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April 1, 1999

990417-EM  
HAND DELIVERY

RECORDS AND  
REPORTING

99 APR - 1 PM 3:25

RECEIVED-FPSC

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Betty Easley Conference Center, Room 110  
Tallahassee, Florida 32399-0850

Re: In Re: Request for Approval of Preferred Customer Standard Offer Electric Service Agreement by City of Tallahassee

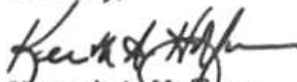
Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of the City of Tallahassee ("City") are the original and fifteen copies of the City's Petition for Approval of Preferred Customer Standard Offer Electric Service Agreement.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

  
Kenneth A. Hoffman

KAH/rl  
Enclosures  
cc: Patrick Hurley, Esq.  
Mr. Gary Brinkworth

Trib.3

DOCUMENT NUMBER-DATE

04243 APR-1 99

FPSC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Request for Approval of )  
Preferred Customer Standard )  
Offer Electric Service Agreement )  
by City of Tallahassee. )  
\_\_\_\_\_ )

Docket No. 990417-EM

Filed: April 1, 1999

**CITY OF TALLAHASSEE'S PETITION FOR APPROVAL OF PREFERRED  
CUSTOMER STANDARD OFFER ELECTRIC SERVICE AGREEMENT**

The City of Tallahassee ("City"), by and through its undersigned counsel, pursuant to Section 366.04(2)(b), Florida Statutes, and Rules 25-9.053, 25-9.069 and 25-9.070, Florida Administrative Code, hereby requests the Florida Public Service Commission ("FPSC") to approve the Preferred Customer Standard Offer Electric Service Agreement ("Standard Offer Agreement" or "SOA") attached hereto as Exhibit A. In support of its Petition, the City states as follows:

1. The City is a municipal electric utility providing retail electric services to approximately 91,000 customers in Leon County. The City also generates and provides wholesale electric services to electric utilities within and outside the State of Florida. The FPSC has concomitant jurisdiction with the City Commission to prescribe and approve the rate structure, including any modifications to rate structure, governing the provision of electric service by the City.

2. All notices, pleadings, documents, staff recommendations and orders issued in this docket should be provided to the following on behalf of the City:

DOCUMENT NUMBER-DATE

04243 APR-1 99

FPSC-RECORDS/REPORTING

Mr. Gary S. Brinkworth  
Director of Utility Business and  
Customer Services  
City of Tallahassee  
300 South Adams Street  
Mail Bin #A36  
Tallahassee, Florida 32301  
(850) 891-8903 (telephone)  
(850) 891-8277 (telecopier)

Kenneth A. Hoffman, Esq.  
Rutledge, Ecenia, Purnell &  
Hoffman, P.A.  
215 S. Monroe St, Suite 420  
Tallahassee, Florida 32301  
(850) 681-6788 (telephone)  
(850) 681-6515 (telecopier)

3. In furtherance of its goals and long-term strategy to provide competitively priced retail electric services and retain large commercial customers in the event of statutorily imposed deregulation of retail electric services, the City recently approved a strategic plan that prioritized an initiative to offer special contract rates to eligible commercial customers. This initiative was undertaken in recognition of the substantial financial impact on the City's electric utility and on the community if some of the largest electric customers chose an alternative energy supplier. A draft standard agreement was developed for this purpose, which incorporated both rate discounts and special services that would be available to large commercial customers who elected to take service under that agreement. In an effort to determine the acceptability of this standard agreement, and to resolve an outstanding issue with one of its largest customers, the City made the agreement the basis of renewed electric service contract negotiations with Florida State University (the "FSU Agreement"). The resulting Preferred Customer Electric Service Agreement between the City and FSU represents the culmination of over two years of work, and is a refinement of this original standard offer contract. The attached Standard Offer Agreement is the version of the rate discount contract reflecting the experience gained from the FSU negotiations that the City expects to make available and will market to its eligible customers following approval of the SOA by the FPSC and the City Commission. The rate tariff changes that support this Standard Offer Agreement are

scheduled to be formally approved by the City, in the form of an amendment to the City's rate ordinance, at a public hearing before the City Commission on April 28, 1999. By reaching this agreement with FSU and subsequently making the Standard Offer Agreement available as an option to its eligible commercial customers, the City will complete the first important step in achieving the goal of retaining large commercial customers, and the significant level of revenues associated therewith, in the event deregulation of the retail electric is imposed by statute in the future.

