RIDER TS – TRANSMISSION SERVICE

AVAILABILITY

Rider TS, Transmission Service, is applicable to Customers taking service under Rate DS-1, DS-2, DS-3, DS-4, DS-5 or DS-6 and receiving Company-supplied power and energy.

PURPOSE

The purpose of this Rider is to provide for the recovery of costs, fees and charges related to Transmission Service and other related services necessary for the provision of power and energy by the Company. Recovery shall be made pursuant to the Transmission Provider's FERC-approved tariffs related to Transmission Service excluding Transmission Service and other related service costs recovered under Rider PER and HSS, as applicable.

CALCULATION OF THE TRANSMISSION SERVICE CHARGE

The calculation and application of the Transmission Service Charge (TSC) provides the mechanism necessary for the Company to recover costs, fees and charges related to Transmission Service and related services not otherwise recovered under the Company’s Rider PER. All TSC’s shall be adjusted by the Uncollectible Adjustment as described in Rider PER and Rider HSS. Beginning with the June 2012 Billing Period, TSC’s shall be effective for the period from the June Billing Period through the May Billing Period (“Annual Period”), unless modified as described in the Terms and Conditions of this tariff.

A. Interval-metered Customers

The TSC for interval-metered customers receiving power and energy from the Company will reflect a direct application of the charges pursuant to the Transmission Provider’s FERC-approved tariffs to be applied based upon the interval-metered customer’s individual billing determinants as defined by the Company. A kW Transmission Adjustment Factor, if any, will be filed annually and shall apply to interval-metered Customers to account for prior period adjustments by the Transmission Provider. The TSC for interval-metered retail customers receiving power and energy from the Company will be determined as follows:
TSC_i = [TSD_i]

Where:

TSC_i = Transmission Service Charge for interval-metered Customers in $/kW-day, rounded to the nearest $0.00001, to be applied to each kW of Customer’s kW load at the time of the peak system load occurring in the Billing Period including the load of any Behind the Meter Generation, as that term is used in the MISO Transmission Settlements Business Practice manual, times the number of days of service in the Billing Period.

TSD_i = Transmission Service Demand cost equals the sum of the kW daily derived demand costs of the applicable schedules listed in the Transmission Service Charge Informational Sheet filed pursuant to this tariff, expressed in $/kW-day, rounded to the nearest $0.00001.

* Customers operating Customer owned parallel generation with nameplate capacities greater than 5 MW will be billed on the total of the load served from the Company's system plus the load served by on-site generation at the time of the Company's peak system load in the applicable Billing Period, unless the following conditions exist.

* 1. Customers with Customer-owned generation (operating on or before June 1, 2010) functioning or intended to function to offset load at their Premises, and never having been registered with MISO as a Load Modifying Resource or Market Participant by the Customer, will be billed on the total of the Customer's load served from the Company's system plus load served by onsite generation in excess of the nameplate capacity operating on or before June 1, 2010, at the time of the Company's peak system load in the applicable Billing Period.
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* a. If gross generation exceeds gross load, then transmission charges and capacity Peak Load Contribution Demand, as defined in Rider HSS, will be based on 0 (zero) load.

* b. If all generation at a facility billed under this grandfathered exception ceases operation for a period greater than twenty-four months, this grandfathered exception is no longer applicable to that facility, unless the cessation of operations is due to a generator failure.

* (i) In the event of a generator failure, Customer will provide Company with evidence of ongoing, good-faith attempts to repair or replace the generator in order to retain the grandfathered exception beyond twenty-four months.

B. Lighting Service Customers

The TSC for Lighting Service Customers receiving power and energy from the Company will be determined for the Annual Period and billed as a fixed kWh charge. Lighting Service usage is a predictable, dusk to dawn profile allowing costs computation based on a single kW and kWh forecast based on the scheduled lighting burn hours. The TSC for Lighting Service retail customers receiving power and energy from the Company will be determined as follows:
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\[
TSC_L = \left( \frac{(ETS_L) \times 100}{E_L} \right)
\]

Where:

\( TSC_L \) = Transmission Service Charge for BGS-5 – Lighting Service Customers, in \( \$ \)/kWh, rounded to the nearest 0.001\( \$ \), to be applied to each kWh supplied under BGS-5 – Lighting Service.

