

**RATE BES-H
BASIC ELECTRIC SERVICE-HOURLY ENERGY PRICING**

(Continued from Sheet No. 336.1)

* **MISCELLANEOUS GENERAL PROVISIONS (CONTINUED).**

LMPs, listed in Eastern Prevailing Time (EPT), used to determine Hourly Energy Charges are available through PJM's web site. Furthermore, the Company electronically posts on its web site indicative day-ahead hourly energy prices and indicative real-time hourly energy prices determined from PJM day-ahead locational marginal prices and real-time locational marginal prices, respectively, for the ComEd Zone. Such indicative hourly energy prices, listed in Central Prevailing Time (CPT), include adjustments for applicable losses and uncollectible costs incurred by the Company as described in the Hourly Energy Charges subsection of the Monthly Charges section of this tariff.

The indicative day-ahead hourly energy prices are posted on a day-ahead basis in the form of twenty-four (24) hourly energy prices beginning with the hour from 11:00 p.m. of the present day to 12:00 a.m. (midnight) of the following day. The indicative real-time hourly energy prices are posted on a day-after basis in the form of twenty-four (24) hourly energy prices beginning with the hour from 11:00 p.m. of two days before to 12:00 a.m. (midnight) of the day before. There are twenty-three (23) hourly energy prices for the first Sunday of Central Daylight Savings Time and twenty-five (25) hourly energy prices for the first Sunday of Central Standard Time.

The Company is not required to obtain any consent or other approval, whether prospective, contemporaneous, or retrospective, from the ICC or any other entity in order to issue bills containing any TSC, DCC, MCC, HEC, PJM Services Charge, Miscellaneous Procurement Components Charge, Supply Administration Charge, or HPEA determined in accordance with the provisions of this tariff or in order to collect any such TSC, DCC, MCC, HEC, PJM Services Charge, Miscellaneous Procurement Components Charge, Supply Administration Charge, or HPEA, provided, however, that any such HPEA is subject to adjustment in accordance with annual proceedings conducted as provided in this Miscellaneous General Provisions section during which any ~~accounting~~ error is determined to have been associated with the application of an HPEA.

Each time the Company files any TSC, DCC, MCC, PJM Services Charge, Miscellaneous Procurement Components Charge, or HPEA with the ICC for informational purposes, such filing must include work papers supporting the determination of such TSC, DCC, MCC, PJM Services Charge, Miscellaneous Procurement Components Charge, or HPEA, as applicable.

(Continued on Sheet No. 336.3)

Filed with the Illinois Commerce Commission on
XXXX XX, 200X. Issued pursuant to the
Illinois Commerce Commission Order
entered YYYY YY, 200Y, in Docket No. 07-YYYY.
Asterisk (*) indicates change.

Date Effective: ZZZZ ZZ, 200Z
Issued by A. R. Pramaggiore, Exec. Vice President
Post Office Box 805379
Chicago, Illinois 60680-5379

RATE BES-H
BASIC ELECTRIC SERVICE-HOURLY ENERGY PRICING

(Continued from Sheet No. 336.2)

* **MISCELLANEOUS GENERAL PROVISIONS (CONTINUED).**

The Company must conduct an internal audit of its costs for the period from January 2, 2007 through May 2008, and recoveries of such costs pursuant to this tariff and the previously effective Rider CPP. The Company must prepare a report that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division within sixty (60) calendar days after the end of the effective period associated with the May 2008 determination period. Such report must be verified by an officer of the Company.

Thereafter, each year beginning in 2009, the Company must conduct an internal audit of its costs for the previous PJM Planning Year and recoveries of such costs pursuant to this tariff. The Company must also prepare a report each year that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division within sixty (60) calendar days after the end of the effective period associated with the May determination period of such PJM Planning Year. Such report must be verified by an officer of the Company.

