

### GENERAL INFORMATION

#### 46. Earnings Adjustment Mechanism (“EAM”)

The EAM Surcharge is designed to recover incentives associated with Electric EAMs from all customers taking service under Service Classification Nos. 1, 2, 3, 5, 6, 8, 9, 10, 11 and 14.

- A. Cost recovery shall be determined as follows:
  - 1. Demand Response (“DR”) EAM
    - A. For the DR EAM, the Company shall allocate EAM incentives to Service Classifications using transmission demand (12 CP), primary demand, secondary demand, and energy allocators with each carrying equal weight.
  - 2. Beneficial Electrification (“BE”)
    - A. For the BE EAM, the Company shall allocate EAM incentives to Service Classifications using transmission demand (12 CP), primary demand, secondary demand, and energy allocators with each carrying equal weight.
  - 3. Solar Distributed Energy Resources (“DER”) Utilization
    - A. For the Solar DER Utilization EAM, the Company shall allocate EAM incentives to Service Classifications using transmission demand (12 CP), primary demand, secondary demand, and energy allocators with each carrying equal weight.
  - 4. Storage Distributed Energy Resource (“DER”) Utilization
    - A. For the Storage DER Utilization EAM, the Company shall allocate EAM incentives to Service Classifications using transmission demand (12 CP), primary demand, secondary demand, and energy allocators with each carrying equal weight.
- B. Recovery of EAM Incentives  
Recovery of earned Electric EAMs will be through the Transition Charge. The EAM will be collected from customers on a kW basis for demand billed customers and a per kWh basis for non-demand billed customers.
- C. Calculation  
The EAM surcharge shall be calculated by dividing the earned incentive for each service classification by the forecast sales or demand for that service classification.

The EAM surcharge collected from customers will be subject to an annual reconciliation for any over or under collections from the previous year and at the end of the contract term if less than an annual period. The EAM reconciliation over or under collections will be credited or surcharged to customers.

A Statement setting forth the EAM Surcharge shall be filed with the Public Service Commission on not less than 30-days’ notice.

## **GENERAL INFORMATION**

### **46. Earnings Adjustment Mechanism (“EAM”) (Cont’d)**

#### **B. Recovery of EAM Incentives**

Recovery of earned Electric EAMs shall be through the Transition Charge. The EAM shall be collected from customers on a kW basis for demand billed customers and a per kWh basis for non-demand billed customers.

#### **C. Calculation**

The EAM surcharge shall be calculated by dividing the earned incentive for each service classification by the forecast sales or demand for that service classification.

The EAM surcharge collected from customers shall be subject to an annual reconciliation for any over or under collections from the previous year and at the end of the contract term if less than an annual period. The EAM reconciliation over or under collections shall be credited or surcharged to customers.

A Statement setting forth the EAM Surcharge shall be filed with the Public Service Commission on not less than 30-days’ notice.