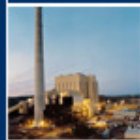


WISCONSIN PUBLIC SERVICE
**ENERGY COST
SAVINGS**
& You



Presented at TAPPI
“Focus on Energy Symposium”
February 22, 2007
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Agenda:

- Introduction of WPSC and Integrys
- How to Lower Your Cost of Energy ?
- Some WPSC Utility Programs
- A Paper Mill Example
- Conclusions ...
- Questions ?



Introduction WPSC / Integrys

- Wisconsin Public Service Corp
 - ◆ Still a local gas and electric utility
- WPSR and Peoples Energy merged into ...
Integrys Energy Group
 - ◆ Six gas and electric utilities
 - ◆ One merged unregulated energy services company



How to Lower Your Cost of Energy ?



- $\$ \text{ Energy Cost} = \$ \text{ Price} * \text{ Consumption}$
- Lower the \$ Price
 - ◆ Rate options
- Manage Consumption
 - ◆ Control Demand
- Reduce Consumption
 - ◆ Energy conservation opportunities



Lower the \$ Price



■ Rate Schedule

- ◆ Understand your rate schedule
 - Demand & Energy Charges

■ Rate Options

- ◆ Traditional firm rates
- ◆ Traditional interruptible rates
- ◆ Innovative rates
 - Special contracted rates
 - New rates offerings

■ Get involved in Rate Making Process



Manage Consumption



■ Control Demand

◆ Understand your rate structure ...

- Basis for demand calculation (Customer/System)
- Demand time periods and charges

◆ To evaluate controls that ...

- Staggering start ups add storage
- Stopping before starting
- Maximum facility limits
- Load Shift from On-Peak to Off-Peak

◆ Use generation effectively



Reduce Consumption



■ Reduce Energy Usage

◆ Energy conservation opportunities

- Change technology
- Reapply technology
- Apply new technology



Some WPSC Utility Programs



■ Rate Options

- ◆ Interruptible
- ◆ Next Day Pricing (pilot)
- ◆ Response Rewards Rate

■ Energy conservation

- ◆ Efficient Large Business Economic Development
- ◆ EPRI Tailored Collaboration funds
- ◆ Partnership with Focus On Energy
- ◆ Additional services



WPSC's ELBED Program

- Efficient Large Business Economic Development – 8MW
 - ◆ Qualifications
 - New load being added due to production capacity expansion
 - Incentives for installation of energy efficiency equipment
 - Permanently reduces electric demand during peak summer hours
 - Will be installed and completed prior to June 30, 2009
 - Has a useful life of > 10 years
 - Base case is required
 - ◆ Financial incentive
 - Custom calculation
 - Base incentive is \$400 per kW saved
 - ◆ Third-party performing measurement and verification of projects



A Paper Mill Example ...



- My Paper Mill Customer 10 Mw's of load, defines the Demand.
- Load consists of 2 – 4.5 Mw paper machines.
- Load Factor is the typical 90%, 78,840 Mwh's per year, of Energy.

Rate Option	Mwh	\$\$\$	Comment
All Firm Load	78,840	\$ 4,126,000	\$ 52.34/Mwh
I PM Interruptible	78,840	\$ 226,900	Savings
Inter. w/ Buy-out	1,125	\$ 135,000	Added Cost.
Inter. Net Savings		\$ 91,900	
ECO Save 100kw	788	\$ 41,200	Savings



Conclusions ...

- How to lower Your cost of Energy ?
 - ◆ Understand your Rate Schedule
 - ◆ Evaluate Rate Options
 - ◆ Manage or Reduce Consumption
- Look into your Utility's Programs
 - ◆ Apply the Programs to your Projects
- Contact your Account Executive





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Questions?



Thank you for your
attention today!

