Rider INTSERV – Interruptible Service Option

Availability:

Available to Customers who agree and have the continuing ability and willingness to interrupt connected load at the time and for the duration determined by Company. It must be demonstrated by the Customer that the total interruptible load is that which is normally in operation during any weekday of the year. A minimum interruptible load of 200 kW is required to qualify for interruptible service. Company shall verify Customer compliance with this requirement through the use of customer-specific interval demand meters. C

Service Agreement:

Customer shall be required to execute an agreement for service under this rider which may include, among other service provisions, a minimum term of service of five years, minimum monthly payments to Company, and the initial Contract Firm Demand level the Customer agrees will not be exceeded during load interruption periods. A new Customer may come on the program at any time provided they were not a program participant during the prior twelve months or terminated a prior interruptible contract prematurely. Customers who elect interruptible pool balancing shall include a listing of all Customer accounts in the proposed balancing pool, and for each account, list the firm contract demand level, peak load, and interruptible forecast load (peak load less firm contract demand level). The agreement shall also list Customer's balancing pool curtailment percentage of IPL's system interruptible load. C

Compensation for Interrupting:

An interruptible bill credit shall be calculated each month and reflected on Customer's bill which shall be the product of the Credit per kW times the positive difference between the Billing Demand (in kW) or Actual Demand (for rate 760 Customers) and Customer's Contract Firm Demand (in kW) where interruptible credit per kW and Contract Firm Demand are defined pursuant to this rider. Demand is defined in the applicable Rate Schedule unless specified otherwise in the Additional Terms and Conditions of this rider.

Credit per kW:

The schedule below provides the Credit per kW for calculation of the bill credit for compensation.

Customer's Applicable LGS Rate Schedule	Credit for Bill Credit Calculation ($/kW)	
Rate 480, 487, 760, 810, 817	$8.21	I

Contract Firm Demand:

For billing purposes, this is a 15-minute maximum demand that Customer will not exceed during period(s) of
interruption specified by Company. If Customer's maximum 15-minute demand exceeds the Contract Firm
Demand during the period(s) of interruption, then the penalty section of this rider applies. Customer may set N
separate Contract Firm Demands for the Company's summer rate period of May 16 through September 15 and N
the Company's non-summer rate period of September 16 through May 15. Customers must continue to offer N
participation in all 12 months and meet the minimum 200 kW each season. N

Any change in the Contract Firm Demand shall be specified in writing by Customer no later than January 1 of each year. A Customer may decrease their contract demand by any amount, at any time and the revised contract demand shall remain fixed through the next load year or the remainder of their contract term, whichever is longer. Contract Firm Demand may only be increased a maximum of 20% to coincide with the start of the load year with Contract Firm Demand increasing no more than of 30% for the entire term of the contract term except when such adjustment is for load growth. Contract Firm Demand shall remain fixed for the remaining contract term starting May 1 (Load Year), except as automatically adjusted pursuant to the penalty section of this rider or as described immediately below:

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On 24 hours' notice, Customer may elect to either cancel service under the interruptible option or increase its Contract Firm Demand level during the course of the Load Year subject to the following three provisions:

a) Customer shall reimburse Company for related credits already received during the Load Year.
b) Customer shall be responsible for any penalties levied on Company by the Midcontinent Independent System Operator (MISO) or regional reliability council during the Load Year in which Customer cancels interruptible service or increases Contract Firm Demand if the amount of Customer's Contract Firm Demand increase was consistent with such penalty. Customer's penalty responsibility will be proportional to Customer's Contract Firm Demand increase to the capacity amount on which MISO or applicable reliability council penalty is based. C C C C
c) Customer shall be responsible for incremental generation capacity costs incurred by Company if the amount of Customer's Contract Firm Demand increase was consistent with such incremental capacity costs. The capacity cost responsibility directly attributable to Customer will be proportional to Customer's Contract Firm Demand increase to the added capacity amount based upon the most recent MISO Short-term Capacity Auction results. C C C

