

Proposed Terms of Service for Legacy Special Interruptible Contract Customers
Large Demand Side Management Service

APPLICABILITY: Utah retail customers with an annual peak demand of at least 25 MW and who have received electric services for more than 20 years via special interruptible contract arrangements rather than standard tariffs.

SERVICE: Alternating current, three-phase electric service supplied at approximately 138,000 volts or greater through a single point of delivery.

MONTHLY BILL:

Customer Service Charge: \$696.00 per Customer

Facilities Charge: \$3.12 per MWh for all measured MWhs delivered by Company to Customer, excluding Replacement Power

Power Charge: For measured load in kW delivered by Company to Customer during the 15-minute period of Company's monthly System Coincident Peak:

Billing Months - June through September inclusive: \$19.309 per kW

Billing Months - October through May inclusive: \$17.088 per kW

Energy Charge:

Billing Months - June through September inclusive:

5.1477¢ per kWh for all On-Peak kWh

2.6165¢ per kWh for all Off-Peak kWh

Billing Months - October through May inclusive:

4.5555¢ per kWh for all On-Peak kWh

2.3155¢ per kWh for all Off-Peak kWh

On-Peak and Off-Peak hours are:

On-Peak: October through May inclusive: 6:00 a.m. to 9:00 a.m. and 6:00 p.m. to 10:00 p.m., Monday thru Friday, except holidays.

June through September inclusive: 3:00 p.m. to 10:00 p.m., Monday thru Friday, except holidays.

Off-Peak: All other times.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Pioneer Day, Labor Day, Thanksgiving Day, and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be considered a holiday and consequently Off-Peak.

AUTOMATIC RATE ADJUSTMENTS: All monthly bill components specified above will be adjusted on the effective date of a Commission Order entered on or after January 1, 2023 in a Utah general rate case or major plant addition case by the average percentage change in Company's Commission-approved total Utah revenue requirement.

SURCHARGE ADJUSTMENTS: All monthly bills will be adjusted in accordance with Schedules 91 and 94, at the time and by the same percentage change as approved by the Commission for Utah Schedule 9 customers. All monthly bills will be adjusted in accordance with Schedules 196 and 197 at the time and by the same percentage change as approved by the Commission for the applicable Contract Customer.¹

DEMAND SIDE MANAGEMENT. Service hereunder is designed as a tailored demand side management arrangement, and Customer is not eligible for or subject to Schedule 193 or other demand-side management programs or incentives. In order to assist Customer in its demand side management efforts, Company shall provide Customer with system coincident peak load data by hour for the most recent past calendar day when it becomes available in any available format as reasonably requested by Customer. Customer shall provide an annual report to the Company of the results of Customer's demand side management coincident system peak shaving efforts and any energy efficiency efforts.

REPLACEMENT POWER OPTION. In order to reduce demand on Company's system during hours of peak system load, Customer may at any time provide Company with a notice ("Curtailed Notice") by email or facsimile specifying that Customer elects during any or all hour(s) as specified in the Curtailed Notice to either (i) physically curtail its use of Power and Energy from Company or (ii) purchase market power and energy, to the extent reasonably available to Company ("Replacement Power"). Unless Company and Customer agree otherwise, a Curtailed Notice must be delivered to Company by 12:00 p.m. (midnight) Mountain Prevailing Time of the day prior to the planned curtailment. Customer's Curtailed Notice shall specify the amount of load for each hour of planned curtailment for which Customer elects to buy Replacement Power and the amount that will be physically curtailed.

Charges for Replacement Power shall be based on the Intercontinental Exchange (ICE) Day-Ahead Palo Verde On-Peak or Off-Peak Index, as applicable, multiplied by market-based hourly shaping factors as reasonably determined each year by Company in advance and provided to Customer prior to the beginning of each calendar year, and adjusted by a line loss adjustment factor of 1.051 ("Market Price"); provided, however, that if a Curtailed Notice specifies that Customer intends any physical curtailment, Company may, by 8 a.m. Mountain Prevailing Time of the day of curtailment, request that Customer not physically curtail but rather continue or resume normal

¹ USMag is Contract Customer 2.

operations for any curtailment hours specified in Customer's Curtailment Notice, in which case the Replacement Power charges for any such hour(s) will be the lower of the Market Price or the maximum price that Customer is willing to pay for Replacement Power, as specified in the Curtailment Notice.

