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| SCHEDULE 139 |
| REVENUE DECOUPLING ADJUSTMENT MECHANISM |

1. **APPLICABILITY:**

This rate is applicable to all Customers of the Company that receive service under Schedules 7, 7A, 8, 10, 11, 12, 24, 25, 26, 29, 31, 35, 40, 43, 46, and 49 and will be applied to all bills to Customers with Energy usage during a month when this schedule is effective.

1. **PURPOSE:**

The purpose of this schedule is to establish balancing accounts and implement a rate adjustment mechanism that decouples the Company’s revenues to recover delivery costs from sales of electricity and restores a portion of the revenue lost by the Company as a result of its conservation investments.

1. **MECHANISM:**
   1. Definitions:
2. Residential Customers: Customers served under Schedules 7 and 7A.
3. Non-Residential Customers: Customers served under Schedules 8, 10, 11, 12, 24, 25, 26, 29, 31, 35, 40, 43, 46, and 49.
   1. Calculation:
4. The Revenue Decoupling Adjustment (RDA) reconciles on a monthly basis, separately for Residential Customers and Non-Residential Customers, differences between (i) the monthly Actual Delivery Revenue resulting from applying a Delivery Cost Energy Rate of 2.789 cents per kWh for Residential Customers and 2.2193 cents per kWh for Non-Residential Customers to their Energy sales, and (ii) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer by the active number of Customers in each group for each month.
5. The difference resulting when the Actual Delivery Revenue is subtracted from the Allowed Delivery Revenue is accrued monthly in the RDA Balancing Account and will accrue interest at the Company’s currently authorized net of tax rate of return grossed up for income taxes. The monthly amount accrued will be divided into sub-accounts so that net accruals for Residential Customers and Non-Residential Customers can be tracked separately.