

**NORTHERN VIRGINIA ELECTRIC COOPERATIVE
UNBUNDLED RATES – REGULATED RATES
LARGE POWER DEDICATED DISTRIBUTION SERVICE
SCHEDULE HV-1**

AVAILABILITY

Available throughout the service territory of the Cooperative, subject to the Terms and Conditions of the Cooperative filed with the State Corporation Commission of Virginia.

APPLICABILITY

Applicable upon request to large commercial or industrial consumers subject to the following conditions:

1. Standard service under this Schedule HV-1 shall be from the high voltage facilities of 115 kV or greater at a delivery voltage of 12.5 kV or greater. Service may be provided from the Cooperative's primary distribution system in which case the consumer must pay a one-time contribution-in-side of construction to cover the total cost of any investment in primary distribution facilities. Excess distribution facilities, if any, will be subject to the monthly fixed charge rate for primary distribution investment included in Part (b) of the Excess Facilities Charge clause of this schedule; and,
2. The consumer's load must be new or additional separately meterable load of at least 5,000 kW; and,
3. The consumer must maintain an average annual load factor of at least 70%; and,
4. The consumer must contract for demand and an annual load factor sufficient to protect the financial investment made by the Cooperative; and,
5. The consumer must execute an Electric Service Agreement (ESA) for electric distribution service and delivery with an initial effective date not later than 12 months prior to the date of desired service; unless otherwise agreed to by the Cooperative; and,
6. The ESA term for distribution service shall be negotiable between the customer and the Cooperative, but the term shall be structured to recover the full cost of distribution and/or sub-transmission plant investment, maintenance and operation; and,
7. This tariff is not applicable for back-up or standby service.

POWER SUPPLY OPTIONS

The consumer has the following three power supply procurement options under this rate:

- Option 1: The consumer purchases all of its capacity and energy requirements from NOVEC under the Standard Rate Option.
- Option 2: The consumer purchases all of its capacity and energy requirements from NOVEC under the Market Rate Option.
- Option 3: The consumer purchases all of its capacity and energy requirements from a third party. If the consumer uses a Competitive Service Provider (CSP), the CSP must be registered and licensed under the Licensing section of the Rules governing Retail Access to Competitive Energy Services, 20 VAC 5-312-40.

MONTHLY RATE

- A. Energy Supply Service (ESS):
1. Standard Rate Option:
 - a. Capacity Costs – One-twelfth of the customer’s load ratio share of NOVEC’s annual cost of capacity obligation to PJM. The consumer’s load ratio share will be based on the consumer’s actual demands, adjusted for losses, during the time period used by PJM to establish the PJM capacity obligation of NOVEC. Capacity Costs will be updated no less than annually.
 - b. Transmission Costs – the consumer’s load ratio share of NOVEC’s transmission costs. The consumer’s load ratio share is based on the consumer’s actual demand, adjusted for losses, during the hour each year used to establish NOVEC’s transmission cost obligation.
 - c. All kWh @ \$0.07590 per kWh
 - d. Schedule PCA-1
 2. Market Based Rate Option:

To be determined on a case by case basis.
 3. CSP Supply Option:

NOVEC will bill the consumer the charges provided by the CSP.

B. NOVEC Distribution Charges:

Service Charge	\$1,050 per month
Demand Charge	\$1.31 per kW
Energy Charge	\$0.00212 per kWh

DETERMINATION OF DISTRIBUTION BILLING DEMAND

The distribution billing demand shall be the highest of 1) the maximum average kilowatt demand established by the consumer for any thirty (30) consecutive minutes during the month for which the bill is rendered; 2) 5,000 kW; or 3) the contract minimum demand.

REACTIVE POWER ADJUSTMENT

The customer agrees to maintain unity (100%) power factor as nearly as practical. Power factor shall be determined by measuring the reactive (rkVA) demand during the same time interval that the monthly billing demand occurs.

- A. The distribution billing demand shall be increased by 1% for each 1% that the power factor is below 90% at the time billing demand is set. Power factor shall be determined by measuring the reactive (rkVA) demand during the same time interval that the monthly kilowatt (kW) peak demand occurs.

Where power factor of the customer is less than 90% lagging, the Cooperative may require the customer to install, at his expense, equipment to correct the power factor. Should the customer fail to correct his power factor within six months of receiving notice from the Cooperative, the Cooperative will, at the expense of the customer, install switching capacitors within the substation to correct the customer's power factor. Should the Cooperative be required to install switching capacitors to correct the customer's power factor, the customer will be provided written notice of the estimated costs for which the customer will be charged. Upon completion of the installation of the switching capacitors, the customer will be rendered a bill payable in full within thirty (30) days thereafter, for the actual cost of labor, material and overhead expense.

- B. Where power factor of the customer is between 90% and 100% lagging, the Cooperative may install, at its expense, equipment to correct the power factor. When the Cooperative installs such power factor correcting equipment, it will install necessary metering equipment to determine the capacitive kVA contribution in order to adjust the monthly bill to reflect the benefit derived from the Cooperative equipment.

EXCESS FACILITIES CHARGE

Where the Cooperative furnishes facilities which are in excess of those which would normally be provided for the type of service hereunder, including facilities necessary for providing an alternate or redundant source of supply, excess facilities charges shall be applied.

- a) Said excess facilities charges shall be based upon the dollar investment in excess facilities provided by the Cooperative, multiplied by the applicable monthly fixed charge rates as follows:

Substation Investment	<u>1.37%</u>
High Voltage Line Investment	<u>1.17%</u>

- b) In lieu of paying the excess facilities charge as determined in "a" above, the consumer may agree to pay a one-time contribution-in-aid of construction in which case the following monthly fixed charge rates shall apply to that portion of the investment covered by the contributed capital:

Substation Investment	<u>0.644%</u>
High Voltage Line Investment	<u>0.442%</u>
Primary Distribution Investment	<u>0.893%</u>

MINIMUM MONTHLY NOVEC DISTRIBUTION CHARGE

The minimum monthly distribution charge is the highest of the following:

1. Amount specified in the contract for service.
2. \$1,050, plus the Excess Facilities Charge.
3. The Billing Demand Charge contained in Part B of the "Monthly Rate", plus the Excess Facilities Charge.