5. Smart Meter Opt-Out

Residential and Small Commercial Customers being served under Schedules D and C, excluding Daily-Metered Customers, who elect to opt-out of receiving a smart meter and choose to retain a non-smart meter, are subject to the Smart Meter Opt-Out fees listed in this rider. A Customer who is non-responsive to BGE's attempts to install a smart meter, as detailed in Order No. 86727, shall also be subject to this Rider.

Smart Meter Opt-Out Customers are subjected to a one-time, up-front fee upon enrollment, payable in three monthly installments, and a recurring monthly fee after enrollment, regardless of the quantity of meters per premise. The applicable fees for enrolling in Smart Meter Opt-Out will be shown as separate line items on the Customer's bill and are as follows:

One-time, up-front Fee: **$75 (payable in three monthly installments)**
Monthly Fee: **$5.50 (per month)**

Opt-Out Customers will receive an initial bill that includes the first installment of the one-time, up-front fee and ongoing monthly fee. An Opt-Out Customer can elect to discontinue the application of this Rider at any time by electing to have a smart meter installed. The charges shall be waived and removed from the Customer's bill where the opt-out charges first appear if the customer agrees, before the end of the fifth subsequent billing cycle, to have a smart meter installed, provided the Customer allows reasonable access for installation of the smart meter. For Customers who elect to have a smart meter installed after the waiver period has expired, the charges shall continue to be billed and shall cease upon the earlier of the installation of a smart meter or within 30 days of receiving customer notification, provided the Customer allows reasonable access for installation of the smart meter.

An Opt-Out Customer served under both a gas schedule and an electric schedule will receive only one one-time, up-front fee and monthly fee per premise. A Customer with multiple gas premises shall incur fees for each individual premise that is opted-out of receiving a Smart Meter.

6. (Reserved for future use)

7. Gas Choice and Reliability Charges (GCRC)

The Gas Choice and Reliability Charges (GCRC) recover (1) the cost of capacity, after mitigation, held by BGE during any November through October annual period that is not reserved to serve BGE's total gas requirements for BGE Gas Commodity Service, Schedule C Standby, Critical Use, BGE's Parking and Balancing Service, and Peak Shaving for Daily Requirement Service customers (the "Capacity Cost Component"), and (2) all prudently incurred costs arising from BGE's Gas Choice Programs (the "Gas Choice Program Cost Component"). The Capacity Cost Component is further separated into the costs associated with capacity reserved for System Growth (System Growth Capacity) and capacity reserved to satisfy BGE's obligation as the Provider of Last Resort (POLR Capacity).

System Growth Capacity costs, after mitigation, and the Gas Choice Program Cost Component are recovered through increases to the Delivery Prices of Schedules D and C. POLR Capacity cost, after mitigation, is billed directly to qualified Gas Suppliers under the Gas Supplier Tariff. Suppliers are also eligible to receive a credit, applied evenly over the five (5) Winter billing months, for the incremental mitigation BGE can obtain due to the Firm Pipeline Transportation Capacity (FT) held by the supplier that BGE deems is firm with primary deliverability to BGE's City Gate. The GCRC is re-calculated each year and is effective for the 12 months beginning with February billings, pending Public Service Commission of Maryland (PSC) approval. The GCRC will consist of charges based on estimated data for the current November through October period and a reconciliation of estimated and actual data from the prior November through October period (the Reconciliation Component).

A. The Capacity Cost Component is calculated in the following manner:

1. The capacity cost recovered through the Capacity Cost Component is based on the difference between the Total Available Capacity and the Capacity Required to Serve BGE Gas Commodity Service, Schedule C Standby, Critical Use, BGE's Parking and Balancing Service, and Peak Shaving for Daily Requirement Service customers, both as filed with the Public Service Commission of Maryland in BGE's Gas Capacity Plan for the upcoming winter.
2. The Capacity Cost Component is separated into the cost associated with capacity reserved for System Growth and capacity reserved to satisfy BGE's obligation as the Provider of Last Resort (POLR).
3. System Growth Capacity is the capacity held by BGE for future growth, which is the difference between BGE's total gas requirements as the POLR for the current winter season and BGE's total gas requirements as the POLR four (4) winter seasons into the future. The System Growth Capacity cost is calculated by multiplying the allocated annualized System Growth Capacity by the Company's weighted average cost of firm interstate pipeline transportation capacity and storage capacity not associated with BGE's Parking and Balancing Service.
4. POLR Capacity is the capacity reserved for firm distribution customers, except Daily-Metered customers, that have elected to purchase gas commodity from a third-party supplier. The POLR Capacity cost is calculated by multiplying the allocated annualized POLR Capacity by the Company's weighted average cost of firm interstate pipeline transportation capacity and storage capacity not associated with BGE's Parking and Balancing Service. In addition, the POLR Capacity cost includes incremental fixed or demand costs incurred by BGE for peaking contracts obtained to meet its POLR obligation. POLR Capacity costs are recovered directly from Suppliers serving Schedule D and C customers.
5. The estimated mitigation of capacity costs is first prorated to System Growth Capacity cost and POLR Capacity cost based on the capacity allocated to each category. Estimated mitigation shall not reflect the impact of any incremental mitigation BGE can obtain due to any FT held by suppliers that BGE deems is firm with primary deliverability to BGE's City Gate. Mitigation for System Growth Capacity and POLR Capacity will be adjusted to reflect that all but 5,000 dth of System Growth Capacity could be released on a non-recallable basis except for BGE's POLR obligation. The rate for this opportunity cost is the historical difference in value between firm and interruptible off-system sales and/or non-recallable and recallable capacity releases.
6. The rate for System Growth Capacity cost is calculated by dividing the annualized System Growth Capacity cost by the estimated annual throughput in therms for all firm distribution customers, excluding the volumes transported for Schedule C customers selecting Non- Standby Service. This rate will be charged to all firm distribution customers except Schedule C Non-Standby.
7. The rate for POLR Capacity cost is calculated by dividing the annualized POLR Capacity costs by the estimated annual throughput in therms for Supplier Gas Commodity Service customers,

