

**RIDER EPPP
ENERGY EFFICIENCY PRICING AND PERFORMANCE**

Applicable to Rates BES, BESH, and RDS

APPLICABILITY.

This rider is applicable to all retail customers except those retail customers to which the Exempt Group or Opt-out Group, as defined in the Definitions part of the General Terms and Conditions of the Company's Schedule of Rates, is applicable.

PURPOSE.

- * The purpose of this rider is to effectuate the provisions of subsections 8-103B(d) and (k) of the Public Utilities Act (Act) to allow the Company to recover all its reasonable and prudently incurred costs associated with (i) providing energy efficiency and demand response activities, programs, and measures undertaken in compliance with Section 8-103, Section 8-103B, and Section 16-111.5B of the Act or undertaken in the stead of the Illinois Department of Commerce and Economic Opportunity (DCEO), (ii) offering the Public Schools Carbon-Free Assessment program undertaken in compliance with Section 8-402.2 of the Act, and (iii) providing on-bill financing activities and programs undertaken in compliance with Section 16-111.7 of the Act, as approved by the Illinois Commerce Commission (ICC) through the application of a formula rate that operates in a standardized manner with annual updates using transparent cost information published by the Company in accordance with various federal and state reporting requirements.

DEFINITIONS.

Generally, definitions of terms used in this rider are provided in the Definitions part of the General Terms and Conditions of the Company's Schedule of Rates.

The following definitions are for use specifically in this rider, as well as in the schedules and work papers listed in the Determination of the Annual Net EE Revenue Requirement section of this tariff, as applicable:

Application Year

Application Year means the calendar year immediately following the year in which the Company submits its annual update filing to the ICC in accordance with the Annual Updates section of this rider. Notwithstanding the previous provision of this definition, in calendar year 2017, the term Application Year means June 2017 through December 2017.

EE

EE means energy efficiency or demand response.

EE Measure

EE measure means an energy efficiency or demand response program, instrument, or action approved by the ICC in accordance with Section 8-103, Section 8-103B, Section 16-111.5B, or Section 16-111.7 of the Act developed, implemented, or administered by or for the Company.

FERC Fm 1

FERC Fm 1 means the Company's Federal Energy Regulatory Commission (FERC) Financial Report FERC Form No. 1: Annual Report of Major Electric Utilities, Licensees and Others, or its successor.

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DEFINITIONS (CONTINUED).

Filing Year

Filing Year means the calendar year in which the Company submits its annual update filing to the ICC in accordance with the Annual Updates section of this rider.

* **Large N Group**

Large N Group means the designation applicable to retail customers, each to which (a) one of the (i) Very Large Load Delivery Class, (ii) Extra Large Load Delivery Class, or (iii) High Voltage Delivery Class, is applicable, and (b) the Exempt Group or Opt-out Group is not applicable.

Reconciliation Year

Reconciliation Year means the calendar year immediately prior to the Filing Year.

Residential Group

Residential Group means the designation applicable to retail customers, each to which one of the (a) Residential Single Family Without Electric Space Heat Delivery Class, (b) Residential Multi Family Without Electric Space Heat Delivery Class, (c) Residential Single Family With Electric Space Heat Delivery Class, or (d) Residential Multi Family With Electric Space Heat Delivery Class is applicable.

* **Small N&L Group**

Small N&L Group means the designation applicable to retail customers, each to which (a) one of the (i) Watt-Hour Delivery Class, (ii) Small Load Delivery Class, (iii) Medium Load Delivery Class, (iv) Large Load Delivery Class, (v) Fixture-Included Lighting Delivery Class, (vi) Dusk to Dawn Lighting Delivery Class, or (vii) General Lighting Delivery Class is applicable, and (b) the Exempt Group or Opt-out Group is not applicable.

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DETERMINATION OF THE ANNUAL NET EE REVENUE REQUIREMENT.

