ENERGY ADJUSTMENT CLAUSE

Page 1 of 1

ENERGY ADJUSTMENT CLAUSE:

The Company shall reconcile the revenues (billed and unbilled) for customers taking Standard Service or Last Resort Service against DPUC-approved costs of acquiring such services. Effective as of December 8, 2006, the Department's December 8, 2006 final decision in Docket No. 03-07-02RE09, et al, authorizes the Company to adjust its ratemaking and regulatory treatment of the EAC from a "billed sales" basis to a "calendar sales" (accrual) basis. This reconciliation will recover or refund, with interest calculated at the Company's cost of capital used for its distribution rate, any under or over-collection in accordance with an annual reconciliation. When the EAC rate is zero, it will not be shown on customer bills.

EAC GENERATION CHARGE:

CHARGE PER KWH

\$0.00000

This charge is applied on a per kilowatt-hour basis (i.e., above rate times kilowatt-hours). The amount of the charge will show as a line item under the Supplier Services Detail category on Customer bills. This charge is not applicable to Customers taking competitive generation supply via Third-Party Service.

Effective January 1, 2007