u>\$21,310,673</u>	<u>\$21,180,817</u>	<u>(129,856)</u>	<u>-0.61%</u>
*/ Reflects a Test Year PCAC of \$0.0000 per kWh and Centuria rates set forth in docket 5-BS-218				
OTHER SALES OF ELECTRICITY	-	-	-	0.00%
TOTAL ALL SALES OF ELECTRICITY	<u>21,310,673</u>	<u>\$21,180,817</u>	<u>(129,856)</u>	<u>-0.61%</u>
OTHER OPERATING REVENUE				
Forfeited Discounts	59,975	59,975		
Miscellaneous Service Revenue	38,359	38,359		
Sales of Water & Water Power	-	-		
Rent from Electric Property	24,233	24,233		
Interdepartmental Rents	-	-		
Other Electric Revenues	772,098	772,098		
Transmission of Electricity of Others	-	-		
Regional Transmission Service Revenues	-	-		
TOTAL OTHER OPERATING REVENUES	<u>894,665</u>	<u>894,665</u>		
TOTAL ALL OPERATING REVENUES (A)	<u>22,205,338</u>	<u>22,075,482</u>		
OPERATING EXPENSE				
O. & M. EXPENSE				
Production Expense				
Purchased Power Expense (70.34% of O&M)	10,759,943	10,759,943		
Generation Expenses	117,572	117,572		
Total Production Expenses	<u>10,877,515</u>	<u>10,877,515</u>		
Trans. & Distrib. Expenses	1,978,069	1,978,069		
Customer Account & Sales Expenses	866,525	866,525		
Admin. & General Expenses	1,575,561	1,575,561		
TOTAL O. & M. EXPENSE	<u>15,297,670</u>	<u>15,297,670</u>		
DEPRECIATION EXPENSE	2,632,451	2,632,451		
AMORTIZATION EXPENSE	9,039	9,039		
TAXES OTHER THAN INCOME	747,194	747,194		
INCOME TAXES	673,027	637,618		
2018&2019 TCJA TRUE UP	(90,510)	(\$90,510)		
TOTAL OPERATING EXPENSES (B)	<u>19,268,871</u>	<u>19,233,461</u>		
NET OPERATING INCOME (A-B = C)	2,936,467	2,842,020		
AVG. NET INVEST. RATE BASE (D)	32,590,490	32,590,490		
RATE OF RETURN ON RATE BASE(C/ D)	9.01%	8.72%		
Staff Requested Rate of Return	8.72%	8.72%		
Revenue Deficiency	(120,259)	(\$165)		
	Retail Revenue Increase/(Decrease)	(\$129,856)		
	% Retail Revenue Increase/(Decrease)	-0.61%		

NORTHWESTERN WISCONSIN ELECTRIC COMPANY ELECTRIC
RETAIL REVENUE ALLOCATION SUMMARY
TEST YEAR ENDED DECEMBER 31, 2020

Northwestern Wisconsin Electric Company RATE CLASS		2020 TEST YEAR KWH	PRESENT REVENUES	PROPOSED		PSC STAFF COSS PERCENT INCREASE	NSPW Comparison [1]		COSS DOLLAR INCREASE
				REVENUES	DOLLAR INCREASE		PERCENT INCREASE	REVENUE ESTIMATE	
RG-1	Residential Service	27,130,072	\$3,727,806	\$3,695,768	(\$32,038)	-0.86%			(\$329,757)
RG-2	Residential Optional Time-of-Day Service	1,011,721	\$128,624	\$122,801	(\$5,823)	-4.53%			\$0
	TOTAL STANDARD RESIDENTIAL	28,141,793	3,856,430	3,818,569	(\$37,861)	-0.98%	4,072,803	6.66%	(\$329,757)
FG-1	Rural Residential Service	48,838,472	\$7,043,431	\$6,976,839	(\$66,592)	-0.95%			(\$517,935)
FG-2	Rural Residential Optional Time-of-Day Service	5,364,639	\$733,772	\$709,973	(\$23,799)	-3.24%			\$0
RW-1	Controlled Water Heating	577,192	\$59,680	\$58,641	(\$1,039)	-1.74%			\$30,056
	TOTAL RESIDENTIAL	82,922,096	\$11,693,313	\$11,564,022	(\$129,291)	-1.11%			(\$817,637)
GS-1	General Service	13,591,927	\$1,912,847	\$1,918,283	\$5,436	0.28%			\$342,187
GS-2	General Service Optional Time-of-Day	577,612	\$73,495	\$72,959	(\$536)	-0.73%			\$0
OP-1	Optional Off-Peak Service	3,480	\$519	\$412	(\$107)	-20.62%			\$0
	TOTAL GENERAL SERVICE	14,173,019	\$1,986,861	\$1,991,654	\$4,793	0.24%	1,961,453	-1.52%	\$342,187
CP-1	Small Power Service (20-200 kW)	24,532,028	\$2,651,424	\$2,629,345	(\$22,079)	-0.83%			\$120,698
CP-2	Small Power Optional Time-of-Day Service (20-200 kW)	5,708,601	\$585,130	\$574,269	(\$10,861)	-1.86%			\$23,265
	TOTAL SMALL COMMERCIAL & INDUSTRIAL	30,240,629	\$3,236,554	\$3,203,614	(\$32,940)	-1.02%	\$3,133,407	-2.19%	\$143,963
CP-3	Large Power Service Time-of-Day (>200 kW)	20,601,880	\$1,911,277	\$1,929,165	\$17,888	0.94%	\$2,101,293	8.92%	\$194,725
CP-4	Large Power Conjunctive Metering Rider (>200 kW)	12,252,020	\$1,082,953	\$1,090,001	\$7,048	0.65%	\$1,174,136	7.72%	\$129,166
CP-5	Optional Large Power Contolled Time-of-Day Service (>200 kW)	5,994,361	\$451,051	\$451,213	\$162	0.04%	\$516,337	14.43%	\$28,695
	TOTAL LARGE COMMERCIAL & INDUSTRIAL	38,848,261	\$3,445,281	\$3,470,379	\$25,098	0.73%	\$3,791,766	9.26%	\$352,586
MS-1	Street Lighting Service	365,849	\$108,272	\$106,625	(\$1,647)	-1.52%			
MS-2	Street Lighting Service	200,312	\$18,349	\$17,427	(\$922)	-5.02%			
YL-1	Yard Lighting Service	446,695	\$118,153	\$116,143	(\$2,010)	-1.70%			9,531
	Athletic Field Lighting Service	0	\$0	\$15,715	\$15,715	0.00%			21,644
	TOTAL LIGHTING SERVICE	1,012,856	\$244,774	\$255,910	\$11,136	4.55%			31,618
W-1	Wholesale Sales -- CLOSED	0	\$0	\$0	\$0	0.00%			\$0
TOTAL NORTHWESTERN ELECTRIC RETAIL REVENUE		167,196,861	\$20,606,783	\$20,485,579	(\$121,204)	-0.59%			(\$129,986)
Centuria Rates determined by Commission Order in 5-BS-218 in which Northwestern was authorized to purchase Centuria.									
CENTURIA RATE CLASS									
CRG-1	Residential Service	3,428,893	\$420,729	\$412,157	(\$8,572)	-2.04%			
CGS-1	General Service	1,091,212	\$135,010	\$138,562	\$3,552	2.63%			
CCP-1	Small Power Service (20-200 kW)	1,266,252	\$140,380	\$137,214	(\$3,166)	-2.26%			
CMS-1	Street Lighting Service	23,282	\$6,241	\$5,853	(\$388)	-6.22%			
CYL-1	Yard Lighting Service	4,660	\$1,531	\$1,453	(\$78)	-5.10%			
SUBTOTAL CENTURIA ELECTRIC RETAIL REVENUE		5,814,299	\$703,890	\$695,238	(\$8,652)	-1.23%			
TOTAL NORTHWESTERN & CENTURIA ELECTRIC REVENUE		173,011,160	\$ 21,310,673	\$ 21,180,817	\$ (129,856)	-0.61%			(\$129,986)
Other Revenue			\$894,665	\$894,665	\$0	0.00%			
TOTAL ELECTRIC UTILITY REVENUE INCLUDING CENTURIA		173,011,160	\$ 22,205,338	\$ 22,075,482	\$ (129,856)				