- * The Company recovers its costs of providing EE measures through the application of adjustments determined in accordance with the provisions of this rider. Such costs are determined in accordance with the provisions of this Determination of the Annual Net EE Revenue Requirement section. Such costs are determined with sufficient specificity to operate in a standardized manner with annual updates using transparent cost information published by the Company in accordance with various federal and state reporting requirements. Some of such information is included in the Company's most recent FERC Fm 1 that reflects costs the Company actually incurred during the Reconciliation Year. Other of such information provides projected costs the Company expects to incur during the Application Year in accordance with the Company's applicable energy efficiency plan, on-bill financing activities and programs, and Public Schools Carbon-Free Assessment program, undertaken in compliance with Sections 8-103, 8-103B, 8-402.2, 16-111.5B, and 16-111.7 of the Act, as approved by the ICC. Such costs are subject to review and approval, or approval as modified, by the ICC in accordance with the provisions of the Annual Updates section of this rider.

The following abbreviations, shown with their associated meanings, are used in the spreadsheets presented in this Determination of the Annual Net EE Revenue Requirement section, as well as in the schedules and work papers listed in this Determination of the Annual Net EE Revenue Requirement section.

\$ means Dollars
% means Percentage
000s means Thousands
Acct means Account
ADIT means Accumulated Deferred Income Tax
Adj(s) means Adjustment(s)
Amort means Amortization
Amt means Amount
Apr means April
Aug means August
Avg means Average
Col means Column
Dec means December
EE means Energy Efficiency
Feb means February
FR means Formula Rate
Jan means January
Jul means July
Jun means June
Ln means Line
Mar means March

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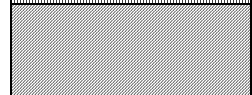

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DETERMINATION OF THE ANNUAL NET EE REVENUE REQUIREMENT (CONTINUED).

Misc means Miscellaneous
Mon means Month
N/A means Not Applicable
Nov means November
Oct means October
REC means Reconciliation
Recon means Reconciliation
Reg means Regulatory
ROE means Return on Equity
Sch means Schedule
Sep means September
Thru means Through
US means United States
WP means Work Paper
Wtd means Weighted
Yr means Year

The following cell shadings, shown with their associated meanings, are used in the spreadsheets presented in this Determination of the Annual Net EE Revenue Requirement section.

	means that the value in the cell is imported from a separate source document
	means that the value in the cell is imported from a cell in the spreadsheets or from a cell in one of the schedules or work papers listed in this Determination of the Annual Net EE Revenue Requirement section
	means that the value in the cell is determined using a mathematical operation

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Post Office Box 805379
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**RIDER EPPP
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(Continued from Sheet No. 376)

DETERMINATION OF THE ANNUAL NET EE REVENUE REQUIREMENT (CONTINUED).

Net EE Revenue Requirement Computation

The Net EE Revenue Requirement is determined in accordance with the spreadsheet provided in this Net EE Revenue Requirement Computation subsection. The computations in such spreadsheet, herein identified as Sch FR A-1, are made in accordance with Section 8-103B of the Act.

