BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	))))	Case No. ER-2014-0258

NONUNANIMOUS STIPULATION AND AGREEMENT
REGARDING ECONOMIC DEVELOPMENT,
CLASS COST OF SERVICE, REVENUE ALLOCATION AND RATE DESIGN

COMES NOW the Office of Public Counsel ("OPC" or "Public Counsel"), Noranda Aluminum, Inc. ("Noranda" or "Customer"), the Consumers Council of Missouri, the Missouri Retailers Association[1] and the Missouri Industrial Energy Consumers[2] (individually "Signatory", collectively the "Signatories"), and pursuant to 4 CSR 240-2.115, offer the following nonunanimous stipulation and agreement

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[1] The Missouri Retailers Association includes Alticor, Inc. d/b/a Amway Corporation, Anheuser-Busch, Altria Client Services, Inc., Coleman Appliance Center, CVS Caremark, Glazer's Midwest, The Home Depot, Kohl's Department Stores, Inc., Lowe's Companies, Inc., Macy's Midwest, Missouri Grocers Assn., Modern Auto Co., Inc., National Association of Chain Drug Stores, Noranda Aluminum, PETSMART, Inc., QuickTrip Corporation, R.J. Reynolds, Retail Grocers Assn. of Greater K.C., Schnuck Markets, Inc., Sears Holdings Corporation, Target Stores, Walgreen Co.

[2] Anheuser-Busch Companies, Inc., Ardagh Glass, BioKyowa, Inc., The Boeing Company, Doe Run, Enbridge Energy, General Motors Corporation, GKN Aerospace, Hussmann Corporation, JW Aluminum, Mallinckrodt, Monsanto, Nestlé Purina PetCare, Noranda Aluminum and SunEdison Semiconductors.

("Stipulation"). The Signatories represent all of Ameren Missouri's customer classes with the exception of the Municipal Lighting Class.

Through this Stipulation, the Signatories have resolved among themselves Issues 19, 21, 22 and 31 and all of their subparts as set forth in the First Amended Joint List of Issues, List and Order of Witnesses, Order of Cross-Examination, and Order of Opening Statements dated February 19, 2015. For their Stipulation, the Signatories agree as follows:

1. Maintain the current residential customer charge set at $8.00 per month;
2. Exempt qualifying residential low-income customers from Rider Energy Efficiency Investment Charges relating to the Missouri Energy Efficiency Investment Act, with impact assigned within the RES class only;
3. Except as provided in subpart 1, apply to all classes and to all rates within the class the system average increase which may result from any increase in total revenue requirement authorized by the Commission in this case;
4. Replace the currently effective economic development rider tariff sheets Rider EDRR – Economic Development and Retention and Rider ERR – Economic Redevelopment with revised tariff sheets consistent with Attachment A ("EDR Revision");
5. Maintain the current tariff sheets and rates currently in effect for the LTS class and continue to set rates for the LTS class in future general rate proceedings, wherein the Customer shall continue to have legal standing regarding all rates, terms and conditions of service and all matters impacting this class;

6. For a period of ten (10) years, authorize a new class of Ameren Missouri electric service ratepayer for Industrial Aluminum Smelters (IAS);

7. Set, except as provided in subpart (19b), an effective base rate of $34.00/MWh for the aforementioned new IAS class, to become effective on the operation of law date in this case (the "Implementation Date");

8. Effective with the Implementation Date in this case, exempt the new IAS class from Rider FAC through the end of the ten-year term of the Stipulation;

9. Subject to any rate case adjustments as set forth in paragraph (10), fix the effective base rate applicable to the new IAS class for a period of ten (10) years from the Implementation Date (the "Term");

10. Order that during the Term, except as provided in subparts (19a) and (19b) below, the new IAS class shall be subject to a base rate adjustment of fifty percent (50%) of the system average increase and zero percent (0%) of any rate decrease taking effect as the result of each general rate adjustment granted to Ameren Missouri by the Commission after the Implementation Date;

