

**RIDER TS – CPP  
TRANSMISSION SERVICES (COMPETITIVE PROCUREMENT PROCESS)**

**APPLICABILITY.**

Rider TS - CPP – Transmission Services (Competitive Procurement Process) (Rider TS - CPP) is applicable to any Company retail tariff that (1) (a) obligates the Company to procure for and provide to retail customers full requirements electric supply, as defined in Rider CPP – Competitive Procurement Process (Rider CPP), or (b) obligates the Company to procure for and provide to retail customers electric power and energy that the Company procures directly from PJM Interconnection L.L.C. (PJM) administered markets; and (2) refers to this rider or any portion of this rider, or any data calculated or otherwise derived under or in accordance with this rider. Notwithstanding the previous sentence, no retail tariff charge computed in accordance with the provisions of this rider is applied for service provided prior to January 2, 2007.

**PURPOSE.**

This rider provides for the recovery of expenses, herein defined as  $TS_{CPP}$ , through a Transmission Services Charge, herein defined as  $TSC_{CPP}$ , applicable to retail customers for which the Company procures full requirements electric supply.  $TS_{CPP}$  includes the expenses that the Company incurs in obtaining transmission services and ancillary transmission services required to procure such full requirements electric supply under the Open Access Transmission Tariff (OATT) on file with the Federal Energy Regulatory Commission (FERC) applicable to the transmission system located within the Company's service territory, except that such transmission services and ancillary transmission services exclude those transmission services and ancillary transmission services that are included in full requirements electric supply.

This rider also provides for the recovery of expenses, herein defined as  $TS_{DP}$ , through a Transmission Services Charge, herein defined as  $TSC_{DP}$ , applicable to retail customers for which the Company procures electric power and energy directly from PJM administered markets.  $TS_{DP}$  includes the expenses that the Company incurs in obtaining transmission services and ancillary transmission services required to procure such electric power and energy under the OATT on file with the FERC applicable to the transmission system located within the Company's service territory.

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Post Office Box 805379  
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Retail charges computed in accordance with this rider become operational and are applicable for service provided on and after January 2, 2007.

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**CALCULATION OF THE TRANSMISSION SERVICES CHARGE.**

The Company determines  $TSC_{CPP}$  and  $TSC_{DP}$  (collectively, TSCs) in accordance with the following equation:

$$TSC_i = \frac{(TS_i + ADJ_i + AB_i + RO_i)}{U_i} \times \frac{100 \text{¢}}{\$1}$$

Where:

- $i$  = CPP or DP, as applicable.
- $TSC_i$  = Transmission Services Charge, in cents per kilowatt-hour (¢/kWh), rounded to the nearest 0.001¢/kWh, applied to each kilowatt-hour (kWh) supplied during the monthly billing period to retail customers to which the  $TSC_i$  is applicable.
- $TS_{CPP}$  = Transmission Services, in dollars (\$), equal to the accrued expenses incurred by the Company during the Historical Year to obtain the transmission services and ancillary transmission services required to procure full requirements electric supply under the OATT on file with the FERC applicable to the transmission system located within the Company's service territory, excluding those transmission services and ancillary transmission services that are included in full requirements electric supply.
- $TS_{DP}$  = Transmission Services, in \$, equal to accrued expenses incurred by the Company during the Historical Year to obtain the transmission services and ancillary transmission services required to procure electric power and energy directly from PJM administered markets under the OATT on file with the FERC applicable to the transmission system located within the Company's service territory.
- $ADJ_i$  = Adjustment factor, in \$, equal to zero except for a situation in which an adjustment is made in accordance with the provisions of (1) the FERC Approved Tariff Changes section, or (2) the Full Requirements Electric Supply Changes section of this rider.
- $AB_i$  = Automatic Balancing factor, in \$, equal to the cumulative debit or credit balance resulting from the application of the  $TSC_i$  through the end of the most recent Historical Year. Such balance includes interest established by the Illinois Commerce Commission (ICC) in accordance with 83 Illinois Administrative Code Section 280.70(e)(1).
- $RO_i$  = Ordered Reconciliation, in \$, equal to the amount, if any, ordered by the ICC that is to be refunded or collected from retail customers to which the  $TSC_i$  is applicable. Such amount includes interest charged at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is calculated by the Company for the period of time beginning on the day that the subject  $TSC_i$  was applied and extending through the day the  $RO_i$  is applied.
- $U_i$  = Usage, in kWhs, supplied by the Company during the Historical Year to retail customers to which the  $TSC_i$  is applicable.

