

RATE 732
RATE FOR ELECTRIC SERVICE
INDUSTRIAL POWER SERVICE

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TO WHOM AVAILABLE

Available to Industrial Customers whose plants are located adjacent to existing electric facilities having capacity sufficient to meet the Customer's requirements.

The Customer shall contract for a definite amount of electrical capacity which shall be not less than 15,000 kW. Those facilities currently being served under Rate 832 on June 30, 2010; facilities which would have been eligible for Rate 832 on June 30, 2010, but for being on a Special Contract or on Rate 845; or facilities that would have been eligible for Rate 832 on June 30, 2010, which are located behind the meter of a facility eligible under this Rate Schedule are hereby grandfathered and those facilities shall remain eligible for this Rate Schedule, regardless of any change in name, or ownership, or operation of those facilities. The Company shall not be obligated to supply capacity in excess of that specified in the contract.

CHARACTER OF SERVICE

The Company will supply Primary metered Transmission or Subtransmission service to the extent of the capacity available from its electric supply lines, at such frequency, phase, regulation and voltage as it has available at the location where service is requested.

The Customer, at its own expense, shall furnish, supply, install and maintain, beginning at the point of delivery, all necessary equipment for transmitting, protecting, switching, transforming, converting, regulating, and utilizing said electric Energy on the Premise of the Customer.

The Customer will also supply in accordance with plans and specifications furnished by the Company and at a mutually agreed upon location on the Customer's property, suitable buildings, structures, and foundations to house and support the metering and any protecting, switching, and relaying equipment that may be supplied by the Company.

Any Applicant requiring service differing from that to be supplied by the Company as herein provided shall provide proper converting, transforming, regulating or other equipment upon Applicant's Premise and at Applicant's expense. (See Company Rule 3 for the Company's standard voltages.)

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this Rate Schedule shall be measured as to Maximum Demand, Energy Consumption and kVAR by an IDR to be installed by the Company.

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RATE

Rates charged for service rendered under this Rate Schedule are based upon the measurement of electric Energy at the voltage supplied to the Customer.

The electric service and Energy supplied hereunder shall be billed under a two-part rate consisting of a Demand Charge plus an Energy Charge and applicable Riders as identified in Appendix A. The Demand Charge and Energy Charge are as follows:

Demand Charge

\$10.14 per kW per month of Billing Demand

Energy Charge

| | |
|------------|--|
| \$0.041789 | per kWh for Energy used per month for the first 450 hours of the Billing Demand in the month. |
| \$0.085431 | per kWh for Energy used per month in excess of 450 hours of the Billing Demand in the month up to and including 500 hours. |
| \$0.151368 | per kWh for Energy used per month in excess of 500 hours of the Billing Demand in the month. |

DETERMINATION OF DEMAND

The Customer's Demand of electric Energy supplied shall be determined for each half-hour interval of the month and said demand in kW for each half-hour interval shall be two (2) times the number of kWhs recorded during each half-hour interval. The phrase "half-hour interval" shall mean the thirty (30) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the greatest of the following:

- (1) Seventy-five percent (75%) of the Contract Demand to serve the Customer for the Billing Period.
- (2) The maximum half-hour Demand registered for the Billing Period during the On-Peak Hours subtracting from the Demand for each half-hour interval of the On-Peak Hours of the Billing Period the Back-up, Maintenance and Temporary capacity confirmed for such half-hour interval.

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DETERMINATION OF BILLING DEMAND (Continued)

- (3) The largest of the number of kW's determined by subtracting from the Demand for each half-hour interval of the Off-Peak Hours of the Billing Period the Surplus Capacity allotted and/or Back-up, Maintenance and Temporary capacity confirmed for such half-hour interval.
- (4) Seventy-five percent (75%) of the highest Billing Demand established in the immediately preceding eleven (11) months, adjusted as follows, if the Company's obligation to serve is increased or decreased. Each time the Company's obligation to serve is increased or decreased, the highest Billing Demand established in the immediately preceding eleven (11) months shall be adjusted by a ratio of the Company's current obligation to serve to the Company's obligation to serve in the month of the highest Billing Demand before multiplying by seventy-five percent (75%).

DETERMINATION OF LAGGING kVAR

The Customer's requirements in Lagging kVAR shall be determined for each half-hour interval of the month and shall be two (2) times the number of Lagging kVAR Hours recorded during each half-hour interval. No effect whatsoever shall be given hereunder to Customer's leading kVAR, if any.