4. This Petition seeks approval of the attached Standard Offer Agreement which was developed from the FSU Agreement. Since the material rates, discounts, terms and conditions of the FSU agreement and the SOA are identical, approval of the SOA will effectively result in approval of the FSU Agreement with regard to the contract terms contained therein that are within the FPSC's rate structure jurisdiction. By retaining large commercial customers and providing incentives for new large commercial customers to locate in the City's service area, the residential and small business electric customers of the City will gain increased protection from rate increases which could result from the loss of large customers to other retail electric providers in the event retail competition is authorized by law. To further mitigate the potential loss of revenue associated with retail competition, the City intends initially to execute this SOA with its largest commercial customers, secure the customers for the 10 year term, and then pursue contracts with the City's smaller commercial customers.

5. The material rates, discounts, terms and conditions of the attached Standard Offer Agreement are described below:

a. Eligible Customers. The Standard Offer Agreement would be made available to any customer falling within any one or more of the following rate classifications: General Service

Demand, Curtailable General Service Demand, Interruptible General Service Demand and/or General Service Large Demand.

b. Contract Term. The Standard Offer Agreement will be a 10 year agreement, subdivided as follows:

(i) The initial 5 year period is an unconditional arrangement such that the customer has no termination right except those granted elsewhere in the SOA (i.e., a force majeure occurrence). During this period, the City provides protection from base rate increases in the future by capping the applicable rates for the customer at the current rates net of the fuel component.

(ii) During the second 5 year period, the customer has the right under a "Competitive Pricing Exit Clause" to terminate the SOA with an 8 month notice (presuming alternative suppliers are legally obtainable), if the alternative supplier offers rates at least 8% lower than the SOA rates in effect. However, the termination will not take effect if the City submits a counter-proposal within five months reflecting rates that are less than 6% greater than the rates offered by the alternative supplier.

c. Renewal and Extension. The customer may terminate the SOA after the first 5 years of the term subject to payment of a Reimbursement Fee defined under the SOA to allow the City to recoup no more than three years of discounts previously provided to the customer. If the customer terminates the SOA with less than three years written notice prior to the Scheduled Termination Date (10 years after effective date or as extended annually), then the customer shall also pay a Cancellation Fee, calculated pursuant to a formula in the SOA, as liquidated damages. If the customer terminates pursuant to the Competitive Pricing Exit Clause, Reimbursement and Cancellation Fees are payable pursuant to terms set forth in the SOA. Finally, after the first seven

years of the SOA, absent a prior notice to terminate, the SOA is extended annually so as to maintain a three year period between the current date and the Scheduled Termination Date.

- d. Discounts. The SOA contains the following rate discounts:

General Service Demand = 5%  
Curtable General Service Demand = 5%  
Interruptible General Service Demand = 5%  
General Service Large Demand = 7%

e. Unbundling. The City offers the discounts as described in the SOA, provided that the customer remains a "bundled" services customer of the City (i.e., the customer continues to receive power supply, distribution service and billing from the City). The offer is applicable, if legally permissible, whether the City voluntarily unbundles its rates as a marketing strategy or is required to unbundle by legislative or regulatory action.

f. Consultation. The City will make its technical, business and customer service experts reasonably available to the customer for consultation on energy management and conservation, rate applications, electric facility problem solving, billing issues and related matters for the duration of the SOA.

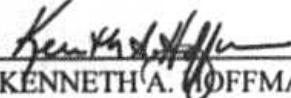
g. Assignment. Language is contained in the contract that give each party the right to assign this agreement subject to written approval of the other party.

h. Rates & Charges. The City will ensure that the discounts provided to the customer under this agreement shall not be less than those offered to other customers in any applicable electric rate class, or to other similarly situated public facilities or other larger commercial businesses of similar quantity of utility usage and load characteristics.

6. The rate discounts and minimum service period contained in the Standard Offer Agreement are similar to those reflected in tariffs and riders previously approved by the Commission for other electric utilities, including municipal electric utilities. Further, the discounted rates reflected in the SOA will not require any cross-subsidization by the residential or other commercial ratepayers of the City.

