

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
WISCONSIN PUBLIC SERVICE CORPORATION)	
for approval of the gas cost recovery plan and)	Case No. U-15622
factors for the 12-month period ending October 31,)	
2009 and related approvals.)	
_____)	

At the April 30, 2009 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER APPROVING AMENDED SETTLEMENT AGREEMENT

On July 25, 2008, Wisconsin Public Service Corporation (WPS Corp) filed an application under 1982 PA 304, MCL 460.6h(6), with supporting testimony and exhibits, requesting approval of its gas cost recovery (GCR) plan and factors for the 12-month period ending October 31, 2009.

A prehearing conference was held on October 28, 2008 before Administrative Law Judge Daniel E. Nickerson, Jr. WPS Corp and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all the issues in this case. On April 23, 2009, the parties submitted an amended settlement agreement.

According to the terms of the amended settlement agreement, attached as Exhibit A, the parties agree that WPS Corp should be authorized to implement a base GCR factor of \$0.92584 per therm effective with the order approving the amended settlement agreement through October

31, 2009. The base GCR factor reflects a roll-in of the estimated 2007-2008 underrecovery of \$185,612. The parties further agree that WPS Corp should be authorized to adjust its GCR factor on a quarterly basis, in accordance with the terms of the adjustment mechanism described in Attachment B to the amended settlement agreement. The adjustment mechanism includes a \$3.00 cap on the New York Mercantile Exchange increase and provides for the incorporation of symmetry into the contingent factors process for WPS Corp during the 2008-2009 GCR plan year. Under symmetry, the contingent GCR ceiling price shall be calculated using the quarterly adjustment mechanism in Attachment B and that factor shall become the ceiling factor for that quarter without regard to whether the new ceiling factor is higher or lower than the prior quarter's ceiling factor. In no event, will the ceiling GCR factor decrease below the base GCR factor of \$0.92584 per therm; however, the Commission notes that MCL 460.6h(9) permits WPS Corp to reduce its GCR factor below the level authorized by this order.

The parties agree that pursuant to Attachment C to the amended settlement agreement, WPS Corp should be authorized to implement transportation charges of \$0.63708 per month per therm of demand for peak-day backup (annual option), \$0.81448 per month per therm of demand for peak-day backup (seasonal option), and a factor for annual supply backup of \$0.83280 per therm for annual supply backup for the period beginning November 2008 through October 2009.

Finally, the parties agree that WPS Corp's GCR plan and five-year forecast, as amended, to provide for a financial hedging strategy starting with the 2009-2010 GCR plan period, are reasonable and prudent based on information submitted in this case.

The Commission finds that the settlement agreement is reasonable and should be approved.

THEREFORE, IT IS ORDERED that:

A. The amended settlement agreement, attached as Exhibit A, is approved.

B. Wisconsin Public Service Corporation is authorized to incorporate into its rates a uniform base gas cost recovery factor of \$0.92584 per therm through October 2008.

C. Wisconsin Public Service Corporation is authorized to adjust its gas cost recovery price ceiling on a quarterly basis in accordance with the terms and conditions of Attachment B to the settlement agreement.

D. Wisconsin Public Service Corporation is authorized to implement transportation charges of \$0.63708 per month per therm of demand for peak-day backup (annual option), \$0.81448 per month per therm of demand for peak-day backup (seasonal option), and a factor for annual supply backup of \$0.83280 per therm for the period November 2008 through October 2009 pursuant to Attachment C to the settlement agreement.

E. Wisconsin Public Service Corporation shall file with the Commission, within 30 days, tariff sheets substantially similar to Attachments A, B, and C to the settlement agreement.

F. Should Wisconsin Public Service Corporation find it prudent to charge a lesser gas cost recovery factor than that approved by this order, the utility shall notify the Commission ten days prior to the use of the lesser factor and shall file a tariff during the billing month showing the lesser factor applied.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of April 30, 2009.

Mary Jo Kunkle, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
WISCONSIN PUBLIC SERVICE CORPORATION)
for approval of the gas cost recovery) Case No. U-15622
plan and factors for the 12-month period ending)
October 31, 2009 and related approvals.)

AMENDED SETTLEMENT AGREEMENT

As provided in Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and the Commission’s Rules of Practice and Procedure, Rule 333, 1999 AC, R 460.17333, and encouraged by the Commission policy towards settlement of contested issues, Wisconsin Public Service Corporation (“WPS Corp” or the “Company”) and the Michigan Public Service Commission Staff (“Staff”) have resolved through settlement discussions the contested issues regarding this proceeding and hereby agree as follows:

1. As required by 1982 PA 304 (“Act 304”), on July 25, 2008, WPS Corp filed its application, together with the supporting testimony and exhibits of Leslie H. Nishida and Ronald G. Mosnik seeking approval of a Gas Cost Recovery (“GCR”) plan and factors for the twelve months ending October 31, 2009 and a five-year forecast.

