

ELECTRIC SERVICE TARIFF:

**REAL TIME PRICING - HOUR AHEAD
SCHEDULE: "RTP-HA-2"**



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AVAILABILITY:

Throughout the Company's service area from existing lines of adequate capacity to both new and existing Commercial and Industrial customers. Customers must be able to benefit from hourly price signals, furnished at least 60 minutes in advance, and maintain a peak 30-minute demand not less than 5,000 kW each month.

APPLICABILITY:

Customers choosing the RTP-HA tariff may elect to be interruptible under the criteria as stipulated in the Company's DPEC or DEC-DA riders. Customers on these riders must comply with the provisions of the riders.

Customers will be responsible to the Company for any additional cost associated with providing service on this tariff.

TYPE OF SERVICE:

Three phase, 60 hertz, at a standard voltage.

PRICING METHODOLOGY:

Customers are notified each day of forecasted electricity prices for each hour of the following day, then prices are updated each hour, sixty minutes before becoming effective. Prices are based on projections of the hourly running cost of incremental generation, provisions for losses, projections of hourly transmission costs and outage costs for each day (when applicable), and a 2 mill/kWh recovery factor. Fuel charges from incremental kWh usage are applied to the recovery of fuel cost at the current Fuel Cost Recovery (FCR) charge.

CUSTOMER BASELINE LOAD (CBL):

The CBL is initially developed using one complete calendar year of either customer-specific hourly firm load data or monthly billing determinant data that represents the electricity consumption pattern and level agreed to by the customer and Georgia Power. This CBL represents the customer's operation for billing under its conventional tariff. Changes in consumption, measured from the CBL, are billed at RTP-HA prices. The CBL is the basis for achieving revenue neutrality with the appropriate non-RTP-HA firm load tariff on a customer-specific basis. Mutual agreement on the CBL is a precondition for use of RTP-HA.

Public Service Commission Order Docket No. 18300-U provided that commercial customers whose peak kW was equal to or greater than 250 kW for each of the twelve months in 2004 were eligible to convert up to 20% of their 2004 usage to marginally priced energy under the RTP-HA tariff. As of January 5, 2005 this provision has been fully subscribed and is no longer available.

For customers with Existing Load, the CBL will initially be developed from either actual historical metered half-hourly (1/2) interval data for a customer's specific location or from a Template scaled to the actual historical monthly energy and monthly peak demands.

For customers with New Load, the CBL will initially be based on 100% of a Commercial customer's total projected load or 60% or greater of an Industrial customer's total projected load. A new Commercial or Industrial customer can establish a CBL less than its projected level provided that the customer can Demonstrate its desired CBL level or the CBL is based on a Footprint. In no case shall this CBL be less than the minimum CBL level established by Georgia Power for that specific location. Since no actual historical data exists for a new location, the CBL can be developed from a Template, or from a similar customer's load shape, scaled to the expected usage pattern of the New Load.

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NEW LOCATION CBL DEMONSTRATION

Any new customer that is not eligible to establish its CBL based upon a Footprint is required to Demonstrate. Such Demonstration must achieve the summer peak CBL kW level in one of the four summer months immediately following the point at which the customer's specific location achieves Full Load Operation under RTP. The customer will be notified one (1) hour in advance of the required Demonstration. The Demonstration will be for a period of two (2) consecutive hours. A Demonstration is successful if the average load achieved during the Demonstration period is at or below the required Demonstration level. All other attempts are considered to be unsuccessful. Once a successful Demonstration has occurred, then no further Demonstrations will be required to establish the CBL. If there are four unsuccessful attempts, the CBL level will then be reset in the next billing month, based on the lowest average level achieved during any of the four attempted Demonstrations. The CBL billing demands will also be recalculated based on this resulting CBL level.

REVENUE NEUTRALITY:

The customer's bill for existing locations under RTP-HA would approximate the customer's bill under the Company's conventional firm non-RTP tariffs, assuming the customer does not change from its prior pattern of electricity usage. Revenue neutrality with a customer's previous firm non-RTP tariff is achieved through the monthly Standard Bill portion of a customer's total RTP bill. The Standard Bill does not vary according to RTP usage. A customer's bill will vary from its conventional firm tariff bill to the extent that its usage pattern varies from its CBL.

STANDARD BILL:

The Standard Bill is calculated by applying the appropriate firm non-RTP tariff plus Environmental Compliance Cost Recovery (ECCR) and FCR charge to a customer's CBL for each month of the year. If there is a revision in base rate prices, ECCR or in the FCR, those changes will be reflected in the customer's Standard Bill based on its CBL for a given month. RTP prices are applied only to kWh usage changes from the CBL in each hour.

BILL DETERMINATION:

An RTP bill is rendered after each monthly billing period and consists of a Standard Bill amount and a charge (or credit) for incremental energy usage based on the difference between a customer's actual usage and its CBL in each hour and the hourly energy prices provided during the billing period. The monthly bill is calculated using the following formula:

$$\text{RTP-HA Bill Mo.} = \text{Standard Bill Mo.} + \sum \text{Price Hr.} \times [\text{Load Hr.} - \text{CBL Hr.}]$$

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Where:

RTP-HA Bill Mo.	=	Customer's bill for service under this tariff in a specific month
Standard Bill Mo.	=	Customer's bill for a specific month based on usage as defined by the CBL and billed under the standard firm tariff
Σ	=	Sum over all hours of the monthly billing period
Price Hr.	=	Hourly RTP-HA price based on marginal costs
Load Hr.	=	Customer's actual load in an hour
CBL Hr.	=	Customer Baseline Load shape on an hourly basis

ADMINISTRATIVE CHARGE:

An Administrative Charge of \$850 per month is required to cover billing, administrative, and communication costs associated with RTP-HA. The Company will provide a phone line to the meter in order to ensure the meter is operating properly. The customer will provide access for the phone connection.