WHEREFORE, the City of Tallahassee respectfully requests that the Commission approve the attached Preferred Customer Standard Offer Electric Service Agreement.

Respectfully submitted,

  
KENNETH A. HOFFMAN, ESQ.  
Rutledge, Ecenia, Purnell & Hoffman, P.A.  
P. O. Box 551  
Tallahassee, FL 32301  
(850) 681-6788 (telephone)  
(850) 681-6515 (telecopier)

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been furnished to Robert V. Elias, Esq., Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Room 370, Tallahassee, FL 32399-0850 this 1<sup>st</sup> day of April, 1999.

  
KENNETH A. HOFFMAN, ESQ.

FAUSERS/ROXANNE/mar20city.pet



**PREFERRED CUSTOMER  
ELECTRIC SERVICE AGREEMENT**

THIS PREFERRED CUSTOMER ELECTRIC SERVICE AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ by and between the City of Tallahassee, herein referred to as "City" and \_\_\_\_\_, herein referred to as "Customer"

WHEREAS, the Customer desires to purchase and to receive from the City, and the City desires to provide to the Customer, on a long-term basis all of the Customer's requirements for electric service for all properties, facilities, structures, and premises owned, leased, or used by the Customer and located within the City's service area ("Customer Premises"), and

WHEREAS, the Customer and the City acknowledge that the electric industry is in transition from a regulated industry to a market-based industry and that in the future electric generation services may be deregulated and subject to market risks; and

WHEREAS, it is in the mutual interest of the parties to continue and to enhance the cooperative relationship between them and, at the same time, recognize and accommodate the fiscal needs of each.

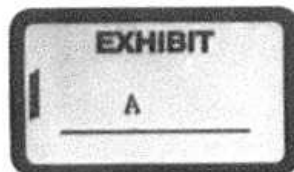
Now, therefore, the parties agree as follows:

1.0 Purchase of Electric Services

- 1.1 The City agrees to furnish and the Customer agrees to receive from the City and to pay for all of its electric service requirements, throughout the term of this Agreement, for all Customer Premises. Such service shall be furnished in accordance with Exhibit "A", which is attached hereto and by reference incorporated herein. A list by location of all electric services to Customer Premises, excluding non-demand metered accounts, is set forth in Exhibit "B", which is attached hereto and by reference incorporated herein. The Customer shall notify the City whenever additional service locations are established or whenever any service location reflected on Exhibit "B" is discontinued.

2.0 Term and Termination

- 2.1 Term. The Term of this Agreement shall commence with the first full billing cycle beginning after the later of the date executed by the City, or the date executed by the Customer, ("Effective Date"); and shall continue until the Scheduled Termination Date unless sooner terminated pursuant to the terms hereof



2.2 Scheduled Termination Date. The Scheduled Termination Date shall be the tenth anniversary of the Effective Date; provided, however, that commencing on the seventh anniversary of the Effective Date, absent a prior notice to terminate, the Scheduled Termination Date shall be extended annually such that a three (3) year period is maintained between the current date and the Scheduled Termination Date. The Customer or the City may terminate this Agreement after having received or provided service under this Agreement for a period of five (5) years by providing the other party written notice of such termination no later than three (3) years prior to the effective date thereof.

2.3 Early Termination. The Customer may terminate this Agreement after the first five (5) years of the Term, and prior to the Scheduled Termination Date as follows:

2.3.1 If the Customer elects to terminate this Agreement prior to the Scheduled Termination Date, the Customer shall deliver written notice of such intent to the City and shall be assessed and, shall pay to the City, a Reimbursement Fee. The Reimbursement Fee will be equal to the sum of all monthly discounts received by the Customer hereunder for the lesser of 36 months or the number of months from the effective date of such termination through the Scheduled Termination Date. This Reimbursement Fee shall be recovered from the Customer through elimination of the discount for the requisite number of months in accordance with the following formula:

RF = the sum of [MCD(i)], | i = 1 to M where

RF = the Reimbursement Fee

MCD = the Monthly Customer Discount

M = the number of months of early termination,

$$M = (ST - ED) * 12; M \leq 36$$

ST = Scheduled Termination Date (in years)

ED = effective date of early termination (in years)

If this Agreement is terminated in accordance with its provisions with less than three (3) years' notice, then the amount of the Reimbursement Fee not recovered by elimination of the discount as described above shall be paid by the Customer prior to the effective date of termination.

