

STANDARD CONTRACT RIDER NO. 3
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE
(Applicable to Rates RS, UW, CW, SS, SH, OES, SL, PL, PH, HL, CSC, MU-1, APL, and EVX)

In addition to the rates and charges set forth in the above mentioned Rates, a Transmission, Distribution and Storage System Improvement Charge (TDSIC) Adjustment, applicable for approximately twelve (12) months or until superseded by a subsequent factor, shall be made in accordance with the following provisions:

- A. The TDSIC adjustment shall be calculated by multiplying the firm KWH billed by an Adjustment Factor per KWH established according to the following formula:

$$\text{TDSIC} = ((R_d \times A_d) + (R_t \times A_t)) / S \quad (\text{For each rate class})$$

where:

1. "TDSIC" is the annual adjustment factor beginning with the Month of November 2023 and consisting of the following costs:
 2. "R_d" equals the twelve (12) month revenue requirement based upon the distribution project costs approved by the Commission in a TDSIC adjustment proceeding.
 3. "R_t" equals the twelve (12) month revenue requirement based upon the transmission project costs approved by the Commission in a TDSIC adjustment proceeding.
 4. "A_d" represents the applicable distribution allocation percentage(s) for each rate class.
 5. "A_t" represents the applicable transmission allocation percentage(s) for each rate class.
 6. "S" is the estimated kilowatt-hour sales for the same estimated period set forth in "TDSIC", consisting of the net sum in kilowatt-hours of:
 - (a) Net Generation
 - (b) Purchases and
 - (c) Interchange-in, less
 - (d) Inter-system Sales,
 - (e) Energy Losses and Company Use.
- B. Costs shall be allocated to the rate classes based on the percentages approved in Cause No. 45911.
- C. The TDSIC Adjustment Factor as computed above shall be further modified to allow the recovery of revenue-based tax charges occasioned by the TDSIC Adjustment revenues.
- D. The TDSIC Adjustment Factor may be further modified to reflect the difference between the actual and estimated TDSIC Adjustment revenues.
- E. The Adjustment Factor to be effective for all bills beginning with the date below will be:

\$0.001893 per KWH for Rates RS, CW, and EVX (with associated Rate RS service)

\$0.001523 per KWH for Rates SS, SH, OES, UW, CW, and EVX (with associated Rate SS service)

\$0.000613 per KWH for Rate PL, HL

\$0.000933 per KWH for Rates SL, PH, and EVX (with associated Rate SL service)

\$0.001458 per KWH for Rates MU-1, APL