

**NORTHERN VIRGINIA ELECTRIC COOPERATIVE
UNBUNDLED RATES - REGULATED RATES**

**LARGE POWER DEDICATED FACILITIES CONTRACT SERVICE
SCHEDULE HV-2**

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:

- I. To qualify for this Schedule HV-2, the consumer must:
 - a. Agree to a minimum contract billing demand of 65,000 kW; or,
 - b. Be served at a delivery voltage of 34.5 kV or greater where service is: i) at the low voltage side of dedicated substation facilities served from a 230 kV transmission delivery point, or ii) from dedicated sub-transmission or primary distribution facilities emanating directly from a NOVEC delivery point served at the low side of 230 kV transmission delivery source; and, agrees to a contract billing demand of no less than 45,000 kW, and
2. The consumer must maintain an average annual load factor of at least 85%; and,
3. The consumer must contract for demand and an annual load factor sufficient to protect the financial investment made by the Cooperative; and,
4. 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,
5. 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,
6. This tariff is not applicable for back-up or standby service.

POWER SUPPLY

The consumer purchases all of its capacity and energy requirements from NOVEC under the Market Based Rate Option.

MONTHLY RATE

A. Energy Supply Service (ESS):

1. Market Based Rate Option:

To be determined on a case by case basis.

B. NOVEC Distribution Charges:

Service Charge	\$1420.23	per month
Demand Charge	\$0.793	per kW
rKVA Charge	\$0.16	per rKVA
Energy Charge	\$0.000337	per kWh

DETERMINATION OF DISTRIBUTION BILLING DEMAND AND ENERGY

The monthly distribution billing demand shall be the higher 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; or 2) the contract minimum billing demand times the applicable ramp-up percentages as specified in the contract.

The monthly distribution billing energy (kWh) under Part B of the Monthly Rate shall be the higher of: 1) the actual metered kWh in the month for which the bill is rendered; or 2) the monthly distribution billing demand times the number of hours in the billing month x 0.85.

DETERMINATION OF rKVA DEMAND

The rKVA of demand billed shall be the highest average rKVA measured in any thirty (30) minute interval during the current month for which the bill is rendered.

REACTIVE POWER

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.

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.

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 rkVA contribution in order to adjust the monthly bill to reflect the benefit derived from the Cooperative equipment.

EXCESS FACILITIES CHARGE

The Cooperative will provide electric plant facilities on a case by case basis up to the cost level supported by the revenues at the minimum demand and energy commitment of the customer. Any additional costs of facilities furnished by the Cooperative will be considered excess facilities subject to the following:

- a) The Consumer shall pay a one-time contribution-in-aid of construction for electric plant facilities considered excess facilities, and
- b) The Consumer shall be charged the following monthly fixed charge rates for the portion of the investment covered by the contributed capital:

High Voltage Line Investment	0.442%
Substation Investment	0.644%
Primary Distribution Investment	0.893%

MINIMUM MONTHLY NOVEC DISTRIBUTION CHARGE

The minimum monthly distribution charge shall be the amount as specified in the contract for service plus any Excess Facilities Charge.