

INDEPENDENCE POWER & LIGHT DEPARTMENT
Independence, Missouri

Schedule EDR-5
Economic Development Rider

PURPOSE

The purpose of this Economic Development Rider is to encourage industrial development in the Department's service territory. These activities will diversify the Department's customer base, create jobs and serve to improve the utilization efficiency of existing Department facilities.

AVAILABLE

Electric service under this Rider is only available to industrial customers otherwise qualified for service under the Department's Large Power Service (LP-2) rate schedule, Special Contract Large Interruptible Industrial Service (SCIS-1) rate schedule or Large General Service (LGS-1) rate schedule and who make application for service after the effective date of this Rider Schedule EDR-5.

For purposes of this Rider, an industrial customer is defined as any business that is primarily engaged in the manufacturing or processing of a product for sale or resale or any other similar industrial related activities as may be determined by the Department from time to time. This Rider is not applicable to any Customer who is directly engaged in the retail trade of rendering goods and services to the general public.

APPLICABILITY

Upon the written request of the customer and acceptance by the Department, the provisions of this Rider will be applicable to following customers that meet the following qualifications:

- (1) New industrial customers whose electrical load characteristics qualify under Applicability provisions (3)(a) and (4) of this Rider.
- (2) Existing industrial customers who either (i) have load expansion whose electric load characteristics qualify under Applicability provisions (3)(b) and (4) of this Rider or (ii) make a capital investment in their existing facility equal to or greater than ten times their annual electrical billings for the last 12 months and whose electrical load characteristics qualify under Applicability provisions (3)(c) and (4) of this Rider.
 - (a) The peak demand of the new customer is reasonably projected to be at least 200 KW within two years of the new customer first receiving service from the Department.
 - (b) The incremental peak load expansion of an existing customer is reasonably projected to be at least 200 KW and not less than 20 percent of the combined existing load and incremental load expansion within two years of existing customer first receiving service for load expansion.
 - (c) For an existing customer that qualifies under the capital investment criteria, the peak demand of the customer's facility shall be at least 200 KW.
- (4) The annual load factor of the new customer or incremental load expansion of an existing customer is reasonably projected to equal or exceed an annual load factor

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of 50% within two years of the new customer or incremental load expansion first receiving service from the Department. For an existing customer that qualifies under the capital investment criteria, the customer annual load factor shall equal or exceed 50%. The annual customer load factor shall be determined using the following relationship:

Annual Energy (KWH) of the customer or load expansion
DIVIDED BY 8760 (Hours in year) DIVIDED BY Customer
Demand or Incremental Customer Demand Load Expansion,
Coincident with Department's Peak Demand.

- (5) If as determined by the Department, the actual new customer load or existing customer incremental expansion load fails to qualify under the terms of Applicability Provisions (3) and (4) at the end of the two-year projection period starting with the first month's application of the Incentive Discount Provisions, the Department shall terminate the further application of the Incentive Discount Provisions for the remaining years of the discount period.
- (6) Unless otherwise expressed in writing, the Customer agrees that the Department shall be the sole source of electricity used at the facility and to purchase, during the five-year term of the Agreement, all of its electric power requirements from the Department.
- (7) The base or existing demand of an existing customer load will be based on the average of the two highest monthly metered peak loads established during the most recent 24-month period prior to load expansion. The percent load expansion will be determined by dividing the projected incremental load expansion by the sum of the base demand (prior to load expansion) and the incremental load expansion.
- (8) If incremental load expansion of an existing customer is separately metered (at the Customer's option with Department Agreement) then the separately metered incremental load expansion will be treated as a new customer for the purpose of administering the provisions of this Rider, including applicable billing provisions.

Written requests for service under this Rider shall be accompanied by sufficiently detailed information to enable the Department to determine whether the new customer or incremental load expansion or the amount of capital investment meet the above criteria including items (1), (2), (3), (4), (7) and (8). All written requests for service under this Rider will be considered by the Department; however, requests which do not conform to the purpose and availability of this Rider, as stated above, will not be approved.

INCENTIVE DISCOUNT PROVISIONS

The billed amounts under this Rider shall be determined by reducing otherwise applicable billing charges, including fuel adjustment, associated with the applicable rate schedule, by the following percentage amounts:

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	Schedule A <u>Discount</u>	Schedule B <u>Discount</u>
First Contract Year	35.0%	14.0%
Second Contract Year	30.0%	12.0%
Third Contract Year	25.0%	10.0%
Fourth Contract Year	20.0%	8.0%
Fifth Contract Year	10.0%	4.0%
Sixth Contract Year and thereafter	0.0%	0.0%

Schedule A Discount applies to (i) the entire load for new customers; (ii) the entire load for existing customers that qualify under the capital investment criteria; and (iii) for the expanded load of existing customers that qualify under the load expansion criteria and have a separate meter for the expansion load (discount applies only to the separate meter for the load expansion).

Schedule B Discount applies to existing customers that qualify under the load expansion criteria and the existing customer's entire load (existing load plus expansion load) is metered with a single meter.

All other billing, operational and related provisions of the aforementioned rate schedule shall remain in effect.

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FORM OF AGREEMENT

This Agreement is entered into as of this ____ day of _____, 20____, by and between Independence Power & Light Department (Department) and _____(Customer).

WITNESSETH:

Whereas, Department has on file with the City Clerk of Independence a certain Economic Development Rider Schedule EDR-5 (Rider), and;

Whereas, Customer has furnished sufficient information to the Department to demonstrate that its new electric load facilities or additional electric load expansion facilities or the amount of capital investment satisfies the Availability and Applicability provisions of Rider Schedule EDR-5, and;

Whereas, Customer wishes to take electric service from the Department, and the Department agrees to furnish electric service to the Customer under this Rider and pursuant to Rate Schedule _____ of the Department,

The Department and Customer agree as follows:

1. Service to the Customer's Facilities shall be pursuant to the Rider Schedule EDR-5, and Rate Schedule _____, and the Department's Electric Service Policies, Standards, and Requirements, as may be in effect from time to time and filed with the City Clerk of Independence.
2. Customer further acknowledges that this Agreement is not assignable voluntarily by Customer, but shall nevertheless insure to the benefit of and be binding upon the Customer's successors by operation of law.
3. Customer acknowledges that all information provided to the Department for the purpose of determining whether the Customer is eligible for service under the Rider shall be retained by the Department, 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, Department shall notify Customer of any request for inspection or disclosure.
4. Unless agreed upon in writing, the Customer agrees that the Department shall be the sole source of electricity used at the facility and to purchase, during the five-year (5) Incentive Discount Provision period of the Rider, all of its electric power requirements from the Department.
5. This Agreement shall be governed in all respects by the laws of the State of Missouri and City Charter and Ordinances of the City of Independence (regardless of conflict of laws provisions), and by the Electric Service Policies, Standards, and Requirements of the Department as they may exist from time to time.

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

Independence Power & Light Department

Customer

By _____

By _____