2. On September 30, 2008, the Commission’s Executive Secretary issued the Notice of Hearing directing WPS Corp to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its Michigan gas service area. Further, WPS Corp was directed to publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan gas service area.

3. On October 28, 2008, a prehearing conference was held. Administrative Law Judge Daniel E. Nickerson, Jr. presided over the proceeding. WPS Corp electronically submitted the requisite Affidavit of Mailing and Affidavit of Publication prior to the conference. WPS Corp and Staff participated in the proceedings. There were no intervenors.

4. Subsequent to the prehearing conference, the parties engaged in settlement discussions and have agreed as follows:

a. WPS Corp's GCR plan for the 12-month period from November 2008 through October 2009, and the underlying decisions, are reasonable and prudent and in compliance with Act 304 and should be approved by the Commission.

b. WPS Corp should be authorized to implement a base GCR factor of \$0.92584 per therm for the period beginning with the Commission issuing an order approving the settlement agreement through October 31, 2009.¹ The base GCR factor of \$0.92584 per therm includes the roll-in of the estimated 2007-08 GCR underrecovery of \$185,612. WPS Corp's tariff sheet, MPSC Vol. No. 5 Gas, Sheet No. D-5.00 reflects the base GCR factors as set forth herein and is attached hereto as Attachment A.

c. WPS Corp should be authorized to adjust its GCR factor on a quarterly basis in accordance with the terms and conditions of Attachment B, MPSC Vol. No. 5-Gas, Sheets Nos. D-6.00, D-7.00 and D-8.00, which reflect a \$3.00 cap on the NYMEX increase incorporated in the contingency plan. More specifically, each quarter the contingent GCR ceiling price will be calculated using the quarterly adjustment mechanism contained in Attachment B and that factor will become the ceiling factor for that quarter without regard to

¹ For the period prior to the issuance of an MPSC order approving this settlement agreement, WPS has, and will continue to, self-implement its GCR factor pursuant to Sec. 6h(9) of Act 304.

whether the new ceiling factor is higher or lower than the prior quarter's ceiling factor. In no event, will the ceiling factor decrease below the base GCR factor of \$0.92584 per therm.

d. WPS Corp's five-year forecast, as filed, and subject to the agreed upon revision stated in paragraph 4e herein, meets the statutory mandates of Act 304 and should be accepted for filing. Furthermore, the decisions underlying WPS Corp's five-year forecast are reasonable and prudent based upon present evidence.

e. WPS Corp's current GCR Plan includes a purchasing strategy that requires 35% of the natural gas delivered to its Michigan customers during the November through March winter period to be from fixed price physical supply contracts. An additional 35% of natural gas delivered to WPS Corp Michigan customers during the winter period comes from gas storage supplies, thereby providing 70% of the gas delivered during the winter period with fixed prices.

Staff has had discussions with WPS Corp to modify its next GCR plan to use a financial hedge strategy to fix the price on that volume of natural gas which does not come from storage instead of the Company's current strategy of purchasing that volume through fixed physical price contracts. The parties agree that WPS Corp should employ this financial hedge strategy beginning with the 2009 – 2010 GCR plan period for the same total volumes used for the fixed price contracts. The parties are in agreement that the maximum that the financial hedge premium should be is \$1.00/MMBtu and that contracts will be purchased in the May through August time period.

The parties also agree that WPS Corp will include in its 2009 – 2010 GCR plan, the detailed financial hedging strategy the Company used to make these financial hedges and any information on the financial hedging contracts already purchased before the plan was submitted.

The parties agree that reasonably and prudently incurred premiums on financial instruments and the corresponding gains and losses shall be treated as part of the booked costs of gas for purposes of the gas cost recovery clause. WPS Corp shall report these gains or losses on separate lines as part of its GCR monthly (45 day) reports and its GCR reconciliation case filing.

f. All issues relating to WPS Corp's GCR plan for the 12-month period ending October 2009 are resolved by this agreement.

g. WPS Corp should also be authorized, as set forth in Attachment C, Sheet No. E-18.00 to implement the transportation charges of: (i) \$0.63708 per month per therm of demand for Peak Day Backup (Annual Option); and (ii) \$0.81448 per month per therm of demand for Peak Day Backup (Seasonal Option). Furthermore, WPS Corp should be authorized to implement a factor for Annual Supply Backup equal to \$0.83280 per therm beginning November 2008 through October 2009. These transportation charges now reflect capacity added by the completion of the Guardian Pipeline expansion project.

5. It is the opinion of all signatories that this settlement agreement is reasonable, will promote the public interest and will aid the expeditious conclusion of this case.

