

NEBRASKA PUBLIC POWER DISTRICT

Rate Schedule: LIS Issued: 11/18/11
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LARGE INDUSTRIAL SERVICE (LIS) RATE SCHEDULE
(Name of Schedule)

SECTION 1. AVAILABLE:

This electric service is available in the NPPD service territory where service can be furnished from the high voltage transmission system facilities (115,000 volts or higher) of NPPD in accordance with the provisions of this Rate Schedule.

SECTION 2. APPLICABLE:

To any industrial or manufacturing Customer for the Customer's total electrical power and energy requirements at a single location, having a Demand of 20,000 kW (kilowatts) or more and taking delivery at the low voltage bus (either 69 kV or 34.5 kV) at the first transformation below 115 kV. The Customer shall own all distribution facilities beyond the Point of Delivery. Resale of energy taken under this Rate Schedule is not permitted.

SECTION 3. CHARACTER OF SERVICE:

Power and energy shall be provided in the form of three-phase current, alternating at a frequency of approximately sixty (60) Hertz and at nominal NPPD standard operating voltages.

SECTION 4. RATES AND CHARGES FOR ELECTRIC POWER AND ENERGY:

- A. Rates are subject to application of the Retail Production Cost Adjustment (PCA), Schedule PC-2, as amended and adopted from time-to-time.

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Effective: With service provided on and after
January 1, 2012

Approved: 11/10/11 Resolution No. : 11-83 Issued by: *Vedat J. Swartz*

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B. BASE RATE:

A flat energy rate ("Base Rate") charge shall be applied to each kilowatt-hour used each monthly Billing Period based on the monthly Billing Load Factor as defined in Section 7 of this Rate Schedule as follows:

Load Factor Rate Table		All Energy is billed at ¢/kWh	Load Factor Rate Table		All Energy is billed at ¢/kWh
For Monthly Billing Load Factors of :			For Monthly Billing Load Factors of :		
Below	50.00 %	6.72 ¢	77.50 %	to 79.99 %	5.03 ¢
50.00 %	to 52.49 %	6.32 ¢	80.00 %	to 82.49 %	4.95 ¢
52.50 %	to 54.99 %	6.15 ¢	82.50 %	to 84.99 %	4.88 ¢
55.00 %	to 57.49 %	5.99 ¢	85.00 %	to 87.49 %	4.82 ¢
57.50 %	to 59.99 %	5.85 ¢	87.50 %	to 89.99 %	4.75 ¢
60.00 %	to 62.49 %	5.72 ¢	90.00 %	to 92.49 %	4.70 ¢
62.50 %	to 64.99 %	5.60 ¢	92.50 %	to 94.99 %	4.64 ¢
65.00 %	to 67.49 %	5.48 ¢	95.00 %	to 97.49 %	4.59 ¢
67.50 %	to 69.99 %	5.38 ¢	97.50 %	to 99.99 %	4.54 ¢
70.00 %	to 72.49 %	5.28 ¢	100.00 %	to 102.49 %	4.49 ¢
72.50 %	to 74.99 %	5.19 ¢	Over	102.49 %	4.42 ¢
75.00 %	to 77.49 %	5.11 ¢			

For system requirement planning purposes, the Customer shall notify NPPD of their expected Monthly Billing Demand at least one week prior to the start of a Billing Period.

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C. BASE RATE ADJUSTMENT:

Customers upon whose revenues NPPD has a Lease Payment (LP) or Debt Service (DS) obligation and/or a five percent (5%) Gross Revenue Tax (GRT) obligation will have the Base Rate (excluding PCA but including applicable power factor adjustment) adjusted to include such obligations as shown in the table below:

Table with 2 columns: Applicable Adjustment, Rate Formula. Rows include: None (Base Rates), Gross Revenue Tax (GRT) Only (Base Rates ÷ 0.95), Lease Payment (LP) or Debt Service (DS) Only (Base Rates ÷ 0.88), LP/DS and GRT (Base Rates ÷ 0.83).

In addition, for Customers served from distribution facilities for which the District has a 5% GRT obligation, the PCA will be adjusted to include such obligation by the following formula: PCA ÷ 0.95.

SECTION 5. MINIMUM BILL:

The minimum bill for a monthly Billing Period shall be the Base Rate for that Billing Period as determined in accordance with Section 4.B of this Rate Schedule multiplied by 30,000,000 kWh, subject to applicable Base Rate Adjustment.