Each audit described in the previous two (2) paragraphs of this Miscellaneous General Provisions section must examine (a) costs recovered pursuant to this tariff to verify that such costs are recovered only pursuant to this tariff and to confirm that any such costs are not also being recovered inappropriately through charges imposed under other tariffs, (b) charges and adjustments determined pursuant to this tariff that are included in retail customers' bills for electric service provided hereunder to verify that such charges and adjustments are properly applied, (c) revenues resulting from the application of this tariff to verify that such revenues are correctly stated, and (d) the Company's internal administrative and operational costs associated with the procurement of electric power and energy for retail customers served hereunder to verify that such costs are reasonable.

No earlier than ninety (90) calendar days after the end of the effective period associated with the May 2008 determination period, a proceeding must commence to provide for the correction of any **accounting** errors that may have occurred in the application of the provisions of this tariff and the previously effective Rider CPP. Any correction of any such error is determined and applied in accordance with lawful orders issued by the ICC in such proceeding.

Thereafter, each year beginning in 2009, no earlier than ninety (90) calendar days after the end of the effective period associated with the May determination period of a PJM Planning Year, a proceeding must commence to provide for the correction of any **accounting** errors that may have occurred in the application of the provisions of this tariff. Any correction of any such error is determined and applied in accordance with lawful orders issued by the ICC in such proceeding.

Any proceeding described in the previous two (2) paragraphs may also provide for the determination of the reasonableness of the Company's internal administrative and operational costs associated with the procurement of electric power and energy for retail customers served hereunder. Any correction of any such internal administrative or operational cost that is found to be unreasonable by the ICC is determined and applied in accordance with lawful orders issued by the ICC in such proceeding.

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

Filed with the Illinois Commerce Commission on
XXXX XX, 200X. Issued pursuant to the
Illinois Commerce Commission Order
entered YYYY YY, 200Y, in Docket No. 07-YYYY.
Asterisk (*) indicates change.

Date Effective: ZZZZ ZZ, 200Z
Issued by A. R. Pramaggiore, Exec. Vice President
Post Office Box 805379
Chicago, Illinois 60680-5379

RIDER PE - PURCHASED ELECTRICITY

**Applicable to Rates BES-R, BES-NRB, BES-NRA, BES-L, BES-RR, and RDS Through the May 2008
Monthly Billing Period
Applicable to Rate BES Beginning with the June 2008 Monthly Billing Period**

APPLICABILITY.

Through the May 2008 monthly billing period this rider is applicable to retail customers taking service under Rate BES-R - Basic Electric Service-Residential (Rate BES-R), Rate BES-NRB - Basic Electric Service-Nonresidential (Blended) (Rate BES-NRB), Rate BES-NRA - Basic Electric Service-Nonresidential (Annual) (Rate BES-NRA), Rate BES-L - Basic Electric Service-Lighting (Rate BES-L), Rate BES-RR - Basic Electric Service-Railroad (Rate BES-RR), and Rate RDS - Retail Delivery Service (Rate RDS) with Rider PPO-MVM - Power Purchase Option (Market Value Methodology) (Rider PPO-MVM).

Beginning with the June 2008 monthly billing period, this rider is applicable to retail customers taking service under Rate BES - Basic Electric Service (Rate BES).

PURPOSE.

Bundled electric service is the provision to the retail customer of electric power and energy by the Company. Such provision includes the procurement of all the component services the Company requires to meet retail customer instantaneous electric power and energy requirements at any given time under the Company's tariffs, applicable tariffs on file with the Federal Energy Regulatory Commission (FERC), and other applicable law, including, without limitation, all required electric energy, energy to satisfy losses, electric generation capacity, volumetric risk management, transmission services, ancillary transmission services, renewable energy resources, administrative services, and other necessary services procured by the Company. In accordance with Section 16-111.5(l) of the Public Utilities Act (Act), the primary purpose of this rider is to allow the Company to recover all the costs as required by Section 16-111.5 of the Public Utilities Act (Act) it incurs related to the procurement of all such component services. Under this rider, the Company "recover[s] its costs of procuring power and energy" pursuant to such Section 16-111.5. In particular, this rider provides for the recovery of the Company's "costs of procuring power that are incurred pursuant to the Commission-approved procurement plan" through a "formula rate or charge" "with no mark-up or return on the price paid by the [Company] for that supply, plus any just and reasonable costs that the [Company] incurs in arranging and providing for the supply of electric power and energy." Included in the costs that are found reasonable and fully recoverable under this rider, are "any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs." However, this rider also recognizes that the Illinois Commerce Commission (ICC) may determine the reasonableness of the Company's costs of arranging and providing for supply in periodic review proceedings and expressly provides for the adjustments that may result from such proceedings.

