

**RATE ILD
 INCREMENTAL LOAD - DAY AHEAD
 (RESTRICTED)**

By order of the Alabama Public Service Commission dated December 7, 1998 in Docket # 24860.

The kWh charges shown reflect adjustment pursuant to Rates RSE and CNP for application to monthly bills effective for April 2010 billings.

PAGE 1 of 6	EFFECTIVE DATE January, 2006 Billings	REVISION Third
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AVAILABILITY

Available in all areas served from the interconnected system of the Company.

APPLICABILITY

Applicable to industrial power service when the Consumer's entire electrical requirements are furnished by the Company. This rate is applicable to additional capacity only, and in combination with the Company's rate for which the Consumer qualifies prior to the additional load requirement. Service to more than one premise shall not be combined. Service shall not be resold or shared with others. To be eligible for this rate, the Consumer must have been served on a standard rate of the Company, hereinafter called the Standard Rate, for a minimum of twelve (12) months exclusive of any load buildup period or other suspension of minimum contract provisions and must be adding connected load of 500 kW or ten percent (10%) of its contract capacity under the effective Agreement for Electric Service, whichever is greater. Except as specifically provided herein, rate riders of the Company are not applicable to this rate. All terms and conditions of the existing Standard Rate under which the Consumer receives service, as established in the Agreement for Electric Service, shall apply to any portion of the Consumer's load not billed under this rate. If additional facilities are required to supply this added capacity, such addition shall be subject to the Company's Service Extension Policy.

CHARACTER OF SERVICE

Three-phase service directly from the Company's 44 kV or higher transmission system (transmission) or distribution lines (primary). Three phase service at the secondary voltage of transformation facilities supplied from the Company's transmission system (primary) or distribution system (secondary). The Company shall not be required to serve loads with a capacity of 20,000 kW / kVa or greater except from its transmission facilities of 115 kV or higher.

MONTHLY RATE (TRANSMISSION)

Base Charge: \$2,000

Energy Charge:

Energy usage (kWh) applicable to this rate during each hour shall be calculated by subtracting the Threshold kW from each of the fifteen (15) minute metered kW demands and then dividing the sum of the differences by four (4). The hourly prices will be applied to the calculated energy and summed for the billing period of approximately thirty (30) days. The hourly energy price will

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PAGE 2 of 6	EFFECTIVE DATE January, 2006 Billings	REVISION Third
-----------------------	---	--------------------------

be based on marginal costs for each hour plus applicable adders to recover fixed costs. The applicable adders may be revised periodically after Company review.

DETERMINATION OF THRESHOLD KW

There are two Incremental Load Threshold demands calculated for each calendar month (On-peak and Off-peak). These fifteen (15) minute metered kW / kVa demands are used to determine the kWh energy and kW demand to be applied to the billing determinants in Rate ILD and the kWh energy and kW / kVa demand to be applied to the Standard Rate. For the purposes of determining the reactive demand component for use in the standard rate the metered reactive demand (kVar) will be allocated between the rates based on the division of the fifteen (15) minute metered demand defined in this paragraph.

The monthly On-peak and monthly Off-peak Threshold kW / kVa for each time period for this rate shall be the maximum fifteen (15) minute metered kW / kVa demand for each of the twelve (12) calendar months preceding the effective date of the contract during the time periods defined as follows:

Calendar months (June through September):

The on-peak period is defined as being those hours between 10:00 a.m. and 9:00 p.m., Monday through Friday.

All other hours and holidays are off-peak.

Calendar months (October through May):

The on-peak period is defined as being those hours between 7:00 a.m. and 9:00 p.m., Monday through Friday.

All other hours and holidays are off-peak.

For the purposes of this rate, the following holidays are considered off-peak: New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When any of the foregoing holidays fall on Sunday, the Monday following shall be considered off-peak.

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PAGE 3 of 6	EFFECTIVE DATE January, 2006 Billings	REVISION Third
-----------------------	---	--------------------------

DETERMINATION OF BILLING CAPACITY

The capacity for billing purposes shall be calculated using the measured maximum integrated fifteen (15) minute metered kW / kVa demand during each billing period of approximately thirty (30) days.

The maximum monthly metered demand for the Standard Rate is the maximum of the On-peak or the Off-peak Load Threshold kW / kVa Demands for the month.

The maximum metered demand for Rate ILD is the maximum integrated fifteen (15) minute metered kW demand less the maximum of the On-peak or Off-peak Load Threshold kW Demand for the month. The Monthly Billing Capacity for Rate ILD is the maximum metered demand for Rate ILD or the contracted capacity associated with Rate ILD, whichever is greater.

ADJUSTMENT FOR TRANSFORMATION FACILITIES

Monthly charges shall be increased by seventy-six cents (76¢) per kW of billing demand whenever the Company supplies transformation facilities from its transmission lines. The monthly charges shall be increased by one dollar and thirty cents (\$1.30) per kW of billing demand whenever the Company supplies transformation facilities from its distribution lines.

ADJUSTMENT FOR LOW POWER FACTOR

Power factor provisions of the Standard Rate will apply to the total service metered kW and kVar.