DETERMINATION OF REACTIVE DEMAND:

Where there is a power factor of less than 95% lagging, the Company may, at its option, install metering equipment to measure Reactive Demand. The Reactive Demand shall be the highest 30-minute kVAR measured during the month. The Excess Reactive Demand shall be kVAR which is in excess of one-third of the measured actual kW in the current month. The Company will bill excess kVAR at the rate of \$0.27 per excess kVAR.

FRANCHISE FEE:

The bill calculated under this tariff will be increased under the provisions of the Company's Franchise Fee Schedule, including any applicable adjustments.

SPECIAL PROVISIONS:

A. Modifications to the Standard Bill

Whenever a change to an applicable standard tariff, ECCR or the FCR clause is approved by the Georgia Public Service Commission, the Standard Bill will be calculated to reflect such changes.

B. Price Notification and Responsibility

Georgia Power Company will make hourly energy prices available via a server, accessible by the customer's computer. Each hour's price will be provided at least 60 minutes before the price becomes effective.

The Company is not responsible for a customer's failure to receive and act upon the hourly RTP-HA prices. If a customer does not receive these prices, it is the customer's responsibility to inform the Company so the prices may be supplied.

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C. CBL Revisions

Both CBL billing demands and energy may be revised when a customer requests to increase or lower its CBL and such customer meets the criteria of this section. The CBL will not be revised due to RTP price response, economic downturn, effects of weather, or any other change not contemplated by this section. No revised CBL shall be less than the minimum CBL level determined by Georgia Power for such customer's location.

Regardless of the type of revision sought, it is the customer's responsibility to request revision of its CBL from Georgia Power within two years after the event causing the need for revision. The customer shall provide sufficient documentation to support its request. If necessary, the Company may require additional information to determine the amount of the revision. Georgia Power will only use the revised CBL billing demands and energy for future billings.

The CBL billing demands and energy may be permanently increased as requested by the customer and approved by the Company. However, the CBL may not be increased above total historical usage. Historical usage is usually considered the last twelve (12) months of operation. In addition, the off-peak portion of the CBL load shape will not be increased without a corresponding increase to the on-peak CBL. This methodology is required so as to continue the overall load factor and hours use of demand relationship that exists within the prior CBL load shape. Once the requested CBL increase is made, the customer's CBL will only be lowered if such customer meets the criteria for lowering a CBL as described below.

The CBL billing demands and energy may be permanently decreased when the customer reduces its load by energy efficient improvements; equipment removal or disabling; or permanent changes in operation (e.g., altering manufacturing or industrial processes, reducing operations from three shifts to two, removal of a piece of machinery, or installing more efficient lighting systems). In such instances, the CBL energy and CBL actual demands, as well as the billing demands under the CBL, will be revised to reflect the change in usage pattern. The revised CBL shall not be less than the minimum CBL determined by Georgia Power based on costs to serve.

For load removal, the customer's request for revision must include a list of equipment removed or replaced, the hours and days of operation and whether the load existed when the CBL was established. If equipment is replaced with equipment of like kind, only the net reduction in demand and energy usage will be used in revising the CBL. If the customer was a former Supplemental Energy (SE) customer, the customer's request for revision must also provide information as to whether the load removed was used in meeting curtailment levels during former SE calls for curtailment. The CBL billing demands and energy will be revised based upon the amount of usage that was removed and that was also considered firm usage (non-SE) during SE curtailments.

For a CBL previously established for a new customer, only a portion of the requested load reduction will be removed from the CBL. The amount of the actual reduction will equal the requested load reduction amount multiplied by the percentage that the initial CBL is to the initial projected load.

If an existing RTP customer, without approved load removal, wants to establish a lower CBL level, the customer must come off RTP for a full calendar year to establish the new usage pattern that will then become their CBL level. The Company will establish a minimum level for this CBL based on costs to serve.

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DEFINITIONS:

- A. "New Load" means load not previously served by Georgia Power at any specific location; or load at a specific location where such location has been vacant for at least twelve (12) months; or load at a specific location that has been vacant less than twelve (12) months, provided that the operation is not similar in nature to the previous operation which occurred at that location.
- B. "Existing Load" means load not defined in A.
- C. "Customer Baseline Load" or "CBL" refers to the portion of a customer's load which will be billed under a conventional firm tariff.
- D. "Incremental Load" means New Load consumed by a customer which exceeds the CBL established for such customer's specific location.
- E. "Demonstrate" or "Demonstration" refers to a method by which a new Commercial customer may establish a CBL at less than 100% of its projected load, or a new Industrial customer may establish a CBL at less than 60% of its projected load.
- F. "Footprint" refers to the CBL load shape of an existing customer that may be used to develop the CBL for such customer's new locations, as long as such CBL was initially established by the Demonstration method, and where such customer uses similar facilities in terms of basic design and energy requirements, including equipment used by the Demonstration customer to shed load during its Demonstration.
- G. "Template" means generic load shapes that can be scaled to projected or actual monthly energy and monthly peak demand.
- H. "Full Load Operation" refers to operations once all equipment and processes used in determining the total load and the CBL are fully operational.

TERM OF CONTRACT:

Five (5) years.

GENERAL TERMS & CONDITIONS:

The bill calculated under this tariff is subject to change in such an amount as may be approved and/or amended by the Georgia Public Service Commission under the provisions of applicable riders and other schedules.

Service hereunder subject to Rules and Regulations for Electric Service on file with the Georgia Public Service Commission.