

RIDER EDR
ECONOMIC DEVELOPMENT

I. AVAILABILITY

- A. This Rider is available only at the Company's option to a nonresidential establishment ("Establishment") receiving service under the Company's Rate Schedule 6P - Large General Service, Rate Schedule 10 - Large General Service, or Schedule 6L - Large General Service ("Tariff"), provided that the Establishment is not classified as Retail Trade or Public Administration by the North American Industry Classification System ("NAICS") Manual published by the United States Government.
- B. This Rider is available for load associated with initial permanent service to a new Establishment, additional load associated with the expansion of an existing Establishment, or to a new Customer in an existing Establishment, who makes application to the Company for service under this Rider, and Company approves such application. The New Load applicable under this Rider must be a minimum of 1,000 kW at one Delivery Point. To qualify for service under this Rider, the Customer must meet **at least one** of the qualifications listed below in items 1. and 2.:
1. Customer employs an additional workforce in the Company's service territory of a minimum of seventy-five (75) full time equivalent ("FTE") employees. Employment additions must occur following the Company's approval for service under this Rider.
 2. Customer's New Load must result in a minimum capital investment of one million dollars (\$1,000,000), provided that such investment is accompanied by a net increase in FTE employees who are employed by the Customer in the Company's service territory. Such capital investment must occur following the Company's approval for service under this Rider.
- C. If a change in ownership occurs after the Customer contracts for service under this Rider, the successor Customer may be allowed to fulfill the balance of the contract under Rider EDR and continue to receive the Discount described under "Monthly Billing," below.

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I. AVAILABILITY (Continued)

- D. This Rider also is not available for resumption of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions.
- E. This Rider also is not available for the following: (1) load shifted from one Establishment of delivery on the Company's system to another on the Company's system, both of which are located in North Carolina; (2) short-term, construction, or temporary service; or (3) electrical load that results from the non-permanent shutdown or reduction of the Customer's generation facilities; (4) interruption in the supply of electricity due to an act of God, the public enemy, federal, state, municipal, or other public authority; accident, strikes or labor troubles; or any other cause beyond the reasonable control of the Customer.
- F. The Company may consider whether or not the Customer qualified for state and local incentives in determining the Rider's availability to the Customer.

II. DEFINITIONS

A. New Load

New Load is that which is added to Company's system by a new establishment. For existing Establishments, New Load is the net incremental load above that which existed prior to approval for service under this Rider.

B. Delivery Date

The Delivery Date is the first date service is supplied under the contract.

C. Operational Date

The Operational Date shall be the date the facility is fully operational as declared by the Customer, but shall be no more than eighteen (18) months after the Delivery Date.

D. Month

The term 'Month' as used in this Rider means the period between readings for the purpose of monthly billings. Readings will be collected each month at intervals of approximately thirty (30) days.

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III. GENERAL PROVISIONS

- A. Customer must make an application to Company for service under this Rider and Company must approve such application before Customer may receive service hereunder. The application must include a description of the amount of and nature of the New Load and the basis on which Customer requests qualification shown in Item 1. or 2. under "Availability," above. In the application, Customer must affirm, by means of a signed affidavit, that this Rider was instrumental in the Customer's decision to locate or expand the Establishment in the Company's service territory. The application shall also specify the total number of FTE employees employed by the Customer in all Establishments receiving electric service from the Company's system, at the time of the application for this Rider, and on the Operational Date.
- B. Customer must agree to a minimum contract term of four (4) years, with the Discount being available for a maximum period of four (4) years immediately following the Operational Date.
- C. For Customers contracting under this Rider due to expansion, the Company may install metering equipment necessary to measure the New Load to be billed under this Rider separate from the existing load billed under the applicable rate schedule. The Company reserves the right to make the determination of whether such installation will be separately metered or submetered. If in the Company's opinion, the nature of the expansion is such that either separate metering or submetering is impractical or economically infeasible, the Company will determine, based on historical usage, which portion of the Customer's load, if any, qualifies as New Load eligible for this Rider.
- D. All terms and conditions of the Tariff shall apply to the service supplied to the Customer, except as modified by this Rider.

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IV. MONTHLY BILLING

- A. The Monthly Billing shall be the amount computed under the Tariff, plus all applicable riders, less the following Discount as computed in the formula below:

$$\text{Discount} = (T+A) \times R \times 10\% \times [5 - N] / 4$$

Where:

T+A is the sum of the charges in the Tariff, excluding all applicable riders, plus Fuel Rider A

R is the ratio of New Load to total load, as determined by the Company. (R applies only where the New Load is neither metered nor sub-metered.)

N is a whole number, 1 through 4, corresponding to the first through the fourth year of application of this Rider EDR.

- B. For expansion of an existing Establishment, and where the New Load is either metered or sub-metered, T plus A, above, will be allocated between New Load and existing load by the Company, and the above Discount (with R = 1) will apply only to the charges allocated to New Load.

V. SERVICE CONNECTION

- A. In conjunction with the Company's determination of the availability of this Rider, the Company will estimate the cost of modifying/installing local facilities as necessary to serve the New Load. In the case of expansion of an existing Establishment, such estimated cost will be net of any salvage value associated with the facilities removed which are in place to serve the existing load. Further, the estimated cost (net cost, in the case of expansion) will be one factor considered by the Company during its determination of the availability of this Rider.
- B. To the extent that the Company concludes that this Rider is not available, the Customer may offer a contribution in aid of construction ("CIAC"), which is satisfactory to the Company, such that the Company can reconsider this Rider's availability to the Customer.
- C. Any CIAC paid to the Company by the Customer shall be grossed up by the Tax Effect Recovery Factor, in the currently effective Rider D – Tax Effect Recovery.

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VI. CONTRACT PERIOD

- A. The Customer shall enter into an Agreement for the Purchase of Electricity (“Agreement”) with the Company for a minimum original term of four (4) years (“Contract Period”).
- B. If the Customer requests a change in rate schedule to a tariff other than Rate Schedule 6P, Rate Schedule 10, or Rate Schedule 6L, Rider EDR will no longer be available. Such a change will be allowed upon thirty (30) days written notice to Company.
- C. An individual Establishment will not be allowed to receive a Discount for more than four years under this Rider, unless the Company, at its sole option, agrees to accept a new application and contract for qualifying New Load, and such application receives special approval by the Company.
- D. If at any time during the Contract Period under this Rider, the Customer violates any of the terms and conditions of the Rider or the Agreement, the Company may discontinue service under this Rider without notice and bill the Customer under the applicable schedule without further Discounts.
- E. In the event electric service is terminated or the applicable of the Tariff’s Contract Minimum Demand or Contract Demand is reduced by the Company before the end of the Contract Period, the Customer shall pay to the Company - in addition to all other applicable charges – the sum of all Discounts received, plus interest, for the New Load that will no longer be served by Company. The rate of interest shall be the rate per annum paid by the Company for electric service deposits pursuant to Commission Rule R12-4.

VII. GENERAL

The provisions of the Tariff to which this Rider is a companion are modified only as provided herein.