Other purposes of this rider are to set forth the Company's obligations with respect to (a) the planning process associated with procurement plans in accordance with Section 16-111.5(d)(1) of the Act; (b) the contingency procurement of electric power and energy in accordance with Sections 16-111.5(e)(5)(i) and 16-111.5(e)(5)(iii) of the Act; and (c) the mechanisms employed to ensure that the Company does not over or under recover the costs it incurs in procuring electric power and energy for retail customers taking service under tariffs to which this rider is applicable.

DEFINITIONS.

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.

(Continued on Sheet No. 631)

RIDER PE - PURCHASED ELECTRICITY

(Continued from Sheet No. 632)

PROCUREMENT OBLIGATIONS (CONTINUED).

Preexisting Contracts - Supplier Forward Contracts

The Company must procure full requirements electric supply under Supplier Forward Contracts (SFCs). SFCs are contracts effective prior to August 28, 2007, under which the Company procures, from suppliers on a wholesale basis subsequent to December 31, 2006, full requirements electric supply that it requires for retail customers taking service under bundled electric service tariffs that do not have provisions for hourly pricing. SFCs are subject to the jurisdiction of the FERC. Each SFC includes provisions regarding the obligations of the Company and the supplier; procedures and rules pertaining to the operational aspects of the provision of full requirements electric supply; credit requirements; payment terms; and details pertaining to the administration of the contract. Each SFC obligates the supplier thereunder to provide to the Company firm, full requirements electric supply, in each hour, and delivered to the Company's electric system as described in such SFC, sufficient to meet a specified percentage share of the full requirements electric supply required by the Company, in each such hour, for applicable retail customers. Suppliers assume all volumetric risk associated with the full requirements electric supply required by the Company to serve such retail customers, including any risk associated with customer switching to or away from any applicable Company tariffed service. Each SFC has provisions regarding payments to the applicable supplier. The Company makes payments to such supplier. The unit payment price is adjusted for seasonality as provided in such SFC. SFCs pertaining to 33.093526%, 33.453237%, and 33.453237% of the full requirements electric supply that the Company requires for retail customers reflected in the CPP Blended Segment of the CPP Group of the Fixed Price Section of the Illinois Auction conducted in 2006 expire at 11:00 P.M. Central Prevailing Time (CPT) on May 31, 2008, May 31, 2009, and May 31, 2010, respectively. In addition, SFCs pertaining to 100% of the full requirements electric supply that the Company requires for retail customers reflected in the CPP Annual Segment of the CPP Group of the Fixed Price Section of the Illinois Auction conducted in 2006 expire at 11:00 P.M. CPT on May 31, 2008. SFCs are preexisting contracts, and the ~~"full costs of procuring electric supply"~~ incurred by the Company pursuant to SFCs are "deemed to have been prudently incurred" in accordance with Section 16-111.5(l) of the Act.

Preexisting Contracts - Financial Swap Contracts

The Company must be a party to one or more multiple year financial swap contracts that became effective on August 28, 2007, in accordance with the provisions of Section 16-111.5(k) of the Act. Such contracts must be for terms that do not exceed five (5) years and for electric loads that, in aggregate, do not exceed three thousand megawatts (3,000 MW) for any hour of the year. Such contracts are financial contracts and are not energy sales contracts. Such contracts must be executed as transactions under a negotiated master agreement based on the form of master agreement for financial swap contracts sponsored by the International Swaps and Derivatives Association, Inc., or its successor. Financial swap contracts are ~~"considered preexisting contracts," and~~ the costs incurred by the Company pursuant to such financial swap contracts are "deemed prudently incurred ~~and reasonable in amount," and the Company is "entitled to full cost recovery"~~ in accordance with Section 16-111.5(k) of the Act.