ADJUSTMENT FOR CUSTOMER'S PEAK HOURS LAGGING kVAR

The number of kVAR shall be computed each month for a Power Factor of eighty-five percent (85%) Lagging using as the basis of said computation, the Customer's Maximum Demand for the month during the Peak Period hours thereof.

If the Customer's Maximum Peak Period Requirement in Lagging kVAR for the month is greater than the number of kVAR at a Power Factor of eighty-five percent (85%) Lagging, determined as above, an amount equal to the product of \$0.31 times said difference shall be added to the Customer's Bill.

If the Customer's Maximum Peak Period Requirement in Lagging kVAR for the month is less than the number of kVAR at a Power Factor of eighty-five percent (85%) Lagging, determined as above, an amount equal to the product of \$0.31 times said difference shall be deducted from the Customer's Bill.

The Customer agrees to control and limit Maximum Off-Peak Period Requirement in Lagging kVAR so that, as related to the Maximum Off-Peak Period kW Demand, it shall not exceed in ratio or numerical proportion the ratio of the Maximum Peak Period Requirement in Lagging kVAR and the Maximum Peak Period Kilowatt Demand; except that if such Maximum Off-Peak Period kW Demand is less than the Maximum Peak Period kW Demand, the Customer's Maximum Off-Peak Period Requirement in Lagging kVAR may equal the Customer's Maximum Peak Period Requirement in Lagging kVAR.

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CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of the Customer's estimates of the Customer's future load on the Company by months for a subsequent period of thirty (30) months.

The Customer shall also make a reasonable effort to provide the Company in writing with a reasonably accurate hourly load forecast on a daily basis.

The Customer shall notify the Company in writing of any material increase in load no less than sixty (60) days prior to the addition of that load.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

The accuracy of the information herein called for is not guaranteed by the Customer and reliance thereon shall be at the sole risk of the Company.

Failure by the Customer to provide requested information on an ongoing basis may result in Customer being moved to another Rate Schedule upon ninety (90) days' notice from the Company to Customer.

SURPLUS CAPACITY

The Company, at its option may make available from time to time to the Customer without any additional Demand Charge, "Surplus Capacity" that may be available in the generating, transmission, and distribution system of the Company used in serving the Customer. Such Surplus Capacity allotted by the Company will not exceed (i) fifteen percent (15%) of Contract Demand or (ii) the number of kW's that the Customer requests and is ready, able, and willing to use, and when allotted, shall be available to the Customer only during the Off-Peak Hours.

1. The Off-Peak Hours shall be as follows:

The Company will by written notice select the Off-Peak Hours, which shall be not less than a total of nine (9) hours or more than a total of thirteen (13) hours during any weekday, Monday through Friday, not less than nine (9) hours on Saturday, and twenty-four (24) hours on Sunday, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The periods of time so selected by the Company shall be such that at no time shall a period of such hours be less than six (6) consecutive hours in duration.

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SURPLUS CAPACITY (Continued)

2. The quantity of Surplus Capacity available to the Customer shall be allotted as follows:

The quantity of Surplus Capacity allotted to the Customer by the Company and the hours to be included in the Off-Peak Hours will be communicated by written notice to the Customer from the Company, and will be available to the Customer for the period of time specified, but not in excess of three (3) calendar months. The Company may, from time to time, upon not less than one (1) hours' notice reduce or withdraw in entirety, the quantity of Surplus Capacity allotted in the Off-Peak Hours of any day or days.

3. The "On-Peak Hours" shall be all time not included in the Off-Peak Hours in this Rate Schedule.

GENERAL TERMS AND CONDITIONS OF SERVICE

1. Contract

Any Customer requesting service under this Rate Schedule shall enter into a written contract for an initial period of not less than one (1) Contract Year, and such contract shall continue from month to month for a period of not more than five (5) Contract Years thereafter unless terminated by either party giving to the other sixty (60) days' prior written notice of the termination of such contract at the end of the initial period or at the end of any calendar month thereafter.

Notwithstanding the foregoing, contracts under this Rate Schedule shall terminate in accordance with Rule 5.8 of the Company Rules.

2. Default Schedule

Notwithstanding the foregoing conditions of service under this Rate Schedule, service shall be subject to the provisions of Rule 5.9 of the Company Rules.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.