

GENERAL INFORMATION

18. Arrears Relief Program Surcharge

The Arrears Relief Program Surcharge is designed to recover the remaining program costs related to the arrears management plan and associated carrying charges after applying the allocated funds provided by the Utility Arrears Relief Program.

A. Applicability:

The Arrears Relief Program Surcharge is applicable to all customers taking service under Service Classification Nos. 1, 2, and 3.

B. Calculation:

The surcharge shall be calculated by dividing the allocated costs for each service classification by the forecasted sales or the demand for the service classification. The amounts to be recovered shall be assessed carrying charges at the Company's weighted pre-tax cost of capital. Costs associated with Phase 1 shall be recovered over a five-year period. Costs associated with Phase 2 shall be recovered over a three-and-a-half-year period.

C. Cost Allocation:

The costs to be collected shall be allocated to each service classification consistent with the uncollectable cost allocation from the Company's most recent cost of service study.

D. Cost Recovery:

The surcharge shall be recovered from customers on a per kWh basis.

E. Reconciliation:

The surcharge collected from customers shall be subject to an annual reconciliation for any over- or under-collection at the end of the annual collection period, inclusive of carrying charges at the Company's weighted pre-tax cost of capital, to be included in the balance for refund or recovery in the next annual period. The first Phase 2 reconciliation shall be calculated concurrently with the Phase 1 reconciliation and annually thereafter.

F. Billing and Statement:

For purposes of billing, the surcharge shall be included in the Transition Charge.

An Arrears Relief Program Statement ("ARP") setting forth the Arrears Relief Program Surcharge rates, for Phase 1 and Phase 2, shall be filed with the Public Service Commission on not less than 3-days' notice. Such statement may be found at the end of this Schedule.