

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

(Continued from Sheet No. 334.5)

MONTHLY CHARGES (CONTINUED).

* **Hourly Purchased Electricity Adjustment Factor (Continued)**

For the purpose of determining the HPEA, (a) a determination period means the calendar month for which an HPEA is determined for retail customers receiving electric service with hourly energy pricing, and (b) an effective period means the monthly billing period during which such HPEA is applied to kWhs provided to such 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).

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 HPEA applicable during such effective period. Any submission of an HPEA 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 HPEA 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.

Notwithstanding the previous provisions of this Hourly Purchased Electricity Adjustment Factor subsection, in the event that the initial effective date of this Hourly Purchased Electricity Adjustment Factor subsection occurs within an effective period during which a CPP-H AAF had been applied to kWhs provided to retail customers receiving electric service with hourly energy pricing in accordance with the provisions of the previously effective Rider CPP, then such previously determined CPP-H AAF continues to be applicable to kWhs provided during the remainder of such effective period to retail customers receiving electric service with hourly energy pricing.

* **Accuracy Assurance Factor**

For a retail customer to which Rider AAF - Accuracy Assurance Factor (Rider AAF) is applicable, the Accuracy Assurance Factor (AAF) is applicable to each kWh provided to the retail customer during the relevant monthly billing period and is equal to the A-AAF determined in accordance with the provisions of Rider AAF.

(Continued on Sheet No. 335)

**RATE RDS
RETAIL DELIVERY SERVICE**

(Continued from Sheet No. 371)

RATES AND CHARGES (CONTINUED)

MONTHLY CHARGES (CONTINUED).

Single Bill Credit (Continued)

Notwithstanding the foregoing provisions of this Single Bill Credit subsection, the retail customer has no right to a credit for monthly billing periods during which the customer has a past due unpaid balance for bundled electric service, unless such customer has a legitimate billing dispute regarding such past due unpaid balance.

* **Accuracy Assurance Factor**

For a retail customer to which Rider AAF - Accuracy Assurance Factor (Rider AAF) is applicable, the Accuracy Assurance Factor (AAF) is applicable to each kWh provided to the retail customer during the relevant monthly billing period and is equal to the A-AAF determined in accordance with the provisions of Rider AAF.

Other Generally Applicable Charges

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

OTHER CHARGES.

Split Load DASR Fees

* The Split Load DASR Fee is applicable to the retail customer served hereunder for which the electric power and energy requirements are supplied in any of the following combinations: (a) by the Company under Rider PPO-MVM or Rider PPO and by a RES with delivery under Rate RDS; (b) by the Company under Rate BES-H and by a RES with delivery under Rate RDS; or (c) by the Company under Rider PPO-MVM or Rider PPO and by the Company under Rate BES-H.

Split Load Meter-by-Meter (\$/DASR processed)	\$96.00
Split Load Percentage of Customer Load (\$/DASR processed)	\$60.00
Split Load First Through the Meter (\$/DASR processed)	\$60.00

Nonstandard Switching Fee

The Nonstandard Switching Fee is applicable to the retail customer that switches to a different provider of electric power and energy supply service with such switch effective on a date other than the Company's normally scheduled meter reading or billing cycle date for such retail customer and such nonstandard switch requires the Company to visit the customer's premises to read Company-provided meters that do not measure kWhs delivered to the retail customer and the rate at which such electricity is delivered to such retail customer in each half-hour. For each visit made to the retail customer's premises the charges are as follows:

First Meter (\$/read)	\$28.20
Additional Meters (\$/read)	\$3.73

(Continued on Sheet No. 372.1)

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. Under this rider, the Company "recover[s] its costs of procuring power and energy" pursuant to ~~such~~ Section 16-111.5 of the Public Utilities Act (Act). In particular, this rider provides for the recovery of the Company's "costs of procuring power that are incurred pursuant to the Illinois Commerce Commission-approved procurement plan" ~~and are specifically identified in 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." Moreover, in accordance with such Section 16-111.5, "[The Company] shall recover through [this rider] all reasonable costs incurred to implement or comply with any procurement plan that is developed and put into effect pursuant to Section 1-75 of the Illinois Power Agency Act and this Section [16-111.5], including any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs." ~~However, t~~ 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 ~~or costs of implementing or complying with the procurement plan, including any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs~~ in periodic review proceedings and expressly provides for the adjustments that may result from such proceedings. Costs ~~incurred by the Company related to fer~~ procurement ~~power activities~~ that are ~~not included in the Commission-approved~~ contrary to or inconsistent with the procurement plan approved by the ICC are not recoverable under this rider unless such costs are independently found by the ICC to be prudently incurred.

