RESIDENCE WATER HEATING RATE

CHARACTER OF SERVICE

This rate is for electricity for residential water heating. Service under this rate is available for storage-type automatic water heaters. Electricity used under this rate shall be exclusively limited to residential water heating and shall not be used in installations wherein the heated water is for room-heating purposes. This service is only available to customers who were taking service under the "Water Heating Rate" as of November 1, 1976, and is not available for new connections or reconnections subsequent to October 31, 1976. Customers taking service under this rate schedule are responsible for paying both Distribution Service and Stranded Cost.

RATES

| DISTRIBUTION SERVICE | \$ 0.09467 | per kWh |
|------------------------|---------------|---------|
| STRANDED COST | \$ 0.02174 | per kWh |
| TRANSMISSION SERVICE | \$ 0.04544 | per kWh |
| CONSERVATION CHARGE | \$ 0.00308 | per kWh |
| TOTAL DELIVERY SERVICE | \$ 0.16493 | per kWh |

TRANSMISSION SERVICE

The Transmission Service rate shown in this rate schedule is for information purposes only. The Company's Transmission Service rates are subject to the jurisdiction of the Federal Energy Regulatory Commission and are subject to change pursuant to the Company's Open Access Transmission Tariff or other authorized procedure established by the Federal Energy Regulatory Commission.

LATE PAYMENT CHARGE

A late payment charge in accordance with Section 4-F of the Terms and Conditions shall apply to customers taking service under this rate.

SPECIAL TERMS AND CONDITIONS

(1) A military veterans' organization qualified under the Internal Revenue Code of 1986, 26 United States Code, Section 501(c)(19), as amended, may request that electric delivery service to its facility be billed under the residential rates described in this schedule. A trust or foundation for a post or organization of past or present members of the Armed Forces of the United States is not eligible for service under this schedule. To be eligible for service under this schedule, the qualifying military veterans' organization must be billed directly for electric delivery service provided by the Company.

This provision shall expire effective September 1, 2025. Upon expiration, the Company will place the customer on the non-residential rate that matches the customer's usage characteristics for the previous 12 months.

JOHN FLYNN PRESIDENT