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ECONOMIC DEVELOPMENT RATE RIDER - LARGE GENERAL SERVICE APPLICATIONS AND ELIGIBILITY REQUIREMENTS

| DESCRIPTION | RATE |
|----------------------|------|
| | CODE |
| Secondary Service | S690 |
| Primary Service | S691 |
| Transmission Service | S692 |

REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules Ν and Regulations govern use of this rider. Ν **<u>APPLICATION OF RIDER</u>**: This rider is applicable to the following Customers: Ν (i) Greenfield Customers with: expected Metered Demand of at least 500 kW at a single Ν metering point, and seasonal load factor that is above the seasonal system average load Ν factor and above the seasonal class average load factor corresponding to existing Ν Customers under the otherwise applicable standard Tariff. Ν Ν (ii) Existing Customers with: Metered Demands of at least 1,000 kW that increase measured Demand by at least 500 kW at a single new metering point, and seasonal load factor above Ν the seasonal system average load factor and above the seasonal class average load factor Ν under the otherwise applicable standard Tariff. Ν Ν **<u>SCOPE OF RIDER</u>**: To attract new Customer load that provides net benefits to ratepayers. **COMMISSION-APPROVAL PROCESS:** The nature of this rider requires Commission Ν approval of the Rate Discount offered to the Customer. The final offered rate shall be calculated Ν by the Company using its proprietary pricing model and produce net benefits to ratepayers. The Ν Company will file the Customer's executed ESA as a contract with deviations for Commission Ν approval. Ν RATE DISCOUNT: To be specified in each Customer's contract, in the form of a discount Ν from the Company's applicable standard Tariff (Section 10.03 or 10.05), plus applicable riders Ν that follows the Commission-Approval Process described herein. Ν MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be Ν modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Ν Riders selected by the Customer, unless otherwise noted in this schedule. See Sections 12.00, Ν 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders. Ν



TERMS AND CONDITIONS: The Company will offer the Customer the rate schedule under Ν the following terms: Ν 1. The minimum rate under this schedule shall recover the incremental cost of providing the Ν service, including any Energy-related marginal costs plus the cost of additional generation Ν Capacity or network Capacity that is to be added while the rate is in effect, and any marginal Ν Customer-related costs. The goal of this calculation is to ensure that the revenue requirement Ν of other Customers will not increase due to the addition of the new large load. Ν Ν 2. The final rate offered to the Customer under this rate schedule shall not exceed the Company's standard Tariff and all applicable riders, and shall not be lower than incremental Ν costs as described in the preceding paragraph. Ν Ν 3. The Company will utilize its proprietary pricing model to compare expected revenues from the prospective Customer and expected costs of serving the added load over the time period Ν described in 4 of these Terms and Conditions. The model will be made available only to the Ν Commission to verify the calculations used to establish the rate quote and final rate offered Ν to the Customer. Ν Ν 4. The contract term for a Customer who meets all requirements under this rate schedule must be no less than one year and no longer than five years commencing the first day of Ν commercial operations. Ν 5. The contract will indicate how the incentive percent level will vary during the 1 to 5-year Ν period for the particular Customer. The stated incentive will be an annual discount Ν percentage to be applied to all billed amounts and mandatory riders, including Energy Ν Adjustment Rider (EAR) related revenue, but excluding taxes. Ν 6. Customers who do not meet the 3-year minimum revenue guarantee as per OTP's line Ν extension policy will not qualify for this rate schedule. Ν Ν 7. The Company will not need to verify nor will Customers served on this rate schedule need to demonstrate the creation of a minimum number of jobs upon adding the new load. Ν 8. Customer will allow Company to undertake an Energy efficiency audit of the facility. Ν 9. The Company will provide the Commission annual compliance updates to the proprietary Ν pricing model and approved Rate Discount while this rate schedule is in effect. Ν

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