Notes [1]: Revenue difference represents the degree to which NSPW rates are higher than proposed rates, in percentage terms. Negative values indicate proposed rates higher than NSPW rates. No lighting comparison made.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
Residential Service Rg-1		
Customer Charge		
	Regular \$ 11.00 per month	\$ 13.00 per month
	Seasonal (Closed to New Customers) \$ 44.00 per bill	\$ 52.00 per bill
	<i>** Monthly charges apply to seasonal customers that accumulate since the last billing period</i>	
Energy Charge - Regular/Seasonal	\$ 0.1161 per kWh	\$ 0.1140 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Residential Optional Time-of-Day Service Rg-2		
Customer Charge		
	Regular \$ 11.00 per month	\$ 13.00 per month
	Seasonal (Closed to New Customers) \$ 44.00 per bill	\$ 52.00 per bill
	<i>** Monthly charges apply to seasonal customers that accumulate since the last billing period</i>	
Energy Charge - Regular/Seasonal		
	On-Peak kWh \$ 0.1777 per kWh	\$ 0.1725 per kWh
	Off-Peak kWh \$ 0.0898 per kWh	\$ 0.0850 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Rural Residential Service Fg-1		
Customer Charge		
	Regular \$ 12.00 per month	\$ 14.00 per month
	Seasonal (Closed to New Customers) \$ 48.00 per bill	\$ 56.00 per bill
	<i>** Monthly charges apply to seasonal customers that accumulate since the last billing period</i>	
Energy Charge - Regular/Seasonal	\$ 0.1187 per kWh	\$ 0.1160 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Rural Residential Optional Time-of-Day Service Fg-2		
Customer Charge		
	Regular \$ 12.00 per month	\$ 14.00 per month
	Seasonal (Closed to New Customers) \$ 48.00 per bill	\$ 56.00 per bill
	<i>** Monthly charges apply to seasonal customers that accumulate since the last billing period</i>	
Energy Charge - Regular/Seasonal		
	On-Peak kWh \$ 0.1823 per kWh	\$ 0.1785 per kWh
	Off-Peak kWh \$ 0.0954 per kWh	\$ 0.0915 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
General Service Gs-1		
Customer Charge		
	Regular - Single Phase \$ 16.00 per month	\$ 16.00 per month
	Regular - Three Phase \$ 26.00 per month	\$ 26.00 per month
	<i>** Monthly charges apply to seasonal customers that accumulate since the last billing period</i>	
Seasonal - Single Phase (Closed to New Customers)	\$ 64.00 per bill	\$ 64.00 per bill
Seasonal - Three Phase (Closed to New Customers)	\$ 104.00 per bill	\$ 104.00 per bill
Energy Charge - Regular/Seasonal	\$ 0.1166 per kWh	\$ 0.1195 per kWh
PCAC	\$ 0.0025 per kWh	per kWh

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
General Service Optional Time-of-Day Gs-2		
Customer Charge		
	Single Phase \$ 16.00 per month	\$ 16.00 per month
	Three Phase \$ 26.00 per month	\$ 26.00 per month
	<i>** Monthly charges apply to seasonal customers that accumulate since the last billing period</i>	
Seasonal - Single Phase (Closed to New Customers	\$ 64.00 per bill	\$ 64.00 per bill
Seasonal - Three Phase (Closed to New Customers	\$ 104.00 per bill	\$ 104.00 per bill
Energy Charge - Regular/Seasonal		
	On-Peak kWh \$ 0.1728 per kWh	\$ 0.1745 per kWh
	Off-Peak kWh \$ 0.0860 per kWh	\$ 0.0875 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Controlled Water and Space Heating Rw-1 Closed to New Customers		
Customer Charge		
	Regular/Single Phase \$ 5.00 per month	\$ 5.00 per month
Energy Charge	\$ 0.0773 per kWh	\$ 0.0780 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Optional Off-Peak Service Op-1		
Customer Charge		
	Regular/Single Phase \$ 5.00 per month	\$ 5.00 per month
Energy Charge	\$ 0.0773 per kWh	\$ 0.0780 per kWh
Non-Authorized Charge	\$ 0.1777 per kWh	\$ 0.1725 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Small Power Service CP-1 (20-200 kW)		
Customer Charge	\$ 50.00 per month	\$ 50.00 per month
Distribution Demand Charge	\$ 1.50 per kW	\$1.50 per kW
Monthly Billed Demand Charge	\$ 6.50 per kW	\$6.50 per kW
Energy Charge	\$ 0.0739 per kWh	\$ 0.0755 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
Small Power Optional Time-of-Day Service CP-2 (20-200 kW)		
Customer Charge	\$ 50.00 per month	\$ 50.00 per month
Distribution Demand Charge	\$ 1.50 per kW	\$1.50 per kW
Monthly Billed Demand Charge	\$ 6.50 per kW	\$6.50 per kW
Energy Charge		
	On-Peak kWh \$ 0.0839 per kWh	\$ 0.0855 per kWh
	Off-Peak kWh \$ 0.0665 per kWh	\$ 0.0665 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Large Power Service Time-of-Day CP-3 (>200 kW)		
Customer Charge	\$ 100.00 per month	\$ 100.00 per month
Distribution Demand Charge	\$ 1.75 per kW	\$1.75 per kW
Monthly Billed Demand Charge	\$ 7.00 per kW	\$7.50 per kW
Energy Charge		
	On-Peak kWh \$ 0.0738 per kWh	\$ 0.0765 per kWh
	Off-Peak kWh \$ 0.0569 per kWh	\$ 0.0585 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Act 141 Credit (For Large Energy Customers)	\$ (0.0015) per kWh	\$ (0.0019) per kWh
Large Power Conjunctive Metering Rider CP-4 (>200 kW)		
Customer Charge	\$ 100.00 per month	\$ 100.00 per month
Distribution Demand Charge	\$ 1.75 per kW	\$1.75 per kW
Monthly Billed Demand Charge	\$ 7.00 per kW	\$7.50 per kW
Energy Charge		
	On-Peak kWh \$ 0.0738 per kWh	\$ 0.0765 per kWh
	Off-Peak kWh \$ 0.0569 per kWh	\$ 0.0585 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Act 141 Credit (For Large Energy Customers)	\$ (0.0015) per kWh	\$ (0.0019) per kWh

