

DEMAND SIDE INVESTMENT MECHANISM RIDER Schedule DSIM (Continued)

Discontinuing the DSIM:

The Company reserves the right to discontinue the entire MEEIA Cycle 2 portfolio, if the Company determines that implementation of such programs is no longer reasonable due to changed factors or circumstances that have materially and negatively impacted the economic viability of such programs as determined by the Company, upon no less than thirty days' notice to the Commission. As a result of these changes, the Company may file to discontinue this DSIM. Similar to Program discontinuance, the Company would file a notice indicating that it is discontinuing the DSIM Rider. This notice would include a methodology for recovery of any unrecovered Program Costs and TD.

DEMAND SIDE INVESTMENT MECHANISM CHARGE:

Effective upon Commission approval in Case No. EO-2015-0241 of MEEIA Cycle 2 Filing.

Current DSIM Components

Rate Schedule	NPC/PE (\$/kWh)	NTD/PE (\$/kWh)	NEO/PE (\$/kWh)	NOA/PE (\$/kWh)	Total DSIM (\$/kWh)
Residential Service	\$0.00107	\$(0.00001)	\$0.00033	\$0.00000	\$0.00139
Non- Residential Service	\$0.00650	\$0.00052	\$0.00049	\$0.00000	\$0.00751

Transition Adjustment for MEEIA Cost Recovery and Base Rates to Recovery through the DSIM Effective for the Period February 1, 2017 through February 21, 2017:

Rate Schedule	Base DSIM* (\$/kWh)	Adjustment (\$/kWh)	Total DSIM* (\$/kWh)
Residential Service	\$0.00311	\$(0.00172)	\$0.00139
Non- Residential Service	\$0.00202	\$0.00549	\$0.00751

*It is the intent of the Company to remove the Base DSIM (\$/kWh) from base tariffs in the Company's next rate case, Case No. ER-2016-0156, effective February 22, 2017. At such time as the Base DSIM (\$/kWh) in base rates is removed, the Total DSIM (\$/kWh) shall continue under this tariff and the rate shall be as identified above.

- Total DSIM (\$/kWh) per Case No. EO-2015-0241 (MEEIA Cycle 2) effective April 1, 2016. The Total DSIM includes any over / under recovery of the Base DSIM rate.
- Base DSIM (\$/kWh) per Case No. EO-2012-0009 as reflected in each base rate tariff sheet.

Credits are shown in parentheses, e.g. (\$.05).