

Blue Ridge Electric Membership Corporation
Electric Service

Closed as of 12/31/21

Schedule Number: 5.1.1

Schedule A – Blue Ridge Charges to New River for Electric Service

Availability:

Available under contract for resale service to New River Light & Power (“New River”). Conditions of service and terms of contract shall be as specified in the Electric Service Agreement between Blue Ridge EMC (“Blue Ridge” or “the Cooperative”) and New River dated September 1, 2010.

General and Definitions. This Schedule A is attached to and incorporated into that certain Electric Service Agreement by and between New River Light and Power Company and Blue Ridge Electric Membership Corporation dated as of September 1, 2010. The charges set forth in this Schedule A are designed to recover and the Parties acknowledge and agree that Blue Ridge shall be entitled to recover any and all costs incurred by Blue Ridge to provide Electric Service to New River. Unless specifically provided for under the terms of the Agreement, any interest expressly calculated and charged pursuant to this Schedule A shall be calculated in accordance with the methodology set forth in 18 CFR Section 35.19a or its successor. All initially capitalized terms and phrases used in this Schedule A, but not expressly defined herein, shall have the respective meanings ascribed to them in the Agreement.

Blue Ridge shall charge New River for Electric Service as set forth below. New River’s obligation to pay such charges is set forth in the applicable provisions of the Agreement.

I. Purchased Power Supply Charges:

A. Purchased power supply charges billed Monthly during a Year shall include the following:

1. The Monthly Demand Charge shall equal the product of: a) the Monthly Billing Demand for the Month (kW); and b) the Monthly Demand Rate (\$/kW-Month) as charged Monthly to Blue Ridge by Duke; and c) the Loss Factor. The Monthly Demand Charges shall be subject to true-up, as provided below.
2. The Monthly Energy Charge shall equal the product of: a) the sum of the Fuel Rate for the Year (\$/kWh) and the Variable O&M Rate for the Year (\$/kWh), each as charged Monthly to Blue Ridge by Duke; and b) the New River Monthly kWh; and c) the Loss Factor. The Monthly Energy Charges shall be subject to true-up, as provided below.
3. The Ancillary Service Credit shall equal the product of: a) the EMC Ancillary Service Credit received by Blue Ridge from Duke in the current Month; and b) the New River Load Ratio Share.
4. Substitute Energy Costs is any unreimbursed net cost, including any associated accrued interest or lost interest income, incurred in any Hour by Blue Ridge for the purchase of Substitute Energy or the costs imposed on Blue Ridge by the Balancing Authority Area operator to provide Substitute Energy. Substitute Energy is energy purchased from a third party or provided by the Balancing Authority operator due to Duke’s failure to deliver a sufficient quantity of electric energy to meet its obligations to provide full requirements service to Blue Ridge under the Amended and Restated FRA. The Monthly charge for Substitute Energy, if any, is equal to the sum the products of: a) Substitute Energy Cost in each Hour of the Month; and b) the quotients, expressed as decimals, of: (i) the New River Hourly Demand for each corresponding Hour that Substitute Energy was purchased; divided by (ii) (1-DLF); divided by (iii) the corresponding Blue Ridge Native Load Demand in the each corresponding Hour.

5. Blue Ridge Power Supply Administrative Charge in the current Month shall be the product of: a) the current Month costs booked by Blue Ridge in account 555.90 or such other account as may be used by Blue Ridge from time to time for purchased power related administrative costs; and b) the quotient of: i) the sum of the New River Monthly kWh for the most recent twelve (12) Months and ii) the total kWh sold by Blue Ridge in the same twelve (12) Months; additionally consulting and legal costs directly associated to New River shall be booked by Blue Ridge in account 555.91 or such account as may be used by Blue Ridge from time to time for directly assignable costs.

B. Following each Year, Demand Charge True-ups and Energy Charge True-ups shall be billed to New River no later than July 31 following the Year in which Full Requirements Service was provided, and shall include interest on any refunds or surcharges proportionate to the interest on true-ups charged by Duke to Blue Ridge for the Year.

