

WAVERLY UTILITIES-- RULES OF OPERATION

INTERRUPTIBLE GENERAL SERVICE RATE

Rate Designation: ELID

Availability

This rate will be available at the discretion of Waverly Utilities.

Letter of Agreement

Waverly Utilities' will negotiate a Letter of Agreement with any General Service customer who is willing and able to curtail all or a significant portion of their demand during times of heavy power usage in exchange for a reduced demand billing. The Letter of Agreement will specify the amount of the customer's contract demand. Service is subject to applicable terms and conditions of Waverly Utilities' electric service Rules of Operation.

Establishment of Contract Demand

Contract demand is initially established by the customer to match the total requirements of uninterrupted service. Contract demand may be increased or reduced by the customer, in writing, only in the month of May of each year in preparation for the coming summer. It is the customer's responsibility to establish the contract demand at a realistic level that will never be exceeded during periods of interruption. Should the customer exceed the contract demand during a period of interruption, the new contract demand shall be increased to be no less than the actual demand registered during the period of interruption, plus 15%, to apply for the next two years, except that the customer shall never be billed for any amount of contract demand in excess of the total monthly billing demand.

Interruptible Demand

Interruptible demand shall be the total billing demand, as established in the terms of the General Service rate schedule less the contract demand.

Demand Rate

The contract demand shall be billed at the demand rate established in the General Service rate schedule. The interruptible demand shall be at the rate established in the General Service rate schedule reduced by \$3.50 per kW.

Periods of Interruption

Interruptions of service will be at the discretion of Waverly Utilities and will include any period when the interruptible demand might potentially add to establishment of a new summer peak for Waverly Utilities. It is estimated that the number of interruptions will be less than ten per year. Waverly Utilities will provide the customer at least two hours advance notice, by telephone, for each interruption. Length of each interruption will not exceed six hours.

Metering

Waverly Utilities will install suitable metering to enable verification of actual demand during periods of interruption.