2.3.2 If the Customer elects to terminate this Agreement with less than three (3) years prior written notice and prior to the Scheduled Termination Date, the Customer, in addition to the Reimbursement Fee specified above, shall be assessed, and shall pay to the City, a Cancellation Fee as liquidated damages. The Cancellation Fee will be calculated by multiplying (a) the then current undiscounted monthly demand charge, times (b) the Customer's average monthly billing demand for the most recent twelve

(12) months, times (c) a factor of one quarter (0.25), times (d) the lesser of (i) a factor of twenty-four (24) or (ii) the number of Months of Early Termination. Computation of the Cancellation Fee will be made using the following formula:

$$CF = MDC * ABD * 0.25 * MM \text{ where}$$

CF = the Cancellation Fee

MDC = the current Monthly Demand Charge (undiscounted)

ABD = the customer's Average Billing Demand  
(to be computed on a 12 month rolling average)

MM = the Monthly Multiplier, and is the lesser of M or 24 where

M = months of early termination for the Reimbursement Fee

2.4 Additional Rights of Termination. In addition to the other rights of termination set forth in this Section 2.0, the Customer shall have the right to terminate this Agreement under the following circumstances:

2.4.1 During the first five (5) years of the Initial Term, the Customer shall have only those termination rights set forth in Section 5.0, and Section 7.10 below; and, during such five-year period, the rates and charges for electric services to the Customer shall not exceed the rates and charges therefor in effect on the Effective Date, net of the fuel component of such rates and charges.

2.4.2 To the extent the Customer cannot legally obtain electric service and capacity from an Alternate Provider prior to the end of such five-year period, the conditions set forth in Section 2.4.1 shall remain in effect until such option is legally available to the Customer.

2.4.3 Beginning on the first day of the second five (5) years of the Term, to the extent the Customer can legally obtain electric service and capacity from an Alternate Provider, the Customer may terminate the full service requirement set forth in Section 1.1 by providing written notice of such intent no less than eight (8) months prior to the proposed effective date of such termination. Such right, as set forth in the following subsections, is referred to as the Competitive Pricing Exit Clause.

2.4.3.1 To qualify under this Competitive Pricing Exit Clause, the total bundled cost for electric service, including applicable taxes and fees, delivered to the Customer's facilities by the Alternate Provider must be more than eight (8) percent below that which the City is then providing, and such offer must be valid for the remaining duration of the contract. For purposes of determining if an offer

qualifies under this section, the actual load readings recorded by the City over the previous twelve (12) month period will be used.

2.4.3.2 If within five (5) months of receiving the termination notice, the City submits a counter proposal to the Customer such that the total bundled cost difference between this counter proposal and the offer from the Alternative Provider is less than six (6) percent, the termination noticed pursuant to Section 2.4.3 will not take effect.

2.4.3.3 During the period in which the Competitive Pricing Exit Clause is in effect, if the City does not meet the conditions set forth in Section 2.4.3.2, this Agreement will terminate on the date indicated in the notice provided under Section 2.4.3. Upon termination, the Customer will be obligated to pay a Reimbursement Fee based on the lesser of 18 months or one-half the remaining months of the contract, and a Cancellation Fee calculated with the formula set forth in Section 2.3.2 adjusted to utilize a maximum of 18 months.

2.4.3.4 The term "Alternative Provider" used in this Section 2.4.3 shall mean an operating electric utility with sufficient generating capacity to meet the needs of the Customer on a firm basis, or an energy marketer licensed by the Federal Energy Regulatory Commission (FERC) to sell electric energy and capacity on a firm basis, or an entity approved by the Florida Public Service Commission (FPSC) to sell electric energy and capacity on a firm basis.

2.5 Neither this Agreement nor its termination provisions shall have any effect on the Customer's stranded cost obligations to the City, if any. However, to the extent that stranded cost recovery is allowed, if a Cancellation Fee is applicable to the Customer such fee shall be net of the allowed stranded cost recovery amount.

2.6 The giving of proper written notice and payment of all fees as provided in this Section shall be a condition precedent to the effectiveness of any termination under this Section 2.0.

