## ELECTRIC RATES

## LARGE POWER CONTRACT SERVICE

### APPLICABILITY

This Rate Schedule is for large power users who are eligible for and are taking service under either the Company's ICS or ITS Rate Schedules. This Rate Schedule is applicable for new or existing customer load interconnected with the Company's system with expected capacity requirements of 5,000 kW or greater, in addition to the customer load needed to maintain qualification for service under the Company's ICS or ITS Rate Schedules. The Company may require new customers to the Company's system to take more than the minimum required level of service under the Company's ICS or ITS Rate Schedules prior to being eligible for service under this Rate Schedule. In order to transfer existing Customer load served under an ICS or ITS Rate Schedule to service under this Rate Schedule, the Company's system must have Excess Load, as defined in this Rate Schedule, and the Customer must have a minimum of 5,000 kW of load eligible to be served under this Rate Schedule.

In order to receive service under this Rate Schedule, the Customer must agree to provide back-up service for the Customer's load and to maintain the reliability of the back-up service. This back-up service will be provided through Eligible Capacity Resources, either on Customer's property or delivered by firm transmission rights, as defined in the Eligible Capacity Resources section of this Rate Schedule. The costs of the Eligible Capacity Resources, any associated transmission costs and any ancillary service or other costs will be the responsibility of the Customer.

### CUSTOMER ELIGIBILITY

Customers requesting service under this Rate Schedule will be considered upon written application to the Company if one or more of the following conditions is shown by the Customer to exist:

1. The Customer accepts non-standard electric service for new or a portion of their existing load;
2. The Customer has unique requirements for the new or existing load; or
3. The Customer has viable alternatives to acquire its electric service for new or existing load from a source other than the Company absent service under this Rate Schedule by showing:
    a. The Customer demonstrates a competitive alternative energy source or business location to the Company's standard tariff rates.
    b. The comparative economics, including but not limited to availability of capital, environmental impacts, and assessment of risk, of the alternative over the Company's standard tariff rates are material.
    c. The alternative is demonstrated to be technologically feasible and legally permissible.
    d. The Customer has taken substantial steps to fairly evaluate the alternative sufficient to establish the Customer's actual ability to utilize the alternative within a reasonable period of time.

After a customer meets one of the above conditions to the satisfaction of the Company, an additional eligibility requirement is to have or agree to obtain Eligible Capacity Resources, as defined in this Rate Schedule, for the purpose of satisfying the Customer's capacity requirements.

## ELECTRIC RATES

## LARGE POWER CONTRACT SERVICE - CONTINUED

**CUSTOMER ELIGIBILITY-CONTINUED**

Upon receipt of the Customer's written application and additional information as the Company may require, the Company and the applying Customer may, at the sole discretion of either party, commence negotiation of rates and terms and conditions of service under this Rate Schedule. If the parties agree through negotiations to electric service through this Rate Schedule, a Confidential Large Power Service Agreement (Agreement) will be executed. The electric service under this Rate Schedule is not applicable to temporary, standby, emergency, resale, shared, or incidental purposes. The level of energy service provided under this Rate Schedule is defined in the Capacity Requirements Section on Sheet No 28.

**ELIGIBLE CAPACITY RESOURCES**

The following Eligible Capacity Resources may be used to satisfy the Customer's Capacity Requirements for the service provided under this Rate Schedule:

1. Customer owned back-up generators or Company-owned generators built specifically for one customer served under this Rate Schedule that meet certain qualifications consistent with the Company's engineering standards and have an on-call fuel supply. Customers will need to provide the associated air permits for back-up generators owned by the Customer. The capacity value for these resources will be equal to the nameplate capacity of the generating resources.
2. Company-owned generation that is supplied by an on-call fuel supply built specifically to serve multiple customers served under this Rate Schedule. The capacity value for these resources will be equal to the amount of nameplate capacity of the generating resources assigned to the Customer.
3. Renewable resources that are Company owned or procured through a Purchased Power Agreement backed by physical resources. The capacity value for these resources will be determined pursuant to the Agreement.
4. Capacity contracts tied to physical resources with an on-call fuel supply that have an initial term of one year or greater in length. These may include firm capacity only or firm capacity and energy contracts. The capacity value for these resources will be equal to the amount directed via the contract for service pursuant to the Agreement.
5. Battery storage that is Customer owned, Company owned, or procured through a Purchase Power Agreement. The capacity value for these resources will be determined pursuant to the Agreement.
6. Capacity, firm energy, or similar contracts with a term of less than one year may be utilized to address short-term capacity shortfalls that do not need to be tied to physical resources. The parameters governing the use of such capacity will be defined in the Agreement.

