

Exhibit No. 102

Exhibit No.:
Issue: *Special High Load
Factor Market Rate*
Witness: *Robin Kliethermes*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *EO-2022-0061*
Date Testimony Prepared: *December 23, 2021*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF AND RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

ROBIN KLIETHERMES

**EVERGY MISSOURI WEST, INC.,
d/b/a EVERGY MISSOURI WEST**

CASE NO. EO-2022-0061

*Jefferson City, Missouri
December 2021*

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **ROBIN KLIETHERMES**

4 **EVERGY MISSOURI WEST, INC.,**
5 **d/b/a EVERGY MISSOURI WEST**

6 **CASE NO. EO-2022-0061**

7 Q. Please state your name and business address.

8 A. Robin Kliethermes, 200 Madison Street, Jefferson City, MO 65101.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as
11 the Regulatory Compliance Manager of the Tariff and Rate Design Department of the
12 Industry Analysis Division.

13 Q. Please describe your educational background and work experience.

14 A. Please refer to Schedule RK-r1 attached hereto.

15 Q. Have you previously filed testimony before this Commission?

16 A. Yes, I have. Please refer to Schedule RK-r1 attached hereto for a list of cases in
17 which I have previously filed testimony.

18 Q. Have you previously filed testimony in this case?

19 A. No.

20 Q. What is the purpose of your rebuttal testimony?

21 A. The purpose of my rebuttal testimony is to respond to Evergy Missouri West,
22 Inc., d/b/a Evergy Missouri West’s (“EMW” or “Company”) Application requesting approval
23 of a Special High Load Factor Market Rate, and the direct testimony filed by Darrin R. Ives on
24 behalf of the Company.

25 Q. What is EMW’s requested Special High Load Factor Market Rate?

1 A. EMW is requesting approval of a new Special High Load Factor Market Rate
2 tariff¹ that allows EMW to negotiate rates with non-residential customers meeting certain
3 qualifications. The requested tariff does not include rates to be approved by the Commission,
4 but Darrin Ives attaches to his testimony an executable contract containing specific rates and
5 formulas for determining other aspects of the customer's bill that will prospectively be filed for
6 Commission approval at a later date.

7 Q. What qualifications does a customer have to meet to be eligible for the
8 proposed tariff?

9 A. EMW's requested tariff is only available to businesses with North American
10 Industry Classification System ("NAICS") Code 518210 (Data Processing, Hosting, and
11 Related Services) or Code 541511 (Custom Computer Programming Services). Applicants must
12 have a monthly demand of one hundred thousand kilowatts (or 100 megawatts) or be reasonably
13 projected to be at least one-hundred and fifty thousand kilowatts (or 150 megawatts) within
14 (5) years of the new customer first receiving service from the Company, as well as have a load
15 factor throughout the year of 0.85 or greater.

16 Q. Was a specific customer contract attached to EMW witness Mr. Ives' direct
17 testimony?

18 A. No. The Company attached an example of a Market Rate contract for Velvet
19 Tech Services, LLC ("Velvet"),² however the Company is not requesting approval of that
20 contract. EMW anticipates that the Market Rate contract that would be filed for Commission

¹ Attached to the direct testimony of Darrin R. Ives.

² Confidential Schedule DRI-2.

1 approval would be substantially similar to Schedule DRI-2.³ However, EMW is not requesting
2 Commission approval of the contract in this case.

3 Q. Does the example contract clearly state all rates to be charged by EMW?

4 A. No. As stated in the proposed tariff, EMW would assess an energy charge based
5 on the number of kilowatt-hours the customer consumes in any given hour multiplied by the
6 appropriate cost to purchase energy from the Southwest Power Pool (“SPP”) for that hour. The
7 contract is only expected to state the applicable SPP node that EMW will use in its calculation
8 of energy charges. Essentially, the requested tariff would give EMW authority to determine
9 appropriate SPP costs and determine an applicable energy charge that is not subject to
10 Commission approval.

