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Agenda Item Number

CITY COUNCIL AGENDA ITEM COVER MEMO

FOR AGENDA OF COUNCIL MEETING/WORK SESSION - DATE : September 13, 2012

ACTION REQUESTED BY: Huntsville Utilities

SUBJECT MATTER : Electric Rate Increase

EXACT WORDING FOR AGENDA: Resolution authorizing the Mayor to execute a proposed Agreement with TVA, covering the City of Huntsville's wholesale and retail rates effective October 1, 2012 (Utilities: Electric)

ORDINANCE: X **RESOLUTION:** **MOTION:**

(IF AMENDMENT, STATE TITLE AND NUMBER OF ORIGINAL): N/A

ITEM IS TO BE CONSIDERED FOR:

INTRODUCTION: **ACTION:** X **DISCUSSION:**

UNANIMOUS CONSENT REQUIRED? No

BRIEFLY STATE WHY THE ACTION IS REQUESTED; WHY IT IS RECOMMENDED OR NOT RECOMMENDED; WHAT COUNCIL ACTION WILL PROVIDE, ALLOW, OR ACCOMPLISH; ANY ASSOCIATED COST; BUDGETED (?); AND ANY OTHER INFORMATION THAT YOU THINK MIGHT BE HELPFUL. Approval of this resolution will allow the Mayor to execute the TVA Rate Change Agreement for Wholesale and Retail Rates effective October 1, 2012.

MAYOR RECOMMENDS OR CONCURS? YES _____ **NO** _____ **N/A** _____

SIGNATURE: William C. Pippin, President & CEO DATE: August 24, 2012

RESOLUTION NO. 12-_____

WHEREAS, the City of Huntsville, Alabama (hereinafter referred to as Distributor), and Tennessee Valley Authority (hereinafter referred to as TVA), did heretofore enter into a contract dated May 26, 1980 (which contract, as amended and supplemented, is hereinafter called the Power Contract); and

WHEREAS, the parties entered into an agreement dated April 1, 2011, which placed into effect a wholesale rate schedule and resale rate schedules; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to place into effect an optional wholesale and resale rate schedules and in certain other respects; and

WHEREAS, there is now presented to the City Council of the City of Huntsville, Alabama, an agreement instituting the wholesale and resale rate schedules effective October 1, 2012 with the representation that the said agreement has been approved by the Huntsville Electric Utility Board.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that it does approve the aforesaid Agreement and Tommy Battle, as Mayor of the City of Huntsville, Alabama, be, and the he is authorized to execute said agreement for and on behalf of the City of Huntsville, Alabama, and the Clerk-Treasurer be and he is hereby authorized to attest the same and to affix thereto the seal of the City of Huntsville, Alabama, all in as may counterparts as may be necessary.

BE IT FURTHER RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into an agreement by and between the City of Huntsville and the Tennessee Valley Authority on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Agreement between City of Huntsville, Alabama, and Tennessee Valley Authority," consisting of 32 pages and the date of _____, 2012, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the _____ day of _____, 2012.

_____
President of the City Council of
The City of Huntsville, Alabama

APPROVED this the _____ day of _____, 2012.

_____
Mayor of the City of Huntsville, Alabama

August Board

Tennessee Valley Authority, Post Office Box 1010, Muscle Shoals, Alabama 35662-1010

July 24, 2012

Mr. William C. Pippin
President and Chief Executive Officer
Huntsville Utilities
Post Office Box 2048
Huntsville, Alabama 35804-2048

Dear Bill:

Enclosed for your review and execution are three duplicate originals of a proposed rate change agreement covering the City of Huntsville's wholesale and retail rates effective October 1, 2012.

Please note that the resale charges to your customers will be the sum of the base charges in the proposed schedules(s) and the corresponding resale rate adjustment amounts set forth in the Supplementary Adjustment Addendum (including the applicable FCA amounts).

Also, please note that the agreement will be dated by TVA at the time it is presented for TVA's execution to specify a mutually acceptable effective date of the agreement.

