STANDARD CONTRACT RIDER NO. 3
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE
(Applicable to Rates RS, UW, CW, SS, MD, 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and Storage System Improvement Charge (TDSIC) Adjustment, applicable for approximately twelve (12) months or until superseded by a subsequent factor, shall be made in accordance with the following provisions: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:

TDSIC = ((Rd x Ad) + (Rt x At)) / S (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. "Rd" equals the twelve (12) month revenue requirement based upon the distribution project costs approved by the Commission in a TDSIC adjustment proceeding.
3. "Rt" equals the twelve (12) month revenue requirement based upon the transmission project costs approved by the Commission in a TDSIC adjustment proceeding.
4. "Ad" represents the applicable distribution allocation percentage(s) for each rate class.
5. "At" 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.46258.

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:

$0.001417 per KWH for Rates RS, CW, and EVX (with associated Rate RS service)

$0.001241 per KWH for Rates SS, SH, OES, UW, CW, MD, and EVX (with associated Rate SS service)

$0.000609 per KWH for Rate PL, HL

$0.000731 per KWH for Rates SL, PH, and EVX (with associated Rate SL service)

$0.000414 per KWH for Rates MU-1, APL

Issued Pursuant to
Cause No. 45264 - TDSIC 12
Effective
October 22, 2026
Indiana Utility Regulatory Commission
Energy Division

Effective October 30, 2026