11 Q. Does the requested Schedule MKT include a formula to calculate the customer’s
12 energy charge?

13 A. No. The proposed tariff states:

14 An Energy Charge will be assessed based on the number of kilowatt-
15 hours consumed in any given hour multiplied by the appropriate cost
16 to purchase energy from the Southwest Power Pool (SPP) for that hour.
17 The Company will specify the node to be used in the Special High-
18 Load Factor Market Rate Contract described below and that SPP node
19 will be used to price the hourly energy and all applicable SPP charges.

20 Q. What is Staff’s recommendation regarding Schedule DRI-2?

21 A. Since EMW is not requesting the Commission approve the Market Rate contract
22 attached as Schedule DRI-2, Staff recommends that no finding be made in this case that the
23 rates for the monthly service charge and demand charge and terms provided in the contract are
24 prudent and reasonable. Staff intends to address the rates and terms of the contract when and if
25 the contract is finalized and appropriately filed for approval with the Commission.

³ Page 6 of EMW witness Darrin R. Ives’ direct testimony.

1 Q. What is Staff's recommendation regarding the Company's request to approve
2 the Special High Load Factor Market Rate tariff (Schedule MKT)?⁴

3 A. For the reasons explained in more detail below, Staff recommends the
4 Commission reject the Company's Application, because:

5 1. The Company's request attempts to establish a rate schedule
6 outside of a general rate proceeding and it has not complied with the
7 requirements of Section 393.355, RSMo for requesting a special rate
8 outside of a general rate proceeding;

9 2. The requested tariff gives undue authority to EMW to determine
10 appropriate SPP costs without Commission approval;

11 3. The requested tariff is discriminatory in that it is only available
12 to customers who fall under NAICS Code 518210 or 541511; and

13 4. The requested tariff is not necessary, because the prospective
14 customer (Velvet Tech) qualifies under the Company's currently
15 effective Special Rate for Incremental Load Service (Schedule SIL)
16 rate schedule, Large Power Service rate schedule, or Special
17 Contract rate schedule.

18 Q. Does Section 393.355, RSMo allow the Commission to establish rates outside
19 of a general rate proceeding?

20 A. Yes. The statute allows the Commission to approve a special rate for certain
21 non-residential customers' facilities, for specifically a:

22 1. Facility whose primary industry is the processing of primary
23 metals;

24 2. Facility whose primary industry is the production or
25 fabrication of steel, North American Industrial Classification
26 System 331110; *or*

27 3. Facility with a new or incremental increase in load equal to or
28 in excess of a monthly demand of fifty megawatts.

⁴ A specimen Schedule MKT tariff is attached to the direct testimony of Darrin R. Ives.

1 Q. Do the customers that are anticipated to take service on EMW's requested
2 Schedule MKT tariff meet the requirements of Section 393.355, RSMo?

3 A. Yes. According to the terms of the Company's prospective new tariff,
4 customers anticipated to take service on Schedule MKT are required to have an energy load
5 equal to or in excess of a monthly demand of one hundred megawatts or be reasonably projected
6 to be at least one hundred and fifty megawatts within five (5) years of receiving service from
7 the Company. Therefore, these prospective customers would qualify for a special rate under
8 Section 393.355, RSMo.

9 Q. Does the requested Schedule MKT meet the requirements of Section 393.355,
10 RSMo?

11 A. No. Schedule MKT as filed by EMW does not meet the requirements under
12 Section 393.355, RSMo for the following reasons:

- 13 1. Schedule MKT prohibits customers who would otherwise qualify
14 for a special rate under Section 393.355, RSMo from participating
15 in the tariff;⁵
- 16 2. The Company is not requesting Commission approval of a
17 publicly available rate open to all customers who meet the
18 requirements of Section 393.355, RSMo; and
- 19 3. EMW is not requesting to establish a tracking mechanism as
20 required by Section 393.355, RSMo;⁶

⁵ Schedule MKT is only available to businesses who fall under NAICS Code 518210 or 541511.