6. This settlement agreement is intended for a final disposition of this proceeding, and the parties join in respectfully requesting that the Commission grant prompt approval. The Staff agrees that this settlement is just, reasonable and in the public interest. The parties agree not to appeal, challenge or contest the Commission's order accepting and approving this settlement agreement without modification. If the Commission does not accept the settlement agreement without modification, the agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

7. This settlement agreement has been made for the sole and express purpose of settling this case, and all discussions relating hereto are and shall be privileged and shall not be used in any manner, or be admissible, for any other purposes in connection with this proceeding or any other proceeding, except as necessary to enforce the provisions hereof. This settlement agreement shall not constitute a precedent in any other case or proceeding except as necessary to carry out its terms.

8. All signatories waive Section 81 of the APA of 1969, as amended, MCL 24.231.

WISCONSIN PUBLIC SERVICE CORPORATION

Dated: April 22, 2009

By: _____

One of Its Attorneys
Harvey J. Messing (P23309)
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MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: April 22, 2009

By: _____

Its Attorney
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Assistant Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, Michigan 48911

LALIB:179459.3\130072-00023

Wisconsin Public Service Corporation
Case No. U-15622
Amended Settlement Agreement

Attachment A

WISCONSIN PUBLIC SERVICE CORPORATION

MICHIGAN

MPSC Vol No 5-GAS

17th Rev. Sheet No. D-5.00
Replaces 16th Rev. Sheet No. D-5.00

D2. Gas Cost Recovery Factors (Schedule GCRFM)		Natural Gas
Billing Months	Maximum Authorized Factor \$/Therm	Actual Factor Billed \$/Therm
November, 2008	\$1.40668 per Therm	\$1.12493 per Therm
December, 2008	\$1.40668 per Therm	\$1.07192 per Therm
January, 2009	\$1.40668 per Therm	\$1.02542 per Therm
February, 2009	\$1.40668 per Therm	\$0.91699 per Therm
March, 2009	\$1.40668 per Therm	\$0.77336 per Therm
April, 2009	\$1.40668 per Therm	\$0.79279 per Therm
R May, 2009	\$0.92584 per Therm	\$0.73854 per Therm
R June, 2009	\$0.92584 per Therm	\$0.00000 per Therm
R July, 2009	\$0.92584 per Therm	\$0.00000 per Therm
R August, 2009	\$0.92584 per Therm	\$0.00000 per Therm
R September, 2009	\$0.92584 per Therm	\$0.00000 per Therm
R October, 2009	\$0.92584 per Therm	\$0.00000 per Therm

The company will file a revised Sheet No. D-5.00 monthly or as necessary to reflect the factor to be billed the following month.

These GCR Factors are subject to adjustment pursuant to the Contingent GCR Factors on Sheet Nos. D-6.00, D-7.00, and D-8.00.

The adjusted GCR Factors per the Contingent GCR Factors are the maximum GCR Factors the Company may charge. The actual GCR Factor charged in any month may be less than the adjusted GCR Factor.

The Company will file by July 31, 2009 for maximum Gas Cost Recovery factors for November 2009 - October 2010. The Gas Cost Recovery Factor to be charged beginning November 2008 is authorized pursuant to §6(h)(9) of 1982 PA 304, as amended, MCL 460.6h et seq.

Continued to Sheet No. D-6.00.

Issued: 04-17-09

By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for bills rendered
For the November 2008 -
October 2009 billing months.
Issued Under Auth. of
Mich Public Serv Comm
Dated:
In Case No: U-15622

Wisconsin Public Service Corporation
Case No. U-15622
Amended Settlement Agreement

Attachment B

WISCONSIN PUBLIC SERVICE CORPORATION

MICHIGAN

MPSC Vol No 5-GAS

2nd Rev. Sheet No. D-6.00
Replaces 1st Rev. Sheet No. D-6.00

D2. Gas Cost Recovery Factors (Schedule GCRFM) (Contd)

Natural Gas

Continued from Sheet No. D-5.00.

CONTINGENT GAS COST RECOVERY ("GCR") FACTORS

Pursuant to the Commission's order approving the settlement in Case No. U-15622, the 2008-09 GCR factors listed on Sheet No. D-5.00 will be increased or decreased on a quarterly basis, for the remaining months of such GCR Plan year, contingent upon NYMEX futures prices for natural gas increasing to a level above that which was incorporated in the calculation of the Commission approved GCR factor ceiling prices.

At least fifteen days before the beginning of each quarter, the Company shall file with the Michigan Public Service Commission an updated tariff Sheet No. D-5.00 reflecting any increases or decrease to the GCR factor ceiling prices. The informational filing shall include all supporting documents necessary to verify the new price ceiling, including a copy of the calculation of the five-day average of the NYMEX prices for the remaining months in the GCR period, and a copy of the NYMEX futures price sheet for the first five trading days of the month, such sheets being an authoritative source used by the gas industry. The filing shall be incorporated in the GCR Plan docket U-15622 with notice of filing provided to all interveners.