Commonwealth Edison Company			Sch FR A-1
Net EE Revenue Requirement Computation		Yr X-1	Actual Data
		Yr X+1	Projected Data
Ln	Description	Source	Amt (\$ in 000s)
Regulatory Asset Recovery			
1	Net Reg Asset	Sch FR B-1 Col C Ln 4	
2	Total Revenue Effect of Return	Sch FR D-1 Col C Ln 25	
3	Authorized Return Grossed Up for Taxes	(Ln 1) * (Ln 2)	
4	Regulatory Asset Amort	Sch FR B-1 Col C Ln 5	
5	Capacity and Other Revenue Credit	Sch FR B-1 Col C Ln 6	
6	Impact Permanent Tax Differences (if any)	Sch FR C-1 Ln 8	
7	Other Operating Expense and Misc Adjustments (if any)	Sch FR C-1 Ln 9	
8	EE Revenue Requirement – Reg Asset	(Ln 3) + (Ln 4) – (Ln 5) + (Ln 6) + (Ln 7)	
Capital Asset Recovery			
9	Net Rate Base	Sch FR B-2 Col C Ln 4	
10	Total Revenue Effect of Return	Sch FR D-1 Col C Ln 25	
11	Authorized Return Grossed Up for Taxes	(Ln 9) * (Ln 10)	
12	Depreciation Expense	Sch FR B-2 Col C Ln 5	
13	EE Revenue Requirement – Capital Asset	(Ln 11) + (Ln 12)	
14	Overall EE Revenue Requirement	(Ln 8) + (Ln 13)	
15	EE Reconciliation with Interest	Sch FR A-3 Ln 39	
16	EE Revenue Balancing Adjustment	Sch FR A-2 Ln 36	
17	Net EE Revenue Requirement	(Ln 14) + (Ln 15) + (Ln 16)	
18	Prior Net EE Revenue Requirement	Prior Yr Sch FR A-1 Ln 17	
19	Change in Net EE Revenue Requirement From Prior Yr	(Ln 17) – (Ln 18)	

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DETERMINATION OF THE ANNUAL NET EE REVENUE REQUIREMENT (CONTINUED).

Net EE Revenue Requirement Reconciliation Computation – Recon Yr

The revenue requirement reconciliation amount is determined in accordance with the spreadsheet provided in this Net EE Revenue Requirement Reconciliation Computation – Recon Yr subsection. The computations in such spreadsheet, herein identified as Sch FR A-1 REC, are made in accordance with Section 8-103B of the Act.

Commonwealth Edison Company			Sch FR A-1 REC
Net EE Revenue Requirement Computation - Recon Yr		Yr X-1	Actual Data
		Yr X+1	Projected Data
Ln	Description	Source	Amt (\$ in 000s)
Regulatory Asset Recovery			
1	Net Reg Asset	Sch FR B-1 Col D Ln 4	
2	Total Revenue Effect of Return	Sch FR D-1 Col D Ln 25	
3	Authorized Return Grossed Up for Taxes	(Ln 1) * (Ln 2)	
4	Regulatory Asset Amort	Sch FR B-1 Col D Ln 5	
5	Capacity and Other Revenue Credit	Sch FR B-1 Col D Ln 6	
6	Impact Permanent Tax Differences (if any)	Sch FR C-1 Ln 8	
7	Other Operating Expense and Misc Adjustments (if any)	Sch FR C-1 Ln 9	
8	EE Revenue Requirement – Reg Asset	(Ln 3) + (Ln 4) – (Ln 5) + (Ln 6) + (Ln 7)	
Capital Asset Recovery			
9	Net Rate Base	Sch FR B-2 Col D Ln 4	
10	Total Revenue Effect of Return	Sch FR D-1 Col D Ln 25	
11	Authorized Return Grossed Up for Taxes	(Ln 9) * (Ln 10)	
12	Depreciation Expense	Sch FR B-2 Col D Ln 5	
13	EE Revenue Requirement – Capital Asset	(Ln 11) + (Ln 12)	
14	EE Actual Revenue Requirement Recon Yr	(Ln 8) + (Ln 13)	

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DETERMINATION OF THE ANNUAL NET EE REVENUE REQUIREMENT (CONTINUED).

In developing data that are used in the spreadsheets previously presented in this Determination of the Annual Net EE Revenue Requirement section, the Company must prepare the following schedules (Schs):

- Sch FR A-2: EE Revenue Balancing Computation
- Sch FR A-3: EE Revenue Requirement Reconciliation Computation
- Sch FR B-1: EE Regulatory Asset and Amortization Summary Computation
- Sch FR B-2: EE Capital Asset and Depreciation Summary Computation
- Sch FR C-1: EE Taxes, Other Expense and Conversion Factor Computation
- Sch FR D-1: EE Cost of Capital Computation
- Sch FR D-2: EE Average Yield on Treasury Securities Computation

