

**SCHEDULE 12
RESIDENTIAL CRITICAL PEAK PRICING PILOT**

PURPOSE

This Critical Peak Pricing (CPP) pilot is a demand response option for eligible residential Customers. CPP provides Customers a price incentive to curtail peak loads during Critical Peak hours up to ten days for each six month season. The Company will notify the Customer on the day prior to each Load Reduction Day. The CPP pilot is expected to be conducted from November 1, 2011 through October 31, 2013.

AVAILABLE

In all territory served by the Company.

APPLICABLE

Subject to selection by the Company, approximately 1,000 eligible Residential (Schedule 7) Customers may elect to participate in the CPP pilot. Eligible Customers must have an Advanced Metering Infrastructure (AMI) meter. See the Special Conditions section for a list of relevant eligibility criteria. Participating Customers will be transferred from Schedule 7 to Schedule 12 for the duration of the CPP pilot.

MONTHLY RATE

The sum of the following charges per Point of Delivery (POD)* will apply to Customers participating in the CPP pilot:

<u>Basic Charge</u>		
Single Phase Service	\$9.00	
Three Phase Service	\$14.00	
<u>Transmission and Related Services Charge</u>	0.235	¢ per kWh
<u>Distribution Charge</u>	3.116	¢ per kWh
<u>Energy Charge</u>		
Off-Peak Period	5.810	¢ per kWh
On-Peak Period	8.310	¢ per kWh
Critical Peak (when called)	40.000	¢ per kWh

* See Schedule 100 for applicable adjustments.

SCHEDULE 12 (Continued)

ENERGY CHARGE TIME PERIODS

Summer Hours (May 1 – October 31)

	AM												PM										
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
Standard Day Mon. - Sat.	Off Peak												On Peak								Off Peak		
Load Reduction Day (when called*)	Off Peak												On Peak	Critical Peak				On Peak	Off Peak				
Sundays and Holidays**	Off Peak																						

Winter Hours (November 1 – April 30)

	AM												PM											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
Standard Day Mon. - Sat.	Off Peak						On Peak						Off Peak						On Peak					Off Peak
Load Reduction Day (when called*)	Off Peak						On Peak						Off Peak						Critical Peak					Off Peak
Sundays and Holidays**	Off Peak																							

* Load reduction days can only be called in the following months: December, January, February, July, August, and September. Saturdays, Sundays and holidays are excluded from the definition of Load Reduction Days.

** Holidays include: New Year's Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on a Saturday, the preceding Friday will be designated the holiday. If a holiday falls on a Sunday, the following Monday will be designated the holiday.

STANDARD DAY

Winter and Summer Standard Day hours consist of On-Peak and Off-Peak hours and are applicable for all usage during the billing month except for usage during any day that the Company has declared a Load Reduction Day.

LOAD REDUCTION DAY

Winter and Summer Load Reduction Day hours consist of On-Peak, Off-Peak, and Critical Peak hours and are applicable for all usage during the designated hours during any day that the Company has declared a Load Reduction Day. Load Reduction Days are initiated by the Company as described in the Notification section. Load Reduction Days can only be called in the following months: December, January, February, July, August, and September.

SCHEDULE 12 (Continued)

SUNDAYS AND HOLIDAYS

Sunday and holiday hours consist of Off-Peak hours and are applicable for usage during all hours on those days.

NOTIFICATION

The Company will issue a notification of a Load Reduction Day (Notification) to participating Customers prior to 4 P.M. on the day before the Load Reduction Day. Such Notification may be issued Sunday through Thursday. Participating Customers must choose at least one method for receipt of a Notification. Initially, notification methods may include email or auto-dialer phone call. Notification may also be available on the Company's website. Once a Notification is issued by the Company, a Load Reduction Day will not be cancelled.

Load Reduction Days may not be declared by the Company for more than 2 consecutive days. A maximum of 10 Load Reduction Days may be declared in either the Summer (July – September) or Winter (December – February) season.

ENROLLMENT

The Customer enrollment period will begin by September 1, 2011. Service under this schedule will commence November 1, 2011. Unless this CPP pilot is otherwise terminated, participating Customers will be enrolled for the entire two-year CPP pilot term.

ADJUSTMENTS

Service under this schedule is subject to the same adjustments approved by the Commission for Schedule 7. Applicable adjustment schedules are summarized in Schedule 100.

SPECIAL CONDITIONS

1. Service under this CPP pilot may be terminated by the Customer at the next regularly scheduled meter reading provided the Company has received two weeks notice from the Customer prior to the next regularly scheduled meter read date.
2. If a Customer requests to be removed from the CPP pilot, the Customer will not be eligible to reenroll during the pilot period.

SCHEDULE 12 (Concluded)

SPECIAL CONDITIONS (Continued)

3. A Customer who changes residence will be removed from the CPP pilot.
4. A Customer's election to participate in this CPP pilot is based solely on the Customer's own analysis of the benefits of this schedule. The Company does not assure that participation in the CPP pilot will result in reductions in the Customer's bill or that it will not increase costs to the Customer compared to other service options.
5. The Company will update prices when Schedule 7 prices are updated, subject to Commission approval.
6. The Company may choose to offer participation incentives, including but not limited to, Programmable Communicating Thermostats, rebates or coupons.
7. Customers enrolled in the demand response aggregation program or other demand response programs, Time of Use Schedule 7, Solar Payment Option, Term Payment Arrangements, Equal Pay, Average Pay, Employee Discount, or other Renewable Portfolio Options are not eligible to participate in the CPP pilot.

TERM

This CPP pilot begins November 1, 2011 and ends October 31, 2013.