

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and Storage System Improvement Charge (TDSIC) Adjustment, applicable for approximately twelve (12) months or until superseded by a subsequent factor, shall be made in accordance with the following provisions: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 2021 and consisting of the following costs:
  2. "R<sub>d</sub>" equals the twelve (12) month revenue requirement based upon the distribution project costs approved by the Commission in a TDSIC adjustment proceeding.
  3. "R<sub>t</sub>" equals the twelve (12) month revenue requirement based upon the transmission project costs approved by the Commission in a TDSIC adjustment proceeding.
  4. "A<sub>d</sub>" represents the applicable distribution allocation percentage(s) for each rate class.
  5. "A<sub>t</sub>" 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. 45029.
- C. The TDSIC Adjustment Factor as computed above shall be further modified to allow the recovery of Utility Receipts taxes and other similar 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:

~~\$0.0013060~~0.003514 per KWH for Rates RS, CW, and EVX (with associated Rate RS service)

~~\$0.0014020~~0.003022 per KWH for Rates SS, SH, OES, UW, CW, and EVX (with associated Rate SS service)

~~\$0.0004540~~0.001206 per KWH for Rate PL, HL

~~\$0.0006930~~0.001935 per KWH for Rates SL, PH, and EVX (with associated Rate SL service)

~~\$0.0012670~~0.004320 per KWH for Rates MU-1, APL

Effective ~~July 1~~October 31, 2022