In developing data that are used in the spreadsheets previously presented in this Determination of the Annual Net EE Revenue Requirement section, the Company must prepare the following work papers (WPs):

- WP 1: Regulatory Asset and Amortization
- WP 2: Capital Asset Rate Base and Depreciation
- WP 3: Common Equity Balance
- WP 4: Cost of Long Term Debt
- WP 5: Cost of Short Term Borrowings
- WP 6: Performance Adjustment
- WP 7: Revenue and Revenue Requirement Reconciliation Support
- WP 8: Other Expenses and Permanent Taxes, Tax Rate Support

Notwithstanding the previous provisions of this Determination of the Annual Net EE Revenue Requirement section, the initial cost inputs incorporated into the aforementioned schedules and work papers are for the calendar year 2017 and include no reconciliation computations. Moreover the first update to the cost inputs incorporated into such schedules and work papers are for the calendar year 2018 and include no reconciliation computations.

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**RIDER EEPP
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DETERMINATION OF BILLING DETERMINANTS.

As required by Section 8-103B(d)(2)(D)(v) of the Act, projected weather normal billing determinants for the applicable rate year are determined in accordance with the provisions of this Determination of Billing Determinants section. Such billing determinants are determined in accordance with applicable provisions of the 83 Illinois Administrative Code.

A separate model is developed for each of the Company's delivery classes, as applicable. Each model is developed using the input of professional econometric modelers with model statistics guiding that development.

Residential Sector Models

A separate model is developed for each of the (a) Residential Single Family Without Electric Space Heat Delivery Class, (b) Residential Multi Family Without Electric Space Heat Delivery Class, (c) Residential Single Family With Electric Space Heat Delivery Class, and (d) Residential Multi Family With Electric Space Heat Delivery Class.

For each such model, the dependent variable is the kilowatt-hour (kWh) usage per retail customer per day, and independent variables pertaining to weather conditions and economic conditions are used, as applicable.

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**RIDER EEP
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DETERMINATION OF BILLING DETERMINANTS (CONTINUED).

* **Large N Group Models**

A separate model is developed for each delivery class in the Large Nonresidential Group: the (a) Very Large Load Delivery Class, (b) Extra Large Load Delivery Class, and (c) High Voltage Delivery Class, removing projected kWh usage of the Exempt Group or Opt-out Group, as applicable.

For each such model the dependent variable is the kWh usage per retail customer per day. The independent variables in the models pertain to weather conditions and economic conditions, as applicable.

* **Small N&L Group Models**

A separate model is developed for each delivery class in the Small Nonresidential and Lighting Group: (a) Watt-Hour Delivery Class, (b) Small Load Delivery Class, (c) Medium Load Delivery Class, (d) Large Load Delivery Class, (e) Fixture-Included Lighting Delivery Class, (f) Dusk to Dawn Lighting Delivery Class, and (g) General Lighting Delivery Class, removing projected kWh usage of the Exempt Group or Opt-out Group, as applicable.

For each such model the dependent variable is the kWh usage per retail customer per day. The independent variables in the models pertain to weather conditions and economic conditions, as applicable.

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**RIDER EPPP
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DETERMINATION OF THE EE ADJUSTMENTS.

Three EE Adjustments, EEA_R , EEA_S , EEA_L , for the Residential Group, Small N&L Group, and Large N Group, respectively, in cents per kilowatt-hour (¢/kWh) rounded to the thousandths of a cent, are determined to provide for the recovery of the Net EE Revenue Requirement, as applicable.