⁶ Section 393.355.3, RSMo states: "Any commission order approving a special rate authorized by this section to provide service to a facility in the manner specified under subsection 4 of this section shall establish, as part of the commission's approval of a special rate, a tracking mechanism to track changes in the net margin experienced by the electrical corporation serving the facility with the tracker to apply retroactively to the date the electrical corporation's base rates were last set in its last general rate proceeding concluded prior to June 14, 2017. The commission shall ensure that the changes in net margin experienced by the electrical corporation between the general rate proceedings as a result of serving the facility are calculated in such a manner that the electrical corporation's net income is neither increased nor decreased. The changes in net margin shall be deferred to a regulatory liability or regulatory asset, as applicable, with the balance of such regulatory asset or liability to be included in the revenue requirement of the electrical corporation in each of its general rate proceedings through an amortization of the balance over a reasonable period until fully returned to or collected from the electrical corporation's customers."

1 Q. Did the Company represent that it based Schedule MKT on a rate schedule of
2 another utility?

3 A. Yes. EMW stated that it used Rate 261M offered by the Omaha Public Power
4 District (“OPPD”).⁷

5 Q. Is Rate 261M⁸ offered by OPPD more similar to Section 393.355, RSMo than
6 the Company’s proposed Schedule MKT?

7 A. Except for the calculation of the energy charge, Rate 261M offered by OPPD is
8 more similar to the requirements of Section 393.355, RSMo than the Company’s requested
9 Schedule MKT for the following reasons:

- 10 1. The OPPD tariff is not restricted by the type of business the
11 customer conducts but rather only by the size of the customer;
- 12 2. The OPPD tariff clearly states the transmission voltage levels
13 available for service and requires customer ownership of facilities
14 beyond the service, including the customer’s dedicated substation;
15 and
- 16 3. The OPPD tariff clearly states the monthly demand and service
17 charges that all customers served on the tariff will be charged,
18 unlike EMW’s proposed Schedule MKT.

19 Q. What aspects of Rate 261M does it appear that the Company used to design
20 Schedule MKT?

21 A. Rate 261M includes a rate structure that is comprised of a monthly service
22 charge, demand charge and an energy charge based on SPP market prices. Schedule MKT
23 generally contemplates using this same rate structure, except that the actual demand charges
24 and monthly service charges charged to a customer are not the same across all customers and
25 would not be known until a specific contract is filed with the Commission for each separate

⁷ Page 5 Darrin R. Ives direct testimony.

⁸ A copy of Rate 261M is attached, as Schedule RK-r2, for reference.

1 customer taking service under Schedule MKT. It appears that the only feature EMW utilized,
2 for its proposed Schedule MKT, from Rate 261M is the energy charge provision. Staff is not
3 aware of authority under Missouri law for promulgation of formula rates, including market-
4 based rate structures. Also, Staff is not aware of authority under Missouri law to exempt
5 customers from lawful riders, such as the Fuel Adjustment Clause (“FAC”).

6 Q. Does the proposed Schedule MKT seek to create a new customer class / tariff
7 rate class outside of a general rate case proceeding?

8 A. Yes.

9 Q. Does the proposed Schedule MKT seek Commission approval of a new
10 customer class / tariff rate class without consideration of all relevant factors?

11 A. Yes.

12 Q. What additional factors do you believe the Commission should consider?

13 A. A few major factors for the Commission to consider include, but are not limited
14 to, the customer’s cost of service and the impact this proposed rate would have on EMW’s cost
15 of service including generation, transmission, and SPP costs.

16 Q. Does EMW have currently approved and effective tariffs which the customer(s)
17 that are anticipated to take service on Schedule MKT could be served under?

18 A. Yes. The customers anticipated to take service on the requested Schedule MKT
19 also qualify under the Large Power Service rate schedule (LPS), the Special Contract rate
20 schedule, and the Special Rate for Incremental Load Service rate schedule (“Schedule SIL”).

21 Q. What were EMW’s reasons for not utilizing any of the currently effective tariffs
22 and requesting the establishment of a new tariff?

23 A. EMW states that the LPS rate schedule rates are not able to provide a competitive
24 rate to the anticipated customer. EMW states that the inclusion of riders such as FAC and

1 Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”) were a deterrent to
2 using the Special Contract tariff.⁹ Lastly, EMW states that conditions in the renewable power
3 purchase agreement market have made the financial benefits less suitable for both the potential
4 customer and the Company.¹⁰

5 Q. Is Staff aware of any changes in the renewable power purchase market that has
6 happened since Schedule SIL took effect on December 27, 2019?

