



Economic Development & Major Accounts

Economic Development Incentive September 2011

Economic Development Rider (EDR) is designed to promote economic development efforts in the KY LG&E and KU service territory. The EDR is available for service under the **KU's** Standard Rate Schedules - Time-of-Day Secondary Service, Time-of-Day Primary Service, and Retail Transmission Service. The EDR is available for service under the **LG&E's** Standard Rate Schedules - Industrial Time-of-Day Secondary Service, Commercial Time-of-Day Secondary Service, Industrial Time-of-Day Primary Service, Commercial Time-of-Day Primary Service and Retail Transmission Service. The rider is intended to encourage Brownfield Development and Economic Development for existing customer's expansion or new customer locations. Service under EDR is conditional on a special contract, approved by the KY Public Service Commission.

Criteria:

Brownfield Development EDR is available to customers locating at sites that have been approved and added to the Brownfield Inventory maintained by the KY Energy and Environmental Cabinet. The Brownfield EDR is available only to billing loads of 500 kVA (or kW as is appropriate) or greater where the customer takes service from existing Company facilities.

Economic Development EDR is available to new customers contracting for a minimum annual average of monthly billing load of 1,000 kVA (or kW as is appropriate); and existing customers contracting for a minimum annual average of monthly billing load of 1,000 kVA (or kW as is appropriate) above their existing base load, to be determined by averaging the customer's previous three years' monthly billing loads. A customer must describe the new load to be served; the number of new employees associated with the new load; the capital investment associated with the new load; and exhibits the certification that the customer has been qualified for benefits under the Kentucky Business Investment Program (KBI).

General Terms The EDR may be offered only when generating capacity is available and the new load will not accelerate plans for additional generating capacity over the life of the EDR contract; EDR effective date is no later than twelve months after the service date; Service will be furnished under the applicable standard rate schedule and the EDR, filed as a special contract with the KY Public Service Commission for a fixed term of not less than ten years and thereafter under the terms stated in the standard rate schedule.

Rate:

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts.

The first contract year = total demand charge reduced by 50%
Second contract year = total demand charge reduced by 40%
Third contract year = total demand charge reduced by 30%
Fourth contract year = total demand charge reduced by 20%
Fifth contract year = total demand charge reduced by 10%

