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 Company's summer rate period of June 16 through September 15. 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.

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, 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. 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.

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) and Customer's Contract Firm Demand (in kW), where interruptible credit per kW and Contract Firm Demand are defined pursuant to this rider. Billing Demand is defined in the Electric Large General Service Usage (LGS) tariff, 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)	
	Summer	Winter
Rate 480, 487, 760	$7.06	$4.55

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.

Rider INTSERV – Interruptible Service Option

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 at any time and the revised contract demand shall remain fixed through the next load year or subsequent twelve months whichever is longer. Contract Firm Demand may only be increased to coincide with the start of the load year and such Contract Firm Demand shall remain fixed for the subsequent twelve months starting May 1 (Load Year), except as automatically adjusted pursuant to the penalty section of this rider or as described immediately below:

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 a power pool 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 the power pool or reliability council penalty is based.
c) Customer shall be responsible for incremental generation and transmission 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 on which the incremental capacity costs are based.

Interruptible Customer Standby Generation Connection:
Customers requesting Interruptible Service and desiring to connect on-site standby generation 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 standby generation shall be connected at a mutually agreeable location on Company's electrical system.

Remote Displacement:
In the event Interruptible Customer's standby generation is remotely located from Customer's load, Customer shall pay Company for displacement of Customer's electric requirements over Company's electric system during periods of curtailment. Customer shall pay Company $4.09/kW of Excess Billing Demand for the month(s) of curtailment when Customer actually displaces a portion of Customer's requirements. The Excess Billing Demand is the excess by which Customer's maximum 15-minute demand exceeds the Billing Demand during the month of actual displacement. Customer shall also pay Company $.0130/kWh for all kilowatt-hours displaced by Customer. Remote Displacement is limited to those existing signed agreements that were executed prior to 1993, and any extensions thereof.

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 planning reserve margin for the current year, where (i) planning reserve margin is defined as the amount by which capacity resources exceed Customer firm demand expressed as a percent of Customer firm demand, and (ii) Customer firm demand is defined as the load forecast of firm demand assuming normal (or 50-50) summer peak weather.

Rider INTSERV – Interruptible Service Option

(3) Energy Efficiency—Reducing Energy Usage: The day-ahead locational marginal price (LMP) for Company's load zone in the Midwest Independent Transmission System Operator, Inc. (MISO) footprint is at the "running on oil" level for at least four consecutive hours or the rolling four-hour average real-time LMP for Company's load zone exceeds the "running on oil" level, where the "running on oil" level is a predetermined LMP defined by an assumed heat rate of 13.5 million Btu per MWH and a spot market price for No. 2 oil.

(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 in a year by August 1, then Company will conduct a test interruption of all Customers. The test will be conducted 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 ALTW.ALTW node real-time LMP price plus a 12% adder for any incremental administrative and MISO-related charges, less the energy adjustment clause factor for the month. The 12% adder will be applied for the first year and then revised annually as needed to reflect expected MISO-related costs and administrative and regulatory costs associated with a Customer's buy-through election. A Customer can elect to buy-through two events annually if ten or fewer curtailments and three events if more than ten curtailments are called, where the annual period is the Load Year starting May 1. Customers who utilize the Interruptible Balancing Pool Option shall opt to buy through a total N
annual kW amount computed as twice its "total interruptible forecast load" and buy-throughs shall be tracked by N
kWs bought through instead of number of buy-through events. All other billing provisions apply. N

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 (1) it has not requested a buy-through or (2) it has requested a buy-through but it has exhausted its buy-through opportunities. 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 there is excess kW over the firm contract demand and a buy-through is available, but rather will only log and bill a buy-through upon explicit instructions from 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.

Rider INTSERV – Interruptible Service Option

(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 twelve months, 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 LGS tariff.

Additional Terms and Conditions:

1. Interruptions resulting from conditions 2, 3 and 4 for the typical (average) Customer will not exceed 64 hours annually. For purposes of determining the number of hours of interruption under the annual 64-hour limit, each interruption will be deemed to have occurred for the greater of four hours or the actual duration of the interruption.
2. For purposes of determining the number of hours of buy-through under the annual two event limit and the annual three event limit of the buy-through section that applies towards the 64-hour limit, each buy-through will be deemed to have occurred for the greater of four hours or the actual duration of the interruption event.
3. A monthly interruptible cost recovery charge of $36.43 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 EECR factors in Rider EECR.
4. 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.
5. 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.
6. 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.

Rider INTSERV – Interruptible Service Option

7. 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.

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

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

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

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

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

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

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

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

   a) Customer shall be required to participate in every curtailment event. A curtailment event is N
   considered "partial" any time less than all interruptible Customers are called for a single event. N
   For partial curtailment events, Customers participating in an interruptible pool shall not be limited N
   to 64 hour annual limitation on curtailments. N

Rider INTSERV – Interruptible Service Option

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. Instead of being limited to two buy-through opportunities per year, Customer shall opt to buy through a total annual kW amount computed as twice its “total interruptible forecast load” and buy-throughs shall be tracked by kWs bought through instead of number of buy-through events. For each buy-through event, the kWs bought through shall be subtracted from total kWs available for buy-through. In the event the Customer elects to buy through an event, buy-through charges shall be calculated as follows:

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.