

SMART START
ENERGY EFFICIENCY PROGRAM

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for the installation of energy efficiency and load management measures for municipalities in offices, schools, and other municipal buildings. The energy efficiency and load management measures will be installed at the Company's expense and the Customer shall reimburse the Company through charges added to the Customer's regular monthly bill. Upon the Customer's request, the Company may utilize a fixed price estimate for the installed cost of energy efficiency and load management measures installed by the Company to determine eligibility and the monthly charges under this rate. If the Customer enters into an agreement based upon the fixed price estimate, both the Customer and the Company will be bound by that fixed price estimate. This rate is for a basic utility service and the Customer is liable for payment of the charges under this rate under the same conditions as any other charges for basic utility service including, but not limited to, the Customer's service being subject to disconnection for nonpayment in accordance with the rules of the Commission.

At its sole discretion, the Company shall determine eligibility for service under this rate subject to (1) the availability of funds budgeted for this program, (2) the suitability of approved energy efficiency and load management measures for the Customer's location and the likelihood that the measures will be used and useful throughout their estimated life, (3) a minimum project cost requirement of \$1,000 which may be met by aggregating project costs from multiple delivery service accounts, and (4) the Company's determination that the measures chosen are estimated to produce sufficient energy or demand savings to offset the total costs of the measures. Although the Company expects that all Customers participating in the Smart Start Energy Efficiency Program will receive lower monthly electric bills, there is no guarantee of savings.

Any Customer taking service under this rate must be and remain a full requirements delivery service Customer. In the event the Customer does not remain a full requirements delivery service Customer, any remaining charges under this rate shall immediately become due and payable. This rate is available to new installations through December 31, 2007.

COMPANY RESPONSIBILITIES

The Company will act as the Customer's agent in selecting energy efficiency and or load management measures which are suitable for the Customer's end uses of electricity and which are estimated to produce sufficient savings in energy usage or demand. The Company may arrange for a supplier or contractor (1) to install the measures (2) to instruct the Customer on the proper use, operation and maintenance of the measures and (3) to certify that the measures are properly installed and operating as designed. Upon notification by the Customer that work is complete, the Company will verify that the measure(s) have been installed and arrange for payment to the contractor.

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After receiving notice from the Customer, the Company will evaluate any report of a failed measure(s), and at its option, the Company will cause the measure(s) to be repaired or replaced when necessary or will terminate charges under this rate.

The Company will inform all new Customers at a location where energy efficiency or load management measures have been installed as to the existence of any unbilled charges remaining under this rate for that location. If the former Customer received service under an accelerated payment period term, the Company will inform the new Customer that they may revert at any time to the minimum monthly charge that was available to the former Customer. The Company will also inform these Customers of the benefits associated with the measure(s) and their responsibility for the payment of the remaining charges under this rate and other obligations.

CUSTOMER RESPONSIBILITIES

Prior to the installation of any energy efficiency or load management measures, the Customer will sign a Smart Start Agreement which will provide that the Customer is responsible for:

- (1) payment of the monthly charges under this rate in addition to all other charges on the monthly bill;
- (2) informing the Company if the measures fail completely or malfunction so that the estimated reductions in demand and energy use cannot be realized;
- (3) maintaining the energy efficiency or load management measures at the service location and taking reasonable steps to prevent damage to such measures;
- (4) becoming fully informed concerning the routine operation and maintenance of the energy efficiency or load management measures installed at the service location;
- (5) allowing access by the Company, at reasonable times, for any inspection or repair of the energy efficiency or load management measures to the extent the Company is responsible for such repairs as described above; and
- (6) accepting responsibility for the cost of out of warranty repairs. Customers may accept such responsibility through any of the following:
 - (a) the customer may repair the measure(s) themselves,
 - (b) the customer and/or customer's casualty insurance may pay for repairs,
 - (c) the customer may agree to an extension of the number of monthly payments to cover the Company's cost of repair.

A Customer's obligation to pay for the measure(s) ends when the Customer closes their account. If the Customer is the owner or lessor of the premises, the Customer must inform all prospective purchasers or renters of the location that there is an unexpired obligation under this rate. Whenever a Customer applies for service at a location which was the subject of a previous Smart Start Agreement, payment for which has not been completed, such Customer shall become responsible for the remaining balance. If the location was the subject of an accelerated payment term, the new Customer has the option to revert at any time to the minimum monthly charge that was available to the former Customer. Acceptance of electric service constitutes acceptance of the obligations under this rate by the new Customer.

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LANDLORD'S AND LESSOR'S RESPONSIBILITIES

In order to be eligible to accept the installation of the energy efficiency or load management measures in a location which is rented or leased to tenants who currently are Customers of the Company or future tenants of such locations who will apply for service from the Company at such locations, the owner and the landlord or lessor (in case the landlord or lessor is not the owner) must enter into a Smart Start Agreement under which they agree:

- (1) to cooperate in obtaining the consent of any existing tenants to enter into a Smart Start Agreement with the Company,
- (2) to inform all prospective new tenants of the obligation to enter into a Smart Start Agreement for the remaining balance of any previous Smart Start Agreement attributable to the rented or leased location; and
- (3) to inform all subsequent owners or lessors of these obligations with respect to informing tenants of their obligation to enter into a Smart Start Agreement.

Landlords and lessors of service locations must also agree to allow the Company access to any measures in order to inspect or repair the measures.

PRICING AND CONTRACT TERM

The Smart Start Agreement will specify the monthly charge and the term of the payment period. A Customer can choose to accelerate the payment period term by paying a higher monthly charge or a Customer can choose to pay the remaining balance owed to the Company at any time. Customers selecting an accelerated payment period term can revert at any time to the minimum monthly charge available to the Customer. The term of the Smart Start Agreement may be extended by the Company to recover its costs for out of warranty repairs or missed payments.

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