

ECONOMIC DEVELOPMENT RIDER

AVAILABILITY Available throughout the territory served by the Fayetteville Public Works Commission ("PWC") in accordance with PWC's established Service Regulations and Charges.

APPLICABILITY Applicable to electric service provided for new or existing industrial/commercial establishments under PWC's Large Power Service-Coincident Peak and Large Power Service-Noncoincident Differential Load Schedules for new electrical loads provided that such New Load must be a minimum of 1,000 kW, or incremental load due to expansion of at least 750 kW, with a Load Factor of at least forty percent (40%); and provided that the establishment is not classified as Retail Trade or Public Administration by the Standard Industrial Classification (SIC) Manual published by the United States Government. This Rider is applicable for sixty (60) months of service only. To qualify for service under this Rider, Customer must meet the qualifications under A. or B. below:

- A. Customer employs an additional workforce in PWC's service area of a minimum of seventy-five (75) full time equivalent (FTE) employees. Employment additions must occur following PWC's approval for service under this Rider.
- B. Customer's New Load must result in capital investment of four hundred thousand dollars (\$400,000), provided that such investment is accompanied by a net increase in full time equivalent employees employed by Customer in PWC's service area. The capital investment must occur following PWC's approval for service under this Rider.

This Rider is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after Customer contracts for service under this Rider, the successor Customer may be allowed to fulfill the balance of the contract. This Rider is also not available for resumption of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is also not available for: (1) load shifted from one establishment or delivery on PWC's system to another on PWC's system; (2) short-term, construction, or temporary service; or (3) electrical load that results from the shutdown or reduction of generation facilities.

DEFINITIONS

- A. **New Load** is that which is added to PWC'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. The New Load shall exclude any curtailable, back-up, standby, dispatched power, or incremental power service.
- B. **Delivery Date** is the first date service is supplied under the contract.

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- C. 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. Contract Period** is the five-year period beginning on the Operational Date.
- E. Month** as used in this Rider means the period intervening between readings for the purpose of monthly billings. Readings will be collected each month at intervals of approximately thirty (30) days.
- F. Load Factor** for purposes of this Rider, is equal to the kilowatt-hours (kWh) used during the billing month divided by the product of the maximum 15-minute kW demand registered or computed times 730 hours.

GENERAL PROVISIONS

- A.** Customer must make an application to PWC for service under this Rider and PWC 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 A. or B. under Applicability above. In the application, Customer must affirm that availability of this Rider was a factor in Customer's decision to locate the New Load on PWC's system. The application shall also specify the total number of full time equivalent employees (FTE) employed by Customer in all establishments receiving electric service from PWC's system, at the time of application for this Rider, and on the Operational Date.
- B.** Customer must agree to a minimum contract term of sixty (60) months, with the credits being available for a maximum period of sixty (60) months immediately following the Operational Date.
- C.** For customers contracting under this Rider due to expansion, PWC 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. PWC reserves the right to make the determination of whether such installation will be separately metered or submetered. If in PWC's opinion, the nature of the expansion is such that either separate metering or submetering is impractical or economically infeasible, PWC will determine, based on historical usage, what portion of Customer's load, if any, qualifies as New Load eligible for this Rider.

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- D. All terms and conditions of the Large Power Service-Coincident Peak Schedule or Large Power Service-Noncoincident Differential Load Schedule applicable to the individual Customer shall apply to the service supplied to Customer, except as modified by this Rider.

MONTHLY BILLING The monthly billing shall be the amount computed under the rate schedule and other riders with which this Rider is used less the following Discount as a percent (%) applied to the Energy Charge associated with New Load in accordance with the table below:

Discount	Discount to Current Energy Charge (%)
Year 1	22.0022%
Year 2	17.6018%
Year 3	13.2013%
Year 4	8.8009%
Year 5	4.4004%

Discount is subject to change with any changes in the Large Power Service-Coincident Peak Schedule or Large Power Service-Noncoincident Differential Load Schedule, as applicable, that may be adopted. The Discount for a monthly billing period may be reduced to zero (\$0) if the Load Factor is determined by PWC to be less than forty percent (40%).

CONTRACT PERIOD Each Customer shall enter into a Utility Purchase Agreement, that will be modified for each Customer's unique circumstances, Utility Purchase Agreement to purchase electricity from PWC for a term of five (5) years, and thereafter from year to year upon the condition that either party can terminate the Utility Purchase Agreement at the end of the original term, or at any time thereafter, by giving at least twelve (12) months previous notice of such termination in writing. If Customer requests a change in rate schedule from that which was approved in conjunction with this Rider, credit under the Rider will no longer be available. Such a change will be allowed upon the interval prescribed within the rate schedule(s) or upon thirty (30) days written notice to PWC, at PWC's discretion. An individual establishment will not be allowed to receive credits for more than five (5) years under this Rider, unless PWC, at its option, agrees to accept a new application and contract for qualifying New Load, and such application receives special approval by PWC. If at any time during the term of contract under this Rider, Customer violates any of the terms and conditions of the Rider or the Utility Purchase Agreement, PWC may discontinue service under this Rider without notice and bill Customer under the applicable schedule without further credits. In the event electric service is terminated before the end of the contract period, Customer shall pay PWC in addition to all other applicable charges, the sum of all Discounts received from inception of the Utility Purchase Agreement to the date of termination and discontinuance of the New Load.



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POWER SUPPLY ADJUSTMENT (PSA) All stated rates are subject to a monthly power supply adjustment (PSA).

PAYMENTS All bills shall be paid in accordance with the terms of the Service Regulations and Charges.

TAX Applicable North Carolina sales tax will apply.