

**SCHEDULE EDR 4.2**  
**ECONOMIC DEVELOPMENT SERVICE**

**I. AVAILABILITY**

*This Economic Development Rate is available to any member of Northeastern REMC (Northeastern) for new, retained or expanded service in excess of three hundred (300) kW of monthly non-coincident metered maximum demand.*

*The service location must be adjacent to an electric transmission or distribution line that is adequate and suitable for supplying the requested service. This schedule is not available for standby service.*

**II. APPLICABILITY**

*Northeastern shall provide this service to electric power members that meet the following conditions:*

**A. FOR NEW OR RETENTION OF ELECTRIC POWER SERVICE:**

- 1. Service is pursuant to a contract between the member and Northeastern, and*
- 2. The new electric power service measures at least 300 kW of monthly non-coincident metered maximum demand for at least six (6) months out of any contract year.*

**B. FOR EXPANDED ELECTRIC POWER SERVICE:**

- 1. Service is pursuant to a contract between the member and Northeastern, and*
- 2. The member increases its monthly non-coincident load requirement at least 300 kW for at least six (6) months out of any contract year when compared to the last 12 months of actual usage prior to the expansion, and*
- 3. The expanded load can be metered separately, at Northeastern's option, to assure compliance with this condition.*

**C. FOR NEW, RETAINED, OR EXPANDED SERVICE:**

*The applying member shall certify to Northeastern that the addition of facilities requiring the new, retained or expanded electric power service qualifies for state and/or local incentives and is non-commercial/residential.*

*Northeastern will be solely responsible for determining when a member meets these qualifications.*

**III. CHARACTER OF SERVICE**

*The type of service rendered under this rate schedule shall be multi-phase, sixty (60) hertz, approximately 277/480 volts, four-wire. Other voltages may be available upon the member's request subject to agreement by Northeastern. This rate schedule shall apply separately for service at each point of delivery.*

**IV. TERM OF SERVICE**

*So long as the member meets the minimum qualifications for service cited herein, service under this schedule may continue for a period of up to five (5) years from the date the member enters into a contract with Northeastern. This economic development rate is non-renewable.*

**V. MONTHLY CHARGE**

The total bill for service shall be the sum of the applicable Distribution Service charges and Power Supply Service charges as shown below.

**A. DISTRIBUTION SERVICE**

**1. Monthly Access Charge**

Standard Service at Secondary Voltages

Access Charge per Service Location per Month \$150.00

Credit for Primary Service

Credit per Service Location per Month \$10.00

**2. Distribution Demand Charge**

Standard Service at Secondary Voltages

Demand Charge per kW Distribution Billing Demand \$1.20

Credit for Primary Service

Credit per kW Distribution Billing Demand \$0.10

Distribution Billing Demand

The Distribution Billing Demand shall be the Metered Maximum kilowatt (kW) load the member establishes during any 15-minute integrated interval during the billing month adjusted for average Power Factor below:

Power Factor Correction

The average Power Factor for the month shall be calculated from the kilowatts hours "A" and reactive kilovolt-amperes hours "B", using the following formula:

$$\text{Average Power Factor} = \frac{\text{"A"}}{\text{Square Root of (A}^2 + \text{B}^2\text{)}}$$

If the average monthly Power Factor is less than 95% lagging, the Distribution Billing Demand shall be the Metered Maximum kW demand adjusted in accordance with the following formula:

$$\text{Distribution Billing Demand} = \frac{\text{Maximum Metered kW} \times .95}{\text{Average Power Factor}}$$

If the average monthly Power Factor is equal to or in excess of 95% lagging, then:

$$\text{Distribution Billing Demand} = \text{Maximum Metered kW Demand}$$

**3. Distribution Energy Charge**

Energy Charge per kWh \$0.0065

The kWh Energy shall be the member's kWh consumption metered during the billing month.