Definitions:

The Contingent Gas Cost Recovery Factors shown in the table on Sheet No. D-7.00 and D-8.00 are authorized for the November 2008 through October 2009 GCR Plan period and include any changes due to flowing gas as well as known changes from the GCR plan for fixed price gas and storage gas. For purposes of determining the authorized Contingent Gas Cost Recovery Factors, the following relationships apply:

FM-Flowing = Fractional Multiplier for flowing gas.

FM-Storage = Fractional Multiplier for storage gas.

FM-Fixed = Fractional Multiplier for fixed price gas.

NYMEX Increase = $(X - X_{plan})$ (This equation is applicable to all sources of gas supply with some modifications for storage gas and fixed price gas.)

X = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/Mmbtus), for the remaining months of the GCR plan year, (averaged over the first five trading days of the month prior to implementation.) (Storage gas will use the actual NYMEX prices for the summer injection period. Fixed Price gas will use the contracted NYMEX strip.)

X_{plan} = the NYMEX average incorporated in the calculation of the base GCR factors, as delineated in the table on Sheet No. D-7.00 and D-8.00

Continued to Sheet No. D-7.00

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VP Regulatory Affairs
Green Bay, Wisconsin

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WISCONSIN PUBLIC SERVICE CORPORATION
MICHIGAN

MPSC Vol No 5-GAS

2nd Rev. Sheet No. D-7.00
Replaces 1st Rev. Sheet No. D-7.00

D2. Gas Cost Recovery Factors (Schedule GCRFM) (Contd)		Natural Gas							
Continued from Sheet No. D-6.00									
		Nov-Jan 1st Qtr			Feb-Apr 2nd Qtr			May-Jul 3rd Qtr	Aug-Oct 4th Qtr
		Flowing	Storage	Fixed	Flowing	Storage	Fixed	Flowing	Flowing
R	FM	0.045	0.027	0.027	0.064	0.016	0.020	0.100	0.100
R	(X _{plan})-(\$/MMBtu)	\$12.631	\$12.229	\$13.046	\$12.211	\$12.229	\$13.056	\$11.716	\$11.806
R	Base GCR Factor	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668
NYMEX Increase		Incremental Contingent GCR Factor							
Greater Than Or Equal To (\$/MMBtu)		But Less Than (\$/MMBtu)		(\$/therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)
R	\$0.00	\$0.05	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
R	\$0.05	\$0.10	\$0.00225	\$0.00135	\$0.00135	\$0.00320	\$0.00080	\$0.00100	\$0.00500
