

ECONOMIC DEVELOPMENT RATE (EDR)

As an economic development tool for the member cities, Oklahoma Municipal Power Authority's (OMPA) Board of Directors originally adopted the Economic Development Rate (EDR) on June 21, 1990. The EDR was established to provide assistance to all OMPA member cities in their industrial development efforts.

What is the Economic Development Rate (EDR)?

The EDR is a graduated discount on demand costs based on minimum load levels. The OMPA member city's Participating Trust passes this discount on to the customer. The rate provides incentives for present and future growth in member communities.

Who is eligible for this rate?

Electrical service will be provided to any qualifying industrial, accredited educational facilities and/or government buildings customer, who meets the minimum load requirements and agrees to purchase all of their electrical energy at the specified location from the Participating Trust. It is only available to customers that receive electricity from the municipal electric system.

Why did the OMPA Board decide to provide members with a discounted rate?

This discount is intended to provide incentives for customers new to the Participating Trust or those interested in expanding manufacturing, warehousing, certain accredited educational facilities, such as adult or higher education centers and public or private schools and government buildings. The discounted rate is not available to retail establishments who

provide consumers goods directly to the general public.

What are the conditions for qualifying for this rate?

This electric rate is available to the Participating Trusts for application to their specifically identified industrial, accredited educational facilities and/or government building customers for the purpose of encouraging development provided one of the following conditions are met:

1. Any new EDR shall have a minimum load of 100 kW for three consecutive months during both the first 15 months and annually thereafter in order to qualify for the initial discount of 15 percent.
2. Any new EDR shall have a minimum load of 250 kW for three consecutive months during both the first 15 months and annually thereafter in order to qualify for the initial discount of 25 percent.
3. An existing EDR may also qualify if the customer commits to add a minimum of 250 kW against the average monthly load profile. The incremental 250 kW will be measured against the average load profile over the preceding three year period, and the 250 kW addition must be met during three consecutive months during both the first 15 months and annually thereafter to qualify for the initial discount of 25 percent.
4. Any new EDR shall have a minimum load of 1,000 kW for three consecutive months during the first 15 months and annually thereafter in order to qualify for the initial discount of 50 percent.
5. An existing Economic Development Rate customer may also qualify if the customer commits to add a minimum of 1,000 kW against the average monthly load profile. The incremental 1,000 kW will be measured against the average monthly load profile over the preceding three year period and the 1,000

kW addition must be met during three consecutive months during both the first 15 months and annually thereafter to qualify for the initial discount of 50 percents.

What happens if the customer is unable to meet minimum load requirements?

Failure to meet the applicable minimum load requirements will result in suspension or reduction of the discount after the first 15 months or any subsequent annual period.

In the event the customer fails to meet the minimum load and the discount is interrupted, the customer will remain eligible for the remaining term of the agreement if he/she meets or exceeds the load requirement for any three consecutive months in any 12-month period.

The discount will resume at the discounted rate, which would have been applicable had no interruption occurred. The Participating Trust will be responsible for ensuring that the additional load is met, failure to confirm the load increase could result in forfeiture of prior rate discounts for the customer in question.

How will the customer be billed under this rate?

For electricity purchased through a Participating Trust by a pre-qualified industrial, accredited educational facilities and/or governmental buildings customer, the following discount per kilowatt will apply:



| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------|--------|--------|--------|--------|--------|
| 100 kW to 249 kW | 15% | 10% | 5% | 0% | 0% |
| 250 kW to 999 kW | 25% | 20% | 15% | 10% | 5% |
| 1,000 kW and Above | 50% | 40% | 30% | 20% | 10% |

Demand Credit:

- Apply the discount percentages to the Marginal Capacity Charge demand rates (or successor rate) as contained in the current Schedule B (paragraph 4.a) to the customer's on-peak kilowatts. On-peak hours will be the hours as set forth in the current Schedule B.
- These discounts shall be applied to the current year Marginal Capacity rates as provided in Schedule B, "Power Sales Rate Schedule." The discount for 249 kW and below will lapse after year three while all other discounts shall lapse after the fifth year. The discount as shown in the table above shall be applied to the Economic Development Rate customer's maximum on-peak metered demand in each billing period without regard to ratchet minimums incurred by the Trust.

Who is obligated to give the discount the customer?

- The Participating Trust shall be obligated to pass the discount as shown in the table above on to the end user. The Trust shall provide to the Authority, on a monthly basis, confirmation that the discount was passed on. The form of this report shall be in a format agreeable to both the Trust and OMPA.

Can the discounted rate ever be discontinued?

- The Authority may discontinue or modify the availability of this rate with respect to new loads at any time through action by the OMPA Board. Any customers receiving service under this rate on the date is discontinued or modified may, subject to the terms hereof, continue to receive the benefits of the incentive provisions as originally set forth.

Are there any limits to the amount of capacity eligible for the discounted rate?

The Authority will limit the total initial capacity eligible for this program to 35 megawatts.

For more information on the EDR and how it can be used to promote economic development in your community, contact:

OMPA Member Services
 2701 West I-35 Frontage Road
 Edmond, OK 73013
 Phone: 405.340.5047
 Fax: 405.359.1071
 www.ompacom

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Economic Development Rate (EDR)...

providing incentives for present and future growth in OMPA Member Communities



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