11. Order that the new IAS class shall be subject to one-hundred percent (100%) of any new surcharge, adjustment mechanism or any other mechanism that seeks to change or impose new rates between rate cases that takes effect during the Term as the result of any new Missouri legislation passed and taking effect after the Implementation Date. The Customer agrees that it will not seek to exclude itself from the impact of

such legislation or draft legislation and will be subject to the full and complete impact of such legislation;

12. Order that during the Term, the new IAS class shall not be subject to charges, rates or surcharges that were not in effect at the Implementation Date other than those specifically enumerated herein;

13. Apply the resulting deficiency in retail base rate revenue associated with the creation of the IAS class among all remaining classes paying for Ameren Missouri's electric service by changing base rate revenue in proportion to current base rate revenue minus LTS base rate revenue. Any change in FAC revenues associated with subpart (8) above will flow automatically through the FAC to all remaining classes paying for Ameren's electric service;

14. As a condition to access the reduced rate structure available to the new IAS class, and the exemption from the FAC, require the Customer to provide the Commission's Staff and all Signatories, the following information which shall be classified as Highly Confidential regarding employment at the New Madrid smelter:

    (a) If the rate and terms specified herein are ordered by the Commission and implemented and effective on or before July 31, 2015, annual certification of compliance and quarterly surveillance reports demonstrating that the Customer has fulfilled the requirement that employment at the New Madrid smelter meets or exceeds a daily average of 850 full-time equivalent personnel, either direct employees or contract personnel, and specifically noting instances where the employee count goes below the required average because employees have voluntarily left Customer's employ and Customer is actively seeking to fill those positions, or due to *force majeure* or other events considered by the Commission to be outside the Customer's control;

15. As a condition to access the reduced rate structure available to the new IAS class, and the exemption from the FAC, require the Customer to expend $35 million in capital, as defined by accounting principles generally accepted in the United States ("USGAAP"), at the New Madrid smelter in the first year of the Term, and to provide the Commission Staff and all Signatories, an annual surveillance report which shall be designated as Highly Confidential detailing the nature and scope of work performed to meet the $35 million requirement with discrete expenditures accounted for by amount of capital expended;

16. As a condition to access the reduced rate structure available to the new IAS class, and the exemption from the FAC, after the first year of the Term and through the period that the reduced base rate is in effect, require the Customer to expend an annual inflation-adjusted $35 million in capital as defined by USGAAP at the New Madrid smelter, utilizing the general Consumer Price Index as published by the US Bureau of Labor Statistics, compounded annually, in the second through final years the reduced base rate is in effect, and a prorated inflation-adjusted monthly capital

expenditure for each full month the reduced base rate is in effect after the Term to the extent there are any partial-year terms, and to provide the Commission Staff and all Signatories an annual surveillance report which shall be designated Highly Confidential detailing the nature and scope of work the Customer performed to meet the required aggregate capital investment level with discrete expenditures accounted for by amount of capital expended;

17. Order that the Customer may elect to invest an amount greater than $35 million in capital per year (as defined above) as set forth in subparts (15) and (16), with a corresponding reduction in its capital spending obligation in the later years of this period, but in no event shall the Customer's capital investment spending credited at the end of each year be less than the compounded inflation-adjusted expenditure requirement for that same period as set forth in subparagraphs (15) and (16);

18. As a condition to access the reduced rate structure available to the new IAS class, and the exemption from the FAC, require that the Customer shall not issue special dividends during the Term;

19. As a condition to access the reduced rate structure available to the new IAS class, and the exemption from the FAC, the Customer agrees as follows:

(a) If, after year five of the Term, the Customer's liquidity[3] exceeds $250 million at the end of any quarter as reported to the

[3] Liquidity is defined as cash and cash equivalents plus available borrowing capacity under Noranda's asset-based revolving credit facility, as provided in Noranda's public financial disclosures.

Commission's Staff and the Signatories in a quarterly Highly Confidential monitoring report, then at the request of any Signatory, the Signatories will confer regarding liquidity and the IAS rate. The Signatories will work in good faith to resolve any issues related to liquidity. If the parties cannot reach resolution, any Signatory may in any general rate case initiated or pending after year five of the Term, request that the Commission increase the escalator described in subpart (10) above.

