REAL-TIME PRICE (RTP) PROGRAM

PURPOSE

Real-time pricing (RTP) offers customers electricity at marginal-cost based prices. This offers customers the ability to more accurately respond to the true costs of providing power. Customers benefit from the opportunity to consume more power during relatively frequent low-cost hours, while reducing usage during the relatively few high-cost hours.

Hourly prices under the RTP program will be provided on a day-ahead basis to customers. Prices for weekends and holidays will be provided on the preceding business day. Prices become binding at 4:00 p.m. of the preceding day. Power under the RTP program is firm.

AVAILABILITY

This service is available to all customers who agree to abide by the terms and conditions of the service agreement.

This program is not available for resale, standby, back-up, or supplemental service.

CHARACTER OF SERVICE

Single-phase, 60 Hertz, nominally 120/240 volts firm electric service, provided from the Cooperative's secondary distribution system. Three-phase secondary service shall be available where three-phase facilities are available without additional construction or may be made available at additional charge at voltages not exceeding 480 volts. Three-phase primary distribution service shall be available where primary distribution facilities are available without additional construction.

MONTHLY RATE

RTP Bill = Base Bill + Incremental Delivery Charge + RTP Service Charge + Reactive Demand Adjustment.

The components of the RTP Bill are defined below.

Base Bill = Standard Tariff Bill + β*(Standard Tariff Bill - Σ_h (P_h^{RTP} * CBL_h))

Standard Tariff Bill is the customer baseline load (CBL, defined below) for the billing month, billed under the current prices of the customer's standard tariff, (the tariff under which the customer was billed prior to joining the RTP program). The Standard Tariff Bill excludes the Reactive Demand Adjustment.

β is an adjustment to the Standard Tariff Bill. The Cooperative will offer Basic RTP Service with β equal to zero and may offer Premium RTP Service with β equal to 0.05

Incremental Energy Charge = $\Sigma_h P_h^{RTP}$ * (Actual $Load_h$ – CBL_h)

Σ_h indicates a summation across all hours in the billing month.

Actual $Load_h$ is the customer's actual energy use in the hour (kWh).

CBL_h is the baseline hourly energy use. (See below.)

P_h^{RTP} , the real-time price, is calculated as:

$$P_h^{RTP} = \alpha * MC_h + (1 - \alpha) * P_h^{STD}$$

MC_h is the day-ahead forecast of hourly short-run marginal cost of providing energy to Kansas retail customers, including provisions for line losses. Marginal costs include the marginal cost of real power and operating reserves and a proxy for the marginal cost of transmission. (See below for a description of this proxy.)

P_h^{STD} is the hourly effective delivery charge of the customer's Standard Tariff Bill, calculated from the applicable standard (non-RTP) price schedule. It is the change in the Standard Tariff Bill due to a change in usage and includes both delivery and demand charges.

MONTHLY RATE (continued)

α is the weight of marginal cost in defining retail price, with value of 0.8 for regular RTP service and 0.95 for RTP Premium service.

RTP Service Charge = $223.60 per month for customers whose customer baseline load (CBL) peak demand exceeds five hundred (500) kW for three (3) consecutive months.
$251.55 per month for all other customers.

Reactive Demand Adjustment is the adjustment found in the tariff that served the RTP customer prior to joining RTP. The price of the reactive demand is the current price under that tariff.

CUSTOMER BASELINE LOAD

The customer baseline load (CBL) represents the electricity consumption pattern typical of the RTP customer's operations were they to remain on the standard tariff. The CBL is specific to each individual customer and includes hourly load plus billing aggregates such as peak demand necessary to calculate the base bill under the customer's standard tariff. The CBL is determined in advance of the customer's taking RTP service and is part of the customer's service agreement.

The CBL will be based, whenever possible, on existing load information. The Cooperative reserves the right to adjust the CBL to allow for special circumstances. The CBL is used to ensure revenue neutrality on a customer-specific basis, and must be mutually agreed upon by both the customer and the Cooperative before service commences. The CBL will be in force for the duration of the customer's RTP service agreement.

