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GENERAL INFORMATION

52. LUMP SUM PAYMENT OF TRANSITION COSTS BY CUSTOMERS TOTALLY BYPASSING THE COMPANY'S RETAIL DISTRIBUTION SYSTEM (Continued)

52.4 LUMP SUM TRANSITION COST CALCULATION METHODOLOGY (Continued)

The "revenues lost" formula is equal to the net present value (at the Company's weighted average cost of capital) over Y years of:

(R-E)

Where,

R shall be the annual estimated revenue from the customer or, in the case of a Municipal Utility, all of the customers formerly served by the Company to be served by the Municipal Utility using the bundled price designs contained in the Settlement Agreement. There shall be no credit for transmission related revenues, as proposed in FERC Order No. 888, unless the customer(s) will continue to use the Company's transmission system.

E is the Company's estimate of the annual revenues that it can receive by selling or releasing capacity and associated energy formerly supplied to the customer(s). Consistent with the FERC's Order 888, the customer(s) shall have the option to market a portion of the released capacity and associated energy.

Y is the number of years required for the Company to recover its full strandable costs. Since Y is dependent upon a number of factors, including the timing of the departure, the Company will address Y on a case-by-case basis.

Cancelled by 2 Rev. Leaf No. 239 Effective 02/01/2011