#### **4. Facilities Charge**

The member will be assessed an additional monthly facility charge when Northeastern or its power supplier is required to install any equipment to serve the load delivered to the member. This would include, but not be limited to, transmission, substation, distribution, metering, and/or any other equipment required to provide electric service to the member. The additional facility charge shall be based on one-twelfth (1/12) of Northeastern's annual fixed costs associated with the investment in facilities, plus any monthly facility charges assessed by its power supplier.

### **B. POWER SUPPLY SERVICE**

The member shall pay an amount equal to Northeastern's out of pocket cost of power it delivered to the member during the billing month. Northeastern's out of pocket cost for power delivered during the billing month shall equal the amount billed by its power supplier pursuant to its Federal Energy Regulatory Commission (FERC) Electric Tariff schedule applicable for service to the member and shall be determined pursuant to this section. Northeastern shall provide the member with documentation showing its out of pocket cost.

#### **1. APPLICABLE RATES**

The Wholesale Demand and Energy Charges as used herein are per the service schedule applicable to power purchased for delivery to the member as set out in the Wabash Valley Power Association, Inc. "FERC Electric Tariff, Original Volume No. 1", as approved by FERC (wholesale rate).

#### **2. LINE LOSS ADJUSTMENT**

If the member's usage and the wholesale power delivered to the member are metered through the same set of metering equipment, line losses shall be zero. If more than one set of metering is used, then line losses as used herein shall be equal to the loss factor applied by the Northeastern's wholesale power supplier in the current month.

#### **3. POWER SUPPLY DEMAND CHARGE**

Demand Charge per billing kW of Power Supply Demand shall be:

The Wholesale Coincident Peak Demand Charge billed for power delivered to the member during billing month  
(100% – line loss %)

The wholesale demand charges shall include any fuel or power supply cost adjustments applicable to power delivered to the member.

#### Power Supply Demand

The Power Supply Demand shall be the metered coincident kilowatt (kW) demand for a member in any billing month shall be the number of kW used in the clock hour interval between the hours of 11:00 a.m. and 7:00 p.m. Monday through Friday (excluding holidays), Indianapolis, IN prevailing time (Billing Window), during which the total kW load for the power supplier's members is greater than any other clock hour interval in the Billing Window in such billing month adjusted for Power Factor below.

#### Power Factor Correction

The Peak Power Factor for the billing month shall be calculated from the kilowatts "A" and reactive kilovolt-amperes "B", both of which are used during the clock hour interval in which the metered coincident demand occurs, by the following formula:

$$\text{Power Factor} = \frac{\text{"A"}}{\text{Square Root of } (A^2 + B^2)}$$

If service is taken at a Peak Power Factor of less than 90% lagging, the metered coincident demand for the qualifying member shall be adjusted in accordance with the following formula:

$$\text{Power Supply Billing Demand} = \frac{\text{Maximum metered kW} \times .90}{\text{Peak Power Factor}}$$

If the peak monthly Power Factor is equal to or in excess of 90% lagging, then:

$$\text{Power Supply Billing Demand} = \text{Maximum metered kW load}$$

#### **4. POWER SUPPLY ENERGY CHARGE**

Energy Charge per kWh shall be

$$\frac{\text{The total wholesale energy charges billed for power delivered to the member during the billing month}}{(100\% - \text{line loss } \%)}$$

The wholesale energy charges shall include any fuel or power supply cost adjustments applicable to power delivered to the member. The kWh energy shall be the member's kWh consumption metered by the power supplier during the billing month.

#### **5. POWER SUPPLY TRUE-UP**

The Northeastern shall charge or credit the member's bill for adjustments resulting from the "Annual True-Up Mechanism" contained in the wholesale rate based on the ratio of the member's kWh purchases divided by the Northeastern's total kWh sales for the preceding calendar year.