### 3.0 Rates and Charges for Electric Service

3.1 The discount for accounts served under this Agreement are set forth in Exhibit A attached hereto entitled "Preferred Customer Electric Service Agreement Rate Schedule". The discounts (i) are applicable only to the electric rate schedules listed in Exhibit A, and successor rate designations, and are not applicable to special contracts between the City and the Customer and (ii) shall apply only for so long as the Customer remains a bundled customer of the City, regardless of whether the City voluntarily unbundles its rates as a marketing strategy or is required to

unbundle such rates as a result of legislative or regulatory action. The discounts will not apply to any credits, penalties, service charges, surcharges, gross receipts tax, or other applicable taxes or charges including franchise fees.

- 3.2 The City will ensure that the rate discounts provided to the Customer under this Service Agreement shall not be less than those offered to other customers in any applicable electric rate class, or to other similarly situated public facilities or other commercial businesses of similar quantity of utility usage and load characteristics.

#### 4.0 Special Provisions.

- 4.1 Consultation. The City will make its technical, business, and customer service representatives reasonably available to the Customer for consultation in regard to energy management and conservation, rate applications, electric facility problem solving, billing issues, and other related matters.

- 4.2 Summary Billing. Upon acceptance of this Agreement, the Customer is eligible to receive at no cost a summarized billing that contains a listing of all accounts receiving electric service from the City. This summary bill can be utilized by the Customer to facilitate a single payment to the City for multiple electric service accounts. The Customer shall notify the City in writing of its desire to receive this Summary Billing service, and this service will terminate concurrently with termination of this Agreement.

- 4.3 [reserved for future use]

#### 5.0 Default

In the event of a default by a party in the performance of any obligation on its part to be performed under this Agreement or upon the happening of any other event designated herein as an event of default, the other party to this Agreement shall have the right to declare a default and, subject to 6.0 below, terminate this Agreement.

#### 6.0 Resolution of Disputes

No termination shall be effective nor shall any action to enforce any of the provisions of this Agreement be commenced until the party claiming to be aggrieved shall first have delivered to the other a written notice of default and its intention to terminate this Agreement or to initiate any other proceeding related to this Agreement. Such notice shall specify, in reasonable detail, the nature of the default. This notice shall be delivered at least sixty (60) days before the proposed date of termination or commencement of any proposed action, and the parties shall use the period to engage in good-faith negotiations

aimed at resolving the dispute without termination or other legal proceedings. This paragraph is not intended to limit or circumscribe the legal rights of any party thereto, but rather to ensure that the parties exhaust all avenues of seeking a mutually agreeable accommodation of their differences before terminating this Agreement or instituting legal proceedings. In any situation where the terms of this paragraph might affect the legal rights of any party hereto, the parties all stipulate to appropriate extension of limitation periods and other matters to eliminate any such potential effects.

## 7.0 General Provisions

- 7.1 Governing Law Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Any action to enforce any of the provisions of this Agreement must be maintained in Tallahassee, Leon County, Florida.
- 7.2 Waiver. Failure to insist upon strict compliance with any term, covenant or condition of this Agreement shall not be deemed a waiver of it. No waiver or relinquishment of a right or power under this Agreement shall be deemed a waiver of that right or power at any other time.
- 7.3 Modification. Agreement shall not be extended, changed or modified, except in writing duly executed by the parties hereto.
- 7.4 Binding Effect. This Agreement shall be binding upon the successors and, subject to below, assigns of the parties hereto.
- 7.5 Assignment. Because of the unique nature of the relationship between the parties and the terms of this Agreement, neither party hereto shall have the right to assign this Agreement or any of its rights or responsibilities here under to any third party without the express written consent of the other party to this Agreement. Such consent shall not be unreasonably withheld.
- 7.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to discounts for electric service and capacity, and all prior agreements or agreements or arrangements between them with respect to such matters are superseded by this Agreement.
- 7.7 Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
- 7.8 Ambiguity. This Agreement has been negotiated by the parties with the advice of counsel and, in the event of an ambiguity herein, such ambiguity shall not be construed against any party as the author hereof.



