
HOURLY-PRICED LCS RIDER

AVAILABILITY

This Rider is available beginning January 1, 2005 to non-residential Customers not eligible for Type I SOS or Type II SOS. This Rider is not applicable to any Customer receiving Competitive Power Supply.

DESCRIPTION

This Rider provides Hourly-Priced LCS from the Company under the applicable rate schedule. Distribution Charges, Transmission Charges and all applicable surcharges continue to apply.

MONTHLY RATE

The retail price for Hourly-Priced LCS calculated monthly will consist of the sum of the following components:

- (1) The PJM hourly integrated real time locational marginal price for energy at the APS Zone, or its successor;
- (2) Charges associated with the PJM capacity obligation, including any penalties or deficiency charges and fees accruing for the capacity obligation;
- (3) Federal Energy Regulatory Commission (FERC)-approved ancillary services, administrative, energy losses, and any other FERC-approved or PJM charges and costs incurred by the Company directly related to the Hourly-Priced LCS load obligation;
- (4) An administrative charge between \$0.00225 and \$0.00300 per kilowatt-hour;
- (5) Applicable taxes; and
- (6) Any other price element directly related to the Hourly-Priced LCS load obligation and approved by the Commission.

TERM

Month to month basis.

ISSUED BY JOSEPH H. RICHARDSON, PRESIDENT

Issued November 30, 2005

To become effective on
all service rendered on
or after January 1, 2006

HOURLY-PRICED LCS RIDER (Concluded)

SPECIAL CONDITIONS

Beginning January 1, 2006, all Customers taking Service on Type III LCS will automatically be switched to Hourly-Priced LCS.

GENERAL

Service supplied is subject to the Company's Rules and Regulations Covering the Supply of Electric Service.

ISSUED BY JOSEPH H. RICHARDSON, PRESIDENT

Issued November 30, 2005

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Issued in accordance with the Commission's directive February 8, 2006 in Case Nos. 8908 and 9037