The initial EE Adjustments are determined in accordance with the following equation for application beginning with the October 2017 monthly billing period and extending through the December 2017 monthly billing period:

$$EEA_G = \frac{\text{NetRR17} \times \left(\frac{A_{G17}}{AR17 + ASNL17 + ALN17} \right)}{U_{17G}} \times \frac{100\text{¢}}{\$1}$$

Where:

- G = Retail Customer Group, equal to Residential Group, Small N&L Group, or Large N Group, as applicable.
- NetRR17 = 2017 Net EE Revenue Requirement, in \$, equal to the Net EE Revenue Requirement amount identified in Ln 17 of the Sch FR A-1 spreadsheet presented in the Net EE Revenue Requirement Computation subsection of the Determination of the Annual Net EE Revenue Requirement section of this rider, beginning June 2017 and extending through December 2017, as approved by the ICC in its Order pertaining to the initial effectuation of this rider.
- A_{G17} = Assigned Costs, in \$, equal to the forecasted expenditures for approved energy efficiency measures and, if applicable, demand-response measures for 2017 assigned to the Retail Customer Group, G , as applicable.
- $AR17$ = Assigned Residential Group Costs, in \$, equal to the forecasted expenditures for approved energy efficiency measures and, if applicable, demand-response measures for 2017 assigned to the Residential Group.
- $ASNL17$ = Assigned Small N&L Group Costs, in \$, equal to the forecasted expenditures for approved energy efficiency measures and, if applicable, demand-response measures for 2017 assigned to the Small N&L Group.

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**RIDER EOPP
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(Continued from Sheet No. 382)

DETERMINATION OF THE EE ADJUSTMENTS (CONTINUED).

ALN17 = Assigned Large N Group Costs, in \$, equal to the forecasted expenditures for approved energy efficiency measures and, if applicable, demand-response measures for 2017 assigned to the Large N Group.

U17_G = 2017 Group Usage, in kWh, equal to the electric energy expected to be delivered during the October through December 2017 monthly billing periods to retail customers to which retail customer group, G, is applicable.

Thereafter, prior to the beginning of an Application Year, the three EE Adjustments are updated in accordance with the following equation for application beginning with the January monthly billing period and extending through the December monthly billing period associated with such Application Year:

$$EEA_G = \frac{\text{NetRR} \times \left(\frac{A_G}{AR + ASNL + ALN} \right)}{U_G} \times \frac{100\text{¢}}{\$1}$$

Where:

G = Retail Customer Group, equal to Residential Group, Small N&L Group, or Large N Group, as applicable.

NetRR = Net EE Revenue Requirement, in \$, equal to the Net EE Revenue Requirement amount identified in Ln 17 of the Sch FR A-1 spreadsheet presented in the Net EE Revenue Requirement Computation subsection of the Determination of the Annual Net EE Revenue Requirement section of this rider as approved by the ICC.

A_G = Assigned Costs, in \$, equal to the forecasted or actual expenditures, as applicable, for approved energy efficiency measures and, if applicable, demand-response measures for the Application Year assigned to the Retail Customer Group, G, as applicable.

AR = Assigned Residential Costs, in \$, equal to the forecasted or actual expenditures, as applicable, for approved energy efficiency measures and, if applicable, demand-response measures for the Application Year assigned to the Residential Group.

ASNL = Assigned Small N&L Group Costs, in \$, equal to the forecasted or actual expenditures, as applicable, for approved energy efficiency measures and, if applicable, demand-response measures for the Application Year assigned to the Small N&L Group.

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**RIDER EEP
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(Continued from Sheet No. 383)

DETERMINATION OF THE EE ADJUSTMENTS (CONTINUED).

ALN = Assigned Large N Group Costs, in \$, equal to the forecasted or actual expenditures, as applicable, for approved energy efficiency measures and, if applicable, demand-response measures for the Application Year assigned to the Large N Group.

U_G = Group Usage, in kWh, equal to the electric energy expected to be delivered during the January through December monthly billing periods corresponding to the Application Year to retail customers to which retail customer group, G, is applicable.

Assigned costs for each Retail Customer Group for use in the determination of EE Adjustments, as applicable, for application in calendar years 2017 and 2018 must be based on forecasted expenditures as forecasted in calendar year 2017.