R	\$0.10	\$0.15	\$0.00450	\$0.00270	\$0.00270	\$0.00640	\$0.00160	\$0.00200	\$0.01000
R	\$0.15	\$0.20	\$0.00675	\$0.00405	\$0.00405	\$0.00960	\$0.00240	\$0.00300	\$0.01500
R	\$0.20	\$0.25	\$0.00900	\$0.00540	\$0.00540	\$0.01280	\$0.00320	\$0.00400	\$0.02000
R	\$0.25	\$0.30	\$0.01125	\$0.00675	\$0.00675	\$0.01600	\$0.00400	\$0.00500	\$0.02500
R	\$0.30	\$0.35	\$0.01350	\$0.00810	\$0.00810	\$0.01920	\$0.00480	\$0.00600	\$0.03000
R	\$0.35	\$0.40	\$0.01575	\$0.00945	\$0.00945	\$0.02240	\$0.00560	\$0.00700	\$0.03500
R	\$0.40	\$0.45	\$0.01800	\$0.01080	\$0.01080	\$0.02560	\$0.00640	\$0.00800	\$0.04000
R	\$0.45	\$0.50	\$0.02025	\$0.01215	\$0.01215	\$0.02880	\$0.00720	\$0.00900	\$0.04500
R	\$0.50	\$0.55	\$0.02250	\$0.01350	\$0.01350	\$0.03200	\$0.00800	\$0.01000	\$0.05000
R	\$0.55	\$0.60	\$0.02475	\$0.01485	\$0.01485	\$0.03520	\$0.00880	\$0.01100	\$0.05500
R	\$0.60	\$0.65	\$0.02700	\$0.01620	\$0.01620	\$0.03840	\$0.00960	\$0.01200	\$0.06000
R	\$0.65	\$0.70	\$0.02925	\$0.01755	\$0.01755	\$0.04160	\$0.01040	\$0.01300	\$0.06500
R	\$0.70	\$0.75	\$0.03150	\$0.01890	\$0.01890	\$0.04480	\$0.01120	\$0.01400	\$0.07000
R	\$0.75	\$0.80	\$0.03375	\$0.02025	\$0.02025	\$0.04800	\$0.01200	\$0.01500	\$0.07500
R	\$0.80	\$0.85	\$0.03600	\$0.02160	\$0.02160	\$0.05120	\$0.01280	\$0.01600	\$0.08000
R	\$0.85	\$0.90	\$0.03825	\$0.02295	\$0.02295	\$0.05440	\$0.01360	\$0.01700	\$0.08500
R	\$0.90	\$0.95	\$0.04050	\$0.02430	\$0.02430	\$0.05760	\$0.01440	\$0.01800	\$0.09000
R	\$0.95	\$1.00	\$0.04275	\$0.02565	\$0.02565	\$0.06080	\$0.01520	\$0.01900	\$0.09500
R	\$1.00	\$1.05	\$0.04500	\$0.02700	\$0.02700	\$0.06400	\$0.01600	\$0.02000	\$0.10000
R	\$1.05	\$1.10	\$0.04725	\$0.02835	\$0.02835	\$0.06720	\$0.01680	\$0.02100	\$0.10500
R	\$1.10	\$1.15	\$0.04950	\$0.02970	\$0.02970	\$0.07040	\$0.01760	\$0.02200	\$0.11000
R	\$1.15	\$1.20	\$0.05175	\$0.03105	\$0.03105	\$0.07360	\$0.01840	\$0.02300	\$0.11500
R	\$1.20	\$1.25	\$0.05400	\$0.03240	\$0.03240	\$0.07680	\$0.01920	\$0.02400	\$0.12000
R	\$1.25	\$1.30	\$0.05625	\$0.03375	\$0.03375	\$0.08000	\$0.02000	\$0.02500	\$0.12500
R	\$1.30	\$1.35	\$0.05850	\$0.03510	\$0.03510	\$0.08320	\$0.02080	\$0.02600	\$0.13000
R	\$1.35	\$1.40	\$0.06075	\$0.03645	\$0.03645	\$0.08640	\$0.02160	\$0.02700	\$0.13500
R	\$1.40	\$1.45	\$0.06300	\$0.03780	\$0.03780	\$0.08960	\$0.02240	\$0.02800	\$0.14000
R	\$1.45	\$1.50	\$0.06525	\$0.03915	\$0.03915	\$0.09280	\$0.02320	\$0.02900	\$0.14500