(b) If, after year five of the Term, the Customer's liquidity exceeds $300 million at the end of any quarter as reported, to the Commission's Staff and the Signatories in a Highly Confidential monitoring report, then at the request of any Signatory, the Signatories will confer regarding liquidity and the IAS rate. The Signatories will work in good faith to resolve any issues related to liquidity. If the Signatories cannot reach resolution, any Signatory may in any general rate case initiated or pending after year five of the Term request that the Commission increase the escalator described in subpart (10) above or the base rate described in subpart (7) above, or both, but only to the extent that the Commission finds such increase is necessary to avoid any unjust and unreasonable rate, considering the Customer's level of liquidity and other relevant factors.

20. In calculating and applying the liquidity thresholds referenced in paragraph (19), the Signatories agree that they shall: (a) impute any dividends in excess of the current rate and (b) impute any bonuses for the Noranda Incentive Compensation Plan (“Plan”) in excess of the amount provided by the structure and design terms of the Plan, pursuant to Noranda’s 2013 annual proxy.

21. The provisions of this Stipulation shall be available to the Customer only so long as it remains a stand-alone entity. This Stipulation and the terms and conditions of service contained herein shall not be assigned or assumed to any successor company whether through direct ownership, through a holding company or otherwise unless the obligations hereunder are assigned or assumed by the purchaser and the Signatories’ consent to the assignment, which consent shall not be unreasonably withheld.

22. The Customer agrees that if, during the Term, it believes that it will have to discontinue operations at the New Madrid smelter, it shall provide notice to the Commission and to the Signatories without delay and as soon as reasonably possible.

23. The Customer agrees that, in the event the rate structure outlined in this Stipulation is approved and implemented by the Commission, and while this rate structure is in effect, it shall not seek to take electric service in a wholesale structure, discontinue service as a retail customer, or exit the Ameren Missouri system.

24. As a term of the IAS tariff, if the Customer should materially fail – as determined by the Commission – to comply with any term or condition required to access the reduced rate provided herein, the sole remedy before the Commission shall be that the Customer shall no longer have access to the rate structure outlined herein and the Customer's rate structure shall revert to the rate structure set for the LTS class at that time on a going forward basis, with the resulting difference in retail revenue to be allocated to the benefit of the remaining customer classes in equal proportion to their then-current contribution to retail revenue less the LTS class. Nothing herein prevents Customer from closing all or part of the New Madrid smelter at its sole discretion;

25. Order that the Commission will hold a hearing or make a determination based on verified pleadings within thirty (30) days of a request by Commission Staff, a Signatory or on its own motion, if:

    (a) the Commission issues an order finding good cause to believe the Customer has failed materially to comply with any term or condition required to access the reduced rate structure available to the new IAS class, and

    (b) the Customer has reasonable notice and a reasonable opportunity to cure its material failure to comply with such term or condition.

26. Order that during any hearing held pursuant to subpart (25) above, Customer shall bear the burden to show cause:

(a) why it should continue to access the rate structure available to the new IAS class despite a material failure to meet any or all terms or conditions required to access the IAS class rate structure, or

(b) why its failure to meet any or all terms or conditions required to access the IAS class rate structure should be found to be immaterial.

27. Determine that, in assessing whether a violation of any term or condition is material, the Commission shall weigh in its consideration all relevant factors, including among others, the following:

(a) any evidence of *force majeure*;

(b) with respect to the employment level conditions, whether the violation is the *de minimis* result of the quarterly-average calculation;

(c) with respect to the employment level conditions, evidence tending to provide or disprove that the Customer has actively sought to fill those positions, or is actively seeking to fill those positions.

In offering this Stipulation, the Signatories shall not be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, to any other method of cost determination or cost allocation or revenue-related methodology. Notwithstanding any provision of this Stipulation to the contrary, the Customer shall retain all rights and standing to seek redress from the Commission, including but not limited to rate relief, and shall retain all rights and standing with respect to any matter related to the LTS tariff, and nothing herein shall bar or prejudice the

Customer from seeking additional rate relief from the Commission in any future proceedings, but in the event the Customer seeks such additional rate relief, the Signatories may oppose such additional rate relief or seek modification of this Stipulation.