SECTION 6. BILLING DEMAND:

A. SUMMER SEASON:

The Billing Demand for the monthly billing periods of June through September (Summer Season) shall be the Customer's maximum integrated kilowatt load recorded during any sixty (60) minute period during the billable demand hours of 0901 to 2300 Central Time during all days of the month, excluding Independence Day and Labor Day. The Summer Season commences on June 1st and terminates on September 30th.

For Sundays only, NPPD may designate specific billable demand hours as non-billable for the purposes of determining the Customer's Billing Demand during the Billing

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Period. NPPD shall have the sole responsibility and authority for determining whether to waive Sunday billable demand hours for all or a portion of each Sunday.

NPPD notices regarding the waiver of Sunday billable demand hours will be made by facsimile machine, e-mail or telephone call to Customer identified addresses and numbers approved by NPPD. Each Sunday during the Summer Season by approximately 0830 Central Time NPPD will provide a notice to Customer stating the extent to which billable demand hours will be waived for a portion or all of that particular Sunday. After the initial notice NPPD may at its option issue additional notice(s) to delay the start of any such billable demand hours.

In the event Customer does not receive the initial notice on any Sunday, Customer shall contact the designated NPPD representative and inquire regarding any such notices. The failure to receive or absence of delivery of NPPD notices shall not relieve the Customer of the billing and charges that results from any peak demand established during that Sunday.

B. WINTER SEASON:

The Billing Demand for the monthly billing periods of October through May (Winter Season) shall be the Customer's maximum integrated kilowatt load recorded during any sixty (60) minute period during the hours of 0801 to 2200 Central Time every Monday through Friday, excluding New Years Day, Memorial Day, Thanksgiving Day, and Christmas Day. The Winter Season commences on October 1st and terminates on May 31st.

SECTION 7. BILLING LOAD FACTOR:

The Billing Load Factor for each monthly Billing Period shall be determined as follows:

$$\text{Actual Kilowatt-hours} / (\text{Hours in Billing Period} \times \text{Billing Demand}) = \text{Billing Load Factor}$$

All energy that is curtailed during an Energy Curtailment Period (ECP) [see Energy Curtailment Service Rider Rate Schedule], will be added back into the numerator of the Billing Load Factor formula for the sole purpose of determining the Billing Load Factor.

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SECTION 8. POWER FACTOR ADJUSTMENT:

If the Customer's power factor at the time of the maximum Demand is less than ninety percent (90%) lagging or leading, NPPD may adjust such Demand to ninety percent (90%) of maximum kVA.

SECTION 9. POINTS OF DELIVERY:

NPPD will determine the Points of Delivery for the Customer's electric service, using information from the Customer regarding the Customer's requirements, based on the needs and requirements of NPPD's transmission system and facilities.

SECTION 10. TERMS, CONDITIONS AND SPECIFICATIONS OF SERVICE:

Electric service will be furnished pursuant and subject to the following terms, conditions and specifications:

A. DEFINITIONS:

Unless otherwise indicated, the following terms are defined as follows:

- 1) Customer: Any person, firm, association, or corporation, public or private, that purchases electric power and energy from the high voltage transmission system facilities of NPPD pursuant to the LIS Rate Schedule.
- 2) NPPD: Nebraska Public Power District.
- 3) Billing Period: The calendar month. In the event the Customer and NPPD agree to use a period other than the calendar month as a billing period such alternate Billing Period may be used. The Customer shall be billed on a monthly basis.
- 4) Point of Measurement: The point where power and energy are metered for billing purposes, as specified by NPPD which shall be shown on a drawing, diagram or document made by NPPD and provided to the Customer.

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- 5) Demand: The number of kilowatt-hours delivered at each Point of Delivery during any sixty-minute (60-minute) period.
6) Billing Demand: The Demand upon which the billing is based, as specified in this Rate Schedule.
7) Point of Delivery: That point at the outlet of the interconnected transmission system of NPPD where power and energy are delivered to the Customer and the point at which NPPD delivers, and the Customer accepts delivery of, the power and energy purchased.
8) Rate Schedule: The Large Industrial Service rate schedule including all rates, charges, provisions, terms, conditions and specifications of service therein, as amended or otherwise changed by NPPD from time to time.

