

RIDER 787
ADJUSTMENT OF CHARGES FOR FEDERALLY MANDATED COSTS

Sheet No. 1 of 1

TO WHOM AVAILABLE

This Rider shall be applicable to the Rate Schedules as identified in Appendix A.

ADJUSTMENT OF CHARGES FOR FEDERALLY MANDATED COSTS

Energy Charges in the Rate Schedules are subject to adjustment to reflect the recovery of federally mandated costs associated with a Commission-approved Certificate of Public Convenience and Necessity (CPCN) pursuant to Ind. Code § 8-1-8.4-1 *et seq.* and incurred in connection with approved federally mandated compliance projects. Such charges shall be increased or decreased to the nearest 0.001 mill (\$.000001) per kWh in accordance with the following:

$$\text{FMCA Factor ("FMCA")} = ((R_f \times A_f) + (R_v \times A_v)) / S$$

Where:

- "FMCA" is the rate adjustment for each Rate Schedule.
"R_f" equals the six (6) month revenue requirement based upon the federally mandated compliance project fixed costs approved by the Commission in a FMCA proceeding.
"R_v" equals the six (6) month revenue requirement based upon the federally mandated compliance project variable costs approved by the Commission in a FMCA proceeding.
"A_f" represents the applicable fixed allocation percentage(s) for each Rate Schedule.
"A_v" represents the applicable variable allocation percentage(s) for each Rate Schedule.
"S" is the six (6) month kWh sales forecast for each Rate Schedule.

FMCA FACTOR

The Rate Schedules identified in Appendix A are subject to an FMCA Factor. The FMCA Factors in Appendix I are applicable hereto and is issued and effective at the dates shown on Appendix I.

The FMCA Factors as computed above shall be further modified to allow the recovery of gross receipts taxes and other similar revenue based tax charges occasioned by the FMCA revenues and later reconciled with actual sales and revenues.

The FMCA Factors per kWh charge for each Rate Schedule are shown on Appendix I.