Please execute all originals of the agreement and return them to me for further handling by TVA as soon as possible. Two fully executed originals of the agreement will be returned to you for your files.

If you have any questions concerning the enclosed agreement, please contact me.

Sincerely,

Kevin

Kevin C. Chandler
Senior Customer Service Manager

Enclosures

Printed on recycled paper

AGREEMENT
Between
CITY OF HUNTSVILLE, ALABAMA
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2012 TV-54501A, Supp. No. 110

THIS AGREEMENT, made and entered into between CITY OF HUNTSVILLE, ALABAMA (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Alabama, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated May 26, 1980, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor have entered into an agreement dated April 1, 2011, which placed into effect a wholesale rate schedule (Existing Wholesale Schedule) and resale rate schedules; and

WHEREAS, TVA has approved optional wholesale schedules designated as Wholesale Power Rate--Schedule WS-MTOU (Schedule WS-MTOU) and Wholesale Power Rate--Schedule WS-MDE (Schedule WS-MDE); and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to place into effect an optional wholesale schedule;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first written above. Except as otherwise provided in 2.2 below, it shall continue in effect until the earlier of (a) the expiration or termination of the Power Contract or (b) implementation of the next Rate Change as provided in the Power Contract's Schedule of Terms and Conditions.

SECTION 2 - OPTIONAL WHOLESALE RATE SCHEDULE

2.1 Implementation of Optional Wholesale Rate. The parties hereby agree that (a) the Existing Wholesale Schedule shall remain in full force and effect for all bills

rendered from wholesale meter readings scheduled to be taken before October 2, 2012, and (b) Schedule WS-MTOU (the "Optional Wholesale Schedule" attached as Exhibit A and made a part of this agreement) shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2, 2012. Commencing with the first application of the Optional Wholesale Schedule, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to the Optional Wholesale Schedule.

Further, the parties agree that while the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2011, is in effect, the adjustments applicable to Schedule WS-TOU shall apply to the Optional Wholesale Schedule. It is expressly recognized that the rates provided for in the Optional Wholesale Schedule shall be subject to the provisions of the Terms and Conditions of the Power Contract entitled "Adjustment and Change of Wholesale Rate and Resale Rates."

2.2 Termination of Optional Wholesale Rate.

(a) The Optional Wholesale Schedule may be terminated by TVA in October of any year upon at least 12 months' prior written notice. In such case, Schedule WS-TOU shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2 of the year specified in such termination notice. Thereafter, all references in the Power Contract to any wholesale schedule shall be deemed to refer to Schedule WS-TOU.

(b) The election of the Optional Wholesale Schedule may be terminated by Distributor in October of any year by providing TVA at least 45 days' written notice prior to October 1 of that year. Unless TVA and Distributor agree otherwise in writing, Schedule WS-TOU shall become effective for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2 of said year.

2.3 Resale Rate Schedule Substitution. Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached as Exhibit B, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect. The new resale rate schedules shall become effective in accordance with the provisions thereof for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2012 revenue month. It is expressly recognized that the adjustments set forth in the currently effective Adjustment Addendum shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:
Residential Rate--Schedule RS (October 2012)
General Power Rate--Schedule GSA (October 2012)
Time-of-Use General Power Rate--Schedule TGSA (October 2012)
Outdoor Lighting Rate--Schedule LS (October 2012)

(b) Existing resale rate schedules:
Residential Rate--Schedule RS (October 2011)
General Power Rate--Schedule GSA (October 2011)
Time-of-Use General Power Rate--Schedule TGSA (October 2011)
Outdoor Lighting Rate--Schedule LS (October 2011)

Commencing with the first application of the new resale rate schedules, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

CITY OF HUNTSVILLE, ALABAMA

By _____
Title:

TENNESSEE VALLEY AUTHORITY

By _____
Title:

EXHIBIT A

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WS-MTOU
(October 2012)

Availability

Firm power available under long-term contracts with, and for distribution and resale by, States, counties, municipalities, and cooperative organizations of citizens or farmers, all referred to herein as "Distributor."