excluding the volumes transported for Daily-Metered Customers. Each supplier will be individually charged for POLR Capacity. The charge is calculated each month by multiplying the actual consumption for the customers served by the Supplier by the POLR rate, excluding the volumes transported for Daily-Metered Customers.

A credit may be provided to any supplier that demonstrates to BGE that it holds FT that BGE deems is firm with primary deliverability to its City Gate. Any applicable credit is calculated for each supplier by multiplying the rate for the opportunity cost described in Paragraph 5 by the amount of qualified FT held by the Supplier to BGE's City Gate. However, the amount of FT at BGE's City Gate is limited for each supplier to the amount of FT, above that allocated by BGE to the supplier under BGE's Parking and Balancing Service, required to serve the Supplier's customers, enrolled for the month of August, for whom BGE has a POLR obligation. Any applicable credit is provided to the Supplier equally between November and March. In its annual GCRC filing with the PSC, BGE will include the computation of the total amount of credits provided to all suppliers.

8. The Reconciliation Component for Capacity Costs is calculated by comparing the actual cost of reserve capacity after mitigation to the revenues collected, separately for System Growth Capacity and POLR Capacity, to determine if there is an excess or shortage of cost over revenue.

9. Amounts recoverable through the Capacity Cost Component of this Rider will be credited to BGE Gas Commodity Service Customers through Rider 2 – Gas Commodity Price.

B. The Gas Choice Program Cost Component is calculated in the following manner:

1. The Gas Choice Program Cost Component recovers all prudently incurred costs related to BGE's Gas Choice Programs. The Gas Choice Program Cost Component rate is calculated by dividing the estimated costs incurred plus the Reconciliation Component for Gas Choice Program Cost by BGE's estimated annual throughput in therms for all firm distribution customers, excluding the volumes transported for Daily-Metered Customers. This rate will be charged to all firm distribution customers, except for Daily-Metered Customers.

2. The Reconciliation Component for Gas Choice Program Cost is calculated by comparing the actual expenditures for gas choice programs to the revenues collected to determine if there is an excess or shortage of revenues collected.

3. The amount charged under the Gas Choice Program Cost Component, including any over or under recovery from a prior period shall not exceed 0.5 cents per therm. If the charge calculated exceeds 0.5 cents per therm, recovery of the costs above that amount will be deferred, with carrying costs, and a review will be initiated by BGE before the Maryland Public Service Commission to examine the cause(s) of the costs as well as the proper recovery of the remaining costs.

BGE will file the calculation of the charges for the Capacity Cost Component, the Gas Choice Program Cost Component, plus the two Reconciliation Components with the PSC by December 31 of each year with the revised rates to be effective with February billings of the following year pending Commission approval.

The Delivery Prices for Schedules D and C are increased, as applicable, by the rates for System Growth Capacity cost and / or the Gas Choice Programs Component adjusted for Gross Receipt Taxes and PSC Assessment. The rate for all firm distribution customers (exclusive of customers equipped

with Daily Metering Equipment) is \$0.0041 per therm. The rate for customers equipped with Daily Metering Equipment electing Standby Service is \$0.0040 per therm.

The rate charged to Suppliers will be the rate for POLR Capacity cost adjusted for Gross Receipt Taxes and PSC Assessment. The rate for Suppliers is -\$0.0011 per therm.

8. Monthly Rate Adjustment

The Delivery Price under Schedules D and C is adjusted to reflect test year base rate revenues established in the latest base rate proceeding, after adjustment to recognize the change in the number of customers from the test year level. The change in revenues associated with the Customer Charge is the change in number of customers multiplied by the Customer Charge for the rate schedule. The change in revenues associated with throughput is the test year average use per customer multiplied by the net number of customers added since the like-month during the test year and multiplying that product by the Delivery Price for the rate schedule. The change in revenues associated with Customer Charge and throughput is added to test year revenue to restate test year revenues for the month to include the revised values. Actual revenues collected for the month are compared to the restated test year revenues and any difference is divided by estimated sales for the second succeeding month to obtain the adjustment to the applicable Delivery Price. Any difference between actual and estimated sales is reconciled in the determination of the adjustment for a future month. The Monthly Rate Adjustment is calculated separately for Schedule D, Schedule C, excluding Daily Metered customers, and Schedule C Daily Metered customers only. Details of the calculation of the billing adjustment are filed monthly with the Public Service Commission.

Revenues associated with the GAC adder, using test year data from the most recently approved base rate case, are excluded from the Rider 8 – Monthly Rate Adjustment target base revenues, subject to an adjustment to reflect the difference between the rate charged to suppliers for using BGE’s bill and the revenues reflected in test year data from the most recently approved base rate case.

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