B. BILLING: All bills for power and energy delivered to the Customer will be rendered as soon as reasonably practical after the end of the Billing Period covered by such bill. All bills for power and energy, and accrued interest, if any, shall be due and payable at the office of NPPD within fifteen (15) calendar days from the date such bills are rendered, and payment shall be made when due and without offset; provided, however, if the 15th day is a Sunday or a holiday recognized by either party, the following business day shall then become the due date. All bills shall be rendered on the postmark date if deposited in first-class mail, properly addressed, with postage prepaid. Failure to receive a bill mailed to the Customer shall not relieve such Customer from liability for payment. If other means of bill delivery to the Customer is used, such bill shall be deemed rendered upon receipt by the Customer. All bills shall be deemed paid on the postmark date if deposited in first-class mail, properly addressed, with postage prepaid. If other means of bill payment to NPPD is used, such bill shall be deemed paid upon receipt of payment by NPPD.

In the event the Customer fails to make payment in full of each bill when due and payable, the Customer shall pay to NPPD interest on the amount due. Such interest shall accrue on any amount due from the date payment was due until the date on which

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payment of the unpaid balance of the billing is made in full. Such interest shall accrue at an annual interest rate equal to the lowest United States prime rate published on the due date (or the last previous publication day if not published on that date) in the money rates section of the Wall Street Journal. Such interest calculation shall be on the basis of actual days and a three hundred sixty-five (365) day calendar year.

NPPD may, at any time after a bill is past due and after giving fifteen (15) days advance notice in writing, discontinue service until all past-due bills with interest and penalties thereon, if any, are paid. Discontinuance of service, as herein provided, shall not relieve the Customer of liability for the payment of all service actually rendered or imposed any liability upon NPPD.

All bills shall show the amounts of power and energy delivered by NPPD to the Customer at all Points of Delivery, as applicable, during the preceding Billing Period, and shall clearly set forth the computations and other factors essential to the calculation of the amount due in accordance with the applicable rates and charges.

- C. METERING: NPPD shall furnish, install and maintain at Points of Measurement the necessary primary and backup meters for determining the amounts of demand and energy supplied to the Customer.

Meters shall register the kilowatt-hours, integrated kilowatt demands on the basis of sixty-minute (60-minute) periods and other data necessary for computing bills in accordance with applicable rates.

The Customer shall permit the use of its available housing and other facilities for NPPD's metering equipment.

- D. METER TESTS: NPPD shall test and inspect, at its own expense, said metering equipment furnished by it to ensure that the metering equipment is maintained in good order and within reasonable limits of accuracy. The Customer may request such additional tests, as it may desire. The Customer shall be notified in advance of the time when said test of said equipment shall be made, and may have representatives present at such tests.

In the event the Customer requests and NPPD performs a test other than the routine tests performed by NPPD, and said test shows said meters to be accurate within two percent

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(2%) plus or minus, the Customer shall bear the costs of said test. If inaccuracy exceeds two percent (2%), NPPD shall bear the costs of the test and the readings of the meters taken during the period of thirty (30) days preceding (or during such shorter period as may have intervened since a test) shall be corrected and payment adjusted accordingly, prior to which period no correction of such readings will be made. All meters when tested shall be adjusted to within one-half percent (1/2%) plus or minus of correct registration at full load rating of the meter.

If the primary meters installed by NPPD fail to register the electric power and energy during any period of time for any reason whatsoever, the amount of electric power and energy delivered during such period shall be measured by means of the backup meters installed by NPPD. If said backup meters have wholly failed to register during this period of time, the amount of electric power and energy so delivered shall be estimated according to the amount previously delivered under substantially similar conditions.

E. CUSTOMER'S LINES AND EQUIPMENT: NPPD reserves the right to designate the equipment, including type and kind, to be installed by it at each Point of Delivery, and that to be installed by the Customer. All lines, substations and other electrical facilities (except metering equipment used for billing the Customer by NPPD) located on Customer's side of any Point of Delivery, shall be furnished, installed and maintained by the Customer.

The right is reserved by NPPD to require that the Customer install and maintain in good operating condition such protective equipment located on the Customer's side of any Point of Delivery as NPPD in its discretion may deem necessary for the protection of NPPD's equipment and service or the equipment and service of others whom it may serve at such point. However, the exercise of such right shall not render NPPD, its officers, agents or employees, liable for any loss, damage or accident resulting from defects in such installation or the misapplication, malfunctioning or insufficiency of such equipment.

F. CUSTOMER'S RESPONSIBILITY FOR NPPD'S PROPERTY: All meters and other facilities furnished by NPPD and installed on the Customer's property, shall be and remain NPPD's property, and the right to remove, replace or repair such meters and other facilities is expressly reserved to NPPD. In the event of any loss or damage to such property of NPPD caused by or arising out of intentional or negligent misuse by the

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Customer, his employees or agents, the cost of making good such loss or repairing such damage shall be paid by said Customer. The Customer shall exercise due care to protect NPPD's property located on the Customer's premises, and NPPD shall exercise due care to protect the Customer's property located on NPPD's premises.

