

OPTIONAL TARGETED SERVICE - ECONOMIC DEVELOPMENT RATE

I. General Description: This Rate provides a temporary, phased-out reduction in the cost of delivery service for commercial and industrial customers who create new electric load. The purpose of the reduction is to encourage industrial and commercial development in the Company's service territory by providing a temporarily reduced rate for delivery service during the period a new business, or an expansion of an existing business, is getting established. The additional business activity is to the benefit of both the Company's other customers, through increased sales, as well as the Company's service territory generally, through increased employment and revenues.

II. Availability: This Rate is available by contract for eligible customers taking service under the following rate schedules: C, ES, EST, EP, EPT, ST and HT.

A. New Customers. For the purpose of this Rate, a new customer is any business who (i) at the time service is applied for has not been a customer of the Company at any time during the immediately prior twenty-four (24) months and is not becoming a customer as the result of purchasing an existing, operational facility, the business activity of which the customer intends to continue, or (ii) has been a customer of the Company within the immediately prior twenty-four (24) months and is applying for electric service for a business activity that is not the same as any business activity for which that customer has received service from the Company during those twenty-four (24) months. A customer who relocates a business from one location in the Company's service territory to another will not be considered a new customer.

To qualify for service under this Rate, a new customer must satisfy the following eligibility criteria:

(i) the customer's business has a Standard Industrial Code less than 4000;

(ii) (a) the customer's maximum demand will exceed 50 kw and its annual energy usage will exceed 100,000 kwh during each year of the term of the contract under this Rate;

or

(b) the customer's maximum monthly demand during each year of the term of the contract under this Rate will exceed 20 kw and the customer will employ at least 10 full-time employees at the facility that is the subject of this Rate. If the customer is not a demand customer, it will qualify under this provision if its annual energy usage exceeds 100,000 kwh;

Effective: For service rendered
on or after March 1, 2000
Docket No. 98-577

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(iii) The customer can demonstrate to the Company's satisfaction that, in addition to the discount provided by this Rate, the customer has also received or will receive, on account of establishing the business to which this Rate will apply, a grant, discount, loan guarantee, concession or other tangible economic benefit from any government, supplier, or any person (other than an owner or operator of the business) having a direct interest in encouraging the customer's business. The customer need not make the showing required by this paragraph (iii) if it can demonstrate to the Company's satisfaction that electricity will constitute 25% or more of the cost of its production processes.

(iv) The customer agrees to purchase from the Company delivery of all of its electric energy and capacity requirements during the term of any contract under this Rate.

B. Existing Customers. A business that is a customer of the Company at the time it applies for service under this Rate shall qualify for such service if it satisfies the following eligibility criteria:

(i) The customer's business has a Standard Industrial Code less than 4000;

(ii) The customer's maximum measured demand at the facility that is the subject of this Rate has exceeded 20 kw during any of the twelve (12) months immediately prior to its application for this rate. If the customer is not a demand customer, it will qualify under this provision if its energy usage during the immediately preceding twelve (12) months exceeded 100,000 kwh;

(iii) During every year of the term of the contract under this Rate, the customer will, as the result of expansion or other increased business activity, increase its annual delivery purchases from the Company by at least 10% over the customer's annual baseline energy usage;

(iv) The customer is not in arrears to the Company for failure to pay any undisputed bills or deposit pursuant to the terms of Chapter 860 of this Commission's Rules and Regulations.

(v) The customer agrees to purchase from the Company delivery of all of its electric energy and capacity requirements during the term of any contract under this Rate.

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For the purpose of this Rate, an existing customer's baseline annual energy usage is the sum of the customer's monthly energy usage for each of the twelve months immediately prior to receiving service under this Rate. The customer's usage for each of these twelve months shall be determined by the Company based upon the customer's actual usage during that period, adjusted to remove the effect of any unusual or nonrecurring events.

III. Basic Monthly Rate.

A. New Customers. Qualifying new customers shall pay for all service in accordance with the standard applicable rate. Each month during the term of the contract under this Rate, the customer shall also receive a credit that shall be equal to the qualifying new customer's delivery charge for monthly usage under the standard applicable rate schedule multiplied by the following percentage:

1st year of contract:	20%
2nd year of contract:	15%
3rd year of contract:	10%
4th year of contract:	5%

B. Existing Customers. Qualifying existing customers shall pay for all service in excess of the baseline at a price equal to the standard applicable rate for service. Each month during the term of the contract under this Rate, the customer shall receive a credit that shall be equal to the qualifying existing customer's charge for its monthly usage in excess of that customer's usage during the corresponding month in the baseline period multiplied by the following percentage:

1st year of contract:	20%
2nd year of contract:	20%
3rd year of contract:	15%
4th year of contract:	10%

If, in any month during the term of this contract, the qualifying existing customer does not exceed its usage during the corresponding month in the baseline period, it shall not be entitled any credit in that month. Failure to exceed the baseline amount during any month shall not disqualify it under this Rate provided that its annual usage continues to meet the requirements of Section II(B)(iii) of this Schedule.

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IV. Special Conditions.

A. Contract Required. Service under this Rate EDR shall be available only by contract. The contract shall be for a period of four years and shall reflect the terms and conditions of this Schedule. For qualified existing customers, the contract shall specify the annual and monthly baseline usage. For the purpose of determining eligibility under II(B)(iii) above and for establishing the credit set forth in III(B) above during the first year of the contract, the customer's baseline usage shall be compared to its actual usage for the twelve months beginning with the month in which the customer first received service. For each subsequent year of the contract, the baseline usage shall be compared to the customer's actual usage for the twelve months beginning with the month that is the anniversary of the month in which the customer first received service.

The customer shall agree to permit the company to inspect, on a confidential basis, the customer's employment records in any situation where availability of this Rate depends upon the customer's employment level.

B. Customer Default. If the customer fails to comply with any of the conditions of this Schedule or its contract, the Company may, upon no less than five day's written notice, terminate the credit set forth in Section III of this Schedule. Should the Company elect to terminate the credit because of the customer's failure to purchase from the Company delivery of all of its energy and capacity requirements, the customer shall be liable for a penalty equal to the entire credit received by the customer under Section III of this Schedule prior to termination. If the termination occurs because of the customer's failure to meet the annual usage or employment standards set forth in Section II of this Schedule, the customer shall pay a penalty equal to the amount of the credit under Section III of this Schedule received by the customer during the twelve months in which it failed to meet that standard. Any penalty shall be paid the Company within 30 days after the Company notifies the customer that it is due and owing. Any penalty not paid within 30 days shall bear interest at a rate equal to the Company's most recently authorized retail rate of return.

C. Cumulative Limitation. Total service under this Rate shall not exceed 20 MW of incremental load. Applications for service under this Rate shall be considered in the order they are received by the Company.