

**INDUSTRIAL POWER SERVICE
RATE SCHEDULE IPS**

AVAILABILITY:

Available in all territory served by the Corporation, subject to the Corporation's Service Rules and Regulations and the IURC Rules Governing Electric Utilities.

APPLICABILITY:

Applicable to customers supplied at a single location meeting the following requirements for service:

- 1) Service to the customer must qualify under the requirements set forth in the Industrial Power Tariff of Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier Energy).
- 2) The customer's monthly maximum demands must be at least 500 kW.
- 3) The customer's monthly billing load factor must be at least 45%.

TYPE OF SERVICE:

Service shall be three-phase, 60 hertz, at available standard voltages, or other voltage as might be mutually agreeable.

RATE:

	<u>Fully Dedicated Distribution Service</u>	<u>Integrated Distribution Service</u>
BASIC SERVICE CHARGE :(Dollars per month)	\$500.00	\$500.00
DEMAND CHARGE:		
All kW of Billing Demand	\$ 16.19 PER kW	\$16.31 PER kW
ENERGY CHARGE:		
All kWh of Billing Energy	\$.05014 PER kWh	\$0.05055 PER kWh

LOSS COMPENSATION:

The demand and energy charges are based upon service metered at the Corporation's primary distribution voltage and do not reflect any compensation for transformation losses. Demand and energy loss compensation adjustments shall be applied for metering under conditions as follows:

SECONDARY METERING

Demand Compensation Adjustment	\$.32 PER kW
Energy Compensation Adjustment	\$.001 PER kW

BILLING DEMAND:

Billing Demand shall be the highest consecutive 30-minute demand during the Peak Hours of the month expressed in kW, but in no event less than 75% of the highest billing demand used in any of the preceding 11 months, or 500 kW, whichever is greatest. Peak Hours are defined as those hours from 7:00 a.m. to 11:00 p.m. EST, daily, in accordance with Appendix "B".

BILLING kWh:

The Billing kWh shall be the greater of the actual kWh used during the billing month or 328.5 times the monthly Billing Demand.

POWER FACTOR:

If the power factor (leading or lagging) at the time of the Non-Coincident Demand is determined to be less than 97%, the Non-Coincident Demand shall be adjusted separately by multiplying the Non-Coincident Demand by the ratio of the current target power factor percent (97%) and the measured actual power factor percent at the time of the Non-Coincident Demand.

If the Average Monthly Power Factor (leading or lagging) is determined to be less than 95%, the "Excess Net kVARh" subject to the "Excess Net kVARh charge" is the difference between the actual measured Net kVARh amount and a calculated Net kVARh based upon the recorded kWh for the month and the targeted average monthly power factor of 95%.

The Excess Net kVARh charge = \$0.00616 per kVARh per month.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the greatest of:

1. A charge of \$1.00 per kVA of required installed transformer capacity.
2. The contract minimum.
3. The applicable facilities charge, if any, plus the customer charge and demand charge.

DISTRIBUTION FACILITIES CHARGE:

a) Fully Dedicated Distribution Service:

The distribution facilities charge of 1.40 percent per month shall apply to the Corporation's total dollar investment in distribution facilities, excluding metering equipment, which are dedicated to providing retail electric service to the customer. The Corporation may require a contribution in aid of construction for all or part of the investment in facilities, in which case the facilities charge applicable to the dollars of investment covered by the contribution shall be 0.98 percent.

b) Integrated Distribution Service:

The demand and energy charges of the Monthly Rate are based upon normal service from the Corporation's distribution system at a primary distribution voltage. Upon request by customer, secondary service will be provided, in which case the facilities charge of 1.40 percent shall apply to the total dollar investment in transformers and transformation equipment and all secondary service facilities, except metering equipment, which are installed to provide secondary distribution service to the customer.

The Corporation may also apply the facilities charge to the dollars of investment in primary facilities, requested by the customer, which are in excess of those normally provided.

A contribution in aid of construction may be required for all or a part of the direct investment in primary or secondary facilities, in which case the facilities charge applicable to the dollars of investment covered by the contribution shall be 0.98 percent.

CHANGES TO THE DISTRIBUTION FACILITIES CHARGE:

The Corporation may revise the Distribution Facilities Charge percentage from time-to-time to reflect current level costs subject to approval of any state regulatory agency having jurisdiction over the rate of the Corporation.

OTHER WHOLESALE CHARGES AND ADJUSTMENTS:

In addition to the base wholesale Demand and Energy Charges which are included in the Demand and Energy Charges of the Monthly Rate, the customer shall pay all other charges billed the Corporation by Hoosier Energy for service hereunder pursuant to Hoosier Energy's Industrial Power Tariff.

WHOLESALE RATE CHANGES:

Should there be any change in the Hoosier Energy Industrial Power Tariff under which the Corporation purchases power for service hereunder, the charges and provisions of Schedule IPS shall change correspondingly such that the change in wholesale power cost is passed through to the customer.

TERMS AND CONDITIONS OF SERVICE:

- 1) The applicant will be required to give satisfactory assurance by means of a written agreement as to the character, amount, and duration of the business offered.
- 2) In general, individual motors rated in excess of ten (10) horsepower must be three-phase.
- 3) Any transformers and regulation equipment that may be required for incidental lighting shall be furnished by the customer.
- 4) Late payment charges – see Appendix “B”.
- 5) All installed facilities shall meet the specifications of the National Electrical Code and the Corporation’s Service Rules and Regulations.

FUEL COST ADJUSTMENT:

See Appendix "A".

RATE ADJUSTMENT:

The above rates are subject to a Purchased Power Cost Adjustment Tracking Factor as defined in Appendix “A”.

MISCELLANEOUS NONRECURRING CHARGES:

Customers served under this rate schedule shall be subject to the miscellaneous nonrecurring charges as stated in Appendix B, and may be charged as applicable and in accordance with the current Rules and Regulations as adopted by the Utility Regulatory Commission of Indiana.