

(Million \$)

Voluntary Market Rate Deferral Plan Example
Annual Increase of 25%
Small C&I

Year	No Phase-In	%Increase	Proposed Phase-In	%Increase	Deferred Revenue	Interest Charges
2010	\$ 1,209		\$ 1,209			
2011	\$ 1,507	25%	\$ 1,350	11.6%	\$ 157.2	\$ 4.7
2012	\$ 1,507		\$ 1,507	11.6%	\$ (0.0)	\$ 9.7
2013	\$ 1,507		\$ 1,598	6.0%	\$ (90.9)	\$ 7.6
2014	\$ 1,507		\$ 1,598	0.0%	\$ (90.9)	\$ 2.6
2015	\$ 1,507		\$ 1,507	-5.7%		

Year	Full Revenue	Revenue	Revenue Deferred	Return	Cumulative Deferred
	(1)	(2)	(3) = (1)-(2)	(4) = *	(5) = (5)p+(3)+(4)
2010	\$ 1,209	\$ 1,209			
2011	\$ 1,507	\$ 1,350	\$ 157.2	\$ 4.7	\$ 161.9
2012	\$ 1,507	\$ 1,507	\$ (0.0)	\$ 9.7	\$ 171.6
2013	\$ 1,507	\$ 1,598	\$ (90.9)	\$ 7.6	\$ 88.3
2014	\$ 1,507	\$ 1,598	\$ (90.9)	\$ 2.6	\$ 0.0
2015	\$ 1,507	\$ 1,507	0	\$ 0.0	\$ 0.0

* return =6% *prior year cumulative deferral plus one half of the current year deferral \$9.7=\$161.9*.06 +0.0*.06

Year 1 Credit = \$157.2M/9490000MWH = \$0.01656 per kwh

Year 3,4 surcharge = \$171.6 * Capital recovery factor for 24 months at 0.5% per month = \$7.61M per month

To determine the surcharge for a customer the balance at 12/31/2012 would be multiplied by the capital recovery factor

In the case of an increase greater than 30% the phase in would be two equal annual increases to get to 30% and the remainder in year 3

The recovery period surcharge would be the balance at the end of the three years multiplied by the 3 year capital recovery factor