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
 PRESENT AND AUTHORIZED RATES
 TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
Optional Large Power Contolled Time-of-Day Service CP-5 (>200 kW)		
Customer Charge	\$ 100.00 per month	\$ 100.00 per month
Distribution Demand Charge	\$ 1.75 per kW	\$1.75 per kW
Monthly Billed Demand Charge	\$ 7.00 per kW	\$7.50 per kW
Energy Charge	On-Peak kWh \$ 0.0738 per kWh	\$ 0.0765 per kWh
	Off-Peak kWh \$ 0.0569 per kWh	\$ 0.0585 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Controlled Demand Discount	\$ (3.00) per kW	\$ (3.00) per kW
Act 141 Credit (For Large Energy Customers)	\$ (0.0015) per kWh	\$ (0.0019) per kWh
Street Lighting Service MS-1		
INVESTMENT CHARGE		
Overhead		
175 W MV	\$ 6.00 per month	\$ 6.00 per month
100 W HPS	\$ 6.00 per month	\$ 6.00 per month
250 W HPS	\$ 7.50 per month	\$ 7.50 per month
40 - 55 W LED	\$ 6.00 per month	\$ 6.00 per month
90 - 110 W LED	\$ 7.50 per month	\$ 7.50 per month
Energy Charge	\$ 0.0870 per kWh	\$ 0.0850 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Street Lighting Service MS-2		
INVESTMENT CHARGE		
Customer Charge	\$ - per month	\$ - per month
Energy Charge	\$ 0.0891 per kWh	\$ 0.0870 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
Yard Lighting Service YL-1		
Overhead		
175 W MV	\$6.00 per month	\$6.00 per month
100 W HPS	\$6.00 per month	\$6.00 per month
250 W HPS	\$7.50 per month	\$7.50 per month
40 - 55 W LED	\$6.00 per month	\$6.00 per month
90 - 110 W LED	\$7.50 per month	\$7.50 per month
Energy Charge	\$ 0.0870 per kWh	\$ 0.0850 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Athletic Field Lighting Service AL-1		
<i>** This is a new tariff for certain Small General Service (Gs-1) customers</i>		
Customer Charge	\$ - per month	\$ 16.00 per month
Distribution Demand Charge	\$ - per kW	\$1.25 per kW
Energy Charge	\$ - per kWh	\$ 0.0850 per kWh
PCAC	\$ - per kWh	\$ - per kWh
AVERAGE BASE COST OF POWER	\$ 0.0597 per kWh	\$ 0.0622 per kWh
EMBEDDED COST ALLOWANCES		
Rg1/Rg2 & Rg1/Fg2, \$/Customer	\$ 604.66	\$ 621.77
Rg-1/Rg2 & Fg1/Fg2 (Seasonal) at 50% of full allowance		\$ 310.89
Gs1 & Gs2, \$/Customer	\$ 1,241.45	\$ 1,275.71
Gs-1 & Gs-2 (Seasonal) at 50% of full allowance		\$ 637.85
Cp-1 & Cp-2, \$/kW-mo	\$ 276.49	\$ 300.09
Cp-3, \$/kW-mo	\$ 253.76	\$ 273.56
Cp-4, \$/kW-mo	\$ 253.76	\$ 273.56
Cp-5, \$/kW-mo	\$ 253.76	\$ 273.56
Average Large Industrial, \$/kW-mo.	\$ 253.76	\$ 273.56
Ms-1 and YI-1 (\$/Lamp); Ms-2 (\$/meter)	\$ 36.75	\$ 32.57
NSF CHARGE	\$ 25.00	\$ 25.00
RECONNECTION CHARGES		
During Office Hours	\$ 50.00	\$ 60.00
After Office Hours	\$ 95.00	\$ 120.00
OTHER CHARGES		
Meter Reading Outside Regularly Scheduled Date	\$ 35.00	\$ 35.00
Meter Test <24 Months from Previous Test	\$ 45.00	\$ 45.00
Maximum Temporary Service Charge	\$ 247.00	\$ 247.00

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
PRESENT AND AUTHORIZED RATES
TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
CENTURIA		
* Centuria Rates determined by Commission Order in 5-BS-218 in which Northwestern was authorized to purchase Centuria.		
Centuria		
Residential Service Rg-1		
Customer Charge		
	Thru 10/15/20 \$ 8.80 per month	\$ 8.80 per month
	Effective 10/16/20 \$ 9.90 per bill	\$ 9.90 per bill
Energy Charge - Thru 10/15/20	\$ 0.1073 per kWh	\$ 0.1073 per kWh
Energy Charge - Effective 10/16/20	\$ 0.1117 per kWh	\$ 0.1117 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Centuria		
General Service Gs-1		
Customer Charge		
	Single Phase Thru 10/15/20 \$ 14.00 per month	\$ 14.00 per month
	Three Phase Thru 10/15/20 \$ 22.80 per month	\$ 22.80 per month
	Single Phase Effective 10/16/20 \$ 15.00 per bill	\$ 15.00 per bill
	Three Phase Effective 10/16/20 \$ 24.40 per bill	\$ 24.40 per bill
Energy Charge Thru 10/15/20	\$ 0.1090 per kWh	\$ 0.1090 per kWh
Energy Charge Effective 10/16/20	\$ 0.1128 per kWh	\$ 0.1128 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Centuria		
Small Power Service CP-1 (20-200 kW)		
Customer Charge Thru 10/15/20	\$ 44.00 per month	\$ 44.00 per month
Distribution Demand Charge Thru 10/15/20	\$ 0.90 per kW	\$ 0.90 per kW
Monthly Billed Demand Charge Thru 10/15/20	\$ 6.30 per kW	\$ 6.30 per kW
Energy Charge Thru 10/15/20	\$ 0.0727 per kWh	\$ 0.0727 per kWh
Customer Charge Effective 10/16/20	\$ 47.00 per month	\$ 47.00 per month
Distribution Demand Charge Effective 10/16/20	\$ 1.20 per kW	\$ 1.20 per kW
Monthly Billed Demand Charge Effective 10/16/20	\$ 6.40 per kW	\$ 6.40 per kW
Energy Charge Effective 10/16/20	\$ 0.0733 per kWh	\$ 0.0733 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
 PRESENT AND AUTHORIZED RATES
 TEST YEAR ENDED DECEMBER 31, 2020

Type of Service	Present Rates	Authorized Rates
Centuria -- Rates Authorized in Docket 5-BS-218		
Street Lighting Service MS-1		
INVESTMENT CHARGE		
Overhead		
175 W MV Thru 10/15/20	\$6.50 per month	\$6.50 per month
100 W HPS Thru 10/15/20	\$6.50 per month	\$6.50 per month
150 W HPS Thru 10/15/20	\$6.50 per month	\$6.50 per month
400 W MV (Closed under NW tariffs)	- per month	- per month
40 W LED Thru 10/15/20	\$6.00 per month	\$6.00 per month
90 W LED Thru 10/15/20	\$6.70 per month	\$6.70 per month
Energy Charge Thru 10/15/20	\$ 0.0833 per kWh	\$ 0.0833 per kWh
Overhead		
175 W MV Effective 10/16/20	\$6.25 per month	\$6.25 per month
100 W SV Effective 10/16/20	\$6.25 per month	\$6.25 per month
150 W SV Effective 10/16/20	\$6.25 per month	\$6.25 per month
400 W MV (Closed under NW tariffs)	- per month	- per month
40 W LED Effective 10/16/20	\$6.00 per month	\$6.00 per month
90 W LED Effective 10/16/20	\$7.10 per month	\$7.10 per month
Energy Charge Effective 10/16/20	\$ 0.0851 per kWh	\$ 0.0851 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh
Centuria		
Yard Lighting Service YL-1		
INVESTMENT CHARGE		
Overhead		
175 W MV Thru 10/15/20	\$6.50 per month	\$6.50 per month
Energy Charge Thru 10/15/20	\$ 0.0833 per kWh	\$ 0.0833 per kWh
Overhead		
175 W MV Effective 10/16/20	\$6.25 per month	\$6.25 per month
Energy Charge Effective 10/16/20	\$ 0.0851 per kWh	\$ 0.0851 per kWh
PCAC	\$ 0.0025 per kWh	\$ - per kWh

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
 DETAILED BILL IMPACT ANALYSIS: RESIDENTIAL & GENERAL SERVICE
 TEST YEAR ENDED DECEMBER 31, 2020

Northwestern Residential Class bill impacts only (does not include Centuria residential customers)

Residential Service Rg-1: Single Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
100	\$22.86	\$24.40	\$1.54	6.74%
500	\$70.30	\$70.00	-\$0.30	-0.43%
750	\$99.95	\$98.50	-\$1.45	-1.45%
1,000	\$129.60	\$127.00	-\$2.60	-2.01%
1,500	\$188.90	\$184.00	-\$4.90	-2.59%
2,500	\$307.50	\$298.00	-\$9.50	-3.09%
4,000	\$485.40	\$469.00	-\$16.40	-3.38%
585	\$80.38	\$79.68	-\$0.69	-0.86%

