

## GENERAL INFORMATION

### 32. Non-Wire Alternatives (“NWA”)

- A. The Company may implement a NWA as an alternative to a capital investment project. The Company shall recover the amortized portion of costs incurred by the Company for the implementation of a NWA project plus any applicable incentives.
- B. If a NWA project results in the Company displacing a capital project that is reflected in the targets for Average Electric Plant in Service Balances under the Net Plant Reconciliation, the target(s) will be reduced to exclude the forecasted net plant associated with the displaced project. The carrying charge associated with the displaced project will be applied as a credit against the recovery of the associated NWA project costs. In the event that the carrying charge on the net plant of any displaced project is higher than the recovery of the associated NWA project costs, the difference will be deferred for the benefit of customers.
- C. Cost Allocation  
The costs will be allocated to each service class based on the following allocators:
  - (1) coincident peak demand for the transmission portion (if any) of the deferred traditional project; and
  - (2) non-coincident peak demand allocator for the sub-transmission and distribution portions of the deferred traditional project.

Once allocated to each applicable service class, the costs will be recovered through a component of the Transition Charge. If an NWA project will benefit only certain service classes, the cost allocation will be limited to the benefitted classes.

- D. The NWA Surcharge is applicable to customers taking service under Service Classification Nos.: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 14, regardless of supplier.
- E. Filings and Statements  
A NWA Statement setting forth the NWA Surcharge rates shall be filed with the Commission on not less than 30 days’ notice. Such statement may be found at the end of this Schedule.