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**INITIAL APPLICATION.**

Each initial  $TSC_i$  computed in accordance with this rider applies to all kWhs supplied by the Company to retail customers to which such  $TSC_i$  is applicable beginning January 2, 2007. Each such  $TSC_i$  is applicable through the end of the May 2008 monthly billing period, except as provided for in the FERC Approved Tariff Changes and the Full Requirements Electric Supply Changes sections of this rider. The initial TSCs are computed in accordance with the equation in the Calculation of the Transmission Services Charge section of this rider and the provisions of this Initial Application section.

In computing the initial TSCs, the initial Historical Year is the most recent period of time, ending prior to the date in 2006 that the Company submits the Retail Supply Charge Informational Filing to the ICC, as described in Rider CPP, for which applicable data are available for seventeen (17) months that include the four (4) most recent available summer months and the thirteen (13) most recent available nonsummer months.

Data required for the calculation of the initial  $TSC_{DP}$  is not directly available for the aforementioned initial Historical Year due to the fact that no electric power and energy provided to retail customers during such initial Historical Year was contracted to be procured by the Company directly through PJM administered markets. In order to determine the initial  $TSC_{DP}$ , the Company's calculation must be carried out as if retail customers were provided with electric power and energy procured directly from PJM administered markets during the initial Historical Year. In making such calculation, data are excluded that pertain to retail customers to which the Residential Customer Group, as described in the General Terms and Conditions of the Company's Schedule of Rates, is applicable.

On the date in 2006 that the Company submits the Retail Supply Charge Informational Filing to the ICC, the Company must file with the ICC, for informational purposes, the initial TSCs, along with work papers detailing the determination of such TSCs.

**SUBSEQUENT APPLICATION.**

Beginning in 2008, the Company must update TSCs on an annual basis, and such subsequent TSCs are applicable for the monthly billing periods extending from June of one year through May of the following year, except as provided for in the FERC Approved Tariff Changes and the Full Requirements Electric Supply Changes sections of this rider. Such TSCs are computed in accordance with the equation in the Calculation of the Transmission Services Charge section of this rider and the provisions of this Subsequent Application section.

In computing such TSCs, the Historical Year is the twelve (12) month period ending October 31 of the year prior to the June monthly billing period during which such TSCs become applicable.

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**SUBSEQUENT APPLICATION (CONTINUED).**

In the event that data required for the calculation of the  $TSC_{DP}$  is not directly available for the aforementioned Historical Year due to the fact that no electric power and energy provided to retail customers during such Historical Year was procured by the Company directly through PJM administered markets, the Company's calculation of  $TSC_{DP}$  must be carried out as if retail customers were provided with electric power and energy procured directly from PJM administered markets during the Historical Year. In making such calculation, data are excluded that pertain to retail customers to which the Residential Customer Group is applicable.

Each year beginning in 2008, on the date that the Company submits the Retail Supply Charge Information Filing to the ICC, the Company must file with the ICC, for informational purposes, the TSCs applicable for the monthly billing periods beginning in June of such year and extending through May of the following year, along with work papers detailing the determination of such TSCs.

**FERC APPROVED TARIFF CHANGES.**

Within thirty (30) calendar days of the date of an order from the FERC in a transmission rate proceeding approving new or revised charges that would result in more than a three percent (3%) increase or 3% decrease in a currently applicable  $TSC_i$ , the Company must file with the ICC, for informational purposes, an adjusted  $TSC_i$  applicable for the period beginning with the monthly billing period starting after the later of (a) the date of the FERC's order, or (b) the effective date of such new or revised charges approved by the FERC, and extending through the following May monthly billing period corresponding to the end of the period of time during which the  $TSC_i$  replaced by the adjusted  $TSC_i$  was scheduled to be applicable. Moreover, in the event that an updated, but not yet applicable  $TSC_i$  filed with the ICC for informational purposes requires adjustment in accordance with the provisions of this FERC Approved Tariff Changes section, the Company must file with the ICC, for informational purposes, an adjusted  $TSC_i$  applicable for the monthly billing periods beginning in the upcoming June and extending through May of the following year. Any such adjusted  $TSC_i$  filed with the ICC for informational purposes must include work papers detailing the determination of such adjusted  $TSC_i$  based upon the equation provided in the Calculation of the Transmission Services Charge section of this rider and the provisions of this FERC Approved Tariff Changes section.

