

Terms and Conditions of the Rely-a-BillSM 2009-2010 Program Year

1. **The Rely-a-Bill option offered by We Energies is regulated by the Public Service Commission of Wisconsin.** Rely-a-Bill is subject to the provisions of the Rely-a-Bill program tariff on file with the Public Service Commission of Wisconsin (available online at we-energies.com). The rate schedule provides monthly natural gas bills that are predictable and guaranteed, for a program fee of 7 percent.
2. **Participants pay a fixed natural gas bill for 12 months. End-of-year balance is \$0.** If you enroll, you will pay your Rely-a-Bill amount for 12 months. During the program year, your Rely-a-Bill amount will not increase. At the end of the program year, there are no adjustments and no balances to carry forward due to natural gas price changes or temperature conditions causing natural gas use changes. You must participate in the program for 12 months. To avoid a possible exit fee and early termination adjustment, you must participate at the same service address with the same natural gas use patterns and keep your payments current (see section 7 and 9). In the event We Energies must change your bill due date during the program, your payment amount may be prorated. At the end of the program year, you will receive a new Rely-a-Bill amount (calculation description in section 5 below) prior to the start of the new program year. **You will be renewed automatically unless you notify We Energies before the due date of your first new Rely-a-Bill amount that you want to end participation with the new program year.**
3. **Limited eligibility and enrollment.** Residential customers are eligible if they have sufficient natural gas use data that is predictable with respect to temperatures and meet We Energies credit and program requirements. Enrollment is available to a limited number of customers who enroll by, and remain enrolled through, Oct. 23, 2009, or such other time as We Energies determines.
4. **Rely-a-Bill is a voluntary service option and is different from other service options including Budget Billing.** There are no price or use adjustments, so based on temperatures and natural gas prices during the year, **you may or may not save money under this service compared to standard service or Budget Billing.** For example, if there are warmer or normal winter temperatures and/or lower natural gas prices, natural gas service most likely will cost more under Rely-a-Bill than under other service options. But if there are colder temperatures and/or higher natural gas prices, service most likely will cost less under Rely-a-Bill. Because past natural gas bills are not accurate predictors of future bills, it may not be useful to compare last year's bills with your Rely-a-Bill quote.

Comparison between Rely-a-Bill and standard rates for a typical We Energies Customer

Heating Season	Temperatures	Natural Gas Prices			Average Rely-a-Bill customer			
		Standard rate low per therm	Standard rate high per therm	Rely-a-Bill per therm	Annual total on Rely-a-Bill	Annual total on standard rate	Difference \$	Difference %
2004-2005	1% warmer	\$0.9345	\$1.0692	\$1.0178 (all year)	\$1,121	\$1,027	\$95	9%
2005-2006	3% warmer	\$1.1145	\$1.3141	\$1.2183 (all year)	\$1,298	\$1,109	\$189	17%
2006-2007	3% warmer	\$1.1020	\$1.1648	\$1.3042 (all year)	\$1,364	\$1,055	\$309	29%
2007-2008	11% colder	\$1.1102	\$1.1710	\$1.1979 (all year)	\$1,247	\$1,137	\$110	10%
2008-2009	11% colder	\$1.0110	\$1.2015	\$1.5093 (all year)	In progress	In progress	In progress	In progress
2009-2010	Uncertain	Uncertain	Uncertain	\$0.9604 (all year)	Uncertain	Uncertain	Uncertain	Uncertain

