



Wisconsin Power and Light Co.
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FILED ELECTRONICALLY

Ms. Sandra J. Paske
Secretary to the Commission
Public Service Commission of Wisconsin
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

**RE: Final Form Tariff Sheets for Wisconsin
Power and Light Company Day-ahead
Market Pricing Tariff Rider**

Docket: 6680-TE-102

Dear Secretary Paske:

The attached final-form electric tariff sheets are being filed in compliance with the Public Service Commission of Wisconsin Final Decision under Docket 6680-TE-102. This decision approved implementation of the Day Ahead Market Pricing tariff. These sheets were assigned amendment number 528.

Please contact me if you have additional questions regarding this filing.

Sincerely,

/s/ **Brian Penington**
Brian Penington
Manager Regulatory Affairs

DAY AHEAD MARKET PRICING RIDER
(Experimental)**ELECTRIC**

1. Effective In

The Day Ahead Market Pricing Rider (“Rider”) is available in all territory served by Wisconsin Power and Light Company (the “Company” or “WPL”).

2. Availability

The Rider participation limit is a program maximum of 50 MW total load.

This Rider is available to customers served under Rate Schedule Cp-2. This Rider cannot be concurrently utilized by customers taking service under other rider rate schedules.

This Rider is not available to customers or potential customers transferring load from a different electricity provider in Wisconsin to WPL.

This Rider is an experimental pilot program. The terms and conditions of this Rider may be modified outside of a rate proceeding, subject to approval by the Public Service Commission of Wisconsin (“PSCW”).

3. Rate

Each customer will have unique Baseline Levels for energy and demand usage as outlined in the Baseline Determination section of this Rider. A customer will be charged according to the applicable standard tariff rates for their usage up to and including their Baseline Levels. Incremental usage above the Baseline Levels will be charged at market-based energy and incremental demand rates specified in this Rider.

Administrative Charge per Day: \$6.00

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Baseline Level Charges: The Schedule Cp-2 rate, definitions, rules and riders apply to all energy and demand consumption that does not exceed the Baseline Levels for the month.

Above Baseline Level Charges: The following charges shall apply to all energy and demand consumption in excess of the Baseline Levels for the month.

- A) Incremental Energy Rate (“IER”) - If the customer’s energy consumed exceeds Baseline Levels in any hour of the billing month, the incremental energy above the Baseline Levels will be charged the following IER components:
- 1) The hourly Midcontinent Independent System Operator, Inc. (“MISO”) Day-Ahead Locational Marginal Pricing for the ALTE.ALTE pricing load zone.
 - 2) Transaction costs charged and credited to the Company by MISO. WPL will annually update the per unit rate to be effective each January based on the costs from the prior November-through-October time period. These charges include, but are not limited to:
 - a. Regulation Cost Distribution Amount (MISO Schedule 3);
 - b. Spinning Reserves Cost Distribution Amount (MISO Schedule 5);
 - c. Supplemental Cost Distribution Amount (MISO Schedule 6);
 - d. Revenue Sufficiency Guarantee Distribution Amount;
 - e. Revenue Neutrality Uplift Expense; and
 - f. Distribution of Losses Credit.
 - 3) Energy-based transmission and dispatch operation costs charged to the Company by American Transmission Company (“ATC”), MISO or their successors for costs to provide transmission service to the customer. WPL will use the base rate case cost estimates to determine a per unit rate, including recovery of escrow accounting cost adjustments. These charges include, but are not limited to:
 - a. Multi-Value Project (“MVP”) Expense (MISO Schedule 26A , as well as MVP true-up adjustments);
 - b. MISO Administrative Expenses (MISO Schedule 17); and
 - c. Control Area Operator Cost (MISO Schedule 24).
 - 4) Margin on Energy at \$0.0005/kWh.
 - 5) Gross Receipts Tax applied to IER components 1) through 4) at 3.19%.

The IER will not be less than \$0.019/kWh in any hour. IER components 1) and 2), as well as the associated losses from component 5) will be treated as fuel-related energy costs.