NOTIFICATION OF HOURLY PRICES

The Company will use reasonable efforts to post hourly prices by 4:00 p.m. each day for the next twenty-four (24) hours beginning at 12:00 a.m. (Midnight) in a computer compatible format that may be accessed by the Consumer through a compatible modem and telephone line. On Fridays and the last working day before a holiday, the Company will provide hourly prices through the next working day. The Consumer will be responsible for all equipment and software necessary to access the pricing data.

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PAGE 4 of 6	EFFECTIVE DATE January, 2006 Billings	REVISION Third
-----------------------	---	--------------------------

MINIMUM BILL

No monthly ILD bill will be rendered for less than \$2.00 times the monthly ILD billing demand during each billing period of approximately thirty (30) days or the total contracted ILD capacity whichever is greater, plus the Rate ILD Base Charge, Rate ECR, Adjustment for Transformation Facilities, and applicable provisions to Rate T (Tax Adjustment).

PAYMENT

Bills for service rendered hereunder are payable within ten (10) days from the due date and if not paid within such period become delinquent and subject to charges as set forth in the Company's Rules and Regulations.

TERM OF CONTRACT

Service under this rate shall be for a minimum initial period of five (5) years and may be terminated by either party following two (2) years, written notice to the other party. Such two (2) years, notice to terminate can be given at any time following year three (3) of the contract.

ENERGY COST RECOVERY

The amount calculated at the above rate will be increased under the provisions of the Company's Rate ECR (Energy Cost Recovery) by applying the effective Energy Cost Recovery Factor.

RATE STABILIZATION AND EQUALIZATION

Rate RSE (Rate Stabilization and Equalization Factor) is incorporated in this rate and will be applied to adjust (increase or decrease) kWh charges calculated hereunder.

ADJUSTMENT FOR COMMERCIAL OPERATION OF CERTIFICATED NEW PLANT

Rate CNP (Adjustment for Commercial Operation of Certificated New Plant) is incorporated in this rate and will be applied to increase kWh charges calculated hereunder.

NATURAL DISASTER RESERVE

The amount calculated at the above rate will be increased under the provisions of the Company's Rate Rider NDR (Natural Disaster Reserve) by applying the effective NDR Charge.

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PAGE 5 of 6	EFFECTIVE DATE January, 2006 Billings	REVISION Third
-----------------------	---	--------------------------

GENERAL

The amount calculated at the above rate is subject to possible tax adjustments as set forth in Rate T (Tax Adjustment) and to rules and regulations approved or prescribed by the Alabama Public Service Commission, including any Special Rules and Regulations governing the application of this rate.

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PAGE 6 of 6	EFFECTIVE DATE January, 2006 Billings	REVISION Third
----------------	--	-------------------

EXAMPLE OF TOTAL BILL DETERMINATION

A Total Bill is rendered after each monthly billing period and is typically calculated in the following manner:

$$\text{Total Bill}_{\text{Mo}} = \text{ILD Bill}_{\text{Mo}} + \text{Standard Rate Bill}_{\text{Mo}}$$

Where:

$$\text{ILD Bill}_{\text{Mo}} = \text{Base Charge} + \text{Sum}_{\text{Mo}} (\text{ILD PKKWH}_{\text{Hr}} * \text{Price}_{\text{Hr}}) + \text{Sum}_{\text{Mo}} (\text{ILD OFPKKWH}_{\text{Hr}} * \text{Price}_{\text{Hr}}) + \text{Adjustment for Transformation Facilities} + \text{Other Applicable Rate Provisions}$$

$$\text{ILD PKKWH} = \text{Sum}_{\text{PKHr}} ((\text{KW}_{15 \text{ Min}} - \text{Threshold PKKW}) / 4)$$

$$\text{ILD OFPKKWH} = \text{Sum}_{\text{OFFPKHr}} ((\text{KW}_{15 \text{ Min}} - \text{Threshold OFPKKW}) / 4)$$

$$\text{Threshold PKKW} = \text{Maximum monthly On-Peak KW demand for year prior to taking service under Rate ILD}$$

$$\text{Threshold OFPKKW} = \text{Maximum monthly Off-Peak KW demand for year prior to taking service under Rate ILD}$$

$$\text{Standard Rate Bill}_{\text{Mo}} = \text{Bill rendered under the Company's Standard Rate where the billing determinants are defined as follows:}$$

$$\text{KWH}_{\text{Mo}} = \text{Metered KWH}_{\text{Mo}} - \text{Sum}_{\text{Mo}} (\text{ILD KWH}_{\text{Hr}})$$

$$\text{KW}_{\text{Mo}} = \text{Maximum of the On-peak or Off Peak KW Threshold}$$

$$\text{KVA}_{\text{Mo}} = \text{Square root} (\text{KW}_{\text{Mo}}^2 + \text{Coincident KVAR}_{15 \text{ Min}}^2)$$

The above descriptions are for the purpose of example, and are subject to the specific provisions of Rate ILD and Rates FMTU, HLF, LPL, LPLE, LPLM, LPTL, PMTU, PTU, RTP, SCGTU and TXTU.