G. RIGHT OF ACCESS: NPPD shall have access to the Customer's premises at all reasonable times for the purpose of reading meters, and for testing, repairing, renewing, replacing, exchanging or removing any or all equipment installed by NPPD.

H. CONTINUITY OF SERVICE: Both NPPD and the Customer shall exercise reasonable diligence to avoid interruptions in the delivery of electric power and energy hereunder, but neither NPPD nor the Customer shall be liable to the other for any damages or loss which may be occasioned by any breakdown, failure or accident to generating plants, transmission lines, facilities or other equipment where such failure, occurrence, interruption, breakdown or accident is caused by an act of God, fire, explosion, strike, riot, flood, lightning, storm, civil disturbance, war, action of public authorities, litigation, defects, mechanical, electric or structural failure of system components or maintenance to prevent the same or any act or occurrence beyond their reasonable control. The Customer shall notify NPPD immediately of any occurrence, defect, failure or accident which may, in any way, affect the delivery of power by NPPD to the Customer.

Nothing herein shall be construed as restricting in any way NPPD's right to interrupt service to the Customer as NPPD may deem necessary or appropriate to facilitate inspection of, repair to, or changes to NPPD's facilities; provided, however, that NPPD shall use its reasonable best efforts, when practicable, to provide the Customer with advance notice of such interruptions and to coordinate with the Customer the times of such interruptions. In any event, failure of NPPD and the Customer to agree upon the time of such an interruption shall not restrict NPPD from proceeding therewith as NPPD deems necessary.

NPPD does not guarantee continuous service but shall use reasonable diligence at all times to provide an uninterrupted supply of electricity and having used reasonable diligence shall not be liable to the Customer for damage, for failure in, or for interruptions or suspensions of, the same.

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NPPD reserves the right to suspend service without liability on its part at such times and for such periods and in such manner as it may deem necessary (a) for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities including generation, (b) in cases where, in its opinion, the continuance of service to the Customer's premises would endanger persons or property and (c) as provided in Paragraph N of this Section 10.

In the event of an adverse condition or disturbance on the system of NPPD, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage to the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, NPPD may, without incurring liability, interrupt service to customers or areas and take such other action as appears reasonably necessary.

The Customer assumes responsibility for and shall indemnify, defend, and save NPPD harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to the Customer and his employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on the Customer's side of the Point of Delivery.

- I. **LOAD FLUCTUATIONS AND DISTURBANCES:** Electric power and energy shall be used by the Customer in such a manner as will not cause objectionable voltage or current fluctuations or other electrical disturbances or adverse and detrimental effects on NPPD's transmission and generation systems or to other electric customers or electric utilities connected to NPPD. If such fluctuations, disturbances or effects occur and become unacceptable to NPPD in its sole discretion and judgment, NPPD reserves the right to require the Customer to provide at the Customer's expense one or more remedies that are satisfactory to NPPD, including installing appropriate corrective equipment, modifying its operating practices, communicating and coordinating with NPPD information concerning the upcoming fluctuations or disturbances, or reimbursing NPPD for such impacts. NPPD will discuss with the Customer alternative remedies to correct objectionable voltage or current fluctuations.

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- J. **BALANCING OF LOADS:** The Customer shall at all times take and use power and energy in such manner that the load of the Customer at each Point of Delivery will not be unbalanced between phases more than ten percent (10%). If the load is unbalanced more than ten percent (10%), NPPD reserves the right to require the Customer, at the Customer's expense, to make the necessary changes to correct such conditions; or NPPD may, in its determination of Billing Demand, assume that the load on each phase is equal to the greater load on any phase.
- K. **CUSTOMER'S GENERATION EQUIPMENT:** If the Customer intends to install or has installed generation equipment that serves or could serve some or all of the Customer's electric energy requirements, the Customer shall report such generation to NPPD. The Customer shall also abide by all requirements placed on the operation of such the Customer generation by NPPD as resulting from NPPD's obligations to ensure the reliability of the interconnected system, including those placed on NPPD by regional operating and reliability standards and authorities.
- L. **CONDITIONS OF SERVICE:** All electrical facilities used or constructed by the Customer must conform to accepted modern practice and to applicable state and local requirements and must conform to the requirements of the National Electrical Safety Code and National Electrical Code. The Customer shall not utilize, or allow to be utilized, any equipment, appliance, or device that tends to adversely affect NPPD's system.