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.

(Continued on Sheet No. 631)

RIDER PE - PURCHASED ELECTRICITY

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)

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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 incurred by the Company solely as a result of its procurement activities pursuant to the procurement plan approved by the ICC, with such costs reflecting credit activities that have been previously reviewed by Company representatives with personnel from the Finance Department of the ICC Staff; 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 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 three (3) categories. The three (3) categories are the Company's (i) costs incurred to acquire the required electric resources and services, (ii) internal administrative and operational costs associated with the procurement of those electric resources and services, and (iii) costs of implementing or complying with the procurement plan, including any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs. The Company's internal administrative and operational costs solely arising from meeting the obligations set forth in the Procurement Obligations section of this rider are included in the PEPs and referenced in (ii) are subject to adjustment to the extent that they are found to be unreasonable in the annual proceeding described in the Miscellaneous General Provisions section of this rider. To the extent that the ICC orders such an adjustment, any associated over or under collections are refunded or collected, as applicable, through the Adjustment (A) component of the Purchased Electricity Adjustment (PEA) Factor in accordance with the provisions of the Purchased Electricity Adjustment Factor section of this rider. shall be those approved in the Companies most recent rate case or other proceeding to establish a just and reasonable amount of such costs for cost recovery through this rider. In accordance with Section 16-111.5(l) of the Act, the Company is not allowed to recovers "the costs incurred by the [Company] in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or include a return on such the cost price paid by the [Company] for that supply."~~

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

(Continued on Sheet No. 638)

RIDER PE - PURCHASED ELECTRICITY

(Continued from Sheet No. 636)

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)

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RIDER PE - PURCHASED ELECTRICITY

(Continued from Sheet No. 646)

PURCHASED ELECTRICITY ADJUSTMENT FACTOR (CONTINUED).

- A = Adjustment, in \$, equal to an amount (a) ordered by the ICC, or (b) determined by the Company, that is to be refunded to or collected from retail customers to correct for ~~accounting~~ errors associated with the computation of previously applied PEA Factors or applicable AAFs. Such amount includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is calculated for the period of time beginning on the first day of the effective period during which such PEA or AAF was applied and extending through the day prior to the start of the effective period in which the A is applied. Such amount may be amortized over multiple effective periods with interest.
- []_{amortized} = Amortization of the quantity included in the brackets, as necessary, for a period not to exceed three (3) effective periods. For a situation in which amortization is not necessary, there is no amortization period.
- APRA = Amortized Procurement Revenue Adjustment Amount, in \$, equal to a previously amortized quantity (AE - AR + AB + A). Each such APRA includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1), and such interest is calculated for an amortization period not to exceed three (3) effective periods, beginning on the first day of the effective period during which such APRA is applied and extending through the day prior to the start of the last effective period during which such APRA is applied. Each such APRA is applied only during effective periods that correspond to such APRA's amortization period. Notwithstanding the previous provisions of this APRA definition, for PEA Factors computed in accordance with this rider, as applicable, the APRA includes any remaining applicable Amortized Customer Demand and Usage Amounts and Amortized Contingency Amounts resulting from the application of previously applicable AAFs made in accordance with Rider AAF for determination periods that extend through May 2008.
- U = Usage, in kWh, forecasted to be provided to retail customers taking service under Rate BES during the effective period.

For the purposes of the computation of a PEA, a determination period means the calendar month for which the PEA is determined for retail customers taking service under Rate BES for which the Company procures electric power and energy. The first such determination period is June 2008.