(Continued on Sheet No. 634)

RIDER PE - PURCHASED ELECTRICITY

(Continued from Sheet No. 636)

PURCHASED ELECTRICITY PRICE.

For the purpose of developing Retail Purchased Electricity Charges, as described in the Retail Purchased Electricity Charges section of this rider, that allow the Company to recover the costs it incurs in procuring certain component services the Company is required to procure and requires to meet retail customer instantaneous electric power and energy requirements at any given time under the Company's tariffs, applicable tariffs on file with the FERC, and other applicable law, the Company determines four Purchased Electricity Prices (PEPs). Specifically, the four PEPs are (1) the Summer Peak PEP, (2) the Summer Off-Peak PEP, (3) the Nonsummer Peak PEP, and (4) the Nonsummer Off-Peak PEP. Each PEP is equal to the load weighted average time of use unit cost, in dollars per megawatt-hour (\$/MWh), for all such component services pertaining to the corresponding monthly billing periods for which Retail Purchased Electricity Charges are being determined. Costs included in the PEPs include (a) applicable costs incurred by the Company in meeting its obligations in accordance with the Procurement Obligations section of this rider; (b) costs incurred by the Company in arranging and providing for the supply of electric power and energy in accordance with the Procurement Obligations section of this rider, including costs to meet collateral requirements or other forms of security requirements; and (c) costs incurred by the Company in relation to the development, approval, or implementation of or compliance with any preexisting contract or any procurement plan that is put into effect pursuant to Section 1-75 of the IPA Act and Section 16-111.5 of the Act, including any fees assessed by the IPA, and including without limitation, attorney, consultant, and expert witness fees. Costs that are recoverable in a tariff authorized by Section 16-111.5 of the Act and that are included in the PEPs are segmented into two (2) categories. The two (2) categories are the Company's (i) costs incurred to acquire the required electric resources and services, and (ii) internal administrative and operational costs associated with the procurement of those electric resources and services. As provided in Section 16-111.5(l) of the Act, the Company is entitled to "recover its costs of procuring power and energy under this Section (Section 16-111.5 of the Act)," and "all such costs shall be deemed to have been prudently incurred." The Company is not allowed to mark-up or include a return on such costs.

Costs incurred by the Company to procure certain services from PJM, including but not limited to, Network Integration Transmission Service (NITS) and PJM-associated expenses, are not included in the development of the PEPs. Instead, such costs are included in the development of the PJM Services Price (PSP), as described in the PJM Services Price section of this rider.

Generally, the aforementioned PEPs are expected to be determined on an annual basis and used to determine Retail Purchased Electricity Charges for a period that extends from the beginning of a June monthly billing period through the end of the following May monthly billing period corresponding to a given PJM Planning Year. However, the PEPs must be recomputed each time the ICC approves the results of a procurement event. In addition, the PEPs may be recomputed at such time that FERC-approved or accepted changes in charges related to costs identified for inclusion in the PEPs become effective.

(Continued on Sheet No. 638)

RIDER PE - PURCHASED ELECTRICITY

(Continued from Sheet No. 647)

PURCHASED ELECTRICITY ADJUSTMENT FACTOR (CONTINUED).

With a postmark dated no later than the twentieth day of the month prior to the start of each effective period, the Company must file with the ICC for informational purposes the PEA Factor, determined in accordance with this Purchased Electricity Adjustment Factor section, applicable during such effective period. Any submission of a PEA Factor postmarked after the twentieth day of a month but prior to the start of the applicable effective period is acceptable only if such submission corrects an error or errors from a timely submitted PEA Factor for such effective period. Any other such submission postmarked after such twentieth day is acceptable only if such submission is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

MISCELLANEOUS GENERAL PROVISIONS.

The Company is not required to obtain any consent or other approval, whether prospective, contemporaneous, or retrospective, from the ICC or any other entity in order to issue bills containing any Retail Purchased Electricity Charge, Retail PJM Services Charge, or PEA Factor determined in accordance with the provisions of this rider or in order to collect any such Retail Purchased Electricity Charge, Retail PJM Services Charge, or PEA Factor provided, however, that any such PEA Factor is subject to adjustment ~~to correct accounting errors~~ in accordance with Section 16-111.5(l) of the Act.

