

**Aquila, Inc., dba****AQUILA NETWORKS**

For Territory Served by Aquila Networks - L&amp;P and Aquila Networks - MPS

**KANSAS CITY, MO 64138**

<b>ECONOMIC DEVELOPMENT RIDER ELECTRIC (FROZEN)</b>
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PURPOSE

The purpose of this Economic Development Rider is to encourage industrial and commercial development and thereby increase economic development opportunities in the Company's service area.

AVAILABILITY

Electric service under this Rider is available to certain customers otherwise qualified for service under the Company's Large General Service or the Company's Large Power Service rates that also meet the criteria stated herein on a first come, first serve basis as determined by the execution of the contract specified herein. The availability of this Rider shall be limited to qualified customers not involved in selling or providing goods and services directly to the general public. The Company will consider all requests for service under this Rider; however, requests will not be accepted for new or expanded facilities under construction or otherwise committed to operation prior to the first effective date of this Rider. Electric service under this Rider is not available in conjunction with service provided pursuant to any other special contract agreements. This Rider is not available to those Customers who have an EDR contract which has an effective date after the effective date of this tariff.

APPLICABILITY

Sufficiently detailed information shall be provided by the Customer to enable the Company to determine whether a facility is qualified for the Rider. Service under this Rider shall be evidenced by a contract between the Customer and the Company, a copy of which shall be submitted to the Commission Staff and Office of Public Counsel.

CRITERIA

Upon the election of the Customer and acceptance by the Company, the provisions of this Rider are applicable to new industrial and commercial customers and to the new facilities of existing industrial and commercial customers who expand operations and who meet the following criteria:

1. Annual kW Demand Criterion: The peak demand of the new customer or additional facilities is reasonably projected to be at least two hundred (200) kW within two (2) years of the new customer or separately measured facilities expansion first receiving service from Company. The new or expanding customer and Company will mutually agree upon a capacity expansion plan to be defined in the electric service agreement.
2. Load Factor Criterion: The annual load factor of the new customer or additional facilities is reasonably projected to exceed fifty-five percent (55%) within two (2) years of the new customer or additional separately measured facilities commencing service under this Rider. The customer must maintain an annual load factor exceeding fifty-five percent (55%) or greater in years three (3) through five (5) of the Rider to continue to be eligible for the incentive provisions. The customer's annual load factor will be reviewed each year on the anniversary of the commencement date of the EDR.

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ECONOMIC DEVELOPMENT RIDER (Continued)  
ELECTRIC (FROZEN)

CRITERIA (Continued)

The annual load factor of the customer shall be determined by the following relationship.

$$\frac{\text{Annual Energy (kWh)} / \text{Hours in Year}}{\text{Maximum Summer Monthly Demand}}$$

The maximum summer monthly demand is defined as the actual measured demand of the new Customer or facilities during the four (4) summer months of June through September.

- 3. The new or additional facility receives local, regional or state governmental incentives.

INCENTIVE PROVISIONS

- 1. Rate Discount: Prior to taxes, the Customer's net monthly bill, calculated in accordance with the applicable rate schedules, will be discounted by thirty percent (30%) during the first (1<sup>st</sup>) contract year, twenty-five percent (25%) during the second (2<sup>nd</sup>) contract year, twenty percent (20%) during the third (3<sup>rd</sup>) contract year, fifteen percent (15%) during the fourth (4<sup>th</sup>) contract year, and ten percent (10%) during the fifth (5<sup>th</sup>) contract year. After the fifth (5<sup>th</sup>) contract year, this incentive provision shall cease.
- 2. Minimum Bill: The minimum monthly bill will be the charge for the minimum monthly Reserved Capacity of two hundred (200) kW pursuant to the applicable rate schedule. Other provisions of the applicable rate schedule which describe the calculation of Reserve Capacity and Billing Capacity apply. After the fifth (5<sup>th</sup>) contract year, this provision shall cease.
- 3. Local Service Facilities: The Company will not require an additional facilities or line extension charge for facilities installed to serve the customer if the Company's analysis of expected revenues from the new load on an ongoing basis is determined to be sufficient to justify the required investment in the facilities.
- 4. Separately Measured Service: Bills to existing Customers, pursuant to the provisions of this or other locations.
- 5. Shifting of Existing Load: For Customers with existing facilities at one (1) or more locations in the Company's service area, this Rider shall not be applicable to service provided at any other delivery point prior to receiving service under this Rider. Customer is prohibited from shifting loads from those locations already existing in the Company's service area to qualify for this Rider or to receive benefits from this Rider.

