LOCKHART POWER COMPANY
EXPERIMENTAL RIDER IS-1

INTERRUPTIBLE POWER SERVICE

Available at the Company's option to only industrial customers receiving concurrent service from the Company under Schedule I, with a metered demand of 750 kilowatts or more served from the Company's transmission system.

Under this Rider the Customer agrees, at the Company's request, to reduce and maintain its load at or below the level specified in the individual contract. The Company's request to interrupt service may be at any time the Company or its power supplier has capacity problems. For customers who enter into a specific contract for interruptible power service, the following provisions apply in addition to the stated provisions of the Customer's rate schedule:

1. General Provisions:

   Company shall require that each Customer who wishes to participate in Company's IS-1 Program shall sign with Company an interruptible service contract (the "IS-1 Rider Customer Contract"). Each IS-1 Rider Customer Contract shall specify an Interruptible Contract Demand of not less than 750 kW nor more than 50,000 kW to be subject to this Agreement.

   The Customer agrees, at the Company's request, to reduce and maintain its load at or below the level specified in the IS-1 Rider Customer Contract for such Customer. The Company's request to interrupt service may be at any time the Company or its power supplier has capacity problems.

   With the consent of the Company, the Customer may specify that the interruptible load provisions of the IS-1 Rider Customer Contract be applicable only to a designated portion of the Customer's load which shall be sub-metered for the purposes of this Rider.

   Company reserves the right to test the provisions of this Rider once per year if there has not been an occasion during the previous 12 months when the Company requested an interruption. Company shall give advance notice of any test to customers served under this Rider.

   Continued service under this Rider is subject to satisfactory performance by the Customer, as determined by the Company in response to the Company's request for interruption.

2. Definitions:

   <u>Contract Demand</u>: The Contract Demand is the Customer's maximum kilowatt demand required to be supplied by the Company.

   <u>Interruptible Contract Demand</u>: The Interruptible Contract Demand of not less than 750 kW nor more than 50,000 kW is that portion of the Contract Demand which the Company will supply to the Customer at all times except during Interruption Periods.

   <u>Firm Contract Demand</u>: The Firm Contract Demand, which may be specified at different values for the months of June through September and the months of October through May, is that portion of the Contract Demand which the Company will supply to the Customer without limitation.

   <u>Interruption Period</u>: An Interruption Period is that interval of time, initiated and terminated by the Company, during which the Customer will require service at no more than the Firm Contract Demand and the Company is obligated to supply no more than the Firm Contract Demand.

Penalty Demand: The Penalty Demand is the highest thirty (30) minute integrated demand required by the Customer during an Interruption Period in excess of the Firm Contract Demand.

Exposure Period: The Exposure Period is that period of time within the month corresponding to the weekday peak demand periods and during which interruption under these provisions is most likely to occur. Specifically, the Exposure Period for the purpose of computing monthly credits is defined as follows:

Months of June through September
1:00 p.m. to 9:00 p.m., Monday through Friday

Months of October through May
6:00 a.m. to 1:00 p.m., Monday through Friday

3. Control Notices and Limitations:

The Customer shall be notified by the Company of all initiations of Interruption Periods at least thirty (30) minutes prior to such times, and the Customer shall fully comply with the Company's requests to reduce and maintain its load to not more than the Firm Contract Demand for the duration of the Interruption Period. Company shall notify the Customer of all terminations of Interruption Periods.

The Company may invoke Interruption Periods for not more than 150 hours in any calendar year. Further, the Company shall have the right to invoke an interruption period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

4. Credit and Credit Computation:

Each month, a determination of the interruptible capacity available to the Company will be made in order to compute a credit. All energy consumed at a level above the Firm Contract Demand during the Exposure Period, excluding the energy consumed above the Firm Contract Demand during the Interruption Periods, will be divided by the hours of duration of the Exposure Period excluding the hours of duration of Interruption Periods. The value thus computed will be reduced by the amount of the monthly maximum demand above the Firm Contract Demand which occurs during any Interruption Period. The resulting amount will be the Effective Interruptible Demand (EID) and shall not be less than zero.

The formula for computation is:

$$\mathrm{EID} = \frac{\mathrm{KWHEP} - \mathrm{KWHIP}}{\mathrm{HOURSEP} - \mathrm{HOURSIP}} - \mathrm{KWMP}$$

Where: EID = Effective Interruptible Demand

KWHEP = Energy consumed during the Exposure Period above Firm Contract Demand

KWHIP = Energy consumed during the Interruption Period above Firm Contract Demand

HOURSEP = Hours of duration of the Exposure Period

HOURSIP = Hours of duration of the Interruption Period

KWMP = Maximum monthly Penalty Demand

The amount of credit to be applied to Customer's account each month will be determined by the formula:

Credit = EID x \$3.50

5. Penalty and Penalty Computation:

Should a Customer fail to reduce and maintain its load at, or below, the Firm Contract Demand during any Interruption Period, a penalty will be applied to the Customer's account for the month of occurrence. The penalty shall be computed by the formula:

$$\text{Penalty} = \sum \text{KWP} \times \$10.00$$

Where: $\sum$ KWP = the summation of the Penalty Demands occurring in each and every Interruption Period during the billing period.

6. A monthly "Extra Facilities Charge", equal to 2.4% of the installed cost of the extra facilities necessary for interruptible power service shall be billed to the Customer in addition to the billing for energy or for demand plus energy, in accordance with the provisions of the Company's Schedule EF Extra Facilities tariff. In addition, an administrative fee of \$215.00 per month will be billed to the Customer for the ongoing cost of implementing the service, including such costs as meter reading and analysis, credit calculation and bill adjustment, and notification of interruption to the Customer when required.

7. Contract Period:

Contracts with interruptible load provisions shall be for a minimum original term of twelve (12) months and the Customer may terminate the Contract effective on the last day of a calendar year by giving to Company at least twelve (12) months' advance notice of termination in writing.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer for failure of the Customer to reduce and maintain its load at or below the Firm Contract Demand during three or more Interruption Periods, or for violation of any of the terms or conditions of the applicable schedule or this Rider.

If the Customer requests an amendment to or termination of the service agreement before the expiration of the initial term of the agreement, the Customer may be required to pay an early termination charge at the option of the Company.

The Company reserves the right to modify or cancel this agreement upon twelve (12) months' notice.