

ELECTRIC SERVICE SCHEDULE NO. 71 - Continued

ENERGY EXCHANGE VALUE (continued)

Hourly Credit Rate

Market Price Signal **minus** Customer's Rate Schedule Effective Energy Price =
Hourly Credit Rate ($\text{\$/kWh}$).

The Company will notify Customers of an Exchange Event when the Market Price Signal is such that it is economic for the Company to encourage Customers to reduce usage. The Hourly Credit Rate will be determined by subtracting the energy price the Customer would pay on their otherwise applicable rate schedule from the MPS. This calculation is performed for each hour during the Exchange Event.

Hourly Credit

Exchange Amount (kWh) X Hourly Credit Rate = Hourly Credit

The Hourly Credit is the amount owed to the Customer for each hour of curtailment pledged during the Exchange Event. The Hourly Credit is determined by multiplying the Exchange Amount by the Hourly Credit Rate. The Hourly Credit shall not be less than zero.

Exchange Credit: The Exchange Credit is the amount paid to the Customer for the Exchange Event and is the sum of each Hourly Credit during such event.

PAYMENTS: The Company will pay the Customer within 45 days of the Exchange Event. At Company's discretion, payment may be applied as a credit to the Customer's Monthly Billing.

EXCHANGE AMOUNT: The Exchange Amount shall be the difference between the Customer's Baseline Service Level and Customer's measured load for each hour during the term of the Pledge Period. The Customer's Baseline Service Level shall be defined as the average usage for each hour during approximately fourteen typical operational days prior to the Pledge Period. Holidays and weekends will be excluded when determining the Baseline Service Level. The Company may utilize an alternate method to determine Baseline Service Level when the Customer's usage is highly variable or when a prior Exchange Amount has been implemented within the period used to establish a subsequent Baseline Service Level.

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