

**APPALACHIAN POWER COMPANY**

**VA. S.C.C. TARIFF NO. 25**

**OPTIONAL RIDER E.D.R.  
(Economic Development Rider)**

**AVAILABILITY OF SERVICE**

In order to encourage economic development in the Company's service area, limited-term reductions in billing demands described herein are offered to qualifying new and existing retail customers who make application for service under this Rider.

Service under this Rider is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. Availability is limited to customers on a first-come, first-served basis for loads aggregating 250 MW. This Rider is available to commercial and industrial customers served under Standard Tariff L.P.S. who meet the following requirements:

- (1) A new customer must have a billing demand of 1,000 kW or more. An existing customer must increase billing demand by 1,000 kW or more over the maximum billing demand during the 24 months prior to the date of the application by the customer for service under this Rider (Base Maximum Billing Demand).
- (2) A new customer, or the expansion by an existing customer, must result in the creation of new jobs maintained over the contract term at the service location. Company reserves the right to verify job counts. Failure to demonstrate the creation of new employment positions and to maintain the employment during the contract term will result in the termination of the contract or agreement addendum for service under this Rider.
- (3) The customer must demonstrate to the Company's satisfaction that, absent the availability of this Rider, the qualifying new or increased demand would be located outside of the Company's service territory or would not be placed in service due to poor operating economics.

**TERMS AND CONDITIONS**

- (1) To receive service under this Rider, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service.
- (2) For new customers, billing demands for which deductions will be applicable under this Rider shall be for service at a new service location and not merely the result of a change of ownership. Relocation of the delivery point of the Company's service, moving existing equipment from another AEP-served location or load transfers from another AEP-served location do not qualify as a new service location.
- (3) For existing customers, billing demands for which deductions will be applicable under this Rider shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place during the 24-month period prior to the date of the application by the customer for service under this Rider, the monthly billing demands during the 24-month period shall be adjusted as appropriate to eliminate the effects of such occurrence.
- (4) All demand adjustments offered under this Rider shall be applicable for a maximum of five years.
- (5) The existing local facilities of the Company must be deemed adequate, in the judgment of the Company, to supply the new or expanded electrical capacity requirements of the customer. If construction of new or expanded local facilities by the Company is required; the customer may be required to make a contribution-in-aid of construction for the installed cost of such facilities pursuant to the provisions of the Company's Terms and Conditions of Service.

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**VA. S.C.C. TARIFF NO. 25**

**OPTIONAL RIDER E.D.R.  
(Economic Development Rider)  
(continued)**

**DETERMINATION OF MONTHLY ADJUSTED BILLING DEMAND**

The qualifying incremental billing demand shall be determined as the amount by which the billing demand, as determined according to Tariff L.P.S. for the current billing period without this Rider, exceeds the Base Maximum Billing Demand. Such incremental billing demand shall be considered to be zero, however, unless it is at least 1,000 kW for new customers or existing customers.

The monthly adjusted billing demand under this Rider shall be the billing demand as determined according to Tariff L.P.S. for the current billing period without this Rider less the product of the qualifying incremental billing demand and the applicable Adjustment Factor.

No Adjustment Factors shall be applied to any portion of minimum billing demands as calculated under Tariff L.P.S.

**DETERMINATION OF ADJUSTMENT FACTOR**

Standard New Development Customers – customers meeting all availability and terms and conditions above shall contract for service for a period of five (5) years with an Adjustment Factor of twenty-five percent (25%).

Urban Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in an existing building that has been unoccupied and/or has remained dormant for two or more years as determined by the Company, and (2) taking delivery at one point that does not require significant distribution or transmission system investment, other than the connection of service, shall contract for service for a period of five (5) years with an Adjustment Factor of thirty percent (30%).

Brownfield Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in qualifying Brownfield redevelopment areas, as defined under Virginia or Federal law, (2) are served by existing APCo service lines, and (3) have been vacant for more than two years, shall contract for service for a period of five (5) years with an Adjustment Factor of thirty-five percent (35%).