All Eligible Capacity Resources that are not located on-site must be interconnected either to the Company's system, the WAPA-LAP transmission system or to a transmission system that is directly interconnected to the Company's transmission system or the WAPA-LAP system. Eligible Capacity Resources must be accompanied by firm transmission rights.

The costs for all Eligible Capacity Resources, whether owned by the Company or procured from a third-party by the Company pursuant to an agreement between the Customer and the Company, will be directly assigned to and collected from the Customer and will include any required associated transmission costs and any ancillary service or other costs.

## ELECTRIC RATES

## LARGE POWER CONTRACT SERVICE - CONTINUED

### DETERMINATION OF EXCESS LOAD FOR EXISTING ICS AND ITS CUSTOMERS

Customers with existing load served under the ICS or ITS Rate Schedules will only be allowed to transfer a portion of that load to service under this Rate Schedule and only to the extent new load is introduced onto the Company's system such that a system peak demand of greater than 215 MW, as established in the last general rate case, (excluding LPCS and BCIS load) occurs. The 215 MW peak demand baseline is the peak demand for all non-LPCS and non-BCIS customers that was used to establish base rates in the Company's last rate case.[1] In addition, the Customer must transfer a minimum of 5 MW to service under this Rate Schedule while still remaining eligible for and continuing to take service under the ICS or ITS Rate Schedules, as applicable, for all load not transferred to this Rate Schedule.

The amount of new load, if any, that has occurred on the Company's system will be determined in September of each calendar year by comparing the actual Company system peak for non-LPCS and non-BCIS customers for the preceding twelve months with the 215 MW baseline (Annual Load Growth Review). If the actual system peak for non-LPCS and non-BCIS customers is greater than the 215 MW baseline, the amount that exceeds 215 MW will be available for ICS or ITS customers to transfer load onto this Rate Schedule ("Excess Load"). After this calculation has been performed, the Company will notify any existing customers who either do take service or who may be interested in taking service under this Rate Schedule of the amount of Excess Load.

In order to transfer existing ICS or ITS load for service under this Rate Schedule, after receiving notice of Excess Load, eligible existing customers must nominate the amount of load they want transferred to this Rate Schedule by November 1 of each year. Existing ICS or ITS customers who do not have any load served under this Rate Schedule must nominate a minimum of 5 MW to initiate service under this Rate Schedule. The amount of Excess Load will be allocated to customers requesting to transfer load from the ICS or ITS Rate Schedules based on the following order:

1. Existing customers with no current service under this Rate Schedule will be allocated the first 5 MW of Excess Load.
    a. If the Excess Load is less than 5 MW, and an eligible customer not receiving service under this Rate Schedule requests at least 5 MW to transfer, no customers will be allocated the Excess Load.
2. Existing customers with less than 10 MW of LPCS load will be allocated Excess Load until such time as the Customer has either 10 MW of LPCS load or their ICS or ITS load has been reduced to the minimum load required for service under those rate Schedules (13 MW).
3. The existing customer or customers with the largest amount of ICS or ITS load will be allocated all Excess Load until their ICS or ITS load is equal to the Customer with the next largest amount of ICS or ITS load.
    a. This process will continue until all the Excess Load has been allocated to eligible existing customers requesting to transfer load from the ICS or ITS Rate Schedules onto this Rate Schedule.
        i. No customer may receive an allocation of Excess Load that would reduce their amount of load served under the ICS or ITS below the minimum required by those Rate Schedules (13 MW).

[1] Docket No. 20003-214-ER22 (Record No. 17072).

**ELECTRIC RATES**

**LARGE POWER CONTRACT SERVICE - CONTINUED**

**MONTHLY RATE**

Microgrid Management Fee – $/kW-mo., negotiated rate based on the peak demand of the load served under this Rate Schedule for the customer as defined in the Agreement. The Microgrid Management Fee calculation example is provided on Sheet No. 30.

Capacity and Energy Charges - are the charges for the energy or capacity procured or generated by the Company on behalf of the Customer billed on a monthly basis based on actual energy or capacity costs including any necessary transmission or ancillary charges. When the Company is making contemporaneous purchases for LPCS, BCIS, and other retail customer classes (i.e. non-LPCS and non-BCIS customers), the non-LPCS and non-BCIS customers will be assigned the lowest cost energy from contemporaneous transactions. Likewise, when the Company is making contemporaneous purchases for both LPCS customers and BCIS customers, the LPCS customers will be assigned the lowest cost energy from contemporaneous transactions. Contemporaneous transactions are like-kind transactions originating at the same time for deliveries over the same time period.

Transmission Costs – are the costs to use the Company's transmission system and any third-party transmission costs either directly assigned to the customer or allocated to the customer for network service on a load ratio share. The costs for the Company's Transmission system will be determined pursuant to the Transmission Cost Adjustment Mechanism (TCAM).