Beginning with the 2018 Filing Year, assigned costs must be based on an average of the most recent actual Retail Customer Group costs of providing EE measures available for up to the previous five (5) years as of the filing of the annual update, in year X, as provided in the Annual Update section of this rider for use in the determination of the EE Adjustments, which apply in year X+1. Notwithstanding the preceding provisions of this Determination of the EE Adjustment section, the actual costs of providing EE measures in calendar year 2017 shall be those costs incurred beginning June 2, 2017 through December 31, 2017.

* Notwithstanding the previous determination and assignment of the Net EE Revenue Requirement, costs for the Public Schools Carbon-Free Assessment program are assigned on a per-public-school-basis to the Retail Customer Group applicable to the public school.

The EE Adjustments may be revised by the Company in accordance with this Determination of the EE Adjustments section if the Company determines such revised EE Adjustments result in a better match between the Company's applicable expected costs and its recovery of those costs.

APPLICATION OF THE EE ADJUSTMENTS.

The initial EE Adjustments determined in accordance with the provisions of this rider are applicable beginning with the October 2017 monthly billing period and extending through the December 2017 monthly billing period. Thereafter, EE Adjustments are determined for application beginning with a January monthly billing period and extending through the following December monthly billing period.

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APPLICATION OF THE EE ADJUSTMENTS (CONTINUED).

The EEA_R, EEA_S, and EEA_L, are applicable to each kWh delivered to each retail customer to which the Residential Group, Small N&L Group, and Large N Group, respectively, is applicable during the monthly billing period during which such EEA_R, EEA_S, and EEA_L are effective. The amount resulting from such application of such EEA_R, EEA_S, or EEA_L, as applicable, must be shown as a separate line item on each electric service bill for each such retail customer. Such line item is designated as the Energy Efficiency Program.

INFORMATIONAL FILINGS.

EE Adjustments determined in accordance with the provisions of the Determination of the EE Adjustments section of this rider must be filed by the Company with the ICC for informational purposes. Any such informational filing must be accompanied by supporting work papers and documentation. The supporting work papers and documentation that accompany any such informational filing must reflect the Net EE Revenue Requirement determined in accordance with the spreadsheets provided or listed in the Determination of the Annual Net EE Revenue Requirement section of this tariff, as approved by the ICC.

For the annually updated EE Adjustments that are scheduled to be applicable beginning with a January monthly billing period and extending through the following December monthly billing period, the Company must file such EE Adjustments with the ICC for informational purposes within five (5) business days after the ICC issues its Order pertaining to such updates of such EE Adjustments as described in the Annual Updates section of this tariff.

For the initial EE Adjustments to be applied in accordance with this rider, the Company must file such initial EE Adjustments with the ICC for informational purposes within five (5) business days after the ICC issues its Order pertaining to the initial effectuation of this rider.

For a situation in which the Company revises such EE Adjustments to provide for a better match between the Company's applicable expected costs and its recovery of those costs or to incorporate a corrective value, or for a situation in which the ICC, at the conclusion of a reconciliation proceeding described in the Annual Updates section of this rider, orders or changes information to be included in the determination of such EE Adjustments values, the resultant revised EE Adjustments values must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of the December prior to the January monthly billing cycle during which such revised EE Adjustments values becomes applicable.

Any informational filing of EE Adjustments made after the applicable filing date previously specified in this Informational Filings section but prior to the date when such delivery service charges are scheduled to become effective is acceptable only if such filing corrects an error or errors from timely filed annual updates. Any other such filing made after such specified date is acceptable only if such filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

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ANNUAL UPDATES.

The EE Adjustments determined in accordance with the provisions of this rider, are subject to annual updates in accordance with the provisions of Section 8-103B of the Act.

Each year on or before June 1, beginning in 2018, the Company must file with the ICC an update of the spreadsheets provided in the Determination of the Annual Net EE Revenue Requirement section of this rider, the schedules and work papers listed in such Determination of the Annual Net EE Revenue Requirement section, and work papers determining the updated EE Adjustments in accordance with the applicable equation in the Determination of the EE Adjustments section of this rider to be applicable beginning with the January monthly billing period and extending through the December monthly billing period in the year following such filing. Notwithstanding the previous provisions of this Annual Updates section, the first such update filing is submitted in conjunction with the energy efficiency plan for the years 2018 through 2021 filed with the ICC by the Company.

