

RIDER 871
ADJUSTMENT OF CHARGES FOR REGIONAL TRANSMISSION ORGANIZATION

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 REGIONAL TRANSMISSION ORGANIZATION (“RTO”) FACTOR

Energy Charges in the Rate Schedules are subject to adjustment to reflect the recovery of net non-fuel Regional Transmission Organization (“RTO”) costs and revenues and one hundred percent (100%) sharing of Off-System Sales and Back-Up and Maintenance Margins. Such charges shall be increased or decreased to the nearest 0.001 mill (\$.000001) per kWh in accordance with the following:

$$\text{RTO Factor} = (((E \times Pe) + (D \times Pd)) / S1) + ((OSS \times Pd) / S1) + ((BUM \times Pd) / S1)$$

Where:

- “RTO” is the rate adjustment for each Rate Schedule.
- “E” equals the total net non-fuel RTO costs and revenues which are Energy allocated.
- “Pe” represents the Production Energy Allocation percentage for each Rate Schedule.
- “D” equals the total non-fuel RTO costs and revenues which are Demand allocated.
- “Pd” represents the Production Demand Allocation percentage for each Rate Schedule.
- “OSS” equals the total one hundred percent (100%) sharing of annual Off-System Sales Margins.
- “BUM” equals one hundred percent (100%) sharing of annual Back-Up and Maintenance Margins.
- “S1” is the 6-month kWh sales forecast for each Rate Schedule.

RTO ADJUSTMENT FACTOR

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

The RTO Factors as computed above shall be further modified to allow for the recovery of the RTO revenue requirement reconciled with actual sales and revenues. The RTO Factors per kWh charge for each Rate Schedule are shown on Appendix C.