

**STANDARD CONTRACT RIDER NO. 70  
RELIABILITY ADJUSTMENT  
APPLICABLE TO ALL RETAIL RATE SCHEDULES**

- A. The applicable charges for electric service to the Company's retail electric customers shall be increased or decreased, to the nearest 0.001 mill (\$0.000001) per kWh to recover and/or credit the net jurisdictional cost of reliability purchases, peak load management costs, and net profits from non-native sales, in accordance with the following formula:

Reliability Adjustment Factor:

$$= \left\{ (a * c)d + (b * d) - \left[ \frac{(e * c) - \$14,747,000}{2} \right] d \right\} * \left( \frac{1}{s} \right)$$

where:

1. "a" equals year-round purchased power capacity costs (i.e., total cost of purchases, less fuel costs attributable to such purchases recoverable via Standard Contract Rider No. 60) associated with reliability purchases as approved by the Commission. The total cost of reliability purchases shall include all charges relating to such purchases including, but not limited to, transmission, demand, capacity, reservation, and/or, option payments, or other equivalent charges, including profits thereon.
  2. "b" is the total year-round amount of bill credit provided to customers under the Company's PowerShare<sup>®</sup> program including any additional demand response amounts determined to be includable by the Commission, less the annual level built into base rates in Cause No. 42359 (\$1,023,000).
  3. "c" is the total retail rate group's allocated percentage share of the Company's average twelve monthly coincident system peak demands as developed for cost of service purposes in Cause No. 42359.
  4. "d" is the individual retail rate group's allocated percentage share of the Company's average twelve monthly coincident retail peak demands as developed for cost of service purposes in Cause No. 42359.
  5. "e" represents actual net profits realized from non-native sales which shall not be less than zero. Actual non-native sales revenues shall be reduced by a fixed trading expense value of \$3,953,000.
  6. "s" represents actual monthly kilowatt-hour sales by individual retail rate groups for the twelve months ending September of each year.
- B. The factor as computed above shall be modified to allow for the recovery of utility receipts taxes and/or other similar revenue based taxes incurred due to the recovery of net reliability costs.
- C. The factor shall be further modified to reflect the reconciliation of annual net costs approved for recovery, by retail rate group, and actual annual amounts billed customers.
- D. The reliability factor by rate group is as follows:

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<u>Line No.</u>	<u>Rate Groups</u>	<u>Estimated Reliability Factor Per kWh to be Applied to Customer Bills (A)</u>	<u>Line No.</u>
1	Rate RS	\$0.000352	1
2	Rates CS and FOC	\$0.000398	2
3	Rate LLF	\$0.000304	3
4	Rate HLF	\$0.000357	4
5	Customer L	\$0.000189	5
6	Customer D	\$0.000422	6
7	Customer O	\$0.000252	7
8	Rate OL	\$0.000124	8
9	Rate WP	\$0.000276	9
10	Rate SL	\$0.000108	10
11	Rate AL	\$0.000094	11
12	Rate MHLS	\$0.000109	12
13	Rates MOLS and UOLS	\$0.000011	13
14	Rates TS, FS and MS	\$0.000365	14

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ALLOCATED SHARE OF THE AVERAGE MONTHLY COINCIDENT SYSTEM  
 PEAK DEMANDS (12 CP) APPLICABLE TO COMPANY'S  
 RETAIL CUSTOMERS, BY RATE GROUP, AND WHOLESALE ELECTRIC CUSTOMERS,  
 EXPRESSED AS A PERCENTAGE OF THE COMPANY'S AVERAGE TWELVE  
MONTHLY COINCIDENT SYSTEM PEAK DEMANDS DEVELOPED IN CAUSE NO. 42359

Line No.	Rate Groups	kW Share of System Peak (12CP) (A)	Percent Share of System Peak (B)	Percent Share of Retail Peak (C)	Line No.
1	Rate RS	1,582,005	33.713%	36.727%	1
2	Rates CS and FOC	224,244	4.779%	5.206%	2
3	Rate LLF	628,152	13.386%	14.583%	3
4	Rate HLF	1,808,886	38.547%	41.994%	4
5	Customer L	10,481	0.223%	0.243%	5
6	Customer D	7,860	0.167%	0.182%	6
7	Customer O	19,045	0.406%	0.442%	7
8	Rate OL	4,855	0.103%	0.113%	8
9	Rate WP	17,235	0.367%	0.400%	9
10	Rate SL	2,185	0.047%	0.051%	10
11	Rate AL	272	0.006%	0.006%	11
12	Rate MHLS	282	0.006%	0.007%	12
13	Rates MOLLS and UOLS	69	0.001%	0.002%	13
14	Rates TS, FS and MS	1,893	0.040%	0.044%	14
15	TOTAL RETAIL	4,307,464	91.791%	100.00%	15
16	WHOLESALE	385,190	8.209%	-	16
17	TOTAL COMPANY	4,692,654	100.00%	-	17

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