7 A. No. To Staff’s knowledge the customer currently served on Schedule SIL
8 has raised no concerns with the renewable power purchase agreement provision of the
9 Schedule SIL tariff.

10 Q. Can Schedule SIL be modified in the Company’s next general rate proceeding
11 to accommodate the concern regarding the renewable power purchase agreement provision of
12 the tariff?

13 A. Yes. Currently, EMW has publicly stated that it plans to file a general rate
14 proceeding as early as January 7, 2022.

15 Q. Is the immediate approval of Schedule MKT necessary for the customer to take
16 service?

17 A. No. Mr. Ives states that a market rate contract is not expected to be filed until
18 early 2025.¹¹ The currently effective Schedule SIL allows the Company to negotiate rates with
19 customers, and with a general rate case quickly approaching, there is no need to approve
20 Schedule MKT in this case.

⁹ Page 4, lines 18 through 21 of Darrin R. Ives direct testimony.

¹⁰ Page 4, lines 15 through 18 of Darrin R. Ives direct testimony.

¹¹ Page 6, lines 9 through 11 of Darrin R. Ives direct testimony.

1 Q. Can EMW file Schedule MKT for review in its next general rate case currently
2 planned for filing in January 2022?

3 A. Yes.

4 Q. Other than the concerns mentioned thus far, does Staff have any other concerns
5 with EMW's requested Schedule MKT?

6 A. Yes. First, unlike OPPD's Rate 261M, Schedule MKT does not include a
7 requirement for distinct voltage levels that customers can take service under. Schedule MKT
8 states customers will be served at substation and transmission voltages, but doesn't list what
9 those voltages are and the proposed tariff would allow the Company to add more voltage levels
10 at its discretion. Second, Schedule MKT does not require the customer to own all of its
11 dedicated facilities, such as its substation. If EMW has to build facilities solely to serve the
12 customer and the customer's additional load requirements, then the tariff should state that those
13 costs are identified and recovered from the customer. Lastly, unlike the currently effective
14 Schedule SIL tariff, there is no hold harmless provision for all other customers.

15 Q. What is Staff's recommendation regarding the Company's requested
16 Schedule MKT?

17 A. Staff recommends the Commission reject the Company's Application for the
18 following reasons:

- 19 1. The Company's request attempts to establish a rate schedule
20 outside of a general rate proceeding and it has not complied with the
21 requirements of Section 393.355, RSMo, for requesting a special
22 rate outside of a general rate proceeding;
- 23 2. The requested tariff gives undue authority to EMW to
24 determine appropriate SPP costs without Commission approval;
- 25 3. The requested tariff is discriminatory in that it is only available
26 to customers who fall under NAICS Code 518210 or 541511; and

ROBIN KLIETHERMES

Present Position:

I am the Regulatory Compliance Manager of the Tariff and Rate Design Department, Industry Analysis Division, of the Missouri Public Service Commission ("Commission"). I have held this position since July 16th, 2016. I have been employed by the Commission since March of 2012. In May of 2013, I presented on Class Cost of Service and Cost Allocation to the National Agency for Energy Regulation of Moldova ("ANRE") as part of the National Association of Regulatory Utility Commissioners ("NARUC") Energy Regulatory Partnership Program. I am also a member of the Electric Meter Variance Committee.

Educational Background and Work Experience:

I have a Bachelor of Science degree in Parks, Recreation and Tourism with a minor in Agricultural Economics from the University of Missouri – Columbia in 2008, and a Master of Science degree in Agricultural Economics from the same institution in 2010. Prior to joining the Commission, I was employed by the University of Missouri Extension as a 4-H Youth Development Specialist and County Program Director in Gasconade County.

Additionally, I completed two online classes through Bismarck State College: Energy Markets and Structures (ENRG 420) in December, 2014 and Energy Economics and Finance (ENRG 412) in May, 2015.

