

AVAILABILITY

Available throughout the territory served by the Fayetteville Public Works Commission (“PWC”) in accordance with PWC’s Service Regulations and Charges.

APPLICABILITY

Applicable to electric service used for nonresidential purposes when the Customer’s maximum monthly demand exceeds 10,000 kW, the Customer takes service directly from PWC’s existing transmission lines of 66,000 volts or higher, and the Customer owns, operates, and maintains all transformation and other equipment normally provided by PWC to nonresidential customers; provided, however, that PWC shall at all times be solely responsible for all metering of the Customer’s usage, and provided further that if PWC determines that the existing configuration of its transmission and distribution system necessitates, for economic or technical reasons, connection of a Customer with a demand of less than 10,000 kW directly from PWC’s existing transmission lines of 66,000 volts or higher, PWC may require the Customer to take electric service on this Schedule LGSOT. Demand, for purposes of determining the applicability of this rate schedule, shall be computed on the basis of the aggregate demand measured by the billing meter installed by PWC at the point of delivery for the Customer and the non-billing meter installed by PWC on the Customer’s side of the point of delivery to measure the output of all customer-owned generation, including but not limited to peak shaving generation and generation from qualifying facilities, but excluding generation used solely for emergencies in compliance with the operational limitations and emissions limitations established by the applicable North Carolina Department of Environmental Quality air permit.

CHARACTER OF SERVICE

Service shall be three-phase, sixty hertz alternating current at PWC’s standard available voltages except as provided for in the Service Regulations and Charges. Service shall be provided at a single point of delivery through one meter.

DEFINITIONS

- A. System Coincident Peak (CP) Demand shall be the Customer’s average kW demand on PWC’s system measured during the same sixty (60) minute interval used in the relevant month to determine PWC’s Coincident Peak Demand in accordance with the Eleventh Amended and Restated Power Supply Coordination Agreement between PWC and Duke Energy Progress (DEP), as amended (PSCA), which may be adjusted from time to time by DEP.
- B. Customer Peak Demand shall be the greater of: (a) the Customer’s highest fifteen (15) minute demand recorded during the relevant month; or (b) the Customer’s contracted demand.
- C. System CP Demand Cost is defined as the Monthly Capacity Rate charged by DEP to PWC in accordance with the PSCA for the relevant month, which rate is estimated by DEP and remains subject to true up and adjustment in accordance with the PSCA.
- D. Transmission Cost is defined as the aggregate Transmission Rate per kW and the Ancillary Service Charge per kW for each of the Ancillary Services billed by DEP to PWC in accordance with DEP’s Open Access Transmission Tariff, as amended (OATT)

for the relevant month, which rate is estimated by DEP and remains subject to true up and adjustment in accordance with the OATT.

- E. Purchased Energy Cost is defined as the Monthly Energy Rate, on a per kWh basis, charged by DEP to PWC in accordance with the PSCA for the relevant month, which rate is estimated by DEP and remains subject to true up and adjustment in accordance with the PSCA.
- F. DEP Transmission and Generator Step Up (GSU) Losses Cost is defined as the DEP generator step-up transformer (“GSU”) real power losses up to the Delivery Point and the DEP Transmission System real power losses on the DEP transmission system charged by DEP to PWC in accordance with the PSCA for the relevant month.
- G. System Loss Factor is defined as the percentage computed as follows:

(Purchases from Electricity Suppliers - Sales to Ultimate Consumers)

(Purchases from Electricity Suppliers)

Purchases from Electricity Suppliers and Sales to Ultimate Consumers shall be derived from PWC's most recently submitted Schedule 2, Part B of PWC's U.S. Energy Information Agency EIA-861 Annual Electric Power Industry Report that precedes the relevant month which amounts remain subject to true up and periodic adjustment in accordance with Federal Regulations.