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**ECONOMIC DEVELOPMENT RIDER (Continued)  
ELECTRIC (FROZEN)**

**TERM**

The Company may file to freeze the availability of this Rider with respect to new loads at any time following one (1) year from the effective date of this tariff. Any Customer receiving service under the Rider on the date it is suspended may continue to receive the benefits of the incentive provisions herein through the remaining period of the Customer's contract.

**TERMINATION**

Failure of the Customer to meet or maintain any of the applicable criteria of this Rider, used to qualify the Customer for acceptance on the Rider, within the two (2) year period commencing with the date service under this Rider begins, may lead to termination of service under this Rider.

**OTHER PROVISIONS**

Service under this Rider shall be subject to all other applicable tariffs and the Company's general rules and regulations applying to electric service as the same may change from time to time as provided by law.

**FORM OF CONTRACT**

This Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Aquila, Inc., d/b/a Aquila Networks (Company) and \_\_\_\_\_ (Customer).

**WITNESSETH:**

Whereas, Company has on file with the Public Service Commission of the State of Missouri (Commission) a certain Economic Development Rider (Rider), and;

Whereas, Customer is a new Customer, or has acquired additional separately measured facilities within the Company's service territory, and;

Whereas, Customer has furnished sufficient information to the Company to demonstrate that its new facilities or additional separately measured facilities (Facilities) satisfied the Availability and Applicability provisions of the Rider, and;

Whereas, Customer wishes to take electric service from the Company, and the Company agrees to furnish electric service to the Customer under this Rider and pursuant to all other applicable tariffs of the Company;

The Company and Customer agree as follows:

1. Service to the Customer's Facilities shall be pursuant to the Rider, all other applicable tariffs, and the Company's General Rules and Regulations Applying to Electric Service, as may be in effect from time to time and approved by the Commission.

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ECONOMIC DEVELOPMENT RIDER (Continued)  
ELECTRIC (FROZEN)

**FORM OF CONTRACT (Continued)**

2. Customer acknowledges that this Agreement is not assignable voluntarily by Customer, but shall nevertheless inure to the benefit of and be binding upon the Customer's successors by operation of law so long as the successor continues to meet the criteria of the Rider.
3. Customer will furnish additional information, as requested by the Company, to assure the continued eligibility for service under the Rider. Customer acknowledges that all information provided to the Company for the purpose of determining whether the Customer is eligible for service under the Rider shall be retained by the Company, and shall be subject to inspection and disclosure under Chapters 386 and 393, RSMo 1986, as amended from time to time. Should the Customer designate any of such information as proprietary or confidential, Company shall notify Customer of any request for inspection or disclosure, and shall use good faith efforts to secure an agreement or Commission order protecting the proprietary or confidential nature of such information.
4. This Agreement shall be governed in all respects by the laws of the State of Missouri (regardless of conflict of laws' provisions), and by the orders, rules and regulations of the Commission, as they may exist from time to time. Nothing contained herein shall be construed as divesting, or attempting to divest, the Commission of any rights jurisdiction, power or authority vested in it by law.

In witness whereof, the parties have signed this Agreement as of the date first above written.

Aquila Networks  
a division of  
Aquila, Inc.

\_\_\_\_\_  
Customer

By \_\_\_\_\_

By \_\_\_\_\_

**ECONOMIC DEVELOPMENT RIDER  
ELECTRIC**

**PURPOSE**

The purpose of this Economic Development Rider is to encourage industrial and commercial business development in Missouri and retain existing load where possible. These activities will attract capital expenditures to the State, diversify the Company's customer base, create jobs, and serve to improve the utilization efficiency of existing Company facilities.

**AVAILABILITY**

Electric service under this Rider is only available in conjunction with local, regional and state governmental economic development activities where incentives have been offered and accepted by the Customer to locate new facilities, expand existing facilities, or retain existing facilities in the Company's service area. The qualifying load under this Rider shall be the entire load of a Customer's new facilities, the incremental new load of an existing Customer, or the portion of an existing Customer's load for which exit from the Company's service area is imminent. For purposes of this Rider, a new facility shall be defined as a Customer's facility that has not received electric service in the Company's service area within the last twelve (12) months. Electric service under this Rider is only available to a Customer otherwise qualified for service under the Company's Medium General Service, Large General Service, or Large Power Service rate schedules. Electric service under this Rider is not available in conjunction with service provided pursuant to any other Special Contract Rate tariff agreements.