Previous Testimony of Robin Kliethermes

Case No.	Company	Type of Filing	Issue
ER-2012-0166	Ameren Missouri	Staff Report	Economic Considerations
ER-2012-0174	Kansas City Power& Light Company	Staff Report	Economic Considerations
ER-2012-0175	KCP&L Greater Missouri Operations Company	Staff Report	Economic Considerations & Large Power Revenues
ER-2012-0345	Empire District Electric Company	Staff Report	Economic Considerations, Non-Weather Sensitive Classes & Energy Efficiency
HR-2014-0066	Veolia Kansas City	Staff Report	Revenue by Class and Class Cost of Service
GR-2014-0086	Summit Natural Gas	Staff Report	Large Customer Revenues
GR-2014-0086	Summit Natural Gas	Rebuttal	Large Customer Revenues
EC-2014-0316	City of O'Fallon Missouri and City of Ballwin, Missouri v. Union Electric Company d/b/a Ameren Missouri	Staff Memorandum	Overview of Case
EO-2014-0151	KCP&L Greater Missouri Operations Company	Staff Recommendation	Renewable Energy Standard Rate Adjustment Mechanism (RESRAM)
ER-2014-0258	Ameren Missouri	Staff Report	Rate Revenue by Class, Class Cost of Service study, Residential Customer Charge
ER-2014-0258	Ameren Missouri	Rebuttal	Weather normalization adjustment to class billing units
ER-2014-0258	Ameren Missouri	Surrebuttal	Residential Customer Charge and Class allocations
ER-2014-0351	Empire District Electric Company	Staff Report	Rate Revenue by Class, Class Cost of Service study, Residential Customer Charge

cont'd Previous Testimony of
Robin Kliethermes

Case No.	Company	Type of Filing	Issue
ER-2014-0351	Empire District Electric Company	Rebuttal & Surrebuttal	Residential Customer, Interruptible Customers
ER-2014-0370	Kansas City Power & Light Company	Staff Report	Rate Revenue by Class, Class Cost of Service study, Residential Customer Charge
ER-2014-0370	Kansas City Power & Light Company	Rebuttal & Surrebuttal	Class Cost of Service, Rate Design, Residential Customer Charge
ER-2014-0370	Kansas City Power & Light Company	True-Up Direct & True-Up Rebuttal	Customer Growth & Rate Switching
EE-2015-0177	Kansas City Power & Light Company	Staff Recommendation	Electric Meter Variance Request
EE-2016-0090	Ameren Missouri	Staff Recommendation	Tariff Variance Request
EO-2016-0100	KCP&L Greater Missouri Operations Company	Staff Recommendation	RESRAM Annual Rate Adjustment Filing
ET-2016-0185	Kansas City Power & Light Company	Staff Recommendation	Solar Rebate Tariff Change
ER-2016-0023	Empire District Electric Company	Staff Report	Rate Revenue by Class, CCOS and Residential Customer Charge
ER-2016-0023	Empire District Electric Company	Rebuttal & Surrebuttal	Residential Customer Charge and CCOS
ER-2016-0156	KCP&L Greater Missouri Operations	Staff Report	Rate Revenue by Class, CCOS and Residential Customer Charge
ER-2016-0156	KCP&L Greater Missouri Operations	Rebuttal & Surrebuttal	Data Availability, Energy Efficiency Revenue Adj., Residential Customer Charge
ER-2016-0179	Ameren Missouri	Rebuttal	Blocked Usage
ER-2016-0285	Kansas City Power & Light Company	Rebuttal & Surrebuttal	Clean Charge Network Tariff, Rate Design
GR-2017-0215	Spire (Laclede Gas Company)	Staff Report, Rebuttal & Surrebuttal	Tariff Issues, Rate Design and Class Cost of Service