\( ETS_L \) = Estimate of applicable transmission costs which equals the estimate of daily demand costs of the applicable schedules listed in the Transmission Service Charge Informational Sheets filed pursuant to this tariff.

\( E_L \) = Energy, in kWh, forecast to be supplied by the Company for the effective Annual Period for BGS-5 - Lighting Service Customers.

### C. Non-interval Non-lighting Service Customers

The TSC for non-interval metered retail customers, receiving power and energy from the Company will be determined as follows:

\[
TSC_n = ETS_n + \frac{[TADJ_n + O_n]}{E_n}
\]

Where:

\( TSC_n \) = Transmission Service Charge for non-interval metered Customers, in \( \$ \)/kWh, rounded to the nearest 0.001\( \$ \), to be applied to each kWh supplied under Rider PER in the monthly billing period.

*Asterisk denotes change*
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ETS_n = The sum of the estimated Transmission Service costs, fees or charges, for Transmission Service required to deliver the electric power and energy supplied to Customers under Rider PER calculated by dividing the TSC_i determined in Section A above by a load factor percentage determined from a monthly average of monthly MISO settlement data associated with serving non-interval non-lighting service customers for the previous calendar year.

TADJ_n = Transmission Adjustment, in dollars, represents an addition to or an offset to the estimated Transmission Service costs, fees or charges, as defined above, to reflect differences between the actual results for the prior period as compared to the actual costs incurred by the Company for the same period. Such Transmission Service costs shall include all applicable costs, fees and charges estimated to be incurred by the Company to obtain Transmission Service used to serve retail Customers receiving power and energy from the Company but will not include any estimates of Transmission Service costs and other related services that are recovered under Rider PER.

O_n = Commission ordered adjustment amount, in dollars ($), resulting from a Commission Order in a reconciliation proceeding, plus the calculated interest attributable to the O component. Interest shall be at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1). Interest on the O component shall be applied from the end of the reconciliation period until the O component is refunded or charged to customers through the TSC_n.
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\[ E_n = \text{Energy, in kWhs, forecast to be supplied by the Company in the Annual} \]
\[ \text{Period, or if an updated TSC}_n \text{ is provided, the remaining months within} \]
\[ \text{the 12 month period for non-interval metered Customers receiving} \]
\[ \text{Company-supplied power and energy under Rider PER.} \]

ANNUAL REPORTS

Transmission Service Report
The Company must prepare an annual report that summarizes the operation of the Transmission Service Charge mechanisms for the previous contract period. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff’s Accounting Department and the Director of the Staff’s Financial Analysis Division by April 30, beginning in 2008. Such report must be verified by an officer of the Company.

Internal Audit Report
The Company shall perform annual internal audits of costs and revenues recorded under Rider TS and submit such reports to the Manager of the Commission’s Accounting Department with a confidential copy to the Chief Clerk by April 30 for the previous report. The Company may include the Internal Audit Report as part of the verified Transmission Service Report to the Commission.

Annual Reconciliation
The Company shall file a petition annually with the Commission no later than April 30, seeking initiation of an annual review to provide for correction of any accounting errors that may occur in the application of the provisions of this Rider for the prior year. The information submitted shall allow the Commission to verify: 1) costs recoverable through Transmission Service Charges during the reconciliation year, and 2) the revenue arising through the application of the Transmission Service Charges to applicable sales during the reconciliation year. The first such petition shall be filed no later than April 30, 2011, covering the 2007 through 2010 reporting years.
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TERMS AND CONDITIONS

The Transmission Service Charge will be filed with the ICC by the 20th day of the month prior to the start of the Annual Period it is to be applied. If the Company determined during the effective Annual Period that it is appropriate to revise a Transmission Service Charge to better match revenues or expected revenue with costs incurred or expected to be incurred, the Company may, from time to time, calculate a revised Transmission Service Charge to become effective as of the beginning of any calendar month during the effective Annual Period. The Company shall submit all applicable work papers necessary to support the determinations of the TSC’s at the time of the filings.

TERMS OF PAYMENT

Customer’s bills for service under this tariff shall be rendered and payments due in accordance with the Payment of Bills and Late Payments section of the Customer Terms and Conditions.