Continue to Sheet No. D-8.00

Issued: 10-10-08

By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

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WISCONSIN PUBLIC SERVICE CORPORATION
MICHIGAN

MPSC Vol No 5-GAS

2nd Rev. Sheet No. D-8.00
Replaces 1st Rev. Sheet No. D-8.00

D2. Gas Cost Recovery Factors (Contd) (Schedule GCRFM)		Natural Gas								
Continued from Sheet No. D-7.00										
		Nov-Jan 1st Qtr			Feb-Apr 2nd Qtr			May-Jul 3rd Qtr	Aug-Oct 4th Qtr	
		Flowing	Storage	Fixed	Flowing	Storage	Fixed	Flowing	Flowing	
R	FM	0.045	0.027	0.027	0.064	0.016	0.020	0.100	0.100	
R	(X _{plan})-(\$/MMBtu)	\$12.631	\$12.229	\$13.046	\$12.211	\$12.229	\$13.056	\$11.716	\$11.806	
R	Base GCR Factor	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	\$1.40668	
NYMEX Increase Greater Than Or Equal To (\$/MMBtu)		Incremental Contingent GCR Factor								
But Less Than (\$/MMBtu)		(\$/therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	(\$/Therm)	
R	\$1.50	\$1.55	\$0.06750	\$0.04050	\$0.04050	\$0.09600	\$0.02400	\$0.03000	\$0.15000	\$0.1500
R	\$1.55	\$1.60	\$0.06975	\$0.04185	\$0.04185	\$0.09920	\$0.02480	\$0.03100	\$0.15500	\$0.1550
R	\$1.60	\$1.65	\$0.07200	\$0.04320	\$0.04320	\$0.10240	\$0.02560	\$0.03200	\$0.16000	\$0.1600
R	\$1.65	\$1.70	\$0.07425	\$0.04455	\$0.04455	\$0.10560	\$0.02640	\$0.03300	\$0.16500	\$0.1650
R	\$1.70	\$1.75	\$0.07650	\$0.04590	\$0.04590	\$0.10880	\$0.02720	\$0.03400	\$0.17000	\$0.1700
R	\$1.75	\$1.80	\$0.07875	\$0.04725	\$0.04725	\$0.11200	\$0.02800	\$0.03500	\$0.17500	\$0.1750
R	\$1.80	\$1.85	\$0.08100	\$0.04860	\$0.04860	\$0.11520	\$0.02880	\$0.03600	\$0.18000	\$0.1800
R	\$1.85	\$1.90	\$0.08325	\$0.04995	\$0.04995	\$0.11840	\$0.02960	\$0.03700	\$0.18500	\$0.1850
R	\$1.90	\$1.95	\$0.08550	\$0.05130	\$0.05130	\$0.12160	\$0.03040	\$0.03800	\$0.19000	\$0.1900
R	\$1.95	\$2.00	\$0.08775	\$0.05265	\$0.05265	\$0.12480	\$0.03120	\$0.03900	\$0.19500	\$0.1950
R	\$2.00	\$2.05	\$0.09000	\$0.05400	\$0.05400	\$0.12800	\$0.03200	\$0.04000	\$0.20000	\$0.2000
R	\$2.05	\$2.10	\$0.09225	\$0.05535	\$0.05535	\$0.13120	\$0.03280	\$0.04100	\$0.20500	\$0.2050
R	\$2.10	\$2.15	\$0.09450	\$0.05670	\$0.05670	\$0.13440	\$0.03360	\$0.04200	\$0.21000	\$0.2100
R	\$2.15	\$2.20	\$0.09675	\$0.05805	\$0.05805	\$0.13760	\$0.03440	\$0.04300	\$0.21500	\$0.2150
R	\$2.20	\$2.25	\$0.09900	\$0.05940	\$0.05940	\$0.14080	\$0.03520	\$0.04400	\$0.22000	\$0.2200
R	\$2.25	\$2.30	\$0.10125	\$0.06075	\$0.06075	\$0.14400	\$0.03600	\$0.04500	\$0.22500	\$0.2250
R	\$2.30	\$2.35	\$0.10350	\$0.06210	\$0.06210	\$0.14720	\$0.03680	\$0.04600	\$0.23000	\$0.2300
R	\$2.35	\$2.40	\$0.10575	\$0.06345	\$0.06345	\$0.15040	\$0.03760	\$0.04700	\$0.23500	\$0.2350
R	\$2.40	\$2.45	\$0.10800	\$0.06480	\$0.06480	\$0.15360	\$0.03840	\$0.04800	\$0.24000	\$0.2400
R	\$2.45	\$2.50	\$0.11025	\$0.06615	\$0.06615	\$0.15680	\$0.03920	\$0.04900	\$0.24500	\$0.2450
R	\$2.50	\$2.55	\$0.11250	\$0.06750	\$0.06750	\$0.16000	\$0.04000	\$0.05000	\$0.25000	\$0.2500
R	\$2.55	\$2.60	\$0.11475	\$0.06885	\$0.06885	\$0.16320	\$0.04080	\$0.05100	\$0.25500	\$0.2550
R	\$2.60	\$2.65	\$0.11700	\$0.07020	\$0.07020	\$0.16640	\$0.04160	\$0.05200	\$0.26000	\$0.2600
R	\$2.65	\$2.70	\$0.11925	\$0.07155	\$0.07155	\$0.16960	\$0.04240	\$0.05300	\$0.26500	\$0.2650
R	\$2.70	\$2.75	\$0.12150	\$0.07290	\$0.07290	\$0.17280	\$0.04320	\$0.05400	\$0.27000	\$0.2700
R	\$2.75	\$2.80	\$0.12375	\$0.07425	\$0.07425	\$0.17600	\$0.04400	\$0.05500	\$0.27500	\$0.2750
R	\$2.80	\$2.85	\$0.12600	\$0.07560	\$0.07560	\$0.17920	\$0.04480	\$0.05600	\$0.28000	\$0.2800
R	\$2.85	\$2.90	\$0.12825	\$0.07695	\$0.07695	\$0.18240	\$0.04560	\$0.05700	\$0.28500	\$0.2850
R	\$2.90	\$2.95	\$0.13050	\$0.07830	\$0.07830	\$0.18560	\$0.04640	\$0.05800	\$0.29000	\$0.2900
R	\$2.95	\$3.00	\$0.13275	\$0.07965	\$0.07965	\$0.18880	\$0.04720	\$0.05900	\$0.29500	\$0.2950

Issued: 10-10-08

By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for bills rendered
For the November 2008 -
October 2009 billing months.
Issued Under Auth. of
Mich Public Serv Comm
Dated:
In Case No: U-15622

Wisconsin Public Service Corporation
Case No. U-15622
Amended Settlement Agreement