cont'd Previous Testimony of
Robin Kliethermes

Case No.	Company	Type of Filing	Issue
GR-2017-0216	Spire (Missouri Gas Energy)	Staff Report, Rebuttal & Surrebuttal	Tariff Issues, Rate Design and Class Cost of Service
EC-2018-0103	Kansas City Power & Light Company	Staff Report	Customer Complaint
EO-2015-0055	Ameren Missouri	Rebuttal	Flex-Pay Program
GR-2018-0013	Liberty	Staff Report	Class Cost of Service and Rate Design Report
ER-2018-0145	Kansas City Power & Light Company	Staff Report & Rebuttal & Surrebuttal	Tariff Issues, Rate Design, Revenue, Class Cost of Service
ER-2018-0146	KCP&L Greater Missouri Operations	Staff Report & Rebuttal & Surrebuttal	Tariff Issues, Rate Design, Revenue, Class Cost of Service
EO-2018-0211	Ameren Missouri	Staff Rebuttal Report	MEEIA Margin Rates
GO-2019-0059	Spire Missouri West	Staff Recommendation & Rebuttal	Weather Normalization Adjustment Rider (WNAR)
GO-2019-0058	Spire Missouri East	Staff Recommendation & Rebuttal	Weather Normalization Adjustment Rider (WNAR)
ET-2018-0132	Ameren Missouri	Surrebuttal	Risk Sharing Mechanism
ER-2019-0291	Ameren Missouri	Staff Recommendation	MEEIA EEIC rates
GR-2019-0077	Ameren Missouri	Staff Report, Rebuttal & Surrebuttal	Tariff Issues, Rate Design, Revenue, Class Cost of Service
EO-2019-0132	KCPL and GMO	Staff Rebuttal Report	MEEIA DSIM mechanism, Tariff Issues
ER-2019-0335	Ameren Missouri	Staff Report, Rebuttal and Surrebuttal	Cost of Service and Class Cost of Service
ER-2019-0374	Empire District Electric Company	Staff Report, Rebuttal and Surrebuttal	Class Cost of Service and Estimated Bills
ER-2019-0374	Empire District Electric Company	Supplemental and Surrebuttal Supplemental	Estimated Bills and Billing Determinants
EU-2020-0350	Evergy Missouri Metro and Evergy Missouri West	Rebuttal Testimony	Lost Revenue Recovery

cont'd Previous Testimony of
Robin Kliethermes

Case No.	Company	Type of Filing	Issue
ER-2021-0158	Ameren Missouri	Staff Recommendation	Rider Energy Efficiency Investment Charge
GR-2021-0108	Spire Missouri, Inc.	Staff Report, Rebuttal and Surrebuttal	Class Cost of Service, CCN Disallowance, Billing Determinant adjustments
ET-2021-0151	Evergy Missouri Metro & Evergy Missouri West	Staff Rebuttal Report	Electric Vehicle Charging Programs
EO-2021-0416	Evergy Missouri West	Staff Recommendation Report	First Prudence Review of MEEIA Cycle 3
EO-2021-0417	Evergy Missouri Metro	Staff Recommendation Report	First Prudence Review of MEEIA Cycle 3
ER-2021-0240	Ameren Missouri	Staff CCOS Report, Rebuttal and Surrebuttal	Seasonal Proration, Rate Switching Tracker, Tariff Review, Energy Efficiency
GR-2021-0241	Ameren Missouri	Staff CCOS Report	Rate Design, Class Cost of Service and Tariff Review

RATE SCHEDULE NO. 261M

Large Power – High-Voltage Transmission Level – Market Energy

APPLICABILITY

This Rate Schedule is applicable to all non-Residential Customers throughout OPPD's Service Area.

Customers taking Electric Service as three-phase service will be supplied radially from OPPD's system at a nominal standard voltage of 161,000 volts or 345,000 volts, where the Customer owns its electric substation for the delivery of the service.

The minimum Demand for service under this Rate Schedule is 20,000 kilowatts for service at 161,000 volts or a minimum Demand of 200,000 kilowatts for service at 345,000 volts each month.

Customers must substantiate to OPPD's satisfaction that their Demand requirements will meet the minimum Demand requirements of this Rate Schedule within 18 months of establishing service under this Rate Schedule.

The Customer's high voltage Electric Service will be measured by one Demand Meter, unless a Customer takes emergency or special service as required by OPPD's Service Regulations.

BILLING COMPONENTS

Monthly Service Charge: \$10,000.00 per month plus,

Demand Charge:

<u>Billing Demand</u>	<u>Per kW Month</u>
Per kW	\$22.45

Minimum Billing Demand of 20,000 kilowatts per month for interconnection at 161,000 volts, or 200,000 kilowatts per month for interconnection at 345,000 volts.

