

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding dated _____ is between Hanwha Advanced Materials Georgia Inc. and the City of Cartersville, a Georgia municipal corporation.

Hanwha Advanced Materials Georgia Inc., located at 751 Great Valley Parkway in Bartow County, has requested the City of Cartersville submit a Memorandum of Understanding with the City's proposal to provide electric service to Hanwha Advanced Materials Georgia Inc.

The City of Cartersville will honor the following related to monthly charges for electric consumption:

- Hanwha Advanced Materials Georgia Inc. will be charged 60% of the applicable rate(s) for a period of five (5) years, beginning with the month immediately following the full execution of this Memorandum of Understanding.
- After the fifth year, Hanwha Advanced Materials Georgia Inc. will be charged 70% of the applicable rate(s) for the sixth year.
- After the sixth year, Hanwha Advanced Materials Georgia Inc. will be charged 80% of the applicable rate(s) for the seventh year.
- After the seventh year, Hanwha Advanced Materials Georgia Inc. will be charged 90% of the applicable rate(s) for the eighth year.
- After the eighth year, Hanwha Advanced Materials Georgia Inc. will be charged the standard applicable rate(s) with no discounts and/or incentives applied.

The City of Cartersville will utilize existing riders and/or tariffs, including but not limited to, the attached examples which are current as of the date of this Agreement to determine pre-incentive costs.

Approved by Cartersville City Council on this _____ day of _____, 2024.

Mayor Matthew J. Santini
City of Cartersville

ATTEST: _____
Julia Drake
City Clerk

Approved by Hanwha Advanced Materials Georgia Inc. on this ____ day of _____, 2024.

Signed: _____

Printed: _____

Title: _____

DIVISION 9. MULTIPLE BILLING DEMAND RIDER; SCHEDULE MBD-4

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
1 of 1	Bills rendered on or after March 19, 2012	

AVAILABILITY:

- Available to a qualifying customer only with the approval of the City of Cartersville Electric System (CES) on a case-by-case basis in all areas served by CES and subject to CES's service rules and regulations.

APPLICABILITY:

- Applicable to existing customers where the following criteria are met:
 - Customer must have acceptable credit history and payment record.
 - Customer takes service on one (1) or more of the following tariffs: LP, XLP or other tariffs as deemed applicable by CES.
 - Customers yearly average load factor is greater than or equal to fifty (50) percent.

PURPOSE:

- To combine readings of multiple electric meters at multiple service locations so that for billing purposes there is only one (1) meter and service point. CES tariffs are based on electric service delivered at one (1) point; therefore, CES will bill the rate in this rider to any qualifying customer who has more than one (1) service point to cover additional labor and maintenance costs incurred to accommodate such service.

MONTHLY RATE:

- Administrative charge\$150.00

TERMS AND CONDITIONS:

- Service under this rider will only be used with the approval of, and at the sole discretion of, CES and is subject to the following:
 - Type, extent and location of additional service points and/or metering points will be determined by CES.
 - Customer is responsible for all costs associated in accommodating service under this rider.
- Service under this rider may be discontinued if, in the opinion of CES, the customer violates any of the following:
 - Any two (2) payments for electric service are not delivered in full by the date due as stated on customer's monthly bill.
 - Any two (2) payments for charges under this rider are not delivered in full by the date due as stated on customer's monthly bill.
 - Customer's load factor drops below fifty (50) percent.
 - Electric service furnished is resold.
 - Character of service does not meet criteria of this rider.



DIVISION 12. FUTURE CONSTRUCTION CHARGE RIDER; SCHEDULE FCC-1

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
1 of 1	Bills rendered on or after July 3, 2024	

APPLICABILITY:

- Applicable to all electric tariffs of the City of Cartersville Electric System (CES) wherein the Future Construction Charge Rider is referenced.

PURPOSE:

- To recover from retail electric customers the cost of financing associated with the construction of generation and/or transmission facilities

MONTHLY RATE:

- The base electric rate tariffs shall be increased by a percentage amount. The base electric rate is the sum of the Administration Charge, Demand Charge, and Energy Charge.

EVALUATION:

- The future construction cost will be reviewed annually, and the Future Construction Charge (FCC) shall be reviewed and modified as necessary by the Electric Director



DIVISION 13. ENVIRONMENTAL COMPLIANCE CHARGE RIDER, ECC-1

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
1 of 1	Bills rendered on or after July 3, 2024	

APPLICABILITY:

- Applicable to all electric tariffs of the City of Cartersville Electric System (CES) wherein the Environmental Compliance Charge Rider is referenced.

PURPOSE:

- To recover from retail electric customers the cost of capital and operations and maintenance associated with government mandated environmental requirements at generation and/or transmission facilities.

MONTHLY RATE:

- The base electric rate tariffs shall be increased by a percentage amount. The base electric rate is the sum of the Administration Charge, Demand Charge, and Energy Charge.

EVALUATION:

- The environmental compliance cost will be reviewed annually, and the Environmental Compliance Charge (ECC) shall be reviewed and modified as necessary by the Electric Director.