For the purposes of the application of a PEA, an effective period means the monthly billing period during which a PEA is applied to kWhs provided to retail customers taking service under Rate BES. 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 first such effective period cannot occur until after the effective period associated with the application of AAFs in accordance with Rider AAF for the May 2008 determination period.

(Continued on Sheet No. 648)

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 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 costs of implementing or complying with the procurement plan approved by the ICC, including any fees assessed by the IPA, costs associated with load balancing, and contingency plan costs, and (e) 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 internal administrative and operational 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 and other costs of implementing or complying with the procurement plan approved by the ICC to the extent that they are properly reviewable in such proceeding pursuant to Section 16-111.5(l) of the Act. Any correction of any such error or any such internal administrative or operational cost or other cost found to be reviewable pursuant to such Section 16-111.5(l) 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. 651)

MONTHLY CHARGES (CONTINUED).

PEA Factor

For effective periods associated with applicable determinations periods extending through May 2008, as described in Rider AAF - Accuracy Assurance Factor (Rider AAF), the Purchased Electricity Adjustment (PEA) Factor is applicable to each kWh provided to the retail customer during the monthly billing period and is equal to the B-AAF ~~or AAF, as applicable,~~ computed in accordance with the provisions of such Rider AAF. Beginning with the effective period associated with the June 2008 determination period, as described in the Purchased Electricity Adjustment section of Rider PE, the PEA Factor is applicable to each kWh provided to the retail customer during the monthly billing period and is equal to the PEA Factor computed in accordance with the provisions of such Purchased Electricity Adjustment section. The PEA Factor is shown as a separate line item on the retail customer's monthly bill for electric service and designated as the Purchased Electricity Adjustment.

Nonstandard Services and Facilities Charge

If the Company provides services or distribution facilities for the retail customer served hereunder that are different from or in addition to a standard service or distribution facilities installation, certain of such services or distribution facilities are provided and charged for through a monthly amount applicable to such retail customer for the monthly billing period and computed in accordance with the provisions of Rider NS.

Nonstandard Meter-Related Facilities Charge

If the Company provides meter-related facilities to the retail customer served hereunder that are different from or in addition to facilities included in a standard metering installation, such meter-related facilities are provided and charged for through a rental amount applicable to such retail customer for the monthly billing period and computed in accordance with the provisions of Rider ML.

Other Generally Applicable Charges

The Company's Schedule of Rates of which this tariff is a part includes General Terms and Conditions and riders that include other generally applicable charges. Service hereunder is subject to such General Terms and Conditions, riders, and other generally applicable charges.

OTHER CHARGES.

RAA Recovery

In the event that (a) Rider RRS - Residential Rate Stabilization Program (Rider RRS) is terminated as described in the last paragraph of the Early Termination section of Rider RRS, and (b) the mechanism to recover any balance in the Regulatory Asset Account (RAA) established to account for credits provided to residential retail customers participating in the Residential Rate Stabilization (RRS) Program in the years 2007, 2008, and 2009 in accordance with the RRS Program approved by the ICC in Docket No. 06-0411 through the application of RRS Adjustments computed in accordance with the provisions of Rider RRS is also terminated, then the Company recovers such balance in accordance with the following procedure:

(Continued on Sheet No. 653)

RIDER AAF - ACCURACY ASSURANCE FACTOR

Applicable to Rates BES-R, BES-NRB, BES-NRA, BES-H, BES-L, BES-RR, and RDS Through the May 2008 Monthly Billing Period

Applicable to Rates BES, BES-H, and RDS 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).

In addition, this rider is applicable to any retail customer (a) to which the Large Load Customer Group or the Very Large Load Customer Group is or had been applicable, (b) that is taking service under Rate BES-H - Basic Electric Service-Hourly Energy Pricing (Rate BES-H) or Rate RDS, and (c) that had been taking service under Rate BES-NRA, Rate BES-RR, or Rider PPO-MVM at any time during the period extending from [the day immediately prior to the effective date of this rider], through the May 2008 monthly billing period.

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 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. 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 or delivered, as applicable, 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. 659)

DETERMINATION AND APPLICATION OF THE AAF.