Energy Charge

An Energy Charge will be assessed based on the number of kilowatt-hours consumed in any given hour multiplied by the appropriate cost to purchase energy from the Southwest Power Pool (SPP) for that hour. OPPD will notify the Customer of the SPP node used to price the hourly energy and all applicable SPP charges. The billing notice will be enforceable under this Rate Schedule and OPPD's Service Regulations.

Rider Schedule No. 462 – Primary Service Discount does not apply to this Rate Schedule.

Minimum Monthly Bill: \$459,000.00 for Customers taking service at 161,000 volts
or
\$4,500,000.00 for Customers taking service at 345,000 volts

The minimum monthly bill is calculated as the 20,000-kilowatt minimum Demand requirement of \$449,000 for interconnection at 161,000 volts, or 200,000 kilowatt

minimum Demand requirement of \$4,490,000 for interconnection at 345,000 volts, plus the monthly service charge of \$10,000. Any energy used by the Customer during a billing period is charged in addition to a minimum bill.

Late Payment Charge:

A Late Payment Charge in the amount of 4% of the Billing Components and applicable taxes will be assessed if the current month's bill payment is not received by OPPD on or before the due date.

Determination of Demand

Demand, for any billing period during the initial 18 months of service, will be the kilowatts computed from the readings of OPPD's Meter for the 15-minute interval of the Customer's greatest use during the same billing period.

For billing period of 18 months or after the initial service date, Demand will be the kilowatts computed from the readings of OPPD's Meter for the 15-minute interval of Customer's highest use during the same billing period.

If after month 17 of the initial service date, the Demand is less than 95% leading or lagging of the Customer's highest 15-minute kilovolt ampere Demand, the kilowatt Demand will be increased under this Schedule by 50% of the difference between 95% of the kilovolt ampere Demand and the Demand as determined above.

The Customer's Demand must be equal to or greater than the larger of the following:

- 90% of the highest 15-minute Power Factor-adjusted Demand during the Summer billing months of the preceding eleven (11) months, or
- 75% of the highest 15-minute Power Factor-adjusted Demand during the Non-Summer billing months of the preceding eleven (11) months, or
- 20,000 kilowatts for Customers receiving service at 161,000 volts

or

200,000 kilowatts for Customers receiving service at 345,000 volts

ADMINISTRATIVE

Special Conditions

Customers taking service under this Rate Schedule must provide written notice twelve (12) months before switching between the Market Energy Base Option and the Non-Market Energy Base Option.

Customers taking service under this Rate Schedule will be required to execute and comply with operational policies and any other requirements as determined by OPPD.

OPPD assumes no liability for Customer-owned facilities.

OPPD will determine the Point(s) of Delivery using the information provided by the Customer regarding the Customer's requirements. The Point of Delivery will be based on the needs and requirements of OPPD's systems and facilities.

Due to the nature of service provided under this Rate Schedule, OPPD and the Customer will jointly agree upon a metering point that adequately and safely meets OPPD's requirements. If OPPD determines it is necessary to place Meters in a location away from the Point of Delivery, OPPD reserves the right to adjust its Meter readings and billings to account for delivery line losses.

Customers receiving service from more than one high voltage transmission source are restricted from tying or paralleling the sources at any time or for any duration. All transfers between sources must be performed as open transition transfers.

For planning purposes, the Customer will notify OPPD of their expected monthly Demand (in kilowatts) at least one week before the start of each month. In the event the Customer's actual monthly Demand varies by five (5) or more megawatts, OPPD reserves the right to request more frequent notifications regarding expected Loading conditions.

Under OPPD's Service Regulations, the resale, redistribution, marketing or extension of Electric Service received by the Customer, including in any wholesale or other markets, is prohibited. Customers are prohibited from taking wholesale transmission services to serve their Demand.

Customers served under this Rate Schedule shall not export power on OPPD's electrical system.

Service Regulations

Customers under this Rate Schedule must comply with all OPPD Service Regulations.