This Rider is not available for customers shifting loads between either KCP&L Greater Missouri Operations Company ("GMO") or Kansas City Power & Light Company ("KCP&L"), unless the customer's search and consideration for moving includes viable electric supply options in other electric utility service territories. In such cases, the Company will verify the availability of such supply options and Customer's intent prior to making the Rider available to the Customer.

The availability of this Rider shall be limited to industrial and commercial facilities which are not in the business of selling or providing goods and/or services directly to the general public.

**APPLICABILITY**

The Rider is applicable to new or existing facilities meeting the above availability criteria and the following two applicability criteria:

1. The annual load factor of the new Customer facility or expanded facility is reasonably projected to equal or exceed fifty-five percent (55%) annual load factor within two (2) years of the date the Customer first receives service under this Rider. The Customer must maintain an annual load factor of 55% or greater in years three (3) through five (5) of the service under this Rider to continue to be eligible for the incentive provisions. The projected annual Customer load factor shall be determined by the following relationship:

$$\frac{\text{PAE}}{\text{PCD} * \text{HRS}}$$

where:

- PAE = Projected Annual Energy (kWh)
- HRS = Hours in year (8760)
- PCD = Projected Customer Peak Demand

ECONOMIC DEVELOPMENT RIDER (Continued) ELECTRIC
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If the above load factor criterion is not met, the Company may consider the following other factors when determining qualification for the Rider:

- a. 100 or more new permanent full-time jobs created or percentage increase in existing permanent full-time jobs;
- b. Capital investment of \$5 million or more
- c. Additional Off-peak Usage

Any of the above alternative factors considered will be documented as part of the approval process. Revenues to be received from a Customer over the term of the contract shall be greater than the applicable incremental cost to provide electric service, as determined by the Company pursuant to Sheet Nos. 123.5 and 123.6, ensuring a positive contribution to fixed costs.

2. The peak demand of the new or additional facility is reasonably projected to be at least two-hundred (200) kW within two years of the date the Customer first receives service under this Rider. The Customer must maintain at least two-hundred (200) kW in years three (3) through five (5) of the service under this Rider to continue to be eligible for the incentive provisions.

All requests for service under this Rider will be considered by the Company. Sufficiently detailed information and documentation shall be provided by the Customer to enable the Company to determine whether a facility is qualified for the Rider.

In the case of retention of an existing Customer, as a condition for service under this Rider, Customer must furnish to Company such documentation (e.g. Influencing factors and a comparison of the rates and other economic development incentives) as deemed necessary by Company to verify the availability of a viable electric supply option outside of GMO's service territory and Customer's intent to select this viable electric supply option. Customer must also furnish an affidavit stating Customer's intent to select this viable electric supply option unless it is able to receive service under this Rider.

In the case of shifting of a customer's load between GMO and KCP&L, Customer must furnish to Company such documentation (e.g. Influencing factors and a comparison of the rates and other economic development incentives) as deemed necessary by Company to verify Customer's intent and the availability of a viable electric supply option outside of the service territories of GMO and KCP&L. Customer must also furnish an affidavit stating Customer's intent to select this viable electric supply option unless it is able to receive service under this Rider.

Service under this Rider shall be evidenced by a contract between the Customer and the Company, which shall be submitted along with supporting documentation to the Commission, Commission Staff in the Energy Unit and the Office of Public Counsel. In the case of a Customer locating a new facility in GMO's service territory or expanding an existing facility in GMO's service territory, the contract will contain a statement that the Customer would not locate new facilities in GMO's service territory or expand its existing facilities in GMO's service territory but for receiving service under this Rider along with other incentives.