1. The Demand Charge True-up for a Year, if any, shall equal the amount, whether positive or negative, determined by subtracting: a) the sum of the Monthly Demand Charges for the Year; from b) the product of: (i) the trued-up Monthly Billing Demand for the Year; and (ii) the trued-up Monthly Demand Rate (\$/kW-Month) as charged to Blue Ridge by Duke for the Year; and (iii) the Loss Factor and (iv) times twelve (12).

2. The Energy Charge True-up for a Year, if any, shall equal the amount, whether positive or negative, determined by subtracting: a) the sum of the Monthly Energy Charges for the Year; from b) the product of: (i) the New River kWh for the Year; and (ii) the sum of the trued-up Fuel Rate for the Year (\$/kWh) and the trued-up Variable O&M Rate for the Year (\$/kWh), each as charged to Blue Ridge by Duke; and (iii) the Loss Factor.

II. Network Integration Transmission Service and Ancillary Services:

The Monthly Transmission Charge shall equal the sum of: a) the product of: i) the New River Load Ratio Share; and ii) the amount charged to Blue Ridge by Duke Transmission for Network Integration Transmission Service in the current Month such charge includes Transmission Service and Ancillary Services; and b) New River's allocated share of any prior Month adjustments for Transmission Service or Ancillary Services charged or credited to Blue Ridge by Duke Transmission. New River's allocated share of any such adjustments shall be based upon the associated New River Load Ratio share.

III. Blue Ridge Distribution Services billed Monthly:

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|---------------------------|---|---------------------------------------|
| A. Demand Delivery Charge | @ | \$2.86 per kW of Delivery Demand |
| B. Base Charges | @ | \$350.00 per Month per Delivery Point |
| C. Transaction Charge | @ | \$0.0006 per kWh Supplied |

Blue Ridge's Board of Directors shall at such intervals as it shall deem appropriate, but in any event not less frequently than once each Year, shall review the Demand Delivery Charge, Base Charges and Transaction Charge and shall revise such rates and charges as it deems appropriate to adequately recover Blue Ridge's costs, to establish and maintain reasonable reserves and to comply with Blue Ridge's financial requirements for the provision of Distribution Service. The Parties acknowledge and agree that upon a determination by the Blue Ridge Board of Directors to revise the Demand Delivery Charge, the Base Charges or the Transaction Charge, Blue Ridge may replace this Schedule A to reflect the revision of such charges and New River acknowledges and agrees that such replacement shall not result in the amendment of the Agreement. Blue Ridge shall provide New River with at least thirty (30) Days notice prior to the replacement of this Rate Schedule A. Upon the revision of the Demand Delivery Charge, Base Charges or Transaction Charge. Blue Ridge shall charge New River revised Demand Delivery Charge, Base Charges, and Transaction Charge as set forth in the revised Rate Schedule A.