Interruptible Customer Standby Generation Connection:
Customers requesting Interruptible Service and desiring to operate on-site generation in parallel to Company's electrical system shall first enter into an Interconnection Agreement with Company. Customer may connect and operate on-site electric generation facilities pursuant to Company's Rules and Regulations and the Interconnection Agreement. Customer's on-site generation shall be connected behind the Customer's point of delivery. C C C C

Remote Displacement:
Remote Displacement is frozen to existing Customers at existing locations for those existing signed remote displacement agreements that were executed prior to 1993. Customer shall pay Company for displacement of Customer's electric requirements over Company's electric system during each period of curtailment. Customer shall pay Company $16.85/kW of actual maximum Demand in excess of the contract demand when Customer actually displaces a portion of Customer's requirements. The actual demand is measured as the Customer's maximum 15-minute demand during the curtailment. Customer shall also pay Company $0.02899/kWh for each kilowatt-hour displaced by Customer during the curtailment. C C C I, C C I, C C

Interruptible Program Decision Rule:
Company's interruptible program is designed to serve reliability and energy efficiency purposes. Below are four conditions that Company will follow when deciding whether to enact an interruption. Condition 1 is driven by reliability considerations, and conditions 2 and 3 are based on energy efficiency as defined by the Iowa Utilities Board. Condition 2 is designed to reduce peak demand, and condition 3 is designed to reduce energy usage. Company shall interrupt if it is anticipated that any one of following four conditions exists:

(1) Reliability**:** Interruptions are necessary to maintain safe and reliable system operations and meet obligations to other interconnected systems.
(2) Energy Efficiency - Reducing Peak Demand: Company would expect to experience less than MISO planning reserve margin under Module E for the current year. C

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(3) Energy Efficiency - Reducing Energy Usage: The day-ahead MISO locational marginal price (LMP) for ALTW.ALTW load zone is based upon the Company's highest cost resource for at least four consecutive hours or the rolling four-hour average real-time LMP for ALTW.ALTW load zone exceeds the Company's highest cost resource. IPL will define a pre-determined LMP annually based upon the highest cost resource of IPL's current generation resource portfolio and its associated fuel costs.

(4) Program Quality Control: Reasonable interruptions are necessary to test the capabilities of Customers. If there are no interruptions for conditions 1, 2 or 3 after the second year of a Customer's five year contract, C as well as no interruption in the third year by August 1, Company will conduct a test interruption of Customer. The test will be conducted in the third year of the Customer's contract by Company between August 1 and September 16 under circumstances as close as possible to a condition 2 or condition 3 interruption. Additionally Company retains the prerogative to conduct a test of any Customer at any time of the year if it determines in its sound discretion that such a test is necessary to preserve the integrity of the program.

Interruption Buy-Through:

In the event a Customer is notified to curtail for conditions 2 or 3 of the interruptible program decision rule, Customer can elect to buy through the period of curtailment and be in compliance with the Interruptible Service Penalty of this rider. The buy-through cost will be computed as each hourly kW priced at the MISO ALTW.ALTW node real-time LMP price plus a 10% adder for any incremental administrative and MISO-related charges, less the energy adjustment clause factor for the month. All other billing provisions apply.

Interruptible Non-compliance Penalty:

Customer is deemed to have failed to interrupt if it imposes load on the system that exceeds its contract firm demand during the period when it has been instructed to interrupt and it has not requested a buy-through for the event when provided the opportunity to buy-through. Company shall have the ability to not penalize Customer for less than full compliance with a notice of interruption where in Company's sound discretion the load difference is from malfunction of Company's communication equipment or Company's communication breakdown and is not the result of Customer's indifference or intentional disregard of the notice of curtailment and Customer has a history of full compliance. In such cases Customer shall nevertheless reimburse the utility for any additional costs that result. Company will continue its practice of documenting any such waiving of penalties, including all relevant circumstances. The penalties that will be imposed on Customer for failure to interrupt in addition to the charges billed according to the underlying tariff are the following:

For The First Penalty Instance:

(1) Upon notice from Company to interrupt, Customer decides whether to comply with the request, exercise a buy-through option if available or be subject to a non-compliance penalty for a failure to perform. Company will not assume Customer has bought through if Customer's load exceeds their firm contract demand and a buy-through is available, but rather will only log and bill a buy-through upon explicit election of buy through by Customer. If Customer has advised Company of its intent to interrupt but fails to fully comply, then Customer must notify Company within one hour of the failure to comply of Customer's election to use an available buy-through.