Base Charges

Delivery Point Charge: $1,500 for one delivery point to Distributor per month and

$2,000 for each additional delivery point to Distributor per month

Demand and Energy Charges:

Power and energy taken hereunder shall be billed according to the charges set out in the Standard Service subsection below except that, for any power and energy taken by Distributor for resale to one or more customers whose contract demands are greater than 5,000 kW, as well as customers served under schedules TDGSA and TDMSA, if applicable (collectively, Large Customers), the charges set out in the TOU Service or the Seasonal Demand and Energy Service subsection below shall be applied to the portion of the power and energy so resold by Distributor each month under each of the resale rate schedules (Resale Schedules) referred to in the TOU Service or the Seasonal Demand and Energy Service subsection, in accordance with their availability provisions (including any necessary certifications from such customers, which Distributor shall provide to TVA). Terms used in the TOU Service and Seasonal Demand and Energy Service subsections shall have the same meaning as they have in the corresponding Resale Schedules. The remaining power and energy, if any, taken by Distributor and determined as provided for below in the section of this schedule entitled "Determination of Standard Service Demand and Energy Billing Amounts" shall be billed under the charges set out in Standard Service subsection below.

Notwithstanding the provisions set out in the paragraph above (Standard Billing Arrangement), Distributor may elect an alternative arrangement (Alternate Billing Arrangement) under which power and energy taken by Distributor for resale to Large Customers shall be billed in accordance with the charges set out in the Standard Service subsection below (in lieu of the charges set out in the TOU Service and Seasonal Demand and Energy Service subsections below). Distributor may change its election of billing arrangements commencing with the October billing month of any year by giving TVA at least 45 days' prior written notice. Except as otherwise provided herein, Distributor's election of either the Standard Billing Arrangement or the Alternate Billing Arrangement shall apply to all Large Customers. If Distributor has elected the Alternate Billing Arrangement and it acquires a new Large Customer, Distributor may choose to apply the Standard Billing Arrangement to the new customer; provided, however, that the Standard Billing Arrangement shall then apply to all Large Customers beginning with the following October billing month.

Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance

with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

STANDARD SERVICE

Demand Charge:	Summer Period	$8.83 per kW of Billing Demand per month
	Winter Period	$8.04 per kW of Billing Demand per month
	Transition Period	$8.04 per kW of Billing Demand per month
Non-Fuel Energy Charge:	Summer Period	3.301¢ per kWh per month (as adjusted by TOU Amount below)
	Winter Period	3.020¢ per kWh per month (as adjusted by TOU Amount below)
	Transition Period	2.908¢ per kWh per month

TOU Amounts to be added to Non-Fuel Energy Charge:

Summer Period	
Onpeak:	1.500¢ per kWh per month
Offpeak:	-0.700¢ per kWh per month
Winter Period	
Onpeak:	0.800¢ per kWh per month
Offpeak:	-0.200¢ per kWh per month

The above TOU Amounts shall not be subject to adjustment under Adjustment 1 below.

TOU SERVICE

General Power Service

Schedule GSB

Administrative Charge: $350 per delivery point per month

Demand Charge:

Summer Period	$14.00 per kW of metered onpeak demand per month
	$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	$ 7.56 per kW of metered onpeak demand per month
	$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSC

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$14.00 per kW of metered onpeak demand per month
	$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	$ 7.56 per kW of metered onpeak demand per month
	$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	6.186¢ per kWh per month for all metered onpeak kWh
	3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.475¢ per kWh per month for all metered onpeak kWh
	3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.132¢ per kWh per month for the first 425 hours use of maximum metered demand
	1.439¢ per kWh per month for the next 195 hours use of maximum metered demand
	0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: $350 per delivery point per month

Demand Charge:

