

ACT 129 COMPLIANCE RIDER

An Act 129 Compliance Rider (ACR) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff.

The ACR shall be computed separately for each of the following three customer classes:

- (1) Residential: Consisting of Rate Schedules RS, RTS (R), and RTD (R),
- (2) Small Commercial and Industrial: Consisting Rate Schedules GS-1, GS-3, IS-1 (R), BL, SA, SM, SHS, SE, TS (R), SI-1 (R), GH-1 (R), and GH-2 (R) (Small C&I), and
- (3) Large Commercial and Industrial: Consisting of Rate Schedules LP-4, IS-P (R), LP-5, LP-6, LPEP, IS-T (R), ISA (R), and L5S (Large C&I).

The ACR, as computed using the formulae described below, shall be applied to the monthly bill of each customer receiving distribution service from the Company and shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year.

The ACR for the Residential class and the Small C&I class shall be computed using the following formula:

$$ACR = [ACc/S - E/S] \times 1 (1-T)$$

The ACR for the Large C&I class shall be computed using the following formulae:

$$ACR = [ACc/D - E/D] \times 1 (1-T)$$

Where:

ACc = A levelized annual budget of all costs required for the Company to implement its Commission-approved energy efficiency and conservation (EE&C) Plan during a compliance year. A compliance year is the 12-month period beginning June 1 of each calendar year and ending May 31 of the following calendar year, except the first compliance year which begins on December 1, 2009 and ends on May 31, 2010. The levelized annual budget amount is the sum of all direct and indirect costs (including all deferred design and development costs, general administrative costs, and applicable statewide evaluator costs) required to implement the Company's EE&C Plan divided by the number of months during which the Company's EE&C Plan will be in effect multiplied by the number of months in the compliance year.

The costs of each EE&C program available to only one customer class will be directly assigned to that customer class. Costs of EE&C programs which cannot be directly assigned to one customer class will be allocated to the customer classes benefiting from those programs using an allocation factor determined by dividing the EE&C costs directly assigned to each customer class by the total of the Company's EE&C Plan costs directly assigned to all customer classes.

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