No Signatory will seek to eliminate, reduce or take a non-opposing position relating to any provision of this Stipulation, except as expressly provided by and contemplated by this Stipulation.

The Signatories agree that this Stipulation does not provide for liquidated or other damages in the event of breach and specifically waive their rights to such damages, if any. The Signatories agree that equitable or other non-monetary remedies are not encompassed in the phrase "liquidated or other damages" as used above.

The terms of this Stipulation are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification and authorize the rates, terms and conditions of this Stipulation to take effect by the effective date of its decision in this case, then this Stipulation shall be void and the Signatories shall not be bound by any of the agreements or provisions hereof.

If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights of the Signatories for a decision in accordance with Mo. Rev. Stat. § 386.080 (2000 & Cum. Supp.) or Mo. Const. Art. V, § 18, and the Signatories shall retain all procedural and due process rights as though this Stipulation had not been presented for approval, and any statements, suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

In the event the Commission accepts unconditionally the specific terms of this Stipulation without modification, the Signatories waive the following rights only as to the issues resolved herein: 1) the right to seek rehearing, pursuant to Mo. Rev. Stat. § 536.500; and 2) the right to judicial review pursuant to Mo. Rev. Stat. § 386.510. This waiver applies only to a final unappealed Commission order issued in this proceeding unconditionally approving this Stipulation and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation.

WHEREFORE, for the foregoing reasons, the Signatories respectfully request that the Commission issue its order approving all of the specific terms and conditions of this Stipulation.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed on this 10th day of March, 2015 to all parties on the Commission's service list in this case.

/s/ Dustin Allison

ECONOMIC DEVELOPMENT RIDER (EXEMPLAR)

PURPOSE:

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

AVAILABILITY:

Electric service under this Rider is only available in conjunction with local, regional or state governmental economic development activities where incentives or other support 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 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 LTS, SPS, LPS, or LGS rate schedules. Electric service under this Rider is not available in conjunction with service provided pursuant to any other Special Contract Service tariff agreement.

This Rider is not available to new customers shifting load from a Missouri investor-owned utility, electric cooperative or municipally owned utility.

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.

STANDARD INCENTIVE APPLICABILITY:

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

1. The annual load factor of the new Customer facility or expanded facility reasonably is projected to equal or exceed fifty-five percent (55%) 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 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:

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

where:

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

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;
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. ___, ensuring a positive contribution to fixed costs.

2. The peak demand of the new or additional facility is reasonably projected to be at least five-hundred (500) kW within two years of the date the Customer first receives service under this Rider. The Customer must maintain at least five-hundred (500) kW in years three (3) through five (5) of service under this Rider to continue to be eligible for the incentive provisions.

In the case of retention of an existing Customer, as a condition for service under this Rider, Customer must furnish to Company such documentation as is necessary to verify the availability of a viable electric supply option outside of the Company's service territory and the Customer's intent to select this viable electric supply option. Customer must also submit an affidavit stating Customer's intent to select this viable electric supply option unless it is able to receive service under this Rider. An existing Customer's rate reduction under this Rider shall be limited to the lesser of the rate offered by the alternative electric supply option or the incentive provisions articulated below.

In the case of a Customer locating a new facility in the Company's service territory or expanding an existing facility in the Company's existing territory, the Customer will submit an affidavit that the Customer would not locate new facilities in the service territory or expand facilities in the service territory but for receiving service under this Rider along with other public incentives or support.

All requests for service under this Rider will be considered by the Company and approved if the requesting Customer meets the eligibility criteria enumerated herein. 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. All information and documentation provided to the Company shall be submitted to the Commission, the Commission Staff in the Energy Unit and the Office of the Public Counsel.