General Service Gs-1: Single Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
500	\$76.60	\$74.00	-\$2.60	-3.39%
1,000	\$137.20	\$132.00	-\$5.20	-3.79%
2,000	\$258.40	\$248.00	-\$10.40	-4.02%
3,000	\$379.60	\$364.00	-\$15.60	-4.11%
4,000	\$500.80	\$480.00	-\$20.80	-4.15%
5,000	\$622.00	\$596.00	-\$26.00	-4.18%
6,000	\$743.20	\$712.00	-\$31.20	-4.20%
807	\$113.79	\$109.60	-\$4.20	-3.69%

General Service Gs-1: Three Phase

Monthly kWh	Monthly Bills		Authorized Increase	
	Current Rates	Proposed Rates	\$ Amount	% Change
500	\$86.60	\$84.00	-\$2.60	-3.00%
1,000	\$147.20	\$142.00	-\$5.20	-3.53%
2,000	\$268.40	\$258.00	-\$10.40	-3.87%
3,000	\$389.60	\$374.00	-\$15.60	-4.00%
4,000	\$510.80	\$490.00	-\$20.80	-4.07%
5,000	\$632.00	\$606.00	-\$26.00	-4.11%
6,000	\$753.20	\$722.00	-\$31.20	-4.14%
807	\$123.79	\$119.60	-\$4.20	-3.39%

* Values in bold represent class average usage

Authorized Rate and Rule Tariff Sheets

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Power Cost Adjustment Clause

All metered rates shall be subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the cost of power purchased for the most recent month, divided by the kilowatt-hours of energy sold. The monthly adjustment (rounded to the nearest one one-hundredth of a cent) is equal to the current cost less the base cost. The base cost of power (U) is \$0.0622 per kilowatt-hour.

Periodic changes shall be made to maintain the proper relative structure of the rates and to insure that power costs are being equitably recovered from the various rate classes. If, after final wholesale rates have been authorized, the monthly adjustment (A) exceeds \$0.0150 per kilowatt-hour, the company shall file a request with the Public Service Commission of Wisconsin within 30 days for changes in rates to incorporate a portion of the power cost adjustment into the base rates.

For purposes of calculating the power cost adjustment charge, the following formula shall be used:

$$A = \frac{C}{S} - U$$

- A is the power cost adjustment rate in dollars per kilowatt-hour rounded to four decimal places applied on a per kilowatt-hour basis to all metered sales of electricity.
- S is the total kilowatt-hours sold during the most recent month.
- U is the base cost of power, which equals the average cost of power purchased per kilowatt-hour of sales for the test year period. This figure remains constant in each subsequent monthly calculation at \$0.0622 per kilowatt-hour until otherwise changed by the Public Service Commission of Wisconsin.
- C is the cost of power purchased and produced in dollars credited for revenues derived from wholesale power sales, plus any voluntary interruption compensation payments to retail customers. Cost of power purchased and produced and revenues derived from wholesale power sales and any related wheeling expenses, transmission expenses, MISO market purchases, costs of fuel for production, payments to net metering customers and payments for customer owned generation, used for calculation of C are the monthly amounts which would be recorded in the following account of the Uniform System of Accounts:

Class A & B utilities	Accounts 555
Class C utilities	Accounts 545

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Residential Service

Application: This rate will be applied to residential single-phase customers for ordinary household purposes. Single-phase motors may not exceed 5 horsepower individual-rated capacity without utility permission.

Customers who do not meet these criteria will be served under the applicable rate.

Customer Charge: Monthly: \$13.00 per month.
 Seasonal: CLOSED TO NEW CUSTOMERS (see below)
 \$13.00 per month accumulated since the last billing period for
 each of the three billing periods per year.

Energy Charge: \$0.1140 per kilowatt-hour (kWh).

For the Village of Centuria:

Customer Charge: \$9.90 per month
 Energy Charge: \$0.1117 per kWh

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Prompt Payment of Bills: A charge of no more than 1 percent per month will be added to bills not paid within 20 days from date of issuance. The late payment charge shall be applied to the total unpaid balance for utility service, including unpaid payment charges. This charge is applicable to all customers.

Seasonal Customers: A seasonal customer shall be defined as one who used electric energy seven months or less during each year. Urban seasonal customers shall qualify for the above rate; however, meter shall be read and billed three times a year on either a May-June-September, or June-August-October basis at the option of the utility. Each billing will consist of the customer charge, plus energy charge, with the minimum being the customer charge.

Existing seasonal customers will be transitioned to monthly billing following installation of a meter equipped with remote reading capabilities.

(Continued on Next Page)

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Residential Service

Special Terms and Provisions:

1. This rate applies only to customers living in or immediately adjacent to incorporated villages served and who, in the opinion of the company, can be served directly from the local distribution systems without special line or substation construction.
2. Only single-phase service at 120 or 120/240 volts, rendered through one meter, is available under this rate. If three-phase service is supplied, it shall be under rates available for such service.
3. Motors and other equipment which interfere with service to neighboring customers will not be permitted on this rate.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Residential Service – Optional Time-of-Day

Application: This rate schedule is optional to all Rg-1, Residential Service customers. Customers that wish to be served on this rate schedule must apply to the utility for service. Once an optional customer begins service on this rate schedule, the customer shall remain on the rate for a minimum of one year. Any customer choosing to be served on this rate schedule waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Once on this rate, the utility will review billing annually according to Wis. Admin. Code ch. PSC 113.

Customer Charge: Monthly: \$13.00 per month.
Seasonal: CLOSED TO NEW CUSTOMERS
\$13.00 per month accumulated since the last billing period for each of the three billing periods per year.

Energy Charge: On-peak: \$0.1725 per kilowatt-hour (kWh).
Off-peak: \$0.0850 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Seasonal Customers: Seasonal customers shall be defined as shown in Schedule Rg-1 and will be served under the same terms and conditions as in Rg-1.

Special Terms and Provisions: Same as Rg-1.

Pricing Periods:

On-peak: The on-peak hours shall be those hours designated by the utility’s wholesale supplier as peak hours. They are 9:00 a.m. to 9:00 p.m. each day, Monday through Friday, inclusive, except for designated holidays. However, customers are allowed to choose 8:00 a.m. to 8:00 p.m., as the peak period. Once a customer selects one of these two peak periods, that customer has to stay on it for a minimum of one year.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Rural Residential Service

Application: This rate will be applied to all rural residential and farm customers for lighting, ordinary household purposes and power as needed for farm uses. A customer’s load may not exceed 10 horsepower individual-rated capacity without utility permission.

Customers who do not meet these criteria will be served under the applicable rate.

Customer Charge: Monthly: \$14.00 per month.
 Seasonal: **CLOSED TO NEW CUSTOMERS**
 \$14.00 per month accumulated since the last billing period for each of the three billing periods per year.

Energy Charge: \$0.1160 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Prompt Payment of Bills: Same as Rg-1.

Seasonal Customers: Same as Rg-1.

Special Terms and Provisions:

1. This rate applies only to customers living outside the distribution system of any city or village or in a locality where the density of population is less than that encountered ordinarily in urban districts.
2. Only single-phase service at 120 or 120/240 volts, rendered through one meter, is available under this rate. If three-phase service is supplied, it shall be under rates available for such service.
3. Motors and other equipment which interfere with service to neighboring customers will not be permitted on this rate.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Rural Residential Service – Optional Time-of-Day

Application: This rate schedule is optional to all Fg-1, Rural Residential Service customers. Customers that wish to be served on this rate schedule must apply to the utility for service. Once an optional customer begins service on this rate schedule, the customer shall remain on the rate for a minimum of one year. Any customer choosing to be served on this rate schedule waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Once on this rate, the utility will review billing annually according to Wis. Admin. Code ch. PSC 113.

Customer Charge: Monthly: \$14.00 per month
 Seasonal: CLOSED TO NEW CUSTOMERS
 \$14.00 per month accumulated since the last billing period for each of the three billing periods per year.

Energy Charge: On-peak: \$0.1785 per kilowatt-hour (kWh).
 Off-peak: \$0.0915 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Prompt Payment of Bills: Same as Rg-1.

