4th Revised No. 153 Superseding 3rd Revised No. 153

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and Storage System Improvement Charge (TDSIC) Adjustment, applicable for approximately twelve (12) months or until superseded by a subsequent factor, shall be made in accordance with the following provisions: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:

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 2021 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. 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:

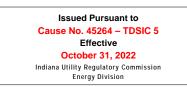
\$0.003514 per KWH for Rates RS, CW, and EVX (with associated Rate RS service)

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

\$0.001206 per KWH for Rate PL, HL

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

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



Effective October 31, 2022