#### **VI. TAX ADJUSTMENT**

The sum of the charges for distribution and power supply service shall be adjusted for the Indiana Utility Receipts Tax (IURT) rate, the Indiana Utility Regulatory Commission fee (IURCF) and other revenue-based taxes effective during the month service is rendered:

The Tax Adjustment shall be

$$\frac{\text{The sum of the distribution and power supply charges}}{(100\% - \text{IURT } \% - \text{IURCF } \%)} - \text{The sum of the distribution and power supply charges}$$

#### **VII. MINIMUM CHARGE**

The Minimum Charge for Distribution service shall be the member's Contract Capacity for service locations served under this rate times \$1.16. In the event no Contract Capacity is specified for the member, the Minimum Charge shall be the member's highest Distribution Demand recorded during the previous 11 months times \$1.16.

#### **VIII. METERING**

At the option of Northeastern, service hereunder may be metered at voltage levels different from delivered voltages. In the event metered voltages exceed delivered voltages, before computing the charges, the actual measurement of energy, reactive and the demand shall be decreased by one and a half percent (1.5

%). In the event delivered voltages exceed metered voltages, before computing charges, the actual measurement of energy, reactive and demand shall be increased by one and a half (1.5 %).

**IX. PRIMARY SERVICE (MEMBER-OWNED TRANSFORMER AND EQUIPMENT)**

Members, who own the primary service installation as defined in this Section, shall qualify for the Credits for Service at Primary Voltages.

Member shall furnish, own, and maintain at its own expense the complete structure and equipment from Northeastern's available primary distribution voltage. This shall include switches and protective equipment, transformers and other apparatus, any or all of which is necessary for member to take service at standard primary voltage except metering equipment. Where unique installations are required to serve the member, Northeastern reserves the right to require the member to take service at primary voltage.

**X. BILLING MONTH**

The billing month will be defined as the period between 12:01 a.m. on the first day of each calendar month and ending at 12:00 midnight on the last day of the same calendar month.

**XI. OTHER CONDITIONS OF SERVICE**

1. Service shall be provided based upon Northeastern's Rules and Regulations as currently filed with the Indiana Utility Regulatory Commission.
2. Service under this rate will be furnished on a continuous twelve-month basis.
3. Northeastern will render service under this rate upon application by the member for an initial contract period to be determined by the investment to supply the member's requirements, revenue expected to be received from the member, and other relevant factors.
4. Subject to the Facility Charge described in Section V, Northeastern will provide the distribution line and transformation to a mutually agreeable voltage. Switchgear shall be provided by the member. The member shall be required to provide and maintain circuit protective equipment near the metering point for protection of Northeastern's system.
5. Northeastern's General Rules, Terms and Conditions shall apply to temporary, seasonal or unusual service or extensions. In such cases, the Minimum Charge conditions, furnishing of substation equipment, connection and disconnection of service, financing of service facilities required, etc., will be covered by Special Agreement with the customer. The customer shall pay for all expenses associated with the installation and removal of any temporary service.
6. Northeastern may require corrective measures or devices for any motor or apparatus, which in the opinion of Northeastern will cause voltage fluctuation to other members. Unless otherwise permitted, the maximum primary voltage fluctuation caused by a customer is as follows.

Fluctuation %	Duration (Secs.)	Duration (Cycles)
3	0.00416	1\4
2	0.00833	1\2
1	0.03333	2

7. *The member is responsible for limiting harmonic current injected into Northeastern system. Harmonic current limits at the point of common coupling between Northeastern and the customer shall be as per IEEE standard 519-1992 or it's amends.*
8. *At termination of the contract, the member shall revert to the standard tariff in effect and applicable to the member.*
9. *Northeastern shall have access to the substation and switching installations at all times.*
10. *Interruption or temporary stoppage of the supply of electric energy occasioned by fire, strike, equipment failure and casualty, or acts of God or public authorities, beyond the control of Northeastern, shall not constitute a breach of the obligation of Northeastern.*

**XII. TERMS OF PAYMENT**

*Refer to Appendix B.*

**XIII. LATE PAYMENT CHARGE**

*Refer to Appendix B.*

**XIV. INTERPRETATION**

*Refer to Appendix B.*

**XV. ALL OTHER NON-RECURRING CHARGES**

*Refer to Appendix B.*

**XVI. OPERATION ROUND UP**

*Refer to Appendix E.*