Each time the Company files any Retail Purchased Electricity Charge, Retail PJM Services Charge, or PEA Factor with the ICC for informational purposes, such filing must include work papers supporting the determination of such Retail Purchased Electricity Charge, Retail PJM Services Charge, or PEA Factor, as applicable.

Each year beginning in 2009, the Company must conduct an internal audit of its costs for the previous PJM Planning Year and recoveries of such costs pursuant to this rider. Such audit must examine (a) costs recovered pursuant to this rider to verify that such costs are recovered only pursuant to this rider and to confirm that any such costs are not also being recovered inappropriately through charges imposed under other tariffs, (b) charges and adjustments determined pursuant to this rider that are included in retail customers' bills for electric service provided under Rate BES to verify that such charges and adjustments are properly applied, (c) revenues resulting from the application of this rider to verify that such revenues are correctly stated, and (d) the Company's internal administrative and operational costs associated with the procurement of electric power and energy pursuant to Section 16-111.5 of the Act to verify that such costs are reasonable. The Company must also prepare a report each year that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division within sixty (60) calendar days after the end of the effective period associated with the May determination period of such PJM Planning Year. Such report must be verified by an officer of the Company.

(Continued on Sheet No. 648.1)

RIDER PE - PURCHASED ELECTRICITY

(Continued from Sheet No. 648)

MISCELLANEOUS GENERAL PROVISIONS (CONTINUED).

Each year beginning in 2009, no earlier than ninety (90) calendar days after the end of the effective period associated with the May determination period of such year, a proceeding must commence in accordance with Section 16-111.5(l) of the Act to "provide for the correction, on at least an annual basis, of any accounting errors that may occur" in the application of the provisions of this rider. Such proceeding may also provide for the determination of the reasonableness of the Company's internal administrative and operational costs associated with the procurement of electric power and energy pursuant to Section 16-111.5 of the Act. Any correction of any such error or any such internal administrative or operational cost that is found to be unreasonable by the ICC is determined and applied in accordance with lawful orders issued by the ICC in such proceeding.

In accordance with Section 16-111.5(l) of the Act, the provisions of this rider are not subject to review under, or in any way limited by, Section 16-111(i) of the Act.

The Company must maintain confidentiality of all bidder and supplier information associated with any procurement plan to which it has access in a manner consistent with all applicable laws, rules, regulations, and tariffs.

The Company's Schedule of Rates, of which this rider 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.

RATE BES - BASIC ELECTRIC SERVICE

(Continued from Sheet No. 657)

MISCELLANEOUS GENERAL PROVISIONS.

Provisions regarding credit requirements, deposits, billing, and payment for service provided hereunder are included in the General Terms and Conditions of the Company's Schedule of Rates.

Provisions regarding the disconnection and reconnection of electric service provided hereunder for safety or other reasons are included in the Disconnection and Reconnection part of the General Terms and Conditions of the Company's Schedule of Rates.

Provisions addressing the resolution of disputes between the Company and a retail customer that involve the performance, breach, or alleged breach of any obligation under this tariff, or under any rider applicable to this tariff, or under any contract entered into under this tariff or applicable rider, are included in the Dispute Resolution part of the General Terms and Conditions of the Company's Schedule of Rates.

The uncollectible factors used to determine the Purchased Electricity Charges and PJM Services Charges in accordance with the Purchased Electricity Charges subsection and the PJM Services subsection, respectively, of the Monthly Charges section of this tariff are as follows:

Customer Supply Group or Subgroup	Uncollectible Factor
Residential Non-Electric Space Heating Customer Subgroup	1.0143
Residential Electric Space Heating Customer Subgroup	1.0143
Watt-Hour Non-Electric Space Heating Customer Subgroup	1.0029
Demand Non-Electric Space Heating Customer Subgroup	1.0029
Nonresidential Electric Space Heating Customer Subgroup	1.0029
Dusk to Dawn Lighting Customer Group	1.0004
General Lighting Customer Group	1.0004

Notwithstanding the previous provisions of this Miscellaneous General Provisions section, in the event that the ICC approves Rider UF - Uncollectible Factors (Rider UF), the relevant uncollectible factors listed in such Rider UF, rather than the uncollectible factors listed in this Miscellaneous General Provisions section, are used to determine such Purchased Electricity Charges and PJM Services Charges. In the event that the ICC does not approve Rider UF, the uncollectible factors previously listed in this Miscellaneous General Provisions section are subject to revision in accordance with lawful orders issued by the ICC in docketed delivery service rate case proceedings. Any such revision must be reflected in the compliance tariff filing submitted by the Company in accordance with any such lawful order.