The appropriate adjustment factor shall be applicable over a period of 60 consecutive billing months beginning with the first such month following the end of the start-up period. The start-up period shall commence with the effective date of the contract addendum for service under this Rider and shall terminate by mutual agreement between the Company and the customer.

In no event shall the start-up period exceed 12 months.

**TERMS OF CONTRACT**

A contract or agreement addendum for service under this Rider, in addition to service under Tariff L.P.S., shall be executed by the customer and the Company for the time period which includes the start-up period and the three-year period immediately following the end of the start-up period. The contract addendum shall specify the Base Maximum Billing Demand, the anticipated total demand, the Adjustment Factor and related provisions to be applicable under this Rider, and the effective date for the contract addendum.

The customer may discontinue service under this Rider before the end of the contract or agreement addendum only by reimbursing the Company for any demand adjustments received under this Rider billed at the applicable rate.

**SPECIAL TERMS AND CONDITIONS**

Except as otherwise provided in this Rider, written agreements shall remain subject to all of the provisions of the applicable tariff. This Rider is subject to the Company's Terms and Conditions of Service.

## APPALACHIAN POWER COMPANY

### VA. S.C.C. TARIFF NO. 25

#### OPTIONAL RIDER N.M.S. (Net Metering Service Rider)

##### DEFINITIONS-Cont.

"Net Metering Customer" means a customer owning and operating, or contracting with other persons to own or operate, or both, a Renewable Fuel Generator having an aggregate generation capacity of not more than 20 kW (alternating current) for residential customers and not more than 1MW (alternating current) for nonresidential customers under a net metering service arrangement.

"Net Metering Period" means such successive 12-month period beginning with the first meter reading date following the final interconnection of a customer's generating facility consisting of one or more Generators with the electric distribution company's distribution facilities.

"Net Metering Service" means providing retail electric service to a customer operating an Agricultural Renewable Fuel Generating facility or a Net Metering Customer operating a Renewable Fuel Generating facility and measuring the difference, over the Net Metering Period, between electricity supplied to the customer from the electric grid and the electricity generated and fed back to the electric grid by the customer.

"Person" means any individual, sole proprietorship, corporation, limited liability company, partnership, association, company, business, trust, joint venture, or other private legal entity and the Commonwealth or any city, county, town, or other political subdivision of the Commonwealth.

"Renewable Energy Certificate (REC)" represents the renewable energy attributes associated with the production of one megawatt-hour (MWh) of electrical energy by a Generator.

"Renewable Fuel Generator" is an electrical generating facility which complies with all of the following requirements:

- (a) uses as its total source of fuel, renewable energy, as defined in § 56-576 of the Code of Virginia. "Renewable energy" currently means energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass;
- (b) the Net Metering Customer's facility is located on the customer's premises and is connected to the Net Metering Customer's wiring on the Net Metering Customer's side of the interconnection with the Company;
- (c) is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
- (d) is intended primarily to offset all or part of the Net Metering Customer's own electricity requirements.

##### CONDITIONS OF SERVICE

###### A. Notification

1. A residential customer shall notify and receive approval to interconnect prior to installation or adding to an electrical generating facility via the commission-approved Interconnection Form (Form NMIN). The Company shall have thirty (30) days from the date of notification to determine whether the requirements contained in 20VAC5-315-40 have been met. A nonresidential customer shall notify and receive approval to interconnect prior to installation or adding an electrical generating facility via the commission approved Interconnection Form. The Company shall have 60 days from the date of notification to determine whether the requirements contained in 20VAC5-315-40 have been met. The submission may either be directly to the Company or by mail. All sections that require the Company's review, including appropriate signatures, of the Interconnection Form must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Interconnection Form. The Company shall provide a copy of the Interconnection Form to the customer upon request.