TRANSMISSION AND DISTRIBUTION

Transmission and distribution charges are currently bundled into Standard Tariff Bill charges.

If the Cooperative is required to either increase the capacity or accelerate its plans for increasing capacity of the transmission or distribution facilities or other equipment necessary to accommodate a customer's increased load, then an additional facilities charge will be assessed.

POWER FACTOR ADJUSTMENT

The Power Factor Adjustment will be billed, where applicable, in accordance with the customer's otherwise applicable, non-RTP, standard tariff. The customer's Standard Tariff Bill does not include any reactive demand charges.

PRICE DISPATCH AND CONFIRMATION

The Cooperative will transmit prices for each day by 4:00 p.m. of the preceding business day. The Cooperative not responsible for failure of customer to receive and act upon the Price Quote. It is customer's responsibility to inform the Cooperative by 5:00 p.m. of failure to receive the Price Quote. The actions taken by customer based on the Price Quote are customer's responsibility.

INTERRUPTIBLE CUSTOMERS

Interruptible customers can participate in RTP service using one (1) of three (3) options:

Option 1: Conversion to Firm Power Status: The customer can terminate their interruptible contract, revert to the applicable standard tariff and join RTP.

Option 2: Retain Interruptible Contract but Add a Buy-through Option: The customer retains their interruptible contract and obtains the privilege of "buying through" their non-interruptible power level at times of interruption at the posted real-time price. The value of the interruptible discount will be reduced by fifty percent (50%). At times of interruptions, the CBL of such a customer will be set to the lesser of the existing CBL value and the customer's non-interruptible power level. The customer will be able to exceed their non-interruptible power level during interruption periods without penalty by purchasing incremental load at the real-time price and will be reimbursed at the same real-time price for reductions below the CBL.

Option 3: Retain Interruptible Contract: The Interruption provisions of the rider will continue to apply as stated in the rider. The marginal cost of real power and operating reserves will not be applied to the interruptible portion of the customer's Baseline Load. At times of interruptions, the CBL of such a customer will be set to the lesser of the existing CBL value and the customer's non-interruptible power level.

PRICE QUOTES FOR FIXED QUANTITIES

To further manage risks, customers will have the option to contract with the Cooperative for short-term power transactions at a price for pre-specified departures from the customer's previously established CBL. The duration of such contracts is not to exceed six (6) months or be shorter than one (1) week. The Cooperative and customer will mutually agree on the pricing structure and quantities to be used for the Price Quote, including but not limited to, hourly prices, prices by time period or seasons, price caps and floors, collars, etc.

PRICE QUOTES FOR FIXED QUANTITIES (continued)

Customer may contract through the Cooperative representative for quotes for fixed power levels at pre-specified fixed quantities. The Cooperative will solicit bids for power from neighboring suppliers that meet customer's schedule, quantities, and pricing structure. Upon agreement by customer a transaction fee of $150 per contract will be applied to recover costs to initiate, administer, and bill for hedging services.

All power is delivered and titled to the Cooperative and may be directed to meet system emergencies should such a need arise. Reasonable advance notice will be made to Customer and a corresponding credit will be applied to Customer's bill in the event of such occurrences.

BILL AGGREGATION SERVICE

Customers will have the choice to aggregate the bills of multiple accounts under the RTP Program for the purposes of the application of the Incremental Energy Charge. Eligible customers will be limited to customers who become active participants in the RTP program who are legally or financially related to one another. The calculation of the aggregated Base Bill will be based on the application of the CBL on a non-aggregated basis for each individual account.

DURATION OF SERVICE AGREEMENT

Each service agreement will be served under RTP for a minimum of one (1) year.

SERVICE AGREEMENT TERMINATION

Written notice of sixty (60) days in advance must be provided by the customer for termination of the service agreement. Once terminated, readmission will not be allowed for a period of one (1) year. The CBL may be reassessed prior to readmission.

RULES AND REGULATIONS

Service will be rendered under Cooperative's Rules and Regulations as filed with the Kansas Corporation Commission.