(2) Customer will be levied a one-time fee of $26.27 per kW for each excess kW over the firm contract demand.

(3) Customer will be billed for any energy (kWh) received during an interruption period above its contract amount at the buy-through cost as defined in the buy-through provision of Company's interruptible tariff.

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(4) Customer's contract firm demand will be set at the highest level experienced during the period of the failure to interrupt and will remain at that level for the remainder of their contract term, except that Customer will have one opportunity to requalify for a lower level after six months if Customer demonstrates that the non-compliance was unintentional, not the result of Customer negligence and upon consideration of all relevant circumstances is judged not likely to recur. Customer can requalify for a lower level once it notifies Company of its readiness to be interrupted at its proposed contract firm demand and it successfully completes a test interruption called by Company, if Company in its sound discretion deems that a test is necessary. Company will conduct the test interruption to simulate to the maximum extent practicable the circumstances of a typical interruption and in no event shall the test interruption be more than 30 days after Customer's readiness notification.

For Penalty Instances in Subsequent Months and Within Twelve Months of the First Penalty:
The above provisions associated with the first penalty instance will apply except that (1) the one-time fee levied on each excess kW over the contract demand will be twice the amount applied for the first penalty and (2) Customer cannot qualify for a lower contract firm level until twelve months after this subsequent penalty.

Discounts:
Discounts for power factor and voltage level are defined in the applicable tariff.

Additional Terms and Conditions:

(1) A monthly interruptible cost recovery charge of $27.38 shall apply for each account contracting for interruptible service under this rider. This charge shall apply to incremental interruptible expenses not contemporaneously recovered through the DRCR factors in Rider DRCR. R C

(2) The program employs a three-level system status classification. The three levels are defined as follows:
   a) System Normal. This is the state of the program in most hours of the year.
   b) Warning. This is the state in which an interruption can be called at any time. Company will send a message announcing the warning via its Power Manager system. The warning will be sent by Company as soon as Company determines that events warrant a change from a normal status to a warning status.
   c) Interruption. The system is experiencing an interruption in this state. An interruption can occur without the issuance of a warning.

(3) For interruptions invoked under conditions 2, 3 and 4, the shortest amount of time between the time when Customer is notified that it has to be in interruptible compliance and the time when it must be in compliance to avoid a penalty will be two hours. For interruptions invoked under condition 1 (reliability), Customer may be asked to interrupt immediately and will be expected to make its best efforts to comply immediately if asked to interrupt immediately. Under condition 1 interruptions, non-compliance penalties will not be assessed for Customer behavior within the two hour period from the time when Customer is called to interrupt.

(4) Company shall not be liable for any loss, damage or injury to Customer or to any other person, firm or corporation because of interruption or curtailment of service under this rider.

(5) For interruptible loads in excess of 1,000 kW, Company reserves the right to establish interruptible load steps, as agreed upon between Company and Customer, and as allowed by Customer's equipment. Company shall not be required to establish interruptible load steps that would, in its opinion, burden the administration of this rider.

(6) All contract terminations shall coincide with the end of the load year.

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Interruptible Balancing Pool Option:
A Customer taking interruptible service who has multiple interruptible accounts with each account taking interruptible service under this rider may pool each of the accounts' demands together (balancing interruptible curtailment obligations among accounts) pursuant to an interruptible service agreement for compliance of curtailments requested by the Company for either Interruptible Program Decision Rules Condition 2 – Reducing Peak Demand or Condition 3 – Reducing Energy Usage.

The Customer shall be allowed to balance load among its accounts pursuant to the following general terms and conditions:

(1) Customer shall provide a single point of contact for its participating accounts for notifications and coordination. Customer shall confirm with the Company in writing how it will be complying with curtailment requests before the events begin. Customer shall commit to satisfying its curtailment request by informing the Company of which accounts will curtail load and how much load will be curtailed by each account.