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

RIDER AAF - ACCURACY ASSURANCE FACTOR

**Applicable to Rates BES-R, BES-NRB, BES-NRA, BES-L, BES-RR, and RDS Through the May 2008
Monthly Billing Period
Applicable to Rate BES Beginning with the June 2008 Monthly Billing Period**

APPLICABILITY.

Through the May 2008 monthly billing period, this rider is applicable to any retail customer taking service under Rate BES-R - Basic Electric Service-Residential (Rate BES-R), Rate BES-NRB - Basic Electric Service-Nonresidential (Blended) (Rate BES-NRB), Rate BES-NRA - Basic Electric Service-Nonresidential (Annual) (Rate BES-NRA), Rate BES-L - Basic Electric Service-Lighting (Rate BES-L), Rate BES-RR - Basic Electric Service-Railroad (Rate BES-RR), or Rate RDS - Retail Delivery Service (Rate RDS) with Rider PPO-MVM - Power Purchase Option (Market Value Methodology) (Rider PPO-MVM).

Beginning with the June 2008 monthly billing period, this rider is applicable to any retail customer taking service under Rate BES - Basic Electric Service (Rate BES).

PURPOSE.

The Company must procure full requirements electric supply under Supplier Forward Contracts (SFCs). SFCs are contracts effectuated prior to August 28, 2007, that provide the terms and conditions under which the Company procures, from suppliers on a wholesale basis subsequent to December 31, 2006, full requirements electric supply that it requires for retail customers for which it is procuring such full requirements electric supply. SFCs are preexisting contracts, and the ~~"full"~~ costs of procuring electric supply² incurred by the Company pursuant to SFCs are "deemed to have been prudently incurred" in accordance with Section 16-111.5(l) of the Act. The recovery of such costs occurs through the application of supply charges for retail customers for which the Company procures full requirements electric supply. In order to ensure that the application of supply charges to retail customers does not result in over or under recovery of the Company's costs to procure full requirements electric supply in accordance with SFCs or contingency processes pertaining to such SFCs, as necessary, for its retail customers due to changes in customer usage and demand patterns, Accuracy Assurance Factors (AAFs) are determined on a monthly basis and applied to equalize the applicable revenues from retail customers for such full requirements electric supply and the expenses incurred by the Company to procure such full requirements electric supply.

DEFINITIONS.

Determination Period

For the purposes of this rider, a determination period means the calendar month for which an AAF is determined for retail customers for which the Company procures full requirements electric supply. The last such determination period is May 2008.

Effective Period

For the purposes of this rider, an effective period means the monthly billing period during which an AAF is applied to kilowatt-hours (kWhs) supplied to retail customers. The effective period is the first monthly billing period beginning no earlier than fifteen (15) calendar days after the final reconciliation of the PJM-conducted settlement process for electric supply for the determination period(s), and the last such effective period is the effective period associated with the May 2008 determination period.

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

(Continued on Sheet No. 660)

RIDER AAF - ACCURACY ASSURANCE FACTOR

(Continued from Sheet No. 663)

DETERMINATION OF THE CF (CONTINUED).

For each effective period through the May 2008 monthly billing period, the aforementioned defined components used in the determination of the CF for the associated determination period(s) are included separately in the computation of the two (2) AAFs, the B-AAF and the A-AAF, as applicable.

For each effective period beginning with the June 2008 monthly billing period and extending through the effective period associated with the May 2008 determination period, the aforementioned defined components used in the determination of the CF for the associated determination period(s) for all SFCs under which the Company procured full requirements electric supply through the May 2008 determination period are included in the computation of the one (1) AAF.