Distribution Costs - $/kWh Applicable to customers taking service under both the ICS and LPCS Rate Schedules and is based on the cost to use the Company's distribution system. The cost to use the Company's distribution system will be determined in accordance with the methodology set forth in Docket No. 20003-214-ER-22, and an example is provided on Sheet No. 30.1.

Administrative Costs - $/kW-mo., formula rate based on the monthly peak demand for the portion of the Customer's load served under this Rate Schedule as defined in the Agreement. The Administrative cost calculation example is provided on Sheet No. 30.2.

**CAPACITY REQUIREMENTS**

At the time of service for and commensurate with the Customer's then peak monthly load, the Customer must have Eligible Capacity Resources, as defined in this Rate Schedule, that are greater than or equal to 115% of the Customer's actual peak monthly load served under this Rate Schedule. The energy service to be provided under this Rate Schedule will be limited to the monthly load that is covered by the Customer's Eligible Capacity Resources. If the Customer fails to have enough Eligible Capacity Resources to cover 115% of their actual peak monthly load served under this Rate Schedule, then, in accordance with the Agreement, the Company may take appropriate actions to either secure the additional required capacity on a short-term basis on the Customer's behalf, or reduce service provided to the Customer under this Rate Schedule.

**ELECTRIC RATES**

**LARGE POWER CONTRACT SERVICE - CONTINUED**

**EXCESS ENERGY AND CAPACITY**
The Company may market any of the Customer's excess energy or capacity for the Customer as defined in the Agreement. The costs associated with selling the excess energy or capacity, including any point-to-point transmission costs or other applicable costs, will be assigned to the Customer.

**POWER COST ADJUSTMENT**
Customers receiving service under this Rate Schedule shall not participate in the Power Cost Adjustment (PCA) to the extent of service received under this Rate Schedule.

**TRANSMISSION COST ADJUSTMENT MECHANISM**
Customers receiving service under this Rate Schedule shall not participate in the Transmission Cost Adjustment Mechanism (TCAM) to the extent of service received under this Rate Schedule. The transmission costs related to the Company's transmission system will be directly assigned to the Customer based on the Customer's load ratio share.

**DEMAND SIDE MANAGEMENT**
Demand Side Management (DSM) Surcharge shall not be applicable to LPCS Customers.

**CARBON CAPTURE COMPLIANCE**
The Carbon Capture Compliance Surcharge will be applicable to service received under this Rate Schedule (Sheet No. 59).

**PAYMENT**

Net monthly bills for these service charges are due and payable twenty days from the date of the bill. Bills are delinquent seven days after the due date specified on an undisputed bill. A late payment charge on the undisputed unpaid balance shall apply to delinquent accounts. Discontinuance of service can occur pursuant to the Rules and Regulations, Sheet No. R12.

**CONTRACT**
As a condition of eligibility for service under this Rate Schedule, the Customer is required to enter into an Agreement for service under this Rate Schedule. The Agreement shall be filed confidentially with the Commission prior to a customer being billed under this Rate Schedule.

**SERVICE TRANSFER AND TERMINATION PROVISIONS**
Customers taking service under this Rate Schedule must provide a minimum of four years' notice in order to transfer load from this Rate Schedule to another applicable Rate Schedule contained in the Company's Tariff. Once notice is received by the Company for the transfer of load, the Company will evaluate its system to determine what system changes, including the addition of any capacity resources, are necessary. The Company may be able to accommodate the transfer request in less than the required minimum notice time depending on the system evaluation. Customers may terminate service under this Rate Schedule by providing a minimum of 10 days' notice subject to fulfilling any contractual obligations under the Agreement.

**RULES AND REGULATIONS**
Service supplied under this Rate Schedule is subject to the terms and conditions set forth in the Company's Rules and Regulations on file with the Public Service Commission of Wyoming unless modified by the Agreement.

## ELECTRIC RATES

## LARGE POWER CONTRACT SERVICE - CONTINUED

**CREDIT SUPPORT**

The Company may require a deposit or other credit support from the customer, such as but not limited to, performance guarantee or letter of credit as determined by the Company. The credit support shall not be considered as an advance payment of bills for service to be rendered but shall be held as security for payment of obligations incurred on behalf of the customer.

**RING FENCING PROVISIONS**

Customers taking service under this Rate Schedule will not be combined with other retail customers for purposes of class cost of service studies. Customers served upon the provisions of this Rate Schedule will have costs assigned to them individually based upon cost causation principles and the characteristics of the electric service that has been contracted for by the customer.

**FRANCHISE FEE PROVISION**

Customers taking service under this Rate Schedule will be charged all applicable franchise fees under Cheyenne Light's effective franchise fee agreement(s).