STANDARD INCENTIVE PROVISIONS:

1. Revenue Determination:

The pre-tax revenues under this Rider shall be determined by reducing the otherwise applicable charges associated with the LTS, SPS, LPS, or LGS rate schedules by fifteen percent (15%) during the term of service, not to exceed five (5) years. After the fifth year, this incentive provision shall cease. If elected by the Customer and approved by the Company prior to taking service under this Rider, the Customer may alter the discount percentages over the course of the five (5) years, not to exceed seventy-five percent (75%) over the term of service, and not to exceed thirty percent (30%) in any single year. The selected discount percentages cannot change once service under the Rider commences. 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. Positive Contribution:

Revenues to be received from a Customer over the term of service under this Rider shall be greater than the applicable incremental cost to provide electric service, as determined by the Company and verified by the Commission's Staff, pursuant to Sheet Nos. _____, ensuring a positive contribution to fixed costs.

4. 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 the Rider.

ENHANCED INCENTIVE APPLICABILITY:

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

1. The annual load factor of the new Customer facility or expanded facility is reasonably project to equal or exceed fifty-five percent (55%) 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 every year of 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:

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

where:

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

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;
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. ___, ensuring a positive contribution to fixed costs.

2. The peak demand of the new or additional facility is reasonably projected to be at least five-hundred (500) kW within two years of the date the Customer first receives service under this Rider. The Customer must maintain usage of at least five-hundred (500) kW in each year of service under this Rider to continue to be eligible for the incentive provisions.

3. If the Customer proposes to retain, locate or expand an existing facility in:

a. A Missouri county in the Company's service territory other than St. Louis County which has experienced a population decline as measured by the difference in population counted between the last two decennial censuses, and which is projected to experience a decline in population going forward according to the Missouri State Demographer's Population Projection; or

b. A municipality located in whole or in part within St. Louis County classified as a "distressed community" under Section 135.530, RSMo; or

c. a manner permitting the Company to utilize existing utility infrastructure to the benefit of the efficient utilization of the local electric service delivery system.

In the case of retention of an existing Customer, as a condition for service under this Rider, Customer must furnish to Company such documentation as is necessary to verify the availability of a viable electric supply option outside of the Company's service territory or regulated service and the Customer's intent to select this viable electric supply option. Customer must also submit an affidavit stating Customer's intent to select this viable electric supply option unless it is able to receive service under this Rider. An existing Customer's rate reduction under this Rider shall be limited to the lesser of the rate offered by the alternative electric supply option or the incentive provisions articulated below.

In the case of a Customer locating a new facility in the Company's service territory or expanding an existing facility in the Company's existing territory, the Customer will submit an affidavit that the Customer would not locate new facilities in the service territory or expand facilities in the service territory but for receiving service under this Rider along with other public incentives or support.

All requests for service under this Rider will be considered by the Company and approved if the requesting Customer meets the eligibility criteria enumerated herein. 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. All information and documentation provided to the Company shall be submitted to the Commission, the Commission Staff in the Energy Unit and the Office of the Public Counsel. In addition, the Company shall provide relevant circuit utilization information in the documentation submitted.

ENHANCED INCENTIVE PROVISIONS:

1. Revenue Determination:

The pre-tax revenues under this Rider shall be determined by reducing the otherwise applicable charges associated with the LTS, SPS, LPS, or LGS rate schedules by thirty percent (30%) during the first year of service, twenty-five percent (25%) during the second year, twenty percent (20%) during the third year, fifteen percent (15%) during the fourth year, and ten percent (10%) during the fifth year. After the fifth year, this incentive provision shall cease. If elected by the Customer and approved by the Company prior to taking service under this Rider, the Customer may alter the discount percentages over the course of the five (5) years, not to exceed one hundred (100%) over the term of service, and not to exceed thirty percent (30%) in any single year. The selected discount percentages cannot change once service under the Rider commences. 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. Positive Contribution:

Revenues to be received from a Customer over the term of service under this Rider shall be greater than the applicable incremental cost to provide electric service, as determined by the Company and verified by the Commission's Staff, pursuant to Sheet Nos. _____, ensuring a positive contribution to fixed costs.

4. 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 the Rider.

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, the Commission's Staff in the Energy Unit and the Office of the Public Counsel an analysis of the Company's incremental cost of service in a format set forth in Sheet No. ___. 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 Mida 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.

INCREMENTAL ANNUAL COST PER KWH:

Incremental Cost Analysis Study by Load Factor

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									