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## TRANSMISSION DELIVERY CHARGE

### AVAILABLE

The Transmission Delivery Charge (TDC) is applicable to the Company's retail electric rate schedules and special contracts where specifically identified. The TDC appears as a separate line item on the customers' bills.

### BASIS OF CHARGE

Company shall collect from retail customers a TDC for each retail rate class based on the allocated share of the transmission related costs incurred to be recovered under in part or all of the following schedules of the Open Access Transmission Tariff (OATT) by the Southwest Power Pool (SPP) for service to the Company's retail customers:

- Schedule 1 – Transmission Load Dispatching
- Schedule 1A – Tariff Administration Service
- Schedule 2 – Reactive Supply and Voltage Control from Generation or Other Sources Service
- Schedule 7 – Firm Point-to-Point Charges (as assignable to retail sales)
- Schedule 8 – Non-Firm Point-to-Point Charge (as assignable to retail sales)
- Schedule 9 – Network Integration Transmission Service (NITS)
- Schedule 11 – Base Plan Charge
- Schedule 12 – Federal Energy Regulatory Commission (FERC) Assessment Charges
- Other costs associated with Schedule 1 fees for transmission service provided on foreign wires
- SPP Direct Assigned or Sponsor Upgrade Transmission Fees for Customer Upgrades

In addition, other non-SPP transmission related charges recorded in FERC Account 565 (Transmission of Electricity by Other), fees charged to the Company by the North American Electric Reliability Corporation (NERC), and other transmission revenue requirements not otherwise reflected in and recoverable through base rates or other rider mechanisms shall be included.

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### ADJUSTMENT TO TDC UNIT CHARGES

The TDC Year is defined as the 12-month period from January 1 through December 31 for which the transmission related costs and revenues are evaluated.

The TDC Unit Charges will be re-calculated each year as follows:

$$\text{TDC}_x = \frac{(\text{Retail TRC} + \text{TU}) \times \text{12CP Allocator}_x}{\text{kWh}_x}$$

Where:

TDC <sub>x</sub>	=	The TDC for rate class "x" effective on bills rendered on or after the January 1 <sup>st</sup> .
Retail TRC	=	The retail portion of the transmission-related costs for the TDC Year.
12CP Allocator <sub>x</sub>	=	The 12CP contribution as a percentage of the total retail 12CP for the rate class "x".
TU	=	True-Up calculation to reflect the difference between the actual Retail TRC from the previous year and the Retail TRC revenue collected in the previous year. The difference will be included as a component of the TDC for the current TDC Year. In the initial year this component will be \$0.
kWh <sub>x</sub>	=	The kWh sales for rate class "x" for the TDC Year.



Index #: 137  
Schedule: TDC  
Replacing Schedule: TDC  
Territory: Company Wide

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At the Company's discretion, the 12CP Allocator will be recalculated periodically utilizing as much class-specific load research as practical. Between recalculations of the 12CP Allocator, the Company will recalibrate the 12CP Allocator by adjusting for the changes in energy sales from the prior year.

The TDC Unit Charges are updated annually. However, the Company may update the TDC Unit Charges more frequently if there is a significant change in the transmission-related costs.

The resulting per TDC Unit Charges are presented in the Master Tariff of the Company

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Issued By: Pat Placke, Chief Executive Officer

Effective Date: June 1, 2016

Approved or Adopted by Midwest Energy, Inc. Board of Directors: May 16, 2016