The information used to update such spreadsheets, schedules and work papers must be based on final historical data reflected in the Company's most recently filed FERC Fm 1 for the Reconciliation Year and include (a) projected costs to be incurred for EE measures during the Application Year; and (b) a reconciliation of the Net EE Revenue Requirement in effect for the Reconciliation Year determined in accordance with the provisions of the Determination of the Annual Net EE Revenue Requirement section of this rider, as previously approved, with modification as applicable, by the ICC, to the actual revenue requirement for such Reconciliation Year. Notwithstanding the provisions in item (b) in this paragraph, no reconciliation is applicable for the first update filed in 2017 with projected costs for 2018. Notwithstanding the previous provisions of this Annual Updates section, the information used to update such spreadsheets, schedules and work papers in calendar year, X, following the calendar year in which the one-time credit to retail customers' bills was provided pursuant to subsection 8-103B(k) of the Act, X-1, with projected costs for the next calendar year, X+1, must include a balancing amount, in \$, equal to any adjustment determined by the Company that is to be refunded to or collected from retail customers to correct for any difference between the amount determined in the reconciliation pursuant to subsection 8-103B(k) of the Act and the amount refunded to customers as a one-time credit to retail customers' bills pursuant to subsection 8-103B(k) of the Act. Notwithstanding the previous provisions of this Annual Updates section, pursuant to subsection 8-103B(k) of the Act, the information used to update such spreadsheets, schedules and work papers in calendar year, X, following the calendar year in which Rider EDA – Energy Efficiency and Demand Response Adjustment (Rider EDA) is cancelled, X-1, with projected costs for the next calendar year, X+1, must also include a balancing amount, in \$, equal to the amount of costs that were not recovered or the amount of costs that were over-recovered, as applicable, under the Company's previously existing Rider EDA, which was cancelled pursuant to subsection 8-103B(k) of the Act, and such costs must be applied to such reconciliation balance as an adjustment to eliminate any under or over recovery.

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ENERGY EFFICIENCY PRICING AND PERFORMANCE**

(Continued from Sheet No. 386)

ANNUAL UPDATES (CONTINUED).

The intent of the reconciliation described in the previous paragraph is to balance the Net EE Revenue Requirement reflected in the Company's EE Adjustments applicable for a given year to the energy efficiency revenue requirement that would have been reflected in such EE Adjustments if the Company's costs pertaining to EE measures for such year had been available at the time such EE Adjustments were filed. Each reconciliation must be certified by the Company in the same manner that its FERC Fm 1 is certified.

In accordance with Subsection 8-103B(g)(4) of the Act, the Company recovers all costs associated with the ICC approved third-party administered programs regardless of the success of those programs.

Within forty-five (45) calendar days after the Company files its update with the ICC as described previously in this Annual Updates section, the ICC is to initiate a proceeding to review the Company's updated EE Adjustments. Such proceeding must be conducted in accordance with Section 8-103B of the Act. The Order in such proceeding must be entered no later than one hundred ninety-five (195) calendar days after the date of the Company's filing.

MISCELLANEOUS GENERAL PROVISIONS.

Revenue associated with the application of EE Adjustments must be recorded separately by the Company.

If the energy efficiency formula rate is terminated, the then current rates remain in effect until such time as the energy efficiency costs are incorporated into new rates that are set under Subsection 8-103B(d) of the Act or Article IX of the Act, subject to retroactive rate adjustment, with interest, to reconcile rates charged with actual costs.

The Company's Schedule of Rates, of which this tariff is a part, includes General Terms and Conditions and other tariffs. Service hereunder is subject to the General Terms and Conditions and such other tariffs, as applicable.