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- B) Incremental Demand Rate (“IDR”) – If the customer’s coincident demand at the time of ATC system peak exceeds Baseline Levels for the month, the incremental demand above the Baseline Levels will be charged the following IDR components:
- 1) Resource Adequacy Charge of \$2.00 per kW.
 - 2) ATC Network Transmission Charge. This charge will be based on the estimated rate provided by ATC.
 - 3) Demand-based transmission costs charged to the Company from ATC, MISO or their successors for costs to provide transmission service. WPL will use the base rate case cost estimates to determine a per unit rate including recovery of escrow accounting cost adjustments. These charges include, but are not limited to the following:
 - a. Scheduling/Dispatch (MISO Schedule 1);
 - b. Voltage/Reactive Expense and Revenue (MISO Schedule 2);
 - c. Network Service (MISO Schedule 9);
 - d. Independent System Operator Cost Recovery (MISO Schedule 10);
 - e. FERC Administrative (MISO Schedule 10-FERC);
 - f. Wholesale Distribution Service (MISO Schedule 11);
 - g. Network Upgrade Expense (MISO Schedule 26);
 - h. Blackstart Service (MISO Schedule 33);
 - i. System Support Resources (MISO Schedule 43);
 - j. PJM Charges; and
 - k. Direct Network Upgrade Charges.
 - 4) Gross Receipts Tax applied to IDR components 1) through 3) at 3.19%.
- C) Any other credits or charges that may be authorized or mandated by the PSCW from time to time that would apply to incremental usage, including applicable Act 141 obligations.

4. Determination of Baseline Levels

A customer’s Baseline Levels shall be based on a firm amount nominated by Customer for the term of the contract. Energy and Demand Baseline Levels will be contracted prior to beginning service under this Rider and will be applicable for the duration of the Contract Period. The following Baseline Levels will be established as a part of contracted service under this Rider:

hourly week day energy usage, by month;
hourly weekend energy usage, by month;
monthly firm on-peak demand;
monthly customer demand;
monthly coincident peak demand; and
monthly billed reactive energy.

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5. Contract Requirements

A customer subscribing to this Rider must enter into a contract for a term of five calendar years, each beginning on January 1 and ending on December 31. If the Customer wishes to begin service under this Rider on a date other than January 1, the contract term may include service for part of the then-current calendar year, in which case the requisite term of five calendar years will commence on January 1 of the next calendar year.

The Customer may terminate service under this Rider upon no less than two years' written notice to the Company. A termination by the Customer will become effective on December 31 of the year that is two calendar years beyond the calendar year in which the Customer delivers its written notice of termination to the Company. A Customer that terminates service under this Rider may not resume service under this Rider for a period of at least one year from the date the prior service ended. If the Customer wishes to resume service after such termination, the Customer must enter into a new contract with the Company.

6. Interruptible Load Requirements

Customers under this Rider are subject to the interruption terms, provisions, and penalties outlined in the schedule Cp-INT. Customers under this Rider are subscribing to instantaneous interruptibility under rate schedule Cp-INT for all load exceeding Baseline Levels, with the following exceptions:

- a) In lieu of the conditions for Economic Interruption in section 10 a) of rate schedule Cp-INT, an Economic Interruption may be called when energy prices are expected to exceed a threshold price equal to the High Rate Energy Charges in section 3C of rate schedule Cp-2 for four contiguous hours.
- b) For an Economic Interruption, in lieu of the Notification requirements in section 4 of rate schedule Cp-INT, notification for an Economic Interruption will occur during the calendar day prior to the event.
- c) The limitations for number of hours of interruptibility in section 10 b) of the rate schedule Cp-INT will not be applicable under this Rider.

Rider pricing, terms and conditions do not apply to any energy consumed during the curtailment or interruption event. Once a curtailment or interruption event is over, pricing, terms and conditions of delivery revert to those of this Rider. Failure to comply with interruptible load requirements may result in termination of service under this Rider.

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7. Guaranteed Load Provision

Before initiating service under this Rider, the Customer will furnish to the Company a Load Financial Security Instrument (“LFSI”) satisfactory to the Company in its sole discretion. The LFSI may take the form of a surety bond, letter of credit, or similar financial instrument payable to WPL, and will be in an amount agreeable to the Company that will approximate the following formula:

$(X - Y) \times 2$, where:

X = the total cost of electric service the Customer paid (or would have paid) under rate schedule Cp-2 and applicable riders for the full calendar year immediately preceding the calendar year in which the Customer first takes service under this Rider; and

Y = the total amount the Customer would have paid for electric service under this Rider for the full calendar year immediately preceding the calendar year in which the Customer first takes service under this Rider.

If the Customer is a new customer, the LFSI will be in an amount agreeable to the Company in its sole discretion based on the estimated annual usage of the new customer.

The full amount of the LFSI will be collectible by WPL if, at any time from the date the Customer first subscribes to this Rider until the second anniversary of the Customer’s discontinuation of service under this Rider, the Customer’s total annual load falls below 75% of that which the Customer maintained in the full calendar year immediately preceding the calendar year in which the Customer first subscribes to this Rider.

8. Billing Cycle Accommodations

Customers taking service under this Rider will be billed on a calendar month basis. WPL reserves the right to bill IDR charges on a one month lag to allow for final determination of the coincident peak hour for the calendar month. Participants will start on the Rider at the beginning of the billing period after a contract is signed and price communication processes are functioning.