POWER FACTOR: Rates herein are based on the Customer maintaining at all times a Power Factor of 90% lagging, or higher, as determined by measurement. If the average Power Factor is found to be less than 90% lagging the Power as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the Power Factor is less than 90%.

CONTRACT PERIOD: Service hereunder shall be for an initial 10-year term, followed by successive 5-year contract renewal terms unless notice of termination is provided at least 1 year in advance of any renewal.

POWER MEASUREMENT: The kW used to calculate the monthly Power Charge will be: (i) for service from January 1, 2022 through December 31, 2023, zero during the months of June through September and December and January; and for other months, the KW as shown by or computed from the readings of Company's Power meter for the 15-minute period of Customer's use at the time of the System Coincident Peak for that month; and (ii) for service from and after January 1, 2024, for all months, the KW as shown by or computed from the readings of Company's Power meter for the 15-minute period of Customer's use at the time of the System Coincident Peak in the corresponding month from the prior calendar year; in each case adjusted for Power Factor to the nearest kW and less any Replacement Power provided to Customer.

OPERATING RESERVE: Customer will provide Company with operating reserves of up to 80 hours per year. Company may require an operating reserve interruption upon at least ten-minutes notice, in which case Customer shall reduce load or provide generation output for up to three hours during any one four-hour period per day and up to 120 minutes per interruption, with each period of interruption rounded up to the nearest hour. Customer may resume normal operations upon the earlier of (i) notice from Company or (ii) the top of the second hour following the beginning of an operating reserve interruption.

Company shall credit Customer each billing period by an amount calculated by multiplying \$4.01 times Customer's average total plant load each month, consisting of the measured kW load delivered by Company during each 15-minute interval each month plus the measured kW of Customer's generation during each such 15-minute interval for all hours for each billing period, except that any hours in which an operating reserve interruption occurred shall be excluded from the calculation of such average total plant load. The per-kW-month price to be paid by Company to Customer for operating reserves shall be adjusted on the effective date of a Commission Order entered on or after January 1, 2023 in a Utah general rate case or major plant addition case by the average percentage change in Company's Commission-approved total Utah revenue requirement.

Company may purchase operating reserves of more than 80 hours per year at such price and subject to such conditions as Customer and Company may agree.

FORCE MAJEURE: Neither Company or Customer shall be subject to any liability or damages for inability to provide or receive service to the extent that such failure shall be due to causes beyond the control of either Company or Customer, including, but not limited to the following: (a) the operation and effect of any rules, regulations and orders promulgated by any commission, municipality, or governmental agency of the United States, or subdivision thereof; (b) restraining order, injunction or similar decree of any court; (c) war; (d) flood; (e) earthquake; (f) act of God; (g) sabotage; or (h) strikes or boycotts. Should any of the foregoing occur, the minimum billing demands that would otherwise be applicable hereunder shall be waived and Customer will have no liability for service until such time as Customer is able to resume service. The party claiming Force Majeure under this provision shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible.

ELECTRIC SERVICE REGULATIONS: Services provided by Company are subject to all applicable Electric Service Regulations of the Company on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments.

EXAMPLE of Rate Design

(Using a special contract with a 12 cp COS and MWHS – (an alternative could just bill out at Schd. 9)

Use the total COS rev \$34,668,191/year

Take the MWHS – 617,100/year

Calculate the annual charges from the MWHS at Schd 9 energy charge rates

Say that is \$17,672,419

Take the facility charge at 100% LF \$3.12/MWH = \$1,925,352

Subtract those two amounts from the COS Rev req. = \$15,070,420 left to pick up if firm COS

Take ratio of Sum Pk to Win Pk = 1.13

Take av load 617,100/12=70.44 MW

Math (8+4 times 1.13 times) =12.52 then \$15,070,420/12.52 = \$1,203,707.68 wint

\$1,203,707.52/70,440 KW=\$17.088/KW Wint demand billing unit

\$17.088 X 1.13= \$19.309/KW Sum demand billing unit