AAFs are determined in accordance with the following equation:

$$AAF = CDU + CF$$

Where:

- AAF = Accuracy Assurance Factor, in cents per kilowatt-hour (¢/kWh) rounded to the thousandths of a cent, applied as a credit or charge to kilowatt-hours (kWhs) ~~provided~~ supplied or delivered to retail customers, as applicable, during the effective period.
- CDU = Customer Demand and Usage Factor, in ¢/kWh rounded to the thousandths of a cent, applied as a credit or charge to kWhs ~~provided~~ supplied or delivered to retail customers, as applicable, during the effective period.
- CF = Contingency Factor, in ¢/kWh rounded to the thousandths of a cent, applied as a credit or charge to kWhs ~~provided~~ supplied or delivered to retail customers, as applicable, during the effective period.

For each effective period ~~through the May 2008 monthly billing period~~, two (2) AAFs, the B-AAF and the A-AAF, are determined.

~~For each effective period through the May 2008 monthly billing period, the B-AAF is applicable to kilowatt-hours (kWhs) provided-supplied during each such effective period to retail customers for which the Company is procuring full requirements electric supply and to which the Residential Customer Group, the Watt-Hour Customer Group, the Small Load Customer Group, the Medium Load Customer Group, the Dusk to Dawn Lighting Customer Group, or the General Lighting Customer Group is 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 B-AAF is applicable to kWhs supplied during each such effective period to retail customers to which Rate BES is applicable.~~

~~For each effective period extending through the effective period associated with the May 2008 determination period, the A-AAF is applicable to kWhs provided-supplied or delivered during each such effective period to retail customers for which the Company is-procuring full requirements electric supply during the associated determination period and to which the Large Load Customer Group or the Very Large Load Customer Group is or was 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, one (1) AAF is determined. Such AAF is applicable to kWhs provided during each such effective period to retail customers to which Rate BES is applicable.~~

With a postmark dated no later than the twentieth day of the month prior to the start of each effective period, the Company submits the AAF(s) applicable during such effective period, along with supporting work papers, to the ICC for informational purposes. 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 such AAF or in order to collect any such AAF, provided, however, that any such AAF is subject to adjustment to correct accounting errors in accordance with Section 16-111.5(l) of the Act.

(Continued on Sheet No. 661)

RIDER AAF - ACCURACY ASSURANCE FACTOR

(Continued from Sheet No. 659)

Any submission of an AAF 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 AAF 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.

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RIDER AAF - ACCURACY ASSURANCE FACTOR

(Continued from Sheet No. 661)

DETERMINATION OF THE CDU (CONTINUED).

- A = Adjustment, in \$, equal to an amount (a) ordered by the ICC or (b) determined by the Company that is to be refunded to or collected from retail customers to correct for accounting errors associated with the computation of a previously applied AAF. Such amount includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is calculated for the period of time beginning on the first day of the effective period during which such AAF was applied and extending through the day prior to the start of the effective period in which the A is applied. Such amount may be amortized over multiple effective periods with interest.
- []_{amortized} = Amortization of the quantity included in the brackets, as necessary, for a period not to exceed three (3) effective periods. For a situation in which amortization is not necessary, there is no amortization period.
- ACDU = Amortized Customer Demand and Usage Amount, in \$, equal to a previously amortized quantity (AE - AR + AB + A). Each such ACDU includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1), and such interest is calculated for an amortization period not to exceed three (3) effective periods, beginning on the first day of the effective period during which such ACDU is applied and extending through the day prior to the start of the last effective period during which such ACDU is applied. Each such ACDU is applied only during effective periods that correspond to such ACDU's amortization period. For initial CDUs computed in accordance with this rider, the ACDU is equal to the remaining ACDU from the application of the CDU under the then effective Rider CPP.
- U = Usage, in kWh, forecasted to be ~~provided-supplied or delivered~~ to applicable retail customers during the effective period.

~~For each effective period through the May 2008 monthly billing period, the aforementioned defined components used in the determination of the CDU 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 CDU 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.~~

(Continued on Sheet No. 663)

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.