The adjusted  $TSC_i$  is calculated by incorporating a nonzero Adjustment factor,  $ADJ_i$ , into the equation previously used to determine the  $TSC_i$  that the adjusted  $TSC_i$  is replacing.  $ADJ_i$  equals the amount  $TS_i$  would have been if the new charges approved by the FERC had been in place in the applicable Historical Year, reduced by  $TS_i$  for such Historical Year.

New or revised charges approved by the FERC that are not reflected in an adjusted  $TSC_i$  are included in the determination of subsequent  $TSC_i$ s through the  $AB_i$ , as defined in the Calculation of the Transmission Services Charge section of this rider.

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**FULL REQUIREMENTS ELECTRIC SUPPLY CHANGES.**

Within thirty (30) calendar days of the effective date of changes in the contractual arrangements pursuant to which the Company procures full requirements electric supply that institute changes in the transmission services and ancillary transmission services included in full requirements electric supply and that would result in more than a 3% increase or 3% decrease in the currently applicable  $TSC_{CPP}$ , the Company must file with the ICC, for informational purposes, an adjusted  $TSC_{CPP}$  applicable for the period beginning with the monthly billing period starting after the later of (a) the effective date of the revised contractual arrangements instituting such changes, or (b) the effective date of such changes, and extending through the following May monthly billing period corresponding to the end of the period of time during which the  $TSC_{CPP}$  replaced by the adjusted  $TSC_{CPP}$  was scheduled to be applicable. Moreover, in the event that an updated, but not yet applicable  $TSC_{CPP}$  filed with the ICC for informational purposes requires adjustment in accordance with the provisions of this Full Requirements Electric Supply Changes section, the Company must file with the ICC, for informational purposes, an adjusted  $TSC_{CPP}$  applicable for the monthly billing periods beginning in the upcoming June and extending through May of the following year. Any such adjusted  $TSC_{CPP}$  filed with the ICC for informational purposes must include work papers detailing the determination of such  $TSC_{CPP}$  based upon the equation provided in the Calculation of the Transmission Services Charge section of this rider and the provisions of this Full Requirements Electric Supply Changes section.

The adjusted  $TSC_{CPP}$  is calculated by incorporating a nonzero  $ADJ_{CPP}$  into the equation previously used to determine the  $TSC_{CPP}$  that the adjusted  $TSC_{CPP}$  is replacing.  $ADJ_{CPP}$ , equals the amount  $TS_{CPP}$  would have been if the changes in the transmission services and ancillary transmission services included in full requirements electric supply had been in place in the applicable Historical Year, reduced by  $TS_{CPP}$  for such Historical Year.

Changes in transmission services and ancillary transmission services that are not reflected in an adjusted  $TSC_{CPP}$  are included in the determination of subsequent  $TSC_{CPP}$ s through the  $AB_{CPP}$ .

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**MISCELLANEOUS GENERAL PROVISIONS.**

The TSCs computed in accordance with the provisions of this rider are subject to adjustment in accordance with lawful orders issued by the ICC in annual docketed reconciliation proceedings as provided for in the ICC's Order entered in Docket No. 05-0159. Such annual proceedings, beginning in 2008, address TSCs computed for the previous calendar year, except that the first such annual proceeding addresses the TSCs computed for the period beginning January 2, 2007, and extending through December 31, 2007.

Each year, beginning in 2008, the Company (a) conducts an annual internal audit of its costs and recoveries of such costs pursuant to this rider, (b) prepares an annual report verified by an officer of the Company that summarizes the results of such audit, and (c) submits such report to the ICC in an informational filing by April 30, 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.

The Company's Schedule of Rates of which this rider is a part includes General Terms and Conditions and other tariffs. Service hereunder is subject to those General Terms and Conditions and other applicable tariffs.

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