Seasonal Customers: Seasonal customers shall be defined as shown in Schedule Rg-1 and will be served under the same terms and conditions as in Rg-1.

Special Terms and Provisions: Same as Fg-1.

Pricing Periods:

On-peak: The on-peak hours shall be those hours designated by the utility’s wholesale supplier as peak hours. They are 9:00 a.m. to 9:00 p.m. each day, Monday through Friday, inclusive, except for designated holidays. However, customers are allowed to choose 8:00 a.m. to 8:00 p.m., as the peak period. Once a customer selects one of these two peak periods, that customer has to stay on it for a minimum of one year.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Controlled Water and Space Heating

This Schedule is Closed to New Customers.

Application: This rate will be applied to customers who have automatic storage type water heaters of not less than 30-gallon capacity and/or electric heating loads under 40 kW in a dual fuel space heating system. Such water heaters and heating systems shall be controlled by the company and are allowed to operate only during off-peak periods. Customers served on this rate are required to have a separate meter for this type of service.

Customer Charge: \$5.00 per customer per month.

Energy Charge: \$0.0780 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh, varies monthly, see Schedule PCAC.

Minimum Monthly Charge: The minimum monthly charge shall be the customer charge.

Prompt Payment of Bills: Same as Rg-1.

Special Terms:

1. Heating system billed on this rate will be allowed to operate for a minimum of twelve (12) hours a day and water heaters will be allowed to operate for a minimum of sixteen (16) hours a day. If a water heater and space heating system are controlled through the same meter, they will be allowed to operate for a minimum of (12) hours a day.
2. The company will require that water heaters and dual fuel space heating be connected on separate circuits which are enclosed in rigid conduit or armored cable. The installation and wiring must conform to the company's standards, and will be inspected by the company before service is rendered.
3. The company will furnish a timing device to control a standard water heater not exceeding 4500 watts per element (top and bottom) at no charge to the customer. Customers having water heaters larger than 4500 watts per element will be required to pay the extra cost of such device. Disconnection hours are 9:00 a.m. to 1:00 p.m. and 5:00 p.m. to 9:00 p.m.
4. When this rate is used for dual heating, the customer is required to maintain an alternative back-up source of energy other than electricity. Such source should be adequate to provide customers with their needs of heat when electric heating system is not operating. Dual fuel customers are also required to pay for rewiring and other related costs, for the purpose of meter installation.

(Continued on Next Page)

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Controlled Water and Space Heating

5. The company will furnish, install and maintain on customer's premises a watt-hour meter to measure the energy supplied to the space heating equipment and a time switch, or other device, to control the hours of service. The time regulating device shall be under the sole control of the company and shall be adjusted by the company to disconnect the electrical supply during each daily period as the company may elect from time to time. Disconnection hours are 9:00 a.m. to 9:00 p.m., Monday through Friday, excluding the following holidays:

New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day; or the day nationally designed to be celebrated as such.

- 6. A customer serve on this rate is not allowed to switch on more than a 10 kilowatt load at a time.
- 7. Service under this rate is for the exclusive use of the customer and is not to be resold or shared with others.
- 8. Equipment which interferes with service to neighboring customers will not be permitted on this rate. See Section 116, Electric Rules.
- 9. Maintenance work will be done only during the company's regular hours.
- 10. The company shall have the right to remove customers from this rate if they violate any of its provisions and begin billing them on the appropriate rate; provided that they are given the appropriate notification.
- 11. The company shall not be liable for any loss or damage caused by, or resulting from, any interruption in service.
- 12. Customers who ask for service during hours of disconnection will be charged the regular firm rate.
- 13. Only single-phase service at 120/240 volts, rendered through one meter, is available under this rate.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Optional Off-Peak Service

Application: This rate will be applied, on an optional basis, to any residential customer for loads which will be metered separately and shall be controlled by the customer and de-energized for the hours of 9:00 a.m. to 9:00 p.m. Monday through Friday. Customers served on this rate are required to have a separate meter for this type of service.

Customer Charge: \$5.00 per customer per month.

Energy Charge:

Authorized Off-Peak: \$0.0780 per kilowatt-hour (kWh).
Non-Authorized use: \$0.1725 per kWh.

Power Cost Adjustment Clause: Charge per all kWh, varies monthly, see Schedule PCAC.

Minimum Monthly Charge: The minimum monthly charge shall be the customer charge.

Prompt Payment of Bills: Same as Rg-1.

Special Terms:

1. Optional Off-peak Service shall be separately served and metered.
2. The Non-Authorized Use charge per kWh shall be applied to non-authorized energy use outside of the energized time period specified in this tariff. If this energy use occurs during three or more billing months, the Company reserves the right to remove the customer from Optional Off-peak Service.
3. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.
4. Customer selecting Optional Off-peak Service must remain on this service for a minimum term of one year.
5. The rate contemplates that this service will utilize existing facilities with no additional major expenditures. Any additional expenditures required for off-peak service must be justified by the anticipated off-peak revenues or by payments by customer to Company.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

General Service

Application: This rate will be applied to single and three-phase customers. This includes commercial, institutional, government, farm, and other customers. The monthly Maximum Measured Demand of customers served on this rate shall not exceed 20 kilowatts for three or more months in a consecutive 12-month period.

Gs-1 customers shall be transferred into the appropriate demand class as soon as the application conditions of that class have been met.

Customer Charge:

Regular Customers: Single-phase: \$16.00 per month.
Three-phase: \$26.00 per month.

Seasonal Customers: **CLOSED TO NEW CUSTOMERS**
Single-phase: \$16.00 per month accumulated since the last billing period for each of the three billing periods per year.
Three-phase: \$26.00 per month accumulated since the last billing period for each of the three billing periods per year.

Energy Charge: \$0.1195 per kilowatt-hour (kWh).

For the Village of Centuria:

Customer Charge: Single Phase: \$15.00 per month
Three Phase: \$24.40 per month
Energy Charge: \$0.1128 per kWh

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Prompt Payment of Bills: Same as Rg-1.

Seasonal Customers: A seasonal customer shall be defined as one who used electric energy seven months or less during each year. Urban seasonal customers shall qualify for the above rate; however, meter shall be read and billed three times a year on either a May-June-September, or June-August-October basis at the option of the utility. Each billing will consist of the customer charge, plus energy charge, with the minimum being the customer charge.

Existing seasonal customers will be transitioned to monthly billing following installation of a meter equipped with remote reading capabilities.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

General Service

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

General Service – Optional Time of Day

Pricing Periods:

On-peak: The on-peak hours shall be those hours designated by the utility’s wholesale supplier as peak hours. They are 9:00 a.m. to 9:00 p.m. each day, Monday through Friday, inclusive, except for designated holidays. However, customers are allowed to choose 8:00 a.m. to 8:00 p.m., as the peak period. Once a customer selects one of these two peak periods, that customer has to stay on it for a minimum of one year.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Small Power Service

Application: This rate will be applied to customers for all types of service if their monthly Maximum Measured Demand is in excess of 20 kilowatts (kW) per month for three or more months in a consecutive 12-month period, but not greater than 200 kW per month for three or more months in a consecutive 12-month period.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 20 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 20 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$50.00 per month.

Distribution Demand Charge: \$1.50 per kW of distribution demand.

Demand Charge: \$6.50 per kW of billed demand.

Energy Charge: \$0.0755 per kilowatt-hour (kWh).

For the Village of Centuria:

Customer Charge: \$47.00 per month

Distribution Demand Charge: \$1.20 per kW of distribution demand

Demand Charge: \$6.40 per kW of billed demand

Energy Charge: \$0.0733 per kWh

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Small Power Service

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of Billed Demand: The Billed Demand shall be the Maximum Measured Demand.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Small Power Service – Optional Time of Day Service

Application: This rate schedule is optional to all Cp-1 customers. Customers that wish to be served on this rate schedule must apply to the utility for service. Once an optional customer begins service on this rate schedule, the customer shall remain on the rate for a minimum of one year. Any customer choosing to be served on this rate schedule waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Once on this rate, the utility will review billing annually according to Wis. Admin. Code ch. PSC 113.

