

ELECTRIC SERVICE SCHEDULE NO. 1365 - Continued

SPECIAL CONDITIONS:

1. Applications for service under this schedule will be subject to fees authorized by the Commission.
2. Residential customers participating in the Net Metering Program under this Schedule shall take service from Schedule 5 – Residential Service for Customer Generators.

~~1.3.~~ If the energy supplied to the Company is less than the energy purchased from the Company, the prices specified in the Energy Charge section of the Monthly Billing of the applicable standard service tariff shall be applied to the positive balance owed to the Company.

~~2.4.~~ If the energy supplied to the Company is greater than the energy supplied by the Company, the Customer shall be billed for the appropriate monthly charges and shall be credited for such Net Metering Energy as follows:

A. Residential and Small Non-Residential Customer shall be credited for such net energy with a cumulative kilowatt-hour credit. The credit will be deducted from the customer's kilowatt-hour usage on the customer's next monthly bill thus offsetting the customer's next monthly bill at the full retail rate of the customer's rate schedule.

B. A Large Non-Residential Customer, at the time of initial enrollment under this tariff, must elect a compensation method to receive cumulative credits for the upcoming Annualized Billing Period from one of the following options:

(i) An Average Energy Price for the applicable calendar year according to the Volumetric Non-Levelized Prices shown in Schedule 37 as determined by the following formula: $0.38 \times \text{Winter On-Peak Energy Price} + 0.19 \times \text{Summer On-Peak Energy Price} + 0.29 \times \text{Winter Off-Peak Energy Price} + 0.14 \times \text{Summer Off-Peak Energy Price}$; or

(ii) A Seasonally Differentiated Energy Price for the applicable calendar year according to the Non-Levelized Prices shown in Schedule 37 as determined by the following formula: $0.57 \times \text{Summer On-Peak Energy Price} + 0.43 \times \text{Summer Off-Peak Energy Price}$ for the regularly scheduled meter readings from June through September and $0.57 \times \text{Winter On-Peak Energy Price} + 0.43 \times \text{Winter Off-Peak Energy Price}$ for the regularly scheduled meter readings from October through May; ~~or~~

~~(iii) An average retail rate for the Electric Service Schedule applicable to the net metering customer as calculated from the previous year's Federal Energy~~

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~~Regulation Commission Form No. 1 to be determined and available by July 1, 2009, and by July 1st of every subsequent year. Current average retail rates are listed below:~~

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