

Large Power Service

SCHEDULE LP-1 LARGE POWER SERVICE

Effective Jan. 1, 2005

PURPOSE

To provide revenue for patrons' electric service and capital from the patrons. In compliance with the Cooperative's principles and bylaws, revenue for electric service is equal to the cost of service provided. All money in excess of the cost of providing electric service is capital, at the moment of receipt, and will be credited to each patron's individual capital account.

AVAILABILITY

Available to all members served by the Corporation, subject to the Corporation's established Service Rules and Regulations and subject to the execution of a contract for service mutually agreed upon by the Corporation and the consumer. Applicable to any consumer with at least 900 kW of metered demand.

TYPE OF SERVICE

Service shall be provided as set forth in the contract for service between the Corporation and the consumer.

RATE PER MONTH

The monthly bill will consist of the sum of the following charges:

1. Power Supply Costs – Option 1 -

a. Demand Charges:

Base Demand Charges:

Tier 1 \$7.82 per kW of Tier 1 Power Supply Demand
Tier 2 \$5.64 per kW of Tier 2 Power Supply Demand

After 2005, the demand charges will be increased by a rate of 1.5% compounded annually.

Demand Charge Adjustment:

Each October, a current year demand charge adjustment will be calculated in accordance with the following formula:

$PSDA = AVGRATE \times \Delta 10\text{-CP}$

Where;

$PSDA$ = The Power Supply Demand Charge Adjustment calculated annually and applied each November through the following October

$AVGRATE$ = The weighted average of the Tier 1 and Tier 2 monthly Power Supply Demand Charges as applied in the current year

$\Delta 10\text{-CP}$ = 115% of the difference between the current year 10-CP and the prior year 10-CP

b. Energy Charges:

All kWh @ the 105% of the Corporation's average cost of energy from all suppliers for the current month as adjusted for losses applicable to the consumer.

Option 2 –

The consumer may arrange to purchase energy under the Corporation's Real Time Pricing Schedule (RTP).

Option 3 –

The consumer may arrange to have the Corporation purchase electrical energy and capacity on their behalf subject to rates and terms established under a separate agreement.

2. Integrated Transmission System (ITS) Costs -

- a) \$1.25 per kW of Power Delivery Demand, plus
- b) ITS Substation Related Costs Determined by one of two methods as follows:

Method 1 - \$.37 per kW of monthly maximum billing demand for consumers served from substations serving the Corporation's primary distribution system, or,

Method 2 - a direct assignment of ITS Substation costs for consumers served from a dedicated ITS substation.

3. Distribution System Costs -

- a) \$1.95 per kW of Monthly Maximum Billing Demand for consumers connected to the Corporation's joint use primary distribution facilities, plus
- b) Corporation Facilities Charge - The dollar investment in dedicated service facilities provided by the Corporation specifically in order to furnish demand and energy to the consumer times a monthly fixed charge rate.



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4. Corporation Service Charge -

A service charge consisting of \$100.00 per month plus one percent (1%) of the sum of 1 and 2 above.

5. Fixed Cost Recovery Charge -

There shall be a monthly Fixed Cost Recovery Charge (FCRC) for the purpose of recovering embedded fixed capacity costs which shall be computed on a case-by-case basis for each consumer served by the Corporation prior to January 1, 1996. Where application of the FCRC would result in an increase in normalized annual billings for the test year ending October 31, 1995, the Cooperative may cap the FCRC such that there would be no increase in normalized billings.

The FCRC shall be calculated as follows:

$$\text{FCRC} = \$13.82 \times \text{CP93-95}$$

Where:

FCRC = Fixed Cost Recovery Charge

CP93-95 = The three-year average of the consumer's contribution to the 20-hour average billing demands for 1993-1995.

DETERMINATION OF TIER 1 AND TIER 2 POWER SUPPLY DEMANDS

Each January through the following December, The Tier 1 and Tier 2 Power Supply Demands shall be based on the average of the consumer's demands measured during the most recent Southern System 10 peak hours (10-CP) and the consumer's Load Duration Curve Percentage. Tier 1 Power Supply Demand shall be a) the product of the LDC times the most recent 10-CP minus b) the Base Year Demand (BYD), but in no case shall the Tier 1 Power Supply Demand be less than zero. The BYD shall be the highest 60-minute demand measured in June through September of 1995; provided, however, that the BYD may be decreased by an amount proportional to any decrease in the consumer's Fixed Cost Recovery Charge as may be authorized by the Board of Directors from time to time. Tier 2 Demand shall be the difference between 1.15 and the most recent LDC times the most recent 10-CP.

For customers with no existing prior year history, Tier 1 and Tier 2 Power Supply Demand and the Load Duration Curve will be determined by the Cooperative based on the engineering analysis.

DETERMINATION OF LOAD DURATION CURVE PERCENTAGE

Each January through the following December, the consumer's Load Duration Curve Percentage for use in calculating the Tier 1 and Tier 2 Power Supply Demands shall be the average of the three percentages derived by respectively dividing the consumer's Breakpoint Demand in each of the three prior years by the consumer's 10-CP demand in each of the three prior years. The Breakpoint Demand in each year shall be the consumer's actual hourly demand as measured in the hour of the year used

to establish the Cooperative's Breakpoint Factor as defined in the Requirement Services Agreement with Southern Power Company.

DETERMINATION OF POWER DELIVERY DEMAND

For the billing months of January through the following December, the power delivery demand shall be the consumer's average demand coincident with the five highest one-hour ITS demands occurring during the 12 months ending September 30 of the previous year.

DETERMINATION OF MONTHLY MAXIMUM BILLING DEMAND

The monthly maximum billing demand shall be the greater of: 1) the highest 30-minute measurement during the current month, or 2) fifty percent (50%) of the highest 30-minute measurement occurring during the preceding eleven (11) months.

DETERMINATION OF REACTIVE DEMAND CHARGE

Where there is an indication of a power factor of less than 90% lagging, the Corporation may at its option, install metering equipment to measure Reactive Demand. The Reactive Demand shall be the highest 30-minute kVAR measured during the month. The Excess Reactive Demand shall be kVAR which is in excess of one-half the measured kW in the current month. The Corporation will bill excess kVAR at the rate of **\$0.30** per excess kVAR.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the sum of the charges contained in Section 1, 2, 3, 4, and 5 in the above provisions entitled "RATE PER MONTH."

TAXES

In addition, the Consumer will pay the amount of any sales, use, franchise or utility taxes for charges now or hereafter applicable to or arising out of the service rendered or made available under this schedule, which tax shall be added to each bill; unless the Consumer furnishes satisfactory evidence that it is exempt here from.

BILLING ADJUSTMENTS

An independent engineering estimate of the transformation and line losses from the wholesale metering point shall be made and such losses shall be added to the member's metered billing units before the computation of charges as stated above.

TERMS OF PAYMENT

All bills are net and payable according to the provisions stated in the contract for service between the Corporation and the member.

COGENERATION SERVICE RIDER

The above rates shall be adjusted, to those consumers of the Corporation who qualify under Section 201 of the Public Utility Regulatory Policies Act of 1978 (PURPA) as a cogenerator or small power producer, by the amount determined under Rate Rider **Q-1**.