## ELECTRIC RATES

## LARGE POWER CONTRACT SERVICE - CONTINUED

Microgrid Management Fee Formula
Example for Tariff Purposes

| Line No. | Description | | | | Year 1 |
|---|---|---|---|---|---|
| 1 | Capital Cost | | | | $56,700,000 |
| 2 | | | | | |
| 3 | Other Rate Base Reduction (Fed Tax) | | | | $254,996 |
| 4 | Rate Base Amount (line 1-3) | | | | $ 56,445,004 |
| 5 | | | | | |
| 6 | Interest Expense | 48.00% | 5.02% | 2.41% | $1,360,325 |
| 7 | Return on Equity | 52.00% | 9.75% | 5.07% | $2,861,762 |
| 8 | | | | | |
| 9 | Depreciation Expense | | | | $1,619,025 |
| 10 | | | | | |
| 11 | Fed/State Income Tax Expense (ln 7 x (1 ÷ (1 - Federal Tax Rate))) | | | | $760,254 |
| 12 | | | | | |
| 13 | Revenue to Cover Only ROE and Income Tax (ln 7 + ln 11) | | | | $3,622,016 |
| 14 | Monthly Rate per kW of Capacity (ln 13/ 12/ 37000) | | | | $8.16 |
| 15 | 15 year average (per kW-month) | | | | $6.01 |

The information above illustrates the formula that will be used in establishing the starting point for negotiation of the Microgrid Management Fee. The inputs to the formula will be changed based on the facts in existence at the time of the negotiation. Key assumptions of capacity, cost per kW of new generation, taxes and depreciable life will be identified in conjunction with the LPCS customer. Capital structure, ROE and cost of debt will be based on the last base rate case. These assumptions and inputs will be components to the formula illustrated above, which is intended to compensate the Company for the lost earnings opportunity associated with not serving the customer under its other existing Rate Schedules. As noted, the formula provides the starting point for negotiation of the Microgrid Management Fee. Additional factors that may impact the final negotiated Microgrid Management Fee, include, but may not be limited to, customer credit quality, contract term, and size of load. The cost $/kW-mo will be negotiated based on facts and circumstances at the time of the negotiations with the new LPCS customer and will be defined in the Agreement.

## ELECTRIC RATES

### LARGE POWER CONTRACT SERVICE - CONTINUED

Distribution Rate Formula
Example for Tariff Purposes

The Reference column is from the Class Cost of Service model for the ICS/ITS Customer Classes

| Line No. | Description | Reference | ICS Customer Class Only |
|---|---|---|---|
| 1 | Total Distribution Component | Unbundled Tab | $652,260 |
| 2 | Class Energy – kWh | Sch AF, ln 262 | 171,502,746 |
| 3 | Distribution cost per kWh | ln 1 / ln 3 | $0.00380 |

The information above illustrates the formula that will be used in establishing the starting point for negotiation of the Distribution costs. The inputs to the formula will be updatedat the conclusion of each subsequent base rate case. As noted, the formula provides the starting point for negotiation of the Distribution rate.

Additional factors that may impact the final negotiated Distribution rate include, but are not limited to, customer credit quality, contract term and size of load. The $/kW will be negotiated based on facts andcircumstances at the time of the negotiations with the new LPCS customer and will be defined in the Agreement.

**ELECTRIC RATES**

**LARGE POWER CONTRACT SERVICE - CONTINUED**

Administrative Rate Formula
Example for Tariff Purposes

The Reference column is from the Class Cost of Service model for the ICS/ITS Customer Classes

| Line No. | Description | Reference | ICS/ITS Customer Class Only |
|---|---|---|---|
| 1 | Total A&G Expense (Note 1) | Sch H, ln 175 | $2,991,466 |
| 2 | | | |
| 3 | LPCS A&G Revenue Credit (Note 1) | Sch I, ln 13 | $480,602 |
| 4 | | | |
| 5 | Net A&G Expenses (Note 1) | (ln 1 – ln 3) | $2,510,864 |
| 6 | | | |
| 7 | Class Demand | Sch AF, ln 263 | 682,449 |
| 8 | | | |
| 9 | Administrative cost per kW | (ln 5 / ln 7) | $3.68 |

The information above illustrates the formula that will be used in establishing the starting point for negotiation of the Administrative costs. The inputs to the formula will be updated at the conclusion of each subsequent base rate case. As noted, the formula provides the starting point for negotiation of the Administrative rate.

Additional factors that may impact the final negotiated Administrative rate include, but are not limited to, customer credit quality, contract term and size of load. The $/kW will be negotiated based on facts and circumstances at the time of the negotiations with the new LPCS customer and will be defined in the Agreement.

Note 1: A&G Expense refers to Administrative and General Expenses contained in FERC Accounts 920 through 935 in the Class Cost of Service model for the ICS/ITS Customer Classes.

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