

**JACKSON ENERGY AUTHORITY**

**MANUFACTURING SERVICE RATE --SCHEDULE MSB**

(August 1, 2010)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW, but not more than 15,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 per cent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service. As used in the previous sentence, "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Jackson Energy Authority or the Tennessee Valley Authority (TVA), a customer shall certify to both Jackson Energy Authority and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Jackson Energy Authority to the customer, and (iii) signed and promptly returned by the customer to Jackson Energy Authority. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Jackson Energy Authority.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Jackson Energy Authority under, and billed in accordance with, the applicable General Power schedule.

Character of Service

Alternating current, single or three-phase, 60 hertz power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Charges

1. If the customer's metered demand for the month is not more than 5,000 kW:

Customer Charge: \$1,500 per delivery point per month

Demand Charge: \$12.66 per kW of billing demand per month

Plus, an additional \$12.66 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge:

Environmental Fuel Cost

	<u>Base</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Total</u>
First 620 hours use of metered demand	3.369¢	0.149¢	0.523¢	4.041¢ per kWh per month
additional kWh	2.749¢	0.121¢	0.523¢	3.393¢ per kWh per month

2. If the customer's metered demand for the month is greater than 5,000 kW:

Customer Charge: \$1,500 per delivery point per month

Demand Charge: \$11.98 per kW of billing demand per month

Plus, an additional \$11.98 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge:

	<u>Base</u>	<u>Environmental Adjustment</u>	<u>Fuel Cost Adjustment</u>	<u>Total</u>
First 620 hours use of metered demand	3.199¢	0.142¢	0.523¢	3.864¢ per kWh per month
additional kWh	2.613¢	0.115¢	0.523¢	3.251¢ per kWh per month

#### Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Jackson Energy Authority.)

#### Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 48¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be \$1.23 per kW per month for the first 10,000 kW and 97¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period, or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

#### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Demand

Jackson Energy Authority shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

### Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Jackson Energy Authority may require minimum bills higher than those stated above.

### Contract Requirement

Jackson Energy Authority shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Jackson Energy Authority shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Jackson Energy Authority under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Jackson Energy Authority and TVA.

### Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Jackson Energy Authority's standard policy.

### Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

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Service is subject to Rules and Regulations of Jackson Energy Authority.