Summer Period
$14.00 per kW of metered onpeak demand per month
$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period
$ 7.56 per kW of metered onpeak demand per month
$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period
$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period
6.048¢ per kWh per month for all metered onpeak kWh
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period
3.258¢ per kWh per month for all metered onpeak kWh
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge: $350 per delivery point per month

Demand Charge:

Summer Period
$14.00 per kW of metered onpeak demand per month
$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period
$ 7.56 per kW of metered onpeak demand per month
$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period
$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period
6.512¢ per kWh per month for all metered onpeak kWh
3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule MSB

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$14.00 per kW of metered onpeak demand per month
	$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	$ 7.56 per kW of metered onpeak demand per month
	$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	5.136¢ per kWh per month for all metered onpeak kWh
	2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.415¢ per kWh per month for all metered onpeak kWh
	2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
	0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
	-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSC

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$14.00 per kW of metered onpeak demand per month $ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	$ 7.56 per kW of metered onpeak demand per month $ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	5.211¢ per kWh per month for all metered onpeak kWh 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.428¢ per kWh per month for all metered onpeak kWh 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.016¢ per kWh per month for the first 425 hours use of maximum metered demand 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$14.00 per kW of metered onpeak demand per month $ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	$ 7.56 per kW of metered onpeak demand per month $ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	5.060¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

	-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.262¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	1.868¢ per kWh per month for the first 425 hours use of maximum metered demand 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$14.00 per kW of metered onpeak demand per month $ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	$ 7.56 per kW of metered onpeak demand per month $ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	5.136¢ per kWh per month for all metered onpeak kWh 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.415¢ per kWh per month for all metered onpeak kWh 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.029¢ per kWh per month for the first 425 hours use of maximum metered demand 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule SGSB

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$18.61 per kW of metered demand per month
Winter Period	$12.90 per kW of metered demand per month
Transition Period	$ 8.61 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	2.224¢ per kWh per month
Winter Period	1.853¢ per kWh per month
Transition Period	1.772¢ per kWh per month

Schedule SGSC

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$18.61 per kW of metered demand per month
Winter Period	$12.90 per kW of metered demand per month
Transition Period	$ 8.61 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	2.235¢ per kWh per month
Winter Period	1.857¢ per kWh per month
Transition Period	1.777¢ per kWh per month

Schedule SGSD

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$21.83 per kW of metered demand per month
Winter Period	$16.11 per kW of metered demand per month
Transition Period	$11.83 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	1.598¢ per kWh per month
Winter Period	1.268¢ per kWh per month
Transition Period	1.196¢ per kWh per month

Manufacturing Service

Schedule SMSB

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$15.99 per kW of metered demand per month
Winter Period	$10.28 per kW of metered demand per month
Transition Period	$ 5.99 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	1.532¢ per kWh per month
Winter Period	1.113¢ per kWh per month
Transition Period	1.016¢ per kWh per month

Schedule SMSC

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$15.99 per kW of metered demand per month
Winter Period	$10.28 per kW of metered demand per month
Transition Period	$ 5.99 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	1.505¢ per kWh per month
Winter Period	1.112¢ per kWh per month
Transition Period	1.018¢ per kWh per month

Schedule SMSD

Administrative Charge:	$350 per delivery point per month
Demand Charge:	
Summer Period	$18.61 per kW of metered demand per month
Winter Period	$12.90 per kW of metered demand per month
Transition Period	$ 8.61 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	0.862¢ per kWh per month
Winter Period	0.548¢ per kWh per month
Transition Period	0.472¢ per kWh per month

Adjustments

1. The base demand and energy charges in this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract $1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent

that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such a bill involves a customer served under a resale schedule that provides for a different onpeak and offpeak billing demand, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand. When such a bill involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for

each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of $1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of $1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of Standard Service be from 12 p.m. to 8 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours.

Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service onpeak energy for any month of a Winter Period or Summer Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points during the Standard Service onpeak hours less the sum of the energy amounts used under said TOU Service and Seasonal Demand and Energy Service subsections in said Standard Service onpeak hours of that month. The Standard Service offpeak energy for any month of a Winter Period or Summer Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points during the Standard Service offpeak hours less the sum of

the energy amounts used under said TOU Service and Seasonal Demand and Energy Service subsections in said Standard Service offpeak hours of that month.