(2) For localized emergencies or reliability system operations (Interruptible Program Decision Rule – Condition 1), all accounts affected by the localized emergency shall be prepared to be interrupted as individual facilities and not as part of a pool. Each individual account shall be subject to the compliance obligations under this tariff. The Company reserves the right to call individual facilities for localized problems.

(3) When notified that the Company is calling a full curtailment event, the following rules shall apply:

a) For balancing of all Customer's accounts during periods of a full system curtailment, each account shall be in operation, at an average load equal to or in excess of each account's firm contract demand level for the continuous three-hour period prior to the start of the curtailment period. Any individual account not meeting the criteria shall be excluded from the balancing pool for curtailment; and the excluded account or accounts shall not exceed their individual firm contract demand level during the curtailment. The remaining accounts in the pool (non-excluded accounts) shall be evaluated based on the remaining "total interruptible forecasted load" for those accounts not excluded from the balancing pool.

b) During full curtailments, so long as the curtailment is balanced among accounts and the balancing pool's demand during the curtailment does not exceed the pool's contract demand level, no penalties shall be assessed if an individual account within the pool exceeds its contract demand. However, if the pool (in total) exceeds the pool's contract demand level, then the individual accounts that exceed their contract demand levels shall be allocated a penalty in accordance with the Interruptible Non-compliance Penalty provisions of this tariff.

(4) When notified that the Company is calling a partial curtailment event the following rules shall apply:

a) Customer shall be required to participate in every curtailment event. A curtailment event is considered "partial" any time less than all interruptible Customers are called for a single event. C

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b) The Company shall estimate a "total interruptible forecasted load" for the balancing pool based upon the total amount of load the Customer may curtail for a full interruptible event. Each account shall be in operation, at an average load equal to or in excess of each account's firm contract demand level for the continuous three-hour period prior to the start of the curtailment period. Any individual account not meeting the criteria shall be excluded from the balancing pool for curtailment. During each partial curtailment event, Customer shall be required to curtail a pro rata share or percentage of the balancing pool's "total interruptible forecasted load" such that the firm contract demand level of the pool is increased to reflect the pool's share for the curtailment event. This is referred to as the "event contract demand level."

c) Customer's percentage contribution for any partial curtailment shall be the percentage defined in the service agreement. This percentage shall be computed annually as the amount of the Customer's "total interruptible forecasted load" for all pooled accounts curtailed under a full interruption divided by the total amount of the Company's retail load that can be curtailed as reported annually in the Company's Annual Report on Interruptions and Cycling Events.

d) During any curtailment event, should conditions warrant, Customer should be able to further reduce its demand during the event if the Company's system conditions require (for example, a change from a partial to a full system curtailment). Customer shall receive notification of a change in the curtailment event consistent with the notification provision of this tariff.

e) During partial curtailments, as long as the balancing pool's demand during the curtailment does not exceed the pool's event contract demand level, as computed under partial curtailment rules 4b and 4c above, no penalties shall be assessed if an individual account within the pool exceeds its individual firm contract demand. However, if the pool (in total) exceeds the event contract demand level associated with the curtailment, then the individual accounts that exceed their event contract demand levels shall be allocated a penalty in accordance with the Interruptible Non-compliance Penalty provisions of this tariff.

(5) Customers who elect to buy through their required interruptible loads for any full or partial curtailment event, called per decision rule conditions 2 or 3, may have different hourly requirements for buy-throughs due to multiple events or varying start times. In the event the Customer elects to buy through an event, buy-through charges shall be calculated as follows: C

a) For a partial curtailment event, all demand above the firm contract demand level (as computed pursuant to item 1 previously described in this rider) shall be subject to buy-through charges;

b) For a full curtailment event, all demand above Customer's contract firm demand level (as computed pursuant to item 5 previously described in this rider) shall be subject to buy-through charges;

c) For a full curtailment event, when Customer has one or more facilities out of operation, all demand above the firm demand calculated through item 5 above shall be subject to buy-through charges.