DIVISION 20. COMPETITIVE BY-PASS RIDER, SCHEDULE CBP-3

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
1 of 1	Bills rendered on or after October 18, 2005	

AVAILABILITY:

- Available in all areas served by the City of Cartersville Electric System (CES) and subject to CES's service rules and regulations.

APPLICABILITY:

- Applicable to existing and new customers where the following criteria are met:
 1. Customer takes or is expected to take electric service from CES
 2. Customer load qualifies as "customer choice load" as defined in the Georgia Territorial Electric Service Act of 1973 (the "Territorial Act")
 3. Customer has received a written, bona fide offer from a legally competing power supplier and can make such offer substantially known to CES.

PURPOSE:

- To allow CES to alter charges calculated in the applicable tariff or rider to match or beat said offer from a competing power supplier if, and only if, the adjusted charges exceed the incremental costs associated with provision of service to the customer.

DIVISION 26. LARGE POWER SERVICE, TARIFF LP-5

PAGE	EFFECTIVE DATE	
1 of 2	Bills rendered on or after July 3, 2024	

AVAILABILITY:

- Available in all areas served by the City of Cartersville Electric System (CES) and subject to CES's service rules and regulations.

APPLICABILITY:

- Applicable to all commercial or industrial electric service which is delivered or compensated to one (1) standard voltage and where the following criteria are met:
 - Billing demand for the current month and the preceding eleven (11) months must be greater than or equal to one thousand (1,000) kW and less than three thousand five hundred (3,500) kW as defined in the billing demand section of this tariff.
 - In the event that billing demand becomes permanently less than one thousand (1,000) kW, the customer may switch to the appropriate tariff following twelve (12) months of service on this tariff.

TYPE OF SERVICE:

- Three-phase, sixty (60) hertz, at a standard voltage

MONTHLY RATE:

Administrative Charge

Effective Date	July 3, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Administrative Charge	\$184.00	\$204.00	\$225.00	\$245.00

Demand Charge:

\$3.60 per kW of billing demand

Energy Charge:

Consumption (kWh) not greater than two hundred (200) hours times the billing demand:

First 200,000 kWh = 7.4806¢ per kWh

Over 200,000 kWh = 6.4586¢ per kWh

Consumption (kWh) in excess of two hundred (200) hours and not greater than four hundred (400) hours times the billing demand:

All kWh = 4.4146¢ per kWh

Consumption (kWh) in excess of four hundred (400) hours and not greater than six hundred (600) hours times the billing demand:

All kWh = 4.0058¢ per kWh

Consumption (kWh) in excess of six hundred (600) hours times the billing demand:

All kWh = 3.8014¢ per kWh

MINIMUM MONTHLY BILL:

- Administrative charge, plus seven dollars (\$7.00) per kW of billing demand, plus reactive demand charges, plus charges in any applicable rider.

MANDATORY RIDERS:

- The amount calculated in this tariff is subject to increase or decrease under the provisions of the effective future construction charge rider, environmental compliance charge rider and power cost adjustment rider.

DIVISION 26. LARGE POWER SERVICE, TARIFF LP-5 (Continued)

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
2 of 2	Bills rendered on or after July 3, 2024	

OPTIONAL RIDERS:

- The amount calculated in this tariff is subject to increase or decrease under the provisions of any applicable rider that may be approved by the City Council of the City of Cartersville.

BILLING DEMAND:

- The maximum billing demand shall be based on the highest thirty-minute kW measurement during the current month and the preceding eleven (11) months.
- For the consumption months of June through September, the billing demand shall be the greater of:
 1. The current actual demand; or
 2. Ninety-five (95) percent of the highest actual demand occurring in any previous applicable summer month (June through September); or
 3. Sixty (60) percent of the highest actual demand occurring in any previous applicable winter month (October through May).
- For the consumption months of October through May, the billing demand shall be the greater of:
 1. Ninety-five (95) percent of the highest summer month (June through September); or
 2. Sixty (60) percent of the highest winter month (October through May), including the current month.
- However, in no case shall the billing demand be less than the great of:
 1. The contract minimum demand; or
 2. Fifty (50) percent of the contract capacity; or
 3. Nine hundred fifty (950) kW (ninety-five (95) percent of one thousand (1,000) kW)

REACTIVE DEMAND:

- Where there is an indication of a power factor of less than ninety-five (95) percent lagging, CES may at its' option install metering equipment to measure the reactive demand. The reactive demand is the highest thirty-minute kVAR measured during the month. The excess reactive demand is the kVAR which is in excess of one-third of the measured actual kW in the current month. CES will bill excess reactive demand at the rate of thirty-three cents (\$0.33) per excess kVAR.

DIVISION 27. EXTRA LARGE POWER SERVICE, TARIFF XLP-4

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
1 of 2	Bills rendered on or after July 3, 2024	

AVAILABILITY:

- Available in all areas served by the City of Cartersville Electric System (CES) and subject to CES's service rules and regulations.

