

JACKSON ENERGY AUTHORITY

TIME-OF-DAY MANUFACTURING SERVICE RATE--SCHEDULE TMSD

(August 1, 2010)

Availability

This rate shall be available for the firm electric power requirements where:

(a) the higher of a customer's currently effective on-peak or off-peak contract demand is greater than 25,000 kW; provided, however, that for a customer requesting that its on-peak contract demand be different from its off-peak contract demand this schedule shall be available only for:

- (1) a new contract,
- (2) a replacement or renewal contract following expiration of the existing contract, or
- (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new on-peak nor the new off-peak contract demand shall be lower than the customer's existing contract demand;

and

(b) the major use of electricity is for activities conducted at the delivery point serving that customer that are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

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 of 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 Time-of-Day 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

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

Demand Charge: \$15.38 per kW per month of the customer's on-peak billing demand, plus

\$2.15 per month for each kW, if any, of the amount by which the customer's off-peak billing demand exceeds its on-peak billing demand, plus an additional

\$15.38 per kW per month for each kW, if any, of the amount by which (1) the customer's on-peak billing demand exceeds its on-peak contract demand or (2) the customer's off-peak billing demand exceeds its off-peak contract demand, whichever is higher

	<u>Environmental</u>	<u>Fuel Cost</u>	
<u>Base</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Total</u>
Energy Charge: 2.767¢	0.123¢	0.523¢	3.413¢ per kWh per month for all on-peak kWh
2.585¢	0.114¢	0.523¢	3.222¢ per kWh per month for all off-peak kWh

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 highest of (1) the highest on-peak or off-peak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective on-peak contract demand, or (3) the customer's currently effective off-peak 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 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 On-peak and Off-peak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, on-peak hours for each day shall

be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be off-peak hours.

Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The on-peak and off-peak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed on-peak and off-peak hours are appropriate, it shall so notify Jackson Energy Authority at least 12 months prior to the effective date of such changed hours, and Jackson Energy Authority shall promptly notify customer.

Determination of On-peak and Off-peak Demands and Energy Amounts

The on-peak and off-peak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as on-peak and off-peak hours.

Jackson Energy Authority shall meter the on-peak and off-peak demands in kW of all customers taking service under this rate schedule. The on-peak metered demand and off-peak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as on-peak and off-peak hours and in each case 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, except as provided below in this section, such amounts shall be used as the on-peak and off-peak billing demands. The on-peak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW (2) 40 percent of the next 20,000 kW, and (3) 50 percent of the next of 25,000 kW, (4) 60 percent of the next 50,000 kW (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective on-peak contract demand or the highest on-peak billing demand established during the preceding 12 months. The off-peak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective off-peak contract demand or the highest off-peak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge (2) the portion of the base demand charge, as adjusted, applicable to on-peak billing demand applied to the customer's on-peak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of off-peak over on-peak billing demand applied to the amount, if any, by which the customer's off-peak billing demand exceeds its on-peak billing demand, (4) the base on-peak energy charge, as adjusted, applied to the customer's on-peak energy takings, and (5) the base off-peak energy charge, as adjusted, applied to the customer's off-peak 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 5 years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 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.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Jackson Energy Authority, may receive service under the Manufacturing Service Rate--Schedule MSD. In such case the term of the power contract shall remain the same and the contract demand for service under the Manufacturing Service Rate--Schedule MSD shall not be less than the on-peak contract demand in effect when service was taken under this rate schedule.

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.

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