IV. Definitions:

- A. Ancillary Services: Ancillary Services are any and all ancillary services provided by the Transmission Provider in connection with any Transmission Service arranged by EMC for the delivery of electric energy provided under this Agreement from the "delivery point" as such term is defined in the Amended and Restated FRA.
- B. Annual Planning Period: The Annual Planning Period is the period (as of the Commencement Date either May through September or October through April) designated in the then-most recent Duke Annual Plan (or the successor thereto) that Duke files with the NCUC as the period during which Duke's annual peak load is projected to occur; provided, that in the event that NCUC ceases to require Duke to file or filing becomes voluntary and Duke ceases to file the Duke Annual Plan (or a successor thereto) with the NCUC, "Annual Planning Period" shall mean the period (either May through September or October through April) in which Duke's annual peak load is projected to occur under the generation planning criteria for Duke's Generation System used by Duke to meet Duke's Native Load. If the then-effective Annual Planning Period is the Summer Period, the Annual Planning Period for purposes of determining the Monthly Billing Demand and the Actual Monthly Billing Demand for the Year shall be the Summer Period that occurs within such Year. If the then-effective Annual Planning Period is the Winter Period, the Annual Planning Period for purposes of determining the Monthly Billing Demand and the Actual Monthly Billing Demand for the Year shall be the Winter Period that ends in such Year (for example, if the Annual Planning Period in 2015 is the Winter Period, and the Winter Period is October - April, the Annual Planning Period for purposes of determining the Monthly Billing Demand for 2015 is October 2014 - April 2015).
- C. Delivery Demand: The Delivery Demand for each Month shall be New River Hourly Demand measured in the Hour in which the Blue Ridge system peak occurs during the billing Month.
- D. Loss Factor: The loss factor is equal to $(1+TLF) \times (1+DLF)$. TLF is the sum of the transmission real power loss factor in the DEC Zone as stated in the Transmission Provider's OATT, as it may be amended from time to time, and the generator step-up transformer loss factor, and shall be expressed as a decimal. DLF shall be equal to the distribution loss factor set forth as defined by Blue Ridge, and shall be expressed as a decimal.
- E. Monthly Billing Demand: For each Year, the Monthly Billing Demand shall be determined using estimated data and will be subject to true-up when actual data is available. The trued up Monthly Billing Demand for each Month of a Year shall be equal to the average of the twenty (20) New River Hourly Demands measured coincident with the twenty (20) highest Hourly Duke Demands during the Duke Annual Planning Period for such Year; provided however, that the methodology for determining Monthly Billing Demand, or any successor billing demand shall be modified to be consistent with any change in the determination of Blue Ridge's Monthly Billing Demand as applied by Duke.
- F. New River Hourly Demand in an Hour shall be equal to the sum of the integrated sixty (60) minute demands measured at each Delivery Point for the Hour plus any adjustments pursuant this Electric Service Agreement.
- G. New River Load Ratio Share: The New River Load Ratio Share is the quotient, expressed as a percent, of: a) the New River 12 Month Average Coincident Peak and b) the Blue Ridge 12 Month Average Coincident Peak as reflected on the Duke Transmission Tariff Summary Bill for the current Month. The New River 12 Month Average Coincident Peak is the average of the New River Hourly Demands measured coincident with Blue Ridge's Transmission Provider's Transmission Monthly System Peaks in the current Month and preceding eleven (11) Months divided by $(1-DLF)$.
- H. New River Monthly kWh is the sum of the New River Hourly Demands for the Billing Period.

I. New River Network Load: The New River Network Load is the New River Hourly Demand measured coincident with Blue Ridge's Transmission Provider's Monthly Transmission System Peak divided by (1-DLF).

V. Blue Ridge shall provide to New River Monthly metering records on each of the meters at the points of delivery. Information to be provided includes the following:

- A. New River's Monthly peak demand at each Delivery Point,
- B. New River's Monthly demand at the time of the Blue Ridge Monthly system peak demand,
- C. Blue Ridge's Monthly system peak demand,
- D. New River's Actual Monthly Billing Demand when available, and
- E. New River's Network Load.

VI. Power Factor Correction:

New River agrees to maintain unity power factor as nearly as practicable. Blue Ridge has the right to measure such power factor at any time. Should such measurements indicate that the average power factor in the billing period is less than eighty-five (85%) percent, the Delivery Demand for billing purposes shall be adjusted by multiplying the respective demand by eighty-five (85%) percent and dividing by the percent average power factor.

VII. Capital Credits:

A portion of all monies received in excess of the cost of operating Blue Ridge shall be allocated to New River at the close of each fiscal year. This allocation will be based on New River's contribution to Blue Ridge's gross margins (i.e., total revenues less power cost from Part A of Schedule A) and shall be allocated to New River's capital credits account and refunded upon the exercise of the discretion of Blue Ridge's Board of Directors, as provided in Blue Ridge's Bylaws.

VIII. New River Generation Credit

A credit, the "New River Credit Amount", will be applied by Blue Ridge in accordance with the provisions found in Attachment 2 to the Electric Service Agreement.

Effective on bills rendered for Electric Service on and after February 1, 2019 through December 31, 2021.

Approved by Board of Directors on November 20, 2018.