Customer Charge: \$50.00 per month.

Distribution Demand Charge: \$1.50 demand per kW of distribution demand.

Demand Charge: \$6.50 per kW of on-peak billed demand.

Energy Charge: On-peak: \$0.0855 per kilowatt-hour (kWh).
Off-peak: \$0.0665 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Pricing Periods:

On-peak: The on-peak hours shall be those hours designated by the utility’s wholesale supplier as peak hours. They are 9:00 a.m. to 9:00 p.m. each day, Monday through Friday, inclusive, except for designated holidays. However, customers are allowed to choose 8:00 a.m. to 8:00 p.m. as the peak period. Once a customer selects one of these two peak periods, that customer has to stay on it for a minimum of one year.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

(Continued on Next Page)

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Small Power Service – Optional Time of Day Service

Determination of Maximum Measured Demand and On-peak Maximum Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month. The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Maximum Demand.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of On-peak Billed Demand: The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Billed Demand.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Large Power Time-of-Day Service

Application: This rate will be applied to customers for all types of service, if their monthly Maximum Measured Demand is in excess of 200 kilowatts (kW) per month for three or more months in a consecutive 12-month period.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 200 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 200 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$100.00 per month.

Distribution Demand Charge: \$1.75 per kW of distribution demand.

Demand Charge: \$7.50 per kW of on-peak billed demand.

Energy Charge: On-peak: \$0.0765 per kilowatt-hour (kWh).
Off-peak: \$0.0585 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Prompt Payment of Bills: Same as Rg-1.

Pricing Periods:
On-peak: The on-peak hours shall be those hours designated by the utility’s wholesale supplier as peak hours. They are 9:00 a.m. to 9:00 p.m. each day, Monday through Friday, inclusive, except for designated holidays. However, customers are allowed to choose 8:00 a.m. to 8:00 p.m. as the peak period. Once a customer selects one of these two peak periods, that customer has to stay on it for a minimum of one year.

(Continued on Next Page)

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Large Power Time-of-Day Service

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

Determination of Maximum Measured Demand and On-peak Maximum Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month. The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Maximum Demand.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of On-peak Billed Demand: When the Average Monthly Power Factor is equal to or greater than 90 percent, the On-peak Billed Demand shall be the On-peak Maximum Measured Demand.

When the Average Monthly Power Factor is less than 90 percent, the On-peak Maximum Demand shall be adjusted to obtain the On-peak Billed Demand. On-peak Billed Demand shall be determined each month by the following formula:

$$\text{On-Peak Billed Demand} = \frac{\text{On-Peak Maximum Demand} \times 90\%}{\text{Average Monthly Power Factor}}$$

The Average Power Factor is obtained by the following formula, where A = monthly use of kilowatt-hours and B = monthly use of lagging reactive kilovolt-ampere-hours as obtained from a reactive component meter. Any reactive component meter used shall be equipped with ratchets to prevent registration of leading Power Factor.

$$\text{Average Monthly Power Factor} = \frac{A}{\sqrt{A^2 + B^2}}$$

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Large Power Conjunctive Metering Rider

Application: This rate will apply to Cp-3 customers with multiple service entrances, which are separately metered, and whose combines measured maximum demand is in excess of 200 kilowatts, for three or more months in a consecutive 12-month period, and meets all of the appropriate provisions described below. The Cp-3 rates will apply to the following billing determinants.

Determination of Customer Charge: The monthly customer charge will equal the Cp-3 customer charge times the number of individually metered locations, as if they were served individually.

Determination of Distribution Demand Charge: The distribution demand will equal the sum of the customer demands for all metered locations, as if they were served individually.

Determination of Maximum Coincident Demand: The maximum coincident demand in any month shall be the greatest demand, during the on-peak time period, resulting from the combination of all separately metered services, which occurs in any 15 consecutive minutes during each month.

Determination of On-peak Billed Demand: A customer, served on this rider, will be billed the On-peak Billed Demand as described below:

$$\text{On-Peak Billed Demand} = \frac{\text{Maximum Coincident Demand} \times 90\%}{\text{Average Monthly Power Factor}}$$

Determination of Average Monthly Power Factor: Same as Cp-3.

Determination of Energy Charge: Same as Cp-3, applied to all kWh.

Determination of Power Cost Adjustment Clause: Same as Cp-3, applied to all kWh.

Determination of Minimum Monthly Bill: Same as Cp-3.

Prompt Payment of Bills: Same as Rg-1.

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Large Power Conjunctive Metering Rider

General Provisions:

1. In order to qualify for conjunctive metering, the customer's building shall be a single contiguous premises not separated by any public right-of-way.

2. All customers served on the Cp-3 rate schedule must be notified annually that conjunctive metering is available upon request.

3. The utility will install the necessary metering equipment to allow conjunctive metering within a reasonable time.

4. The customer is responsible for the additional software/hardware needed to translate the individual metering or purchase of any facilities to get to a common delivery point.

5. Customers who are conjunctive metered may terminate it upon written notice to the utility. The customer must be notified by the utility that he/she is responsible for any increases in bills that may result by eliminating conjunctive metering.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Optional Large Power Controlled Time-of-Day Service

Application: This rate will be available on an optional basis to any Large Power Time-of-Day (Cp-3) customer who agrees to control sufficient demand to a predetermined level whenever required by the Company. General availability is restricted to Cp-3 customers with a minimum controllable demand of 100 kW. Service under this rate may be refused if the Company feels that the load to be controlled will not provide adequate load reduction when required.

Customer Charge: \$100.00 per month. (Same as Cp-3)

Distribution Demand Charge: \$1.75 per kW of distribution demand.

Demand Charge: \$7.50 per kW of on-peak billed demand.

Controlled Demand Charge: \$3.00 per kW of on-peak billed demand.

Energy Charge: On-peak: \$0.0765 per kilowatt-hour (kWh).
Off-peak: \$0.0585 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Prompt Payment of Bills: Same as Rg-1.

Pricing Periods:

On-peak: The on-peak hours shall be those hours designated by the utility’s wholesale supplier as peak hours. They are 9:00 a.m. to 9:00 p.m. each day, Monday through Friday, inclusive, except for designated holidays. However, customers are allowed to choose 8:00 a.m. to 8:00 p.m. as the peak period. Once a customer selects one of these two peak periods, that customer has to stay on it for a minimum of one year.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Optional Large Power Controlled Time-of-Day Service

Determination of Maximum Measured Demand and On-peak Maximum Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month. The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Maximum Demand.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of On-peak Billed Demand: When the Average Monthly Power Factor is equal to or greater than 90 percent, the On-peak Billed Demand shall be the On-peak Maximum Measured Demand.

When the Average Monthly Power Factor is less than 90 percent, the On-peak Maximum Demand shall be adjusted to obtain the On-peak Billed Demand. On-peak Billed Demand shall be determined each month by the following formula:

$$\text{On-Peak Billed Demand} = \frac{\text{On-Peak Maximum Demand} \times 90\%}{\text{Average Monthly Power Factor}}$$

The Average Monthly Power Factor is obtained by the following formula, where A = monthly use of kilowatt-hours and B = monthly use of lagging reactive kilovolt-ampere-hours as obtained from a reactive component meter. Any reactive component meter used shall be equipped with ratchets to prevent registration of leading Power Factor.

$$\text{Average Monthly Power Factor} = \frac{A}{\sqrt{A^2 + B^2}}$$

Predetermined Firm Demand: A predetermined firm demand level shall be specified and agreed to by the customer and the Company. The customer's adjusted on-peak billed demand in excess of the predetermined firm demand during control periods shall be subject to penalty as described in Terms and Conditions, Item 4.

Control Period: During a month, Control Periods are the periods during which a customer is requested to control demand to the predetermined level. If a Control Period occur during off-peak hours, the demand shall be billed as if it had occurred during on-peak hours.