MISCELLANEOUS GENERAL PROVISIONS.

The Company must conduct an internal audit of its costs for the period from January 2, 2007, through May 2008 and recoveries of such costs pursuant to this rider and the previously effective Rider CPP. Such audit must examine (a) costs recovered pursuant to this rider and the previously effective Rider CPP to verify that such costs have been recovered only pursuant to this rider and the previously effective Rider CPP and to confirm that any such costs are not also being recovered inappropriately through charges under other tariffs, (b) adjustments and charges determined pursuant to this rider and the previously effective Rider CPP that were included in retail customers' bills for electric service provided under tariffs without provisions for hourly energy pricing to verify that such charges and adjustments were properly applied, and (c) revenues resulting from the application of this rider and the previously effective Rider CPP to verify that such revenues are correctly stated. The Company must prepare a report that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division within sixty (60) calendar days after the end of the effective period associated with the May 2008 determination period. Such report must be verified by an officer of the Company.

No earlier than ninety (90) calendar days after the end of the effective period associated with the May 2008 determination period, a proceeding must commence in accordance with Section 16-111.5(l) of the Act to provide for the correction of any accounting errors that may have occurred in the application of the provisions of this rider and the previously effective Rider CPP. Any correction of any such error is determined and applied in accordance with lawful orders issued by the ICC in such proceeding.

In accordance with Section 16-111.5(l) of the Act, the provisions in this rider are not subject to review under, or in any way limited by, Section 16-111(i) of the Act.

The Company's Schedule of Rates, of which this rider 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.

RIDER PPO – POWER PURCHASE OPTION

(Continued from Sheet No. 667)

MISCELLANEOUS GENERAL PROVISIONS.

For a retail customer that elects the option of having less than all its electric power and energy requirements supplied hereunder with such specification on a meter-by-meter basis, the electric power and energy for the retail customer's load connected to the meters for which service hereunder is provided, must be supplied exclusively by the Company. The retail customer's load connected to the meters for which service is provided hereunder must be installed, operated, and maintained in such a manner so as to preclude the possibility of such meters registering electric power and energy that are supplied by the Company under the terms of a tariff for bundled electric service or by a RES.

A retail customer taking service hereunder may not act as a Customer Self-Manager as defined in the Types of Customers section of the Service Options part of Rate RDS.

Each year beginning in 2009, the Company must conduct an internal audit of its costs for the previous PJM Planning Year and recoveries of such costs pursuant to this rider as part of the internal audit conducted in accordance with the provisions of Rate BES-H. Such audit must examine (a) costs recovered pursuant to this rider to verify that such costs are recovered only pursuant to this rider and to confirm that any such costs are not also being recovered inappropriately through charges imposed under other tariffs, (b) charges and adjustments determined pursuant to this rider that are included in retail customers' bills for electric service provided hereunder to verify that such charges and adjustments are properly applied, (c) revenues resulting from the application of this rider to verify that such revenues are correctly stated, and (d) the Company's internal administrative and operational costs associated with the procurement of electric power and energy for retail customers served hereunder to verify that such costs are reasonable. As provided in Rate BES-H, the Company must also prepare a report each year that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division within sixty (60) calendar days after the end of the effective period associated with the May determination period of such PJM Planning Year. Such report must be verified by an officer of the Company.

Each year beginning in 2009, the proceeding that must commence no earlier than ninety (90) calendar days after the end of the effective period associated with the May determination period of such year to provide for the correction of any accounting errors that may have occurred in the application of the provisions of Rate BES-H, must also provide for the correction of any accounting errors that may have occurred in the application of the provisions of this rider. Such proceeding may also provide for the determination of the reasonableness of the Company's internal administrative and operational costs associated with the procurement of electric power and energy for retail customers served hereunder. Any correction of any such error or any such internal administrative or operational cost that is found to be unreasonable by the ICC is determined and applied in accordance with lawful orders issued by the ICC in such proceeding.

The Company's Schedule of Rates of which this rider is a part includes General Terms and Conditions and other rates and riders. Service hereunder is subject to those General Terms and Conditions and applicable rates and riders.