

REVENUE DECOUPLING MECHANISM (RDM) RIDER

PURPOSE:

This Rider provides a mechanism ("RDM Adjustment") to reconcile annual authorized distribution revenue with annual actual distribution revenue received during an initial period and subsequent annual periods, as determined and approved by the Public Utilities Regulatory Authority ("Authority").

APPLICABILITY:

This rider applies to all Customers taking Delivery Service under the Company's rates.

DETERMINATION AND IMPLEMENTATION OF RDM ADJUSTMENT:

For each annual period, every Customer shall be credited or charged an RDM Adjustment, which shall be applied on a per kilowatt-hour (kWh) basis. The RDM Adjustment will reconcile the difference between the annual distribution revenue approved by the Authority ("revenue target") and the Company's actual distribution revenue for a given 12 month period. Such difference shall be determined and approved by the Authority at the time of an annual RDM proceeding.

The RDM Adjustment shall be determined by dividing the difference in the approved distribution revenue target and actual distribution revenue for the preceding annual period, by the kWh sales anticipated for the 12 month period over which the RDM Adjustment will be applied. The RDM Adjustment will also true-up any under or over recoveries from the prior year's RDM Adjustment charges or credits. The total annual revenue target will be the annual distribution revenues as approved by the Authority in Docket No. 17-10-46 or a subsequent regulatory proceeding, plus or minus any true-up from the previous annual period. Actual distribution revenue shall not include revenue specifically identified and approved for exclusion by the Authority.

REVENUE ADJUSTMENT MECHANISM:

The Company will submit an annual RDM Adjustment filing which shall be subject to full review by the Authority. The filing shall be submitted once data for a given annual period is available. The RDM Adjustment will be applied as a separate line item on Customer bills for the 12 months beginning approximately 60 days following the annual period subject to reconciliation, or such other period as determined by the Authority.