- 7.9 Public Body. It is expressly understood between the parties that the City is a duly incorporated municipal corporation of the State of Florida. Nothing contained herein shall be construed as a waiver or relinquishment by the City to claim such exemptions, privileges and immunities as may be provided to it by law.
- 7.10 Force Majeure. A party shall be excused from performance of an obligation under this Agreement to the extent, and only to the extent, that such performance is affected by a "Force Majeure Event" which term shall mean any cause beyond the reasonable control of the party affected, except where such party could have reasonably foreseen and reasonably avoided the occurrence, which materially and adversely affects the performance by such party of its obligations under this Agreement. Such events shall include, but not be limited to, an act of God; disturbance, hostility, war, or revolution; strike or lockout; epidemic; accident; fire; storm, flood, or other unusually severe weather or act of nature; or any requirements of law.
- 7.11 Notices. All notices under this Agreement shall be in writing and shall be deemed to have been given when delivered by certified United States mail, return receipt requested, and postage prepaid, or by hand delivery with signed acceptance to the parties as follows:

To City:

With a copy to:

To Customer:

With a copy to:

- 7.12 Cost(s) and Attorney Fees. In the event of litigation between the parties to construe or enforce the terms of this Agreement or otherwise arising out of this Agreement, the prevailing party in such litigation shall be entitled to recover from the other party its reasonable costs and attorneys fees incurred in maintaining or defending subject litigation. The term litigation shall include appellate proceedings.

- 7.13 City Ordinances and Policies. Services under this Agreement shall be subject to all applicable ordinances and policies of the City; however, this Agreement is not intended to supersede any other agreements between the parties relating to utility services.
- 7.14 Severability. It is intended that each Section of this Agreement shall be viewed as separate and divisible, and in the event that any Section, or part thereof, shall be held to be invalid, the remaining Sections and parts shall continue to be in full force and effect.
- 7.15 Regulatory Approval. This Agreement shall be subject to, and the obligations of the parties shall be contingent upon, approval of this Agreement, as filed by the City, by the Florida Public Service Commission.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date set forth above.

THE CITY OF TALLAHASSEE

Attest:

\_\_\_\_\_  
Robert B. Inzer, Treasurer-Clerk

By: \_\_\_\_\_  
Anita R. Favors, City Manager

THE CUSTOMER

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

\_\_\_\_\_  
Witness



Exhibit A

PREFERRED CUSTOMER  
ELECTRIC SERVICE AGREEMENT RATE SCHEDULE

Availability

This schedule is available throughout the entire territory served by the City to eligible customers upon execution of the Preferred Customer Electric Service Agreement, designated as Tariff No. \_\_\_\_\_ by the Florida Public Service Commission.

Character of Service

Service under this schedule shall consist of rate discounts and other services for the benefit of the Customer as defined in the Preferred Customer Electric Service Agreement. This Agreement is for a ten (10) year term and the rate discounts shall be applied to all the eligible accounts of the Customer in the City's service territory. Service hereunder shall be subject to the Rules and Regulations of the City or any other regulatory body asserting jurisdiction over the City's electric rates, charges or service. Termination provisions and the associated exit fees are set forth in the Agreement. At the option of the Customer, the rate discount may be used for funding major electric equipment or utility-related infrastructure and site improvements at the Customer's service location(s). Election of the Preferred Customer Electric Service Agreement will preclude the Customer from receiving any other rate discounts offered by the City to other customers in addition to the discounts offered in the Agreement.

Monthly Rate

The Customer shall receive a discount on its electric service as described below.

| <u>Electric Rate Schedule</u> <sup>[1]</sup> | <b>Discount<br/>Applied to the<br/>City's<br/>Standard Rate</b> <sup>[2]</sup> |
|--|--|
| General Service Demand                       | 5%   |
| Curtable General Service Demand              | 5%   |
| Interruptible General Service Demand         | 5%   |
| Large General Service Demand                 | 7%   |

[1] Current electric rate designation and successor rate designation.

[2] Discount applies to the then effective monthly rate. The discounts will not apply to any credits, penalties, service charges, surcharges, gross receipts tax or other applicable taxes or charges including franchise fees.

Special Provisions

It is recognized that the discounts are applied on a bundled service basis. The discounts (i) are applicable only to the electric rate schedules listed above and are not applicable to special contracts between the City and the customer and (ii) shall apply only for so long as the customer remains a bundled customer of the City, regardless of whether the City voluntarily unbundles its rates as a marketing strategy or is required to unbundle such rates as a result of legislative or regulatory action. The discounts will not apply to any credits, penalties, service charges, surcharges, gross receipts tax or other applicable taxes or charges including franchise fees.