

ELECTRIC SERVICE SCHEDULE NO. 135 - Continued

SPECIAL CONDITIONS:

1. 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.

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2. 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:

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A. A Residential and Small Non-Residential Customer shall be credited for such net energy with a cumulative kilowatt-hour credit to be applied at the full retail rate of the customer's rate schedule for service for each rate component on the bill that uses kilowatt-hours as the billing determinant on the customer-generator's next monthly bill.

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 Regulation Commission Form No. 1 to be determined and available by July 1, 2009.

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