Availability

This rate shall apply to the firm power requirements (where a customer’s contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by the VEC.

Base Charges

Part 1 If (a) the higher of (i) the customer’s currently effective contract demand, if any, or (ii) the highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy use for any month during such period does not exceed 15,000 kWh:

Customer Charge: $14.00 per delivery point per month

* Energy Charge:

<table>
<thead>
<tr>
<th>Season</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer</td>
<td>9.443¢ per kWh per month</td>
</tr>
<tr>
<td>Winter</td>
<td>9.271¢ per kWh per month</td>
</tr>
<tr>
<td>Transition</td>
<td>9.179¢ per kWh per month</td>
</tr>
</tbody>
</table>

Part 2 If (a) the higher of (i) the customer’s currently effective contract demand or (ii) the highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer’s billing demand is less than 50 kW and the energy use for any month during such period exceeds 15,000 kWh:

Customer Charge: $25.00 per delivery point per month

Demand Charge: Summer

First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month at $15.20 per kW

Winter and Transition

First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month at $14.50 per kW

* Energy Charge: Summer

First 15,000 kWh per month at 9.443¢ per kW
Additional kWh per month at 4.365¢ per kWh

* Energy charges (kWh) do not include TVA’s monthly Fuel Cost.
**Winter**  
First 15,000 kWh per month at 9.271¢ per kWh  
Additional kWh per month at 4.333¢ per kWh  

**Transition**  
First 15,000 kWh per month at 9.179¢ per kWh  
Additional kWh per month at 4.333¢ per kWh  

Part 3  If the higher of (a) the customer’s currently effective contract demand or (b) the highest billing demand during the latest 12-month period is greater than 1,000 kW:

**Customer Charge:**  
$150.00 per delivery point per month  

**Demand Charge:**  
**Summer**  
First 1,000 kW of billing demand per month at $15.81 per kW  
Next 1,500 kW of billing demand per month at $15.95 per kW  
Excess over 2,500 kW of billing demand per month at $15.87 per kW plus an additional $15.87 per kW per month for each kW, if any of the amount by which the customer’s billing demand exceeds the higher of 2,500 kW or the contract demand  

**Winter and Transition**  
First 1,000 kW of billing demand per month at $15.08 per kW  
Next 1,500 kW of billing demand per month at $15.23 per kW  
Excess over 2,500 kW of billing demand per month at $15.15 per kW plus an additional $15.15 per kW per month for each kW, if any of the amount by which the customer’s billing demand exceeds the higher of 2,500 kW or the contract demand  

* Energy Charge:  
**Summer**  
4.345¢ per kWh per month  
**Winter**  
4.313¢ per kWh per month  
**Transition**  
4.313¢ per kWh per month  

**Manufacturing Credits**  
Manufacturing credits are applicable to customers with (a) SIC codes 20 - 39 and (b) monthly billing demand greater than 1,000 kW  

**Demand Credit:**  
First 1,000 kW of billing demand per month at $1.38 per kW  
Excess over 1,000 kW of billing demand per month at $1.63  

* Energy Credit:  
1.076¢ per kWh per month  

* Energy charges (kWh) do not include TVA’s monthly Fuel Cost.
Provided, however, that no credit shall be applied in any month in which the customer’s metered demand for that account does not exceed 1,000 kW.

**Adjustment**

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

**Determination of Seasonal Periods**

Summer Period shall mean the June, July, August, and September billing months. Non-Summer Period consists of the Winter Period shall mean the (December, January, February, and March billing months) and Transition Period (April, May, October, and November billing months.)

**Determination of Demand**

VEC shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30–consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30–consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus demand an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand.

**Minimum Bill**

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, and (b) $1.00 per kW of the higher of (i) the customer’s currently effective contract demand or (ii) the highest billing demand during the latest 12-month period.

VEC may require minimum bills higher than those stated above because of special circumstances affecting VEC’s cost of rendering service.

**Seasonal Service**

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal surcharge equal to (1) 1.33¢ per kWh per month under Part 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and $4.00 per kW per month of billing demand in excess of 50 kW under Part 2 of the Base Charges, and (3) $4.00 per kW per month of billing demand under Part 3 of the Base Charges. Consistent with VEC’s standard policy, the customer may arrange for seasonal testing of equipment during off-peak hours.

For such customers, the minimum bill provided for above shall not apply. VEC may require additional charges to provide recovery of costs for customer-specific distribution facilities.

**Contract Requirement**

VEC may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 3 years. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and VEC shall not be obligated to supply power in greater amount at any time than the customer’s currently effective contract demand. If the customer uses any power other than that supplied by VEC under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between VEC and TVA.

* Energy charges (kWh) do not include TVA’s monthly Fuel Cost.
**Payment**

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under VEC’s standard policy.

**Single-Point Delivery**

The charges under this rate schedule are based on the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

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**Service is subject to Rules and Regulations of Volunteer Energy Cooperative (VEC).**