VERMONT ELECTRIC COOPERATIVE, INC.
SERVICE CLASSIFICATION #3
INDUSTRIAL RATE

AVAILABILITY:

Available in all territory served by the Cooperative in Vermont.

APPLICABILITY:

Applicable to customers whose metered demand meets or exceeds 500 kilowatts for two consecutive months.

Not applicable to stand-by service.

If a customer's metered demand falls below 500 kW for eleven months after the last month in which the customer's kW usage equals or exceeds 500 kW, the customer will no longer be eligible to take service under this classification.

CHARACTER OF SERVICE:

Single-phase 120/240 nominal, or three-phase, 120/208, or 277/480 nominal voltage service is available. Primary and Subtransmission service is available as defined under TERMS AND CONDITIONS. Service type and location shall meet with the Cooperative's review for reasonable safety, reliability, and accepted industry standards.

RATE:

Service Voltage	Firm or Interruptible	Demand Charge ($/kW/Mo.)	Energy Charge ($/kWh/Mo.)	Monthly Service Charge ($)
Distribution	Firm	$ 25.73	$ 0.11640	$ 300.89
Distribution	Interruptible	$ 21.13	$ 0.11640	$ 300.89
Subtransmission	Firm	$ 15.58	$ 0.11615	$ 300.89
Subtransmission	Interruptible	$ 10.97	$ 0.10857	$ 300.89

DETERMINATION OF BILLING DEMAND

The monthly billing demand shall be the greater of (a) the highest measured fifteen-minute demand in kilowatts during the billing period, (b) 80% of the highest demand during the

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INDUSTRIAL RATE (cont'd)

preceding eleven months, or (c) one-half of the highest measured fifteen-minute demand in kilowatts during the off-peak hours (set forth below).

For purpose of this tariff, the on-peak billing period is defined as 6:00 a.m. to 10:00 p.m., Monday through Friday. The off-peak billing hours are those not designated as on-peak billing hours.

POWER FACTOR

The customer agrees to maintain, as nearly as practicable, a unity power factor. In the event that the customers average power factor for any billing month is less than 95% lagging, an adjustment shall be added to the customer's bill to reflect the lower power factor as follows:

$$\text{Adjustment} = \left[\left[\frac{\text{Maximum Demand}}{(0.05 + \text{Power Factor})} \right] - \text{Maximum Demand} \right] \text{X Demand Charge}$$

where maximum demand is the highest measured 15-minute demand in kilowatts during the billing period. Such adjustment will be made two months after determination and notification by the Cooperative of power factor deficiency.

MINIMUM

The minimum monthly bill will be the monthly service charge plus the demand charge.

INTERRUPTIBLE PROVISION

1. The Cooperative reserves the right to curtail service to the customer at any time and for such period of time that, in the Cooperative's sole judgment, the operation of its system requires curtailment of customers' service.

2. The Cooperative will endeavor to provide to the customer as much advance notice as possible of the interruptions or curtailments of service hereunder. However, the customer shall interrupt or curtail service within 10 minutes if so requested.

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3. Customers may, at their option, provide auxiliary switching in their plant or facilities for the purpose of subdividing the interruptible load so that if the Cooperative requests a reduction in load rather than a complete interruption, such reduction may be accomplished by the customer when the Cooperative so requests.

4. The customer shall own, operate and maintain all necessary substation and appurtenances thereto for receiving and purchasing all electric energy at the delivery voltage. All telemetering and communications equipment within the customer's premises required for interruptible service shall be paid for by the customer and shall be owned and maintained by the Cooperative.

5. If the customer fails to interrupt or curtail load as requested by the Cooperative, the Cooperative reserves the right to interrupt the customer's entire load served under this tariff, and, in addition, shall bill the entire billing demand at a rate equal to three (3) times the firm power demand charge for that billing month. The Cooperative further reserves the right to discontinue service under this provision for a 12-month period after two failures by the customer to interrupt or curtail on a timely basis in any 12 consecutive months.

6. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by or resulting from any interruption or curtailment of this service.

SERVICE PERIOD:

Service under this tariff will be made for initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 60-days written notice to the other of the intention to discontinue service.

Where new facilities are required, the Cooperative reserves the right to require an initial service period of at least two years. In addition, the Customer shall contract for a specified capacity over the term of the contract.

A new minimum service period will not be required for existing customers who increase their service requirements after the original initial period unless new or additional facilities are required.

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Temporary service will be rendered under this schedule, at the option of the Cooperative, when the customer pays the firm demand charge for a minimum of three months. Temporary customers shall reimburse the Cooperative for the cost of installing and removing all temporary wiring and equipment and shall deposit in advance a sufficient amount to cover such cost of installation and removal and one month's estimated billing.

TERMS AND CONDITIONS:

Lighting will be permitted on this rate provided customers will install and maintain all the necessary lighting transformers. Such lighting must be balanced equally over the three phases. Primary service will be provided and a discount of 5% will apply to customers who own, operate and maintain the necessary transformers, switches, and protective equipment.

Subtransmission service is available to customers capable of receiving energy from the Cooperative's transmission system at the transmission system's operating voltage, 25 kV or greater, subject to permitting and procurement of a subtransmission line extension.

The Cooperative's General Rules and Regulations as set forth in this tariff where not inconsistent with any specific provisions hereof, are part of this rate.

Service under this schedule is for the exclusive use of the customer and shall not be resold or shared with others.

A 1% delayed payment charge will be applied to account balances not paid within thirty days after the postmark date of the bill, or charge, or by a "due date" at least thirty days after mailing, which date shall be printed on the bill.