ECONOMIC DEVELOPMENT RIDER (Continued)  
ELECTRIC

INCENTIVE PROVISIONS

1. Revenue Determination:

The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Medium General Service, Large General Service, or Large Power Service rate schedules, by 30% during the first contract year, 25% during the second contract year, 20% during the third contract year, 15% during the fourth contract year and 10% during the fifth contract year. After the fifth contract year, this incentive provision shall cease unless provision #3 below applies. If elected by the Customer and approved by the Company before the EDR contract is executed, the Company may determine to alter the application of the discount percentages over the course of the five (5) years not exceeding 100% total and not to exceed 30% in any single year. The selected discount percentage cannot change once signed as part of the contract. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

Bills for separately metered (or measured) service to existing Customers, pursuant to the provisions of this Rider, will be calculated independently of any other service rendered to the Customer at the same or other locations.

2. Shifting of Existing Load:

For Customers with existing facilities at one or more locations in the Company's service area, this Rider shall not be applicable to service provided at any other delivery point prior to receiving service under this Rider. Failure to comply with this provision may result in termination of service under this Rider.

3. Beneficial Location of Facilities:

If the Company determines at the time of the approval of the EDR that loads under this Rider utilize existing infrastructure in a manner which is beneficial to the local electric service delivery system, an additional incentive of up to 10% reduction during the 6<sup>th</sup> year can be applied to the pre-tax charges associated with the Customer's rate schedule. Documentation supporting the approval of this provision including relevant circuit utilization information will be provided with the contract and other supporting documentation submitted to the Commission, Commission Staff in the Energy Unit and Office of Public Counsel for information purposes. This provision does not apply for the retention of Customers.

4. Positive Contribution:

Revenues to be received from a Customer over the term of the contract shall be greater than the applicable incremental cost to provide electric service, as determined by the Company pursuant to Sheet Nos. 123.5 and 123.6, ensuring a positive contribution to fixed costs.

**ECONOMIC DEVELOPMENT RIDER (Continued)**  
**ELECTRIC**

INCENTIVE PROVISIONS (cont.)

- 5 Separately Measured Service:  
For facilities contracting under this Rider due to expansion, the Company may install metering equipment necessary to measure load subject to this Rider. The Company reserves the right to make the determination of whether such load will be separately metered or sub-metered. If the Company determines that the nature of the expansion is such that either separate metering or sub-metering is impractical or economically infeasible, the Company will determine, based on historical usage, what portion of the Customer's load in excess of the monthly baseline, if any, qualifies as new load eligible for this Rider.

TERMINATION

Failure of the Customer to meet any of the applicability criteria of this Rider, used to qualify the Customer for acceptance on the Rider shall lead to termination of service under this Rider.



ECONOMIC DEVELOPMENT RIDER (Continued) ELECTRIC
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**INCREMENTAL COST ANALYSIS:**

As confirmation that revenues received from Customers under this Schedule are expected to be sufficient to cover the Company's increased costs to serve such Customers, the Company shall provide to the Commission, Commission Staff in the Energy Unit and Office of Public Counsel an analysis of the Company's incremental cost of service in a format set forth in Sheet No. 123.6. This analysis shall be provided at the time of the Company's triennial and annual updates filed under the Commission's Chapter 22 Electric Utility Resource Planning Rules.

This analysis shall be performed utilizing an hourly production cost simulation model such as Midas or equivalent along with current estimates of the market value of capacity. The incremental costs shall include the estimated cost of serving a 10 MW incremental retail electric customer load at varying load factors. The incremental cost shall include the impact of such retail load on the Company's purchased power costs, fuel costs, incremental capacity costs and wholesale sales. This analysis shall generally be forward looking, covering the current calendar year and subsequent four (4) calendar years and include the impact of the Company's view of forward wholesale energy market prices.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1

Original Sheet No. 123.6

Canceling P.S.C. MO. No. \_\_\_\_\_

Sheet No. \_\_\_\_\_

**KCP&L Greater Missouri Operations Company**

For Territory Served by L&P and MPS

**KANSAS CITY, MO**

ECONOMIC DEVELOPMENT RIDER (Continued) ELECTRIC
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**INCREMENTAL ANNUAL COST PER KWH:**

GMO Incremental Cost Analysis Study by Load Factor  
(per procedure documented in KCP&L 32I and GMO 123.4)

Load Factor		20%	30%	40%	50%	60%	70%	80%	90%	100%
Year:	\$0.00/kwh									
Year:	\$0.00/kwh									
Year:	\$0.00/kwh									
Year:	\$0.00/kwh									
Year:	\$0.00/kwh									