Attachment C

WISCONSIN PUBLIC SERVICE CORPORATION

MICHIGAN

MPSC Vol No 5-GAS

5th Rev. Sheet No. E-18.00
Replaces 4th Rev. Sheet No. E-18.00

E3. Gas Transportation Service-Rates		Natural Gas	
<u>GAS TRANSPORTATION SERVICE - RATE SCHEDULE GT</u>			
	<u>Distribution Charge</u>	<u>Take-or-Pay Rate</u>	<u>Effective Rate</u>
	\$	\$	\$
<u>Cg-TM</u>			
Monthly Customer Charge*	--	--	4.8493/147.50
Rate Per Therm	0.08514	0.00000	0.08514
<u>Cg-TL</u>			
Monthly Customer Charge*	--	--	6.9698/212.00
Rate Per Therm	0.06214	0.00000	0.06214
<u>Cg-TSL</u>			
Monthly Customer Charge*	--	--	6.9698/212.00
Rate Per Therm	0.03000	0.00000	0.03000
<u>PEAK DAY BACKUP SERVICE AND ANNUAL SUPPLY BACKUP SERVICE</u>			
Demand Charge - Per Therm of Demand Per Month (Annual Option)			\$0.63708
Demand Charge - Per Therm of Demand Per Month (Seasonal Option)			\$0.81448
Commodity Charge - City Gate Rate Per Therm**			\$0.83280
D1 Rate (Case No. U-15622)			\$0.09304
<u>ANR-WPSC PRESSURE BASE CORRECTION:</u>		(14.73/14.60) = 1.0089	
<u>DAILY BALANCING SERVICE</u>			
<u>% Difference From Nomination</u>	<u>Floor Rate Per Therm</u>	<u>Ceiling Rate Per Therm</u>	<u>Effective Rate Per Therm</u>
>0.0% up to 25.0%	\$0.0045	\$0.1216	\$0.0207
>25.0%	\$0.0457	\$0.1673	\$0.1333
*This charge includes a \$140.00 per month Administrative Charge.			
**Rate at the Company's city gate. The transportation Distribution Charge corresponding to the customer's rate class (from above) must be added to calculate the effective rate for deliveries to the customer's meter. This rate is subject to adjustment pursuant to the GCR Factor Adjustment Mechanism on Sheet No. D-6.00.			

R
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Issued: 04-15-09
By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for Service
On and After: 05-01-09
Issued Under Auth. of
Mich Public Serv Comm
Dated:
In Case No: U-15622

WISCONSIN PUBLIC SERVICE CORPORATION
 Gas Cost Recovery Plan
 Corporate Cost of Gas Detail

-----CORP PEAK DAY COSTS (D-1)-----

	-----ANR RESERVATION FEES-----							
	CORP TOTAL ----(1)---	Sub-TOTAL ----(2)---	TO/FM STORAGE ----(3)---	OTHER ANR ETS/FTS-1 ----(4)---	TCPL + VIKING ----(5)---	FSS DEL COST ----(6)---	FSS CAP COST ----(7)---	Fox Energy Capacity Call ----(8)---
Nov 2008	\$3,961,342	\$3,289,240	\$1,061,815	\$1,232,860	\$213,176	\$332,494	\$285,054	\$163,840
Dec 2008	\$3,961,342	\$3,289,240	\$1,061,815	\$1,232,860	\$213,176	\$332,494	\$285,054	\$163,840
Jan 2009	\$3,961,342	\$3,289,240	\$1,061,815	\$1,232,860	\$213,176	\$332,494	\$285,054	\$163,840
Feb 2009	\$3,948,908	\$3,289,240	\$1,061,815	\$1,232,860	\$213,176	\$332,494	\$285,054	\$163,840
Mar 2009	\$3,948,908	\$3,289,240	\$1,061,815	\$1,232,860	\$213,176	\$332,494	\$285,054	\$163,840
Apr 2009	\$2,594,719	\$1,755,374	\$391,015	\$700,171	\$213,176	\$243,428	\$207,582	\$0
May 2009	\$2,435,238	\$1,618,766	\$258,025	\$696,554	\$213,176	\$243,428	\$207,582	\$0
Jun 2009	\$2,435,238	\$1,618,766	\$258,025	\$696,554	\$213,176	\$243,428	\$207,582	\$0
Jul 2009	\$2,435,238	\$1,618,766	\$258,025	\$696,554	\$213,176	\$243,428	\$207,582	\$0
Aug 2009	\$2,435,238	\$1,618,766	\$258,025	\$696,554	\$213,176	\$243,428	\$207,582	\$0
Sep 2009	\$2,435,238	\$1,618,766	\$258,025	\$696,554	\$213,176	\$243,428	\$207,582	\$0
Oct 2009	\$2,582,698	\$1,743,889	\$379,531	\$700,171	\$213,176	\$243,428	\$207,582	\$0
Total	\$37,135,449	\$28,039,291	\$7,369,747	\$11,047,412	\$2,558,117	\$3,366,470	\$2,878,345	\$819,200