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Optional Large Power Controlled Time-of-Day Service

Firm Billing Demand:

1. In months where no Control Period occurs, the firm billing demand period shall be the lesser of the predetermined Firm Demand or adjusted On-peak Billed Demand.
2. In the months where one Control Period occurs, the firm billing demand shall be the adjusted On-peak Billed Demand established during the Control Period.
3. In months where more than one Control Period occurs and the customer has not exceeded predetermined Firm Demand level during any of the Control Periods, the average of the adjusted On-peak Billed Demands established during the Control Periods shall be used for billing purposes.
4. In months where more than one Control Period occurs and the customer has exceeded predetermined Firm Demand levels during any control period, the Firm Billing Demand shall be the greatest adjusted On-peak Billed Demand established during any Control Period.

Controlled Billing Demand: The Controlled Billing Demand shall be the difference between a customer's adjusted On-peak Demand and Firm Billing Demand during the month. The Controlled Billing Demand shall be zero if the Firm Billing Demand is greater than the adjusted On-peak Demand in a month.

Terms and Conditions of Service:

1. The customer shall control its own load to a predetermined level and the customer must:
 - a. Provide to the company a list of names of people designated as responsible for curtailment action of the customer's loads and who will take calls from the company on a 24-hour, seven-day-a-week, basis.
 - b. Provide a telephone or Ethernet connection at the point of metering.
 - c. Allow the company use of existing telephone or Ethernet facilities at no cost to the company.
 - d. Install remote control equipment provided by the Company, if requested by the Company to do so.
 - e. Provide a continuous 120-volt AC power source at the connection point for the operation of any company remote control equipment.
 - f. Allow the company to inspect and approve the remote control installation and equipment provided by the customer.
 - g. Allow the company to revise the type of control system selected by the customer.

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Optional Large Power Controlled Time-of-Day Service

Terms and Conditions of Service: (Continued)

2. The company must:
 - a. Provide to the customer a list of names of those employees responsible for notifying customers of curtailment periods.
 - b. Maintain an official log of all calls notifying customers of curtailment periods. This information will include, but will not be limited to, the date and time of the call, the duration of the curtailment period, and the names of both the customer designated person contacted and the company employee making the contact.
3. The company will endeavor to give the customer at least one hour's notice of an impending control period.
4. Service interruption under this rate option shall be at the discretion of the company. The frequency of interruption will normally occur up to 20 days per calendar year, occurring at such times as when the company expects to incur a system peak, or for area protection, and at such other times when, in the company's opinion, the reliability of the system is endangered. The duration of an interruption will vary from two (2) hours up to about 16 hours. The total hours of interruption called for by this rate option shall not exceed 300 hours in a calendar year, excluding hours of interruption due to physical causes other than intentional curtailments executed by the Company.
5. If in any month a customer fails to control load to predetermined Firm Demand level when requested to do so by the company, an additional charge of \$15.00 per kW per occurrence shall be applied to the amount by which the customer's maximum adjusted demand during any Control Period exceeds predetermined Firm Demand. If a customer incurs three failures to control load to predetermined Firm Demand level when requested to do so by the company, the company reserves the right to renegotiate the predetermined demand level or remove the customer from the Large Controlled Time-of-Day Service. Furthermore, the customer must maintain a controllable load such that it provides adequate load reduction when required. If a customer is removed from this service, the customer will be subject to a cancellation charge, as specified in Terms and Conditions, Item 6.
6. The customer shall execute an Electric Service Agreement with the company which shall include the following:
 - a. A minimum of a rolling five-year term of service which includes a trial period subject to Terms and Conditions, Item 7.
 - b. The predetermined Firm Demand level shall be set on an annual basis, however, it may be revised and subject to approval by the company.
 - c. Terms and conditions and other provisions.

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Optional Large Power Controlled Time-of-Day Service

Terms and Conditions of Service: (Continued)

7. **Cancellation Charge:** If the customer terminates the agreement during its term, or if the agreement is terminated as a result of any default of the customer, the customer will pay to the company the following Cancellation Charge:

Eighteen (18) times the demand charge differential multiplied by the customer’s average monthly controlled demand for the previous 12 months. If termination occurs less than 12 months after commencement of this agreement and the customer is not eligible for the trial period, the customer’s average monthly controlled demand will be computed based on the number of months of billing data available.
8. **Trial Period:** The Cancellation Charge described above will not apply if the Customer terminates the agreement by notifying the company in writing during the first 12 months of service. If the customer terminates the agreement during this period, the customer will pay to the company the sum of the following:
 - a. The total controlled demand during the term of agreement times the difference between firm and controlled demand rates in effect during the term of the agreement.
 - b. All company installation and removal costs for special equipment and facilities provided by the company for peak controlled time-of-day service. If the customer has under estimated their predetermined Firm Demand level and requires an increase in the level of accommodate firm load, the customer will repay the company that portion of past credits received which represent the difference between the initial and the newly requested level. A trial period for peak controlled time-of-day service will not be available for any customer who has previously received such service.
9. The company shall not be liable for any loss or damage caused by, or resulting from, any interruption of service associated with this rate option.
10. The company will determine, at a service location designated by the company, the number of services supplied. Customers requesting special facilities will be charged the additional costs incurred for such facilities.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Street Lighting Service

Application: This schedule will be applied to any municipality within the company’s service territory who accepts to contract with the company for multiple brackets and/or suspension street lighting. The street lighting system shall be furnished, served, and maintained by the company

This rate schedule is closed to new mercury vapor and sodium vapor lights.

Rate: Dusk to Dawn Schedule

Investment charge:

Overhead:

175 W MV	\$6.00 per lamp per month
100 W SV	\$6.00 per lamp per month
250 W SV	\$7.50 per lamp per month
40 - 55 W LED	\$6.00 per lamp per month
90 - 110 W LED	\$7.50 per lamp per month

Energy Charge: \$0.0850 per kilowatt-hour (kWh).

For all lamps in the Village of Centuria:

Overhead:

100 W HPS	\$6.25 per lamp per month
150 W HPS	\$6.25 per lamp per month
175 W MV	\$6.25 per lamp per month
400 W MV	Closed under NWE tariffs
40 W LED	\$6.00 per lamp per month
90 W LED	\$7.10 per lamp per month

Energy Charge: \$0.0851 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Note: LED = Light Emitting Diode
HPS = High Pressure Sodium
MV = Mercury Vapor
SV = Sodium Vapor

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Street Lighting Service

Minimum Charge: To be based upon special consideration and terms of street lighting contracts entered into by municipalities and the company.

Prompt Payment of Bills: Same as Rg-1.

Special Terms and Provisions:

1. All lamp renewals shall be made by the company. Lamps on the dusk to dawn schedule shall burn for approximately 30 minutes after sunset until approximately 30 minutes before sunrise. Service under this rate is for the exclusive use of the customer and is not to be resold or shared with others.
2. The kWh-consumed by each lamp is determined by the following methods:

Mercury Vapor: Metering one lamp of each lamp size and type and apply to lamps of same size.

Sodium Vapor: Metering one lamp of each lamp size and type and apply to lamps of same size.

Light Emitting Diode: Metering one lamp of each lamp size and type and apply to lamps of same size.

(Continued on Next Page)

3. It is the customer's responsibility to report all outages of lighting fixtures and obstructions such as trees, branches and the like from allowing the light to be properly distributed from the lighting fixture. If the company shall permit said lighting to remain out of repair or inoperative for a period longer than 48 hours after being notified, not charge shall be billed thereon while idle.

LED = Light Emitting Diode

MV = Mercury Vapor

SV = Sodium Vapor

Public Service Commission of Wisconsin

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Street Lighting Service

Application: This schedule will be applied to any municipality within the company's service territory who contracts with the company for street lighting service. The street lighting system will be owned and maintained by the customer. In the event that the company maintains the system, the customers will reimburse the company for the costs.