The Standard Service Energy for any month of a Transition Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

EXHIBIT B

HUNTSVILLE UTILITIES

RESIDENTIAL RATE--SCHEDULE RS

(October 2012)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: $10.48 per month, less

Hydro Allocation Credit: $1.60 per month

Energy Charge:

Summer Period

First 1,400 kWh per month, at 5.911¢ per kWh

Next 1,600 kWh per month, at 6.725¢ per kWh

Additional kWh per month, at 6.725 per kWh

Winter Period

First 1,400 kWh per month, at 5.631¢ per kWh

Next 1,600 kWh per month, at 6.445¢ per kWh

Additional kWh per month, at 6.445 per kWh

Transition Period

First 1,400 kWh per month, at 5.443¢ per kWh

Next 1,600 kWh per month, at 6.258¢ per kWh

Additional kWh per month, at 6.258¢ per kWh

Adjustment

The base energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

HUNTSVILLE UTILITIES

GENERAL POWER RATE--SCHEDULE GSA

(October 2012)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

   Customer Charge: $11.39 per delivery point per month

   Energy Charge:

Summer Period	7.042¢ per kWh per month
Winter Period	6.766¢ per kWh per month
Transition Period	6.578¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

   Customer Charge: $53.87 per delivery point per month

   Demand Charge:

Summer Period	First 50 kW of billing demand per month, no demand charge
	Excess over 50 kW of billing demand per month, at $10.31 per kW
Winter Period	First 50 kW of billing demand per month, no demand charge
	Excess over 50 kW of billing demand per month, at $9.48 per kW
Transition Period	First 50 kW of billing demand per month, no demand charge
	Excess over 50 kW of billing demand per month, at $9.48 per kW

Energy Charge:

Summer Period	First 15,000 kWh per month at 7.202¢ per kWh
	Additional kWh per month at 3.473¢ per kWh
Winter Period	First 15,000 kWh per month at 6.914¢ per kWh
	Additional kWh per month at 3.201¢ per kWh
Transition Period	First 15,000 kWh per month at 6.732¢ per kWh
	Additional kWh per month at 3.087¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: $153.92 per delivery point per month

Demand Charge:

Summer Period	First 1,000 kW of billing demand per month, at $10.49 per kW
	Excess over 1,000 kW of billing demand per month, at $10.31 per kW, plus an additional
	$10.31 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand
Winter Period	First 1,000 kW of billing demand per month, at $9.66 per kW
	Excess over 1,000 kW of billing demand per month, at $9.48 per kW, plus an additional
	$9.48 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand
Transition Period	First 1,000 kW of billing demand per month, at $9.66 per kW
	Excess over 1,000 kW of billing demand per month, at $9.48 per kW, plus an additional
	$9.48 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Energy Charge:

Summer Period	3.606¢ per kWh per month
Winter Period	3.334¢ per kWh per month
Transition Period	3.220¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge determined as follows:

(a) Under 1 of the Base Charges, said charge shall be equal to 1.00¢ per kWh per month.

(b) Under 2 and 3 of the Base Charges, said charge shall be equal to 1.00¢ per kWh per month of the lesser of (A) the amount computed by multiplying 300 hours by the customer's billing demand or (B) the customer's energy takings for the month, except in the case under 2 where the customer's billing demand is less than 50 kW, in which case said charge shall be equal to 1.00¢ per kWh for the first 15,000 kWh of the customer energy takings for the month.

Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the exception language under the Determination of Demand section and the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

HUNTSVILLE UTILITIES

TIME-OF-USE GENERAL POWER RATE--SCHEDULE TGSA

(October 2012)

Availability

This rate shall be available for the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

   Customer Charge: $11.39 per delivery point per month

   Energy Charge:

Summer Period	8.542¢ per kWh per month for all onpeak kWh, plus
	6.342¢ per kWh per month for all offpeak kWh
Winter Period	7.566¢ per kWh per month for all onpeak kWh, plus
	6.566¢ per kWh per month for all offpeak kWh
Transition Period	6.578¢ per kWh per month for all kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is not more than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

   Customer Charge: $53.87 per delivery point per month

   Demand Charge:

Summer Period	First 50 kW of billing demand per month, no demand charge
	Excess over 50 kW of billing demand per month, at $10.31 per kW
Winter Period	First 50 kW of billing demand per month, no demand charge
	Excess over 50 kW of billing demand per month, at $9.48 per kW
Transition Period	First 50 kW of billing demand per month, no demand charge
	Excess over 50 kW of billing demand per month, at $9.48 per kW

Energy Charge:

Summer Period	8.702¢ per kWh per month for all onpeak kWh, plus
	6.502¢ per kWh per month for all offpeak kWh
Winter Period	7.714¢ per kWh per month for all onpeak kWh, plus
	6.714¢ per kWh per month for all offpeak kWh
Transition Period	6.732¢ per kWh per month for all kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: $153.92 per delivery point per month

Demand Charge:

Summer Period	First 1,000 kW of billing demand per month, at $10.49 per kW
	Excess over 1,000 kW of billing demand per month, at $10.31 per kW, plus an additional
	$10.31 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand
Winter Period	First 1,000 kW of billing demand per month, at $9.66 per kW
	Excess over 1,000 kW of billing demand per month, at $9.48 per kW, plus an additional
	$9.48 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand
Transition Period	First 1,000 kW of billing demand per month, at $9.66 per kW
	Excess over 1,000 kW of billing demand per month, at $9.48 per kW, plus an additional
	$9.48 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge:

Summer Period	5.106¢ per kWh per month for all onpeak kWh, plus
	2.906¢ per kWh per month for all offpeak kWh
Winter Period	4.134¢ per kWh per month for all onpeak kWh, plus
	3.134¢ per kWh per month for all offpeak kWh
Transition Period	3.220¢ per kWh per month for all kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 12 p.m. to 8 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, (c) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (d) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge determined as follows:

(a) Under 1 of the Base Charges, said charge shall be equal to 1.00¢ per kWh per month.

(b) Under 2 and 3 of the Base Charges, said charge shall be equal to 1.00¢ per kWh per month of the lesser of (A) the amount computed by multiplying 300 hours by the customer's billing demand or (B) the customer's energy takings for the month, except in the case under 2 where the customer's billing demand is less than 50 kW, in which case said charge shall be equal to 1.00¢ per kWh for the first 15,000 kWh of the customer energy takings for the month.

Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the exception language under the Determination of Demand section and the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

HUNTSVILLE UTILITIES

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2012)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge:

Summer Period	4.360¢ per kWh per month
Winter Period	4.068¢ per kWh per month
Transition Period	3.886¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 14 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of $2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.

B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) Type of Fixture	Lamp Size (Watts)	Lamp Size (Lumens)	Rated kWh	Facility Charge
Mercury Vapor or Incandescent	175	7,650	70	$2.71
	250	10,400	98	$3.21
	400	19,100	155	$4.06
	700	33,600	266	$5.48
	1,000	47,500	378	$6.98
High Pressure Sodium	70	4,860	31	$3.85
	100	8,550	42	$4.12
	150	14,400	63	$4.24
	200	18,900	82	$4.61
	250	23,000	105	$4.87
	400	45,000	165	$5.78
	1,000	126,000	385	$9.24
Low Pressure Sodium	55	7,650	32	$3.87
	90	12,750	53	$6.44
	135	22,000	75	$8.49
	180	33,000	93	$9.64

(b) Energy Charge: For each lamp size under (a) above,

Summer Period	4.360¢ per kWh per month
Winter Period	4.068¢ per kWh per month
Transition Period	3.886¢ per kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject to Rules and Regulations of Distributor.