5. **Rely-a-Bill covers all natural gas charges, which include the cost of natural gas, cost of natural gas delivery, monthly fixed charges and a program fee.** Your Rely-a-Bill amount will depend on your historic natural gas use pattern. First, we analyze how much natural gas you use at different temperatures. Then we use the normal temperatures in your area to project your natural gas use for each of the next 12 months. We then lock in a fixed price of gas and add the Rely-a-Bill program fee to provide you with a fixed and guaranteed amount. The Rely-a-Bill program fee equals 7 percent of natural gas charges. **This program fee is an additional charge to what you would pay under other service options.**
6. **Rely-a-Bill does not include state and local taxes, but they will be billed as applicable.** Charges for other utility services, such as electric, are not covered by your Rely-a-Bill.
7. **Maintaining historic natural gas use patterns.** Increased natural gas use due to cold temperatures is expected and covered under this service. However, customers agree to continue to use natural gas as they have in the past. A requirement of Rely-a-Bill is that you do not greatly increase your non-temperature-related natural gas use. Examples that can cause great impact on non-temperature use include increasing your living space or changing your thermostat setting to one higher than used in the past. If your non-temperature-related use increases by 10 percent or more, then We Energies may notify you. We Energies has the right to remove you from Rely-a-Bill if the increases continue for two consecutive months. If you are removed from the program for this reason, an exit fee and early termination adjustment will apply as outlined in section 9. We Energies will NOT remove you from the program without giving you prior notification and a chance to adjust your natural gas use.
8. **Conservation incentives and discounts.** Participants who install certain conservation measures may be eligible for a discount in their monthly Rely-a-Bill amount. The conservation measures and discounts are: 10 percent discount for installing a qualifying furnace or boiler; 5 percent discount for installing a qualifying water heater; 10 percent discount for installing qualifying insulation and air sealing; and 3 percent discount for installing qualifying windows and doors. In instances where multiple conservation measures are installed, the maximum total discount is 15 percent during one program year. Current participants who install a qualifying conservation measure prior to March 1 of the current program year will receive the discount for the remainder of the current program year. Current participants that are accepted for re-enrollment in the next program year who install a qualifying measure between March 1 and the end of the current program year will receive the discount for the entire term of the next program year. To qualify for some of these discounts on your Rely-a-Bill, you must meet certain criteria established by the Focus on Energy (Focus) program, as described below. (Focus is Wisconsin's program which works with residents and businesses to install cost-effective energy efficiency measures.) To receive the discount for a furnace, boiler or water heater, you must provide a paid invoice or other documentation acceptable to Focus, and the equipment must qualify for a Focus Cash-Back Reward or a Focus Targeted Home Performance equipment replacement at the time of installation. To receive the Rely-a-Bill discount for insulation and air sealing, you must complete a Focus Home Performance or Targeted Home Performance assessment, plus install the top two recommended insulation and air sealing measures, which must qualify for Focus financial incentives at the time of installation. To receive the Rely-a-Bill discount for windows and doors, you must prevent a paid invoice for at least three windows and/or doors which must qualify for a Federal energy efficiency tax credit at the time of installation. Contact Focus on Energy at Focusinfo@focusenergy.com or 800-762-7077.
9. **We Energies has the right to remove you from the program if you move, allow your bill to become delinquent, or increase your non-temperature-related use by 10 percent or more for two consecutive months (see section 7). If you are removed from the program because you move, allow your bill to become delinquent, or increase your non-temperature-related use (described in section 7 above), you will incur a \$50 exit fee and an early termination adjustment.** The early termination adjustment is the difference between the amount paid on the Rely-a-Bill and an amount calculated by multiplying your actual use while enrolled times the total fixed unit price (plus an increase in surcharges/rates if applicable) used to calculate your Rely-a-Bill quote plus the monthly fixed charges (which all customers pay) for the months you were on the program. If you are removed from the program early in the program year, the early termination adjustment is likely to be a payment you owe We Energies. If you are removed late in the program year, you may be due a credit. We Energies may allow customers to leave the program without an exit fee under hardship conditions. However, such customers will still be responsible for the early termination adjustment.
10. **Rely-a-Bill is a 12-month agreement.** Enrolled customers agree to participate in the Rely-a-Bill program for 12 months. Customers may opt out of the 2009-2010 program year without an exit fee or early termination adjustment before the due date of their first Rely-a-Bill. Customers who opt out of the program before this date will be billed for natural gas use under the standard service option as if they were never enrolled in the program.

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