Energy Charge: \$0.0870 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Charge: To be based upon special consideration and terms of street lighting contracts entered into by municipalities and the company.

Prompt Payment of Bills: Same as Rg-1.

Special Terms and Provisions:

1. The customer is responsible for payment of the cost of all lamp renewals and maintenance.
2. Ornamental or decorative lighting shall be metered and billed on this rate.

RATE FILE

Sheet No. 1 of 2

Schedule No. Y1-1

Public Service Commission of Wisconsin

Amendment No. APDX

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Yard Lighting Service

Application: This rate will be applied to any customer within the company’s service territory who contracts with the company for yard lighting service. The fixture will be furnished and maintained by the company.

This rate schedule is closed to new mercury vapor and sodium vapor lights.

Rate: Dusk to Dawn Schedule.

Investment charge:

175 W MV	\$6.00 per lamp per month
100 W SV	\$6.00 per lamp per month
250 W SV	\$7.50 per lamp per month
40 - 55 W LED	\$6.00 per lamp per month
90 - 110 W LED	\$7.50 per lamp per month

Energy Charge: \$0.0850 per kilowatt-hour (kWh).

For all lamps in the Village of Centuria:

Overhead:

175 W MV	\$6.25 per lamp per month
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Energy Charge: \$0.0851 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Note: LED = Light Emitting Diode
HPS = High Pressure Sodium
MV = Mercury Vapor
SV = Sodium Vapor

EFFECTIVE: TBD
PSCW AUTHORIZATION: Docket 4280-ER-107

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Yard Lighting Service

Special Terms and Provisions:

1. All lamp renewals shall be furnished and installed by the company. Service under this rate is for the exclusive use of the customer and is not to be resold or shared with others.
2. The fixture shall be mounted on company pole or customer meter pole. Where neither company pole no customer meter pole are available, then customer shall furnish pole for mounting of fixture.
3. It is the customer's responsibility to report all outages of lighting fixtures and obstructions such as trees, branches and the like from allowing the light to be properly distributed from the lighting fixture. If the company shall permit said lighting fixture to remain out of repair or inoperative for a period longer than 48 hours after being notified, no charge shall be billed thereon while idle.
4. The kWh-consumed by each lamp is determined by the following methods:
Mercury Vapor: Metering one lamp of each lamp size and type and apply to lamps of same size.
Sodium Vapor: Metering one lamp of each lamp size and type and apply to lamps of same size.
Light Emitting Diode: Metering one lamp of each lamp size and type and apply to lamps of same size.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Athletic Field Lighting Service

Application: This schedule will be applied to athletic field lighting. The customer will furnish, install, and maintain the athletic field lighting facilities.

Customer Charge: \$16.00 per month

Distribution Demand: \$1.25 per kilowatt (kW) of distribution demand.

Energy Charge: \$0.0850 per kilowatt-hour (kWh)

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment: Same as Rg-1.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

RATE FILE

Sheet No. 1 of 1

Schedule No. W-1

Public Service Commission of Wisconsin

Amendment No. APDX

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Wholesale Rate – Centuria Municipal Electric Utility

This rate is closed.

All former Centuria customers subject to applicable NWECA retail tariffs.

EFFECTIVE:

TBD

PSCW AUTHORIZATION:

Docket 4280-ER-107

NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Other Charges and Billing Provisions

Budget Payment Plan: A budget payment plan, which is in accordance with Wis. Admin. Code ch. PSC 113, is available from the utility. The utility does not use a fixed budget year. The utility will calculate the monthly budgeted amount by spreading the estimated annual bill over eleven months, with the last month consisting of any end of year adjustments.

Reconnection Billing: All customers whose service is disconnected in accordance with the disconnection rules as outlined in Wis. Admin. Code ch. PSC 113, shall be required to pay a reconnection charge. The charge shall be **\$60.00** during regular office hours. After regular office hours the minimum reconnection charge of **\$60.00** applies plus any overtime labor costs, not to exceed a total maximum charge of **\$120.00**.

Reconnection of a Seasonal Customer’s Service: Reconnection of a service for a seasonal customer who has been disconnected for less than one year shall be subject to the same reconnection charges outlined above. A seasonal customer shall also be charged for all minimum bills that would have been incurred had the customer not temporarily disconnected service.

Payment Not Honored by Financial Institution Charge: The utility shall assess a **\$25.00** charge when a payment rendered for utility service is not honored by the customer’s financial institution.

Average Depreciated Embedded Cost: The embedded cost of the distribution system (excluding the standard transformer and service facilities), for each customer classification, is determined based on methodology authorized by the Public Service Commission of Wisconsin, and described in the utility’s Electric Rules. The average depreciated embedded cost by customer classification is as follows:

Residential Service: **\$621.77 (\$310.89 for seasonal customers)**.

Apartment and Rental Units Separately Metered: **\$621.77** per unit metered (\$310.89 for seasonal customers).

Subdividers and Residential Developers: **\$621.77 per unit** (\$310.89 for seasonal customers).

General Service: (Including Multi-Unit Dwellings If Billed on One Meter): **\$1,275.71 (637.85 for seasonal customers)**.

Power Service: \$300.09 per kW (Cp-1 and Cp-2), \$273.56 per kW (Cp-3, Cp-4 and Cp-5), of average billed demand

Street Lighting: **\$32.57** per lamp (Ms-1 and Yl-1) or per meter (Ms-2)

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NORTHWESTERN WISCONSIN ELECTRIC COMPANY

Other Charges and Billing Provisions

Charges for New Accounts, Changes, Meter Reading, Meter Installation, and Meter Testing:

No charge will be made for a new account, or for charging an existing account to a new customer.

A charge of **\$35.00** will be made for reading a meter or meters at one service location for a change in customers on an account, or at an existing service, on a date other than the regularly scheduled date to do so.

No charge will be made to install a meter, or activate, at an existing service.

A charge of **\$45.00** will be made to a customer who requests a meter test at an interval of less than 24 months since the last requested meter test if the meter is found to be registering accurately.

Charge for Temporary Service:

A maximum charge of **\$247.00** shall be made for installation of a Temporary Service is identified in Wis. Admin. Code Ch. PSC 113.

NORTHWESTERN WISCONSIN ELECTRIC COMPANY
SCHEDULE OF DEPRECIATION RATES
TEST YEAR ENDED DECEMBER 31, 2020

<u>Account</u>	<u>Description</u>	<u>Depreciation Rate</u>
INTANGIBLE PLANT		
302	Franchises & Consents	20.00%
PRODUCTION PLANT - Other Production		
341	Structures and Improvements	3.03%
342	Fuel Holders, Producers, & Access's	3.85%
343	Prime Movers	4.57%
344	Generators	4.35%
345	Accessory Electric Equipment	4.00%
346	Misc. Power Plant Equipment	4.76%
TRANSMISSION PLANT		
351	Structures and Improvements	3.33%
353	Station Equipment	3.33%
355	Poles and Fixtures	3.33%
356	Overhead Conductors & Devices	3.00%
357	Underground Conduit	3.33%
358	Underground Conductors & Devices	3.33%
359	Roads & Trails	3.33%
DISTRIBUTION PLANT		
361	Structures and Improvements	3.45%
362	Station Equipment	3.33%
364	Poles, Towers and Fixtures	3.75%
365	Overhead Conductors & Devices	3.21%
367	Underground Conductors & Devices	4.35%
368	Line Transformers	3.17%
369	Services	3.89%
370	Meters	3.33%
373	Street Lighting & Signal Systems	6.11%
GENERAL PLANT		
390	Structures and Improvements	2.56%
391	Office Furniture & Supplies	6.67%
391.1	Computer Equipment	10.00%
392	Transportation Equipment	14.29%
393	Stores Equipment	3.33%
394	Tool, Shop & Garage Equipment	5.56%
395	Laboratory Equipment	5.26%
396	Power Operated Equipment	12.50%
397	Communications Equipment	7.69%