

CPS Energy

RIDER E16

ECONOMIC INCENTIVE RIDER

AVAILABILITY

This rider is available only in conjunction with existing customers served under SUPER LARGE POWER SERVICE ELECTRIC RATE (SLP) or new customers eligible for service under the SLP rate or the High Load Factor (HLF) rate. The following requirements must be met:

1. The Customer must demonstrate, to the satisfaction of CPS Energy, that new load or additional load must have a minimum build out capacity of 10,000 KW at each point of delivery.
2. The Customer's new plant or plant expansion must meet a minimum permanent full-time employment target or other workforce-related performance metric as agreed with the City of San Antonio, as applicable.
3. The Customer must demonstrate a minimum level of purchases in parts, supplies, and/or services from businesses located within the Greater San Antonio Metropolitan Area, as agreed with the City of San Antonio, as applicable.
4. Service supplied under this rider is subject to the same terms and conditions of the SLP rate or the HLF rate, except as specifically indicated in this rider, and the Customer's Application and Agreement for Electric Service.
5. CPS Energy or the City of San Antonio may require the Customer to locate to an economic targeted area defined by the City of San Antonio.

APPLICABILITY

A customer shall furnish plans that demonstrate, to the satisfaction of CPS Energy, a minimum of new or additional electric load to qualify for billing discounts, as specified in the following table. Such plans shall further demonstrate that such build-out will be completed within forty-eight months of initiation of service under this rider. The customer shall further reach agreement with the City of San Antonio on employment and local business purchase commitments. The maximum number of years that the billing demand discount will apply is ten (10) continuous years beginning from the date that the rider is first applicable to the Customer.

MONTHLY BILL

The monthly bill will be calculated with the SLP rate or the HLF rate for the total Customer's load, applying the following billing discount.

Billing Discount

A customer served under this rider will be eligible for a billing discount equal to a percentage reduction of demand charges for the applicable minimum electric demand as indicated in the following table.

BILLING DEMAND DISCOUNT

Minimum New or Additional Load KW	Contract Year			
	1st	2nd	3rd	4th
10,000+	10%	10%	N/A	N/A
15,000+	25%	25%	25%	N/A
25,000+	50%	50%	50%	50%

For each subsequent addition of 10,000 KW, as compared to the customer's maximum demand during the forty-eight months prior to receiving service under this rider, the contract term shall be subject to an extension of one year at the original discount level, subject to a total term limit of ten years. To qualify, such additional load may occur during the original term of the contract or during any extension of the contract term.

Example

As an example, if a customer achieves 25,000 kW load, the 50% Billing Demand Discount will apply for a period of four (4) years. If at the end of the four-year term the customer has an additional 40,000 kW load for a total of 65,000 kW, then the discount will continue for an additional four (4) years. If at the end of the four (4) year extension, the customer has an additional load of 20,000 kW for a total of 85,000 kW, then the discount will continue for an additional two (2) years. This example illustrates how a ten year discount period may be achieved.

Prior to any extension, Customer shall provide a statement attesting they are in good standing with any agreed to City of San Antonio economic development requirements.

APPLICABLE ELECTRIC DEMAND

The billing discount will be computed for the applicable electric demand determined as follows:

1. For an existing customer, the applicable electric demand will be determined as the increase in additional electric demand, as measured from summer and non-summer period average actual demands for a consecutive twelve month base period immediately preceding the month that service is requested under this rider, or as mutually agreed upon by the customer and CPS Energy.
2. For a new customer, the billing discount will be applied to all electric demand.

PENALTY FOR NON-COMPLIANCE

Compliance with agreed upon load, employment, and local business purchase commitments will be subject to verification by CPS Energy and the City of San Antonio. For the purpose of determination of qualification for compliance with contracted electric load additions, a customer's load will be determined as the average of the customer's four highest monthly actual electric demands. Failure to meet build-out load within forty-eight months, and employment targets or local business purchase commitments by the end of the contract period will result in customer being rebilled and liable for payment at the rate which would otherwise have been applicable.

TERM OF ELIGIBILITY

A customer will be eligible for economic incentive discounts under the provisions of this rider for an initial period, of up to four years, as indicated for the amount of load to be added, and subject to the customer meeting load, employment, and local business targets at full operation. The term may be extended for six additional years if the customer demonstrates additional electric load, increased employment targets, and additional purchases of local business goods or services. For such an extension period, the billing discount will be applied to the originally agreed upon base period electric demands. In any case, a customer will be eligible for this rider for a maximum period of ten years.

OTHER PROVISIONS

The Customer remains eligible for any other rider(s), that are applicable to the customer's load.