A condition of service is the installation, operation and use of static Var compensator facilities and equipment (SVC Equipment, Breakers and Building) to prevent objectionable voltage and current fluctuations, including harmonics and flicker. Such SVC Equipment, Breakers and Building shall be provided by the Customer. In the event the Customer fails or refuses to provide such equipment and facilities, NPPD reserves the right to provide said equipment and facilities and charge the Customer for the same.

NPPD will perform all operations, maintenance, repairs, testing and inspection and make all renewals, replacements and/or additions to the SVC Equipment, Breakers and Building as it deems necessary in its sole judgment during the effective useful life thereof notwithstanding the cause or reason therefore, so long as the Customer receives electric service at the service location. Any such costs shall be billed to the Customer by separate

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invoice and any such invoice shall be due and payable by the Customer within fifteen (15) days of the date of the invoice. NPPD's rights and the Customer's obligations and liabilities under this provision shall continue notwithstanding the completion, performance or payment of other obligations and liabilities of the Customer.

The Customer shall install and maintain suitable protective devices on the Customer's system in order to afford reasonably adequate protection to the facilities of NPPD against adverse conditions or disturbances originating on the Customer's system. Such protective devices shall be in accordance with the applicable industry standards relating to such equipment and with such other requirements as NPPD may deem necessary in its sole discretion.

M. REQUEST FOR SERVICE AND INFORMATION: The Customer's request for service shall provide (1) the maximum capacity in MVA (megavolt amps), (2) the voltage in kV (kilovolts) of the electric energy to be delivered, (3) the purpose, nature and manner of the Customer's use of the electric energy to be delivered, and (4) information necessary for NPPD to determine all Points of Delivery and make the interconnections between the Customer and NPPD. The Customer shall also provide such other information requested by NPPD during the time the Customer is receiving electric service as required by or is necessary to determine compliance by the Customer with this Rate Schedule or otherwise needed to provide electric service to the Customer.

N. NPPD'S RIGHT TO TERMINATE OR SUSPEND SERVICE: NPPD, in addition to all other legal remedies, may either terminate or suspend electric service and delivery of electric energy to the Customer for (a) any default of, violation of, or failure to comply with the Rate Schedule by the Customer, (b) fraudulent or unauthorized use of electric energy use in such manner as to circumvent NPPD's meters, (c) failure to pay bills or invoices when due and payable, or (d) in case of a condition on the Customer's side of the Point of Delivery actually known by NPPD to be, or which Company reasonably believes may be, dangerous to life or property. No such termination or suspension, however, will be made by NPPD without fifteen (15) days written notice delivered to the Customer personally or by mail, stating the grounds for termination or suspension, except that no notice need be given in instances set forth in (b) and (d) above.

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Failure of NPPD to terminate or to suspend electric service and the delivery of electric energy at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect NPPD's right later to resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the delivery of electric energy by NPPD or termination of electric service upon any authorized grounds shall in no way operate to relieve the Customer of its liability to pay for electric energy supplied or any other amounts, obligations or liabilities owed or impose any liability upon NPPD.

- O. EXCLUSIVITY: Electric service and energy supplied by NPPD is for the sole and exclusive use by the Customer at the Customer's premises as shown on the Points of Delivery. Electric service and energy provided hereunder cannot be remetered, resold, redistributed, retransmitted, disposed of or otherwise shared with any person or entity.

SECTION 11. RESERVATION OF AUTHORITY AND RIGHT TO AMEND:

This Rate Schedule, and all rates, changes, provisions, terms, conditions and specifications of service therein, was adopted by Resolution of the NPPD Board of Directors which retains all rights, powers and authority to supplement, amend, supersede, revise, withdraw, cancel and otherwise modify or change any or all of this Rate Schedule, and all rates, charges, provisions, terms, conditions and specifications of service therein, at any time, with or without notice, pursuant and subject only to the statutes of the State of Nebraska governing electric service and rates. Nothing contained in this Rate Schedule shall be construed as affecting in any way the right and authority of NPPD to make such changes.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII, Section 11 of the Nebraska Constitution, by any lawful authority on the production, transmission, or sale of electricity, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective: With service provided on and after
January 1, 2012

Approved: 11/10/11 Resolution No. : 11-83 Issued by: Todd L. Swartz