- H. Ancillary Credits is defined as the total amount that is estimated and credited by DEP to PWC pursuant to the PSCA for any charges incurred by PWC pursuant to Schedule 2, Schedule 3, Schedule 5, and Schedule 6 of the OATT that are provided from DEP's generation resources.
- I. Interruptible Load shall mean that load of a Customer that such Customer may elect to interrupt, curtail, or otherwise reduce, on its own.
- J. DEP Butler Warner (BWGP) Demand Credit shall mean the reduction by DEP to PWC, for the relevant month, in accordance with the Eleventh Amended and Restated Power Supply Coordination Agreement between PWC and DEP. With such reduction to be determined based on the performance of the BWGP facility as set forth in the PSCA, which may be adjusted from time to time by DEP. PWC's Coincident Peak Demand each month shall be reduced by the DEP BWGP Demand Credit. During each full calendar year of service the DEP BWGP Demand Credit shall be 2,280 MW-months.
- K. BWGP Costs shall mean the annual total costs attributed to the BWGP as calculated by the most recently completed cost of service study performed on PWC's electric system. This shall include operation costs, capital expenditures, attributed overhead expenses, and all other cost and revenues as duly allocated to BWGP.
- L. Total Annual CP Demand shall mean the average of the annual aggregate of PWC's projected monthly demands concurrent with the period for which BWGP Costs have been calculated by the most recently completed cost of service study performed on PWC's electric system. This demand shall be measured during the same sixty (60) minute interval used in the relevant month to determine PWC's Coincident Peak Demand in accordance with the Eleventh Amended and Restated Power Supply Coordination Agreement between PWC and DEP, as amended, which may be adjusted from time to time by DEP.

M. BWGP Credit is defined as the per kW value computed as follows:

$$\frac{[(\text{BWGP Costs} - (\text{System CP Demand Cost} \times \text{DEP BWGP Demand Credit}))]}{(\text{Average Total Annual CP Demand})}$$

MONTHLY RATE

The Customer shall pay monthly a Basic Facilities Charge, a Demand Charge, and an Energy Charge for all metered kWh delivered to the Customer. The monthly Demand Charge shall be calculated using the following formula:

$$[(\text{System CP Demand} \times \text{CP Demand Charge}) + (\text{Customer Peak Demand} \times \text{Customer Peak Demand Charge})]$$

The Customer's monthly CP Demand Charge (per kW) shall be calculated using the following formula:

$$\{(\text{System CP Demand Cost} + \text{Ancillary Credits} + \text{Transmission Cost} + \text{BWGP Credit}) \times (1 + \text{System Loss Factor})\}$$

The monthly Energy Charge to be assessed for each metered kWh delivered to the Customer shall be calculated using the following formula:

$$\text{Energy Charge} = [(\text{Purchased Energy Cost}) \times (1 + \text{System Loss Factor})]$$

I.	Basic Facilities Charge*	\$25,000.00
II.	Energy Charge	\$0.03035 per kWh
III.	Demand Charges	
	a. Customer Peak Demand	\$5.88 per kW
	b. CP Demand	\$16.92 per kW

The System CP Demand, System CP Demand Cost and the Transmission Cost may be modified and/or trued up by DEP from time to time in accordance with the PSCA and OATT. The System Loss Factor may be modified or trued up from time to time in accordance with Federal regulation.

POWER SUPPLY ADJUSTMENT (PSA)

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

INTERRUPTIBLE SERVICE

Customer shall be subject to additional charges for Interruptible Load ("Interruptible Demand Charge") as provided in this Section, Customer shall notify PWC in writing at least 60 days before a Customer commences to: (a) add any new Interruptible Load in excess of one megawatt (1 MW) to their existing electric system or, (b) any new Interruptible Load in excess of one megawatt (1 MW) from a new customer electric system. If the reported Interruptible Load is twenty-five megawatts (25 MW) or less, upon commencement of service to such Customer for its Interruptible Load, PWC shall charge Customer, in addition to any other charges under this tariff, an Interruptible Demand Charge equal to fifty percent (50%) of the System CP Demand

Cost, times the amount of Interruptible Load of such Customer. For any Interruptible Load of a Customer that exceeds twenty-five megawatts (25 MW), upon commencement of service to such Customer for its Interruptible Load, PWC shall charge Customer, in addition to any other charges under this tariff, an Interruptible Demand Charge equal to seventy percent (70%) of the System CP Demand Cost, times, the amount of Interruptible Load of such Customer. For purposes of the Interruptible Demand Charge, the amount of Interruptible Load in any given Month shall be equal to (i) Customer Peak Demand of such Customer, or the Contract Demand, whichever demand is greater, less (ii) the System Coincident Peak (CP) Demand, the resulting value adjusted by the System Loss Factor, DEP Transmission and GSU losses for the current year. Interruptible Load shall not be less than zero in any Month.

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.

*An additional \$4.00 Community Street Lighting charge applies to each meter billed on this rate schedule.