-----GUARDIAN RESERVATION FEES-----

	-----ANR RESERVATION FEES-----					CAPACITY RELEASE REVENUE ----(14)---	BASE CAP REVENUE (D-1) ----(15)---
	Sub-Total ----(9)---	TO/FM STORAGE ----(10)---	Guardian FTX ----(11)---	FSS DEL COST ----(12)---	FSS CAP COST ----(13)---		
Nov 2008	\$1,215,889	\$10,125	\$1,093,935	\$19,844	\$91,984	(\$279,490)	(\$264,297)
Dec 2008	\$1,215,889	\$10,125	\$1,093,935	\$19,844	\$91,984	(\$279,490)	(\$264,297)
Jan 2009	\$1,215,889	\$10,125	\$1,093,935	\$19,844	\$91,984	(\$279,490)	(\$264,297)
Feb 2009	\$1,215,889	\$10,125	\$1,093,935	\$19,844	\$91,984	(\$292,997)	(\$263,224)
Mar 2009	\$1,215,889	\$10,125	\$1,093,935	\$19,844	\$91,984	(\$292,997)	(\$263,224)
Apr 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$289,185)
May 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$312,058)
Jun 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$312,058)
Jul 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$312,058)
Aug 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$312,058)
Sep 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$312,058)
Oct 2009	\$1,416,388	\$42,570	\$1,093,935	\$59,532	\$220,351	(\$287,858)	(\$289,721)
Total	\$15,994,163	\$348,614	\$13,127,224	\$515,947	\$2,002,379	(\$3,439,470)	(\$3,458,535)

-----MICHIGAN PEAK DAY BACKUP-----

	-----ANNUAL-----			-----SEASONAL-----			TOTAL REVENUE ----(22)---
	NOM (DTH) ----(16)---	RATE (\$/DTH) ----(17)---	REVENUE ----(18)---	NOM (DTH) ----(19)---	RATE (\$/DTH) ----(20)---	REVENUE ----(21)---	
Nov 2008	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Dec 2008	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Jan 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Feb 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Mar 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Apr 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
May 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Jun 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Jul 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Aug 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Sep 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Oct 2009	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0
Total	0	\$6.3708	\$0	0	\$8.1448	\$0	\$0

- NOTES: (1) (2) + (9) + (14) + (15).
 (2) (3) + (4) + (5) + (6) + (7) + (8).
 (3) (Page 2: (col 1)*(col 2 - col 4))+(Page 4: (col 14)*(col 15))+(Page 4: (col 16)*(col 17))+
 (Page 2: (col 5)*(col 6))+Page 5: (col 13)*(col 14))+Page 3: (col 3)*(col 4))+Page 3: (col 5)*(col 6))+Page 4: (col 20)*(col 21))
 (4) (Page 4: (col 1)*(col 5))+Page 4: (col 2)*(col 6))+Page 4: (col 3)*(col 7))+Page 4: (col 4)*(col 8))+Page 4: (col 18)*(col 19))+
 (Page 5: (col 1)*(col 5))+Page 5: (col 2)*(col 6))+Page 5: (col 3)*(col 7))+Page 5: (col 4)*(col 8)).
 (5) (Page 4: (col 9)*(col 11))+Page 4: (col 10)*(col 12))+Page 5: (col 9)*(col 11))+Page 5: (col 10)*(col 12)).
 (6) ((Page 2, col 10)*(Page 2, col 11)-(Page 2, col 4)/(1-Page A3, col 30)))+(Page 2, col 8)*(Page 2, col 9)+
 (Page 2, col 18)*(Page 2, col 19)+(Page 2, col 16)*(Page 2, col 17).
 (7) ((Page 2, col 14)*(Page 2, col 15)-(Page 2, col 4)*(1-Page A2, col 31)))+(Page 2, col 12)*(Page 2, col 13)+
 (Page 2: (col 20)*(col 21))+Page 2: (col 22)*(col 23))+Page 3: (col 13)*(col 14))+Page 3: (col 15)*(col 16)).
 (8) (Page 4, col 22)*(Page 4, col 23)
 (9) (10) + (11) + (12) + (13).
 (10) (Page 3, col 3)*(Page 3, col 4)+(Page 3, col 5)*(Page 3, col 6)
 (11) ((Page 3, col 1)*(Page 3, col 2))
 (12) (Page 3, col 9)*(Page 3, col 10)+(Page 3, col 11)*(Page 3, col 12).
 (13) (Page 3, col 13)*(Page 3, col 14)+(Page 3, col 15)*(Page 3, col 16)+(Page 3, col 17)*(Page 3, col 18).
 (14) (Estimate Capacity Release Revenue)
 (15) Page 9, col 11.
 (16) Estimated Michigan Annual Peak Day Back-Up Nominations.
 (17) (TOTAL col 1)/(485,753*12). The 485,753 is from Exhibit A-4 RGM-4.
 (18) Estimated Michigan Annual Peak Day Back-Up Revenue (col 11)*(col 12).
 (19) Estimated Michigan Seasonal Peak Day Back-Up Nominations.
 (20) (Col 1, Winter only)/(485,753*5). The 485,753 is from Exhibit A-4 RGM-4.
 (21) Estimated Michigan Seasonal Peak Day Back-Up Revenue (col 14)*(col 15).
 (22) Estimated Michigan Total Peak Day Back-Up Revenue (col 13)+(col 16).