APPLICABILITY:

- Applicable to all commercial or industrial electric service which is delivered or compensated to one (1) standard voltage and where the following criteria are met:
 - Billing demand for the current month and the preceding eleven (11) months must be greater than or equal to three thousand five hundred (3,500) as defined in the billing demand section of this tariff.
 - In the event that billing demand becomes permanently less than three thousand five hundred (3,500), the customer may switch to the appropriate tariff following twelve (12) months of service on this tariff.

TYPE OF SERVICE:

- Three-phase, sixty (60) hertz, at a standard voltage

MONTHLY RATE:

Administrative Charge

Effective Date	July 3, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Administrative Charge	\$275.00	\$295.00	\$315.00	\$325.00

Demand Charge:

\$4.10 per kW of billing demand

Energy Charge:

Consumption (kWh) not greater than two hundred (200) hours times the billing demand:

First 700,000 kWh = 6.398¢ per kWh

Over 700,000 kWh = 5.386¢ per kWh

Consumption (kWh) in excess of two hundred (200) hours and not greater than four hundred (400) hours times the billing demand:

All kWh = 4.374¢ per kWh

Consumption (kWh) in excess of four hundred (400) hours and not greater than six hundred (600) hours times the billing demand:

All kWh = 3.9692¢ per kWh

Consumption (kWh) in excess of six hundred (600) hours times the billing demand:

All kWh = 3.7668¢ per kWh

MINIMUM MONTHLY BILL:

- Administrative charge, plus seven dollars (\$7.00) per kW of billing demand, plus reactive demand charges, plus charges in any applicable rider.

MANDATORY RIDERS:

- The amount calculated in this tariff is subject to increase or decrease under the provisions of the effective future construction charge rider, environmental compliance charge rider and power cost adjustment rider.

DIVISION 27. EXTRA LARGE POWER SERVICE, TARIFF XLP-4(Continued)

<u>PAGE</u>	<u>EFFECTIVE DATE</u>	
2 of 2	Bills rendered on or after July 3, 2024	

OPTIONAL RIDERS:

- The amount calculated in this tariff is subject to increase or decrease under the provisions of any applicable rider that may be approved by the City Council of the City of Cartersville.

BILLING DEMAND:

- The maximum billing demand shall be based on the highest thirty-minute kW measurement during the current month and the preceding eleven (11) months.
- For the consumption months of June through September, the billing demand shall be the greater of:
 - The current actual demand; or
 - Ninety-five (95) percent of the highest actual demand occurring in any previous applicable summer month (June through September); or
 - Sixty (60) percent of the highest actual demand occurring in any previous applicable winter month (October through May).
- For the consumption months of October through May, the billing demand shall be the greater of:
 - Ninety-five (95) percent of the highest summer month (June through September); or
 - Sixty (60) percent of the highest winter month (October through May), including the current month.
- However, in no case shall the billing demand be less than the great of:
 - The contract minimum demand; or
 - Fifty (50) percent of the contract capacity; or
 - Three thousand three hundred twenty-five (3,325) kW (ninety-five (95) percent of three thousand five hundred (3,500) kW).

REACTIVE DEMAND:

- Where there is an indication of a power factor of less than ninety-five (95) percent lagging, CES may at its' option install metering equipment to measure the reactive demand. The reactive demand is the highest thirty-minute kVAR measured during the month. The excess reactive demand is the kVAR which is in excess of one-third of the measured actual kW in the current month. CES will bill excess reactive demand at the rate of thirty-three cents (\$0.33) per excess kVAR.

DIVISION 32. POWER COST ADJUSTMENT RIDER: TARIFF PCA-5

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1 of 1	Bills rendered on or after July 3, 2024	

APPLICABILITY:

- Applicable to all electric tariffs of the City of Cartersville Electric System (CES) wherein the Power Cost Adjustment Rider is referenced.

PURPOSE:

- The PCA is used to make interim adjustments to monthly electric rates to reflect known and measurable changes in the City's total costs of providing electricity to its customers.

MONTHLY RATE:

- The City's total costs of providing electricity are defined herein to include power and energy purchased from wholesale suppliers, costs of capital, operations and maintenance of the City electric distribution system, general administrative expenses, transfers to the general fund of the City of Cartersville, Georgia, and any other approved outlays or expenses.
The electric rates were set based on estimated cost of providing electricity to CES customers in the year that the rates became effective (the base year costs).
Variances from the fiscal year's total costs vs base-year costs, either in excess or in shortfall, shall be collected from or refunded to each of the city's standard metered electric customers on an equal per kWh basis.
At CES's discretion, the variances may be passed through to customers via a combination of PCA and FCC.

EVALUATION:

- The variance between total costs and base year costs will be reviewed periodically and the power cost adjustment (PCA) shall be reviewed and modified as necessary by the electric director.

LEVELIZING:

- In order to keep month-to-month PCA fluctuations reasonable, CES may use a levelizing technique provided that the total variance from the base cost amount, over or under, approximately equals the total amount of PCA revenue collected from customers during each fiscal year.