

## FlatBill Terms and Conditions

### AVAILABILITY

Available in all areas served from the interconnected system of the Company.

### APPLICABILITY

Applicable for service to single residences and individual family apartments. Customers must have been in their current residence and in good financial standing with the Company over the previous twelve (12) months. Additionally, the Customer must have a normal expected load shape for the previous twelve (12) months. Flat Bill offers will not be made to accounts where the monthly billing is less than twenty-five dollars (\$25). Rate FDF shall not be combined with Rate Riders PEV or RGB and is not available to Customers on Rate PAE or multiple Customers served through a single meter pursuant to Rate FD. Service shall not be resold, shared with others, or transferred to another premise.

### CHARACTER OF SERVICE

Single phase service at approximately 120 or 120/240 volts will be provided hereunder. Three phase service can be provided in accordance with the Company's Rules and Regulations for Electric Service.

### TERM OF CONTRACT

Service here under shall be for a single, renewable term of twelve (12) monthly billing cycles. For each subsequent term, a new Flat Bill monthly rate will be developed reflecting expected monthly energy consumption based on the Customer's actual consumption during the prior 12 monthly billing cycles. The updated Flat Bill rate will be provided on the twelfth bill of the existing twelve (12) month contract period. Contracts will automatically renew each year unless Customer provides notice to Company within thirty (30) days of receipt of the twelfth bill containing the updated Flat Bill rate.

### BILL FORMULA

Monthly Bill = [(Expected Monthly kWh \* FD Energy Charges)] \* (1+ Risk Adder %) + (Rate FD Base Charge + Rate Rider NDR) \* (1 + SULT)  
Annual Bill = The sum of the 12 consecutive monthly bills  
Flat Bill Monthly Amount = Annual Bill / 12

### DEFINITIONS

Expected Monthly kWh - Customer's expected monthly energy consumption, as calculated based on the Customer's historical metered usage, adjusted for normal weather and expected changes in Customer consumption. These consumption changes are reflected in a behavior adder that shall not exceed 10%.

FD Energy Charges - Includes the applicable energy charges and all factors, rates and rate riders included within Rate FD, including CNP (Certified New Plant) and ECR (Energy Cost Recovery) but excluding Rate Rider NDR (Natural Disaster Reserve) and any tax-related factors or charges.

Rate FD Base Charge - Base Charge included in Rate FD.

Rate Rider NDR - Authorized charges to residential customers under Rate Rider NDR (Natural Disaster Reserve).

SULT - Includes State Utility License Tax of 1.8%.

Risk Adder % - Captures risk associated with weather-related consumption as well as nonweather impacts. This adder will not exceed 10%.

Normal Weather - Based on seasonal heating degree days and cooling degree days.

#### BILL DETERMINATION

1. Determine the customer's Expected Monthly kWh.
2. Apply the appropriate Rate FD Energy Charges.
3. Apply the Risk Adder %.
4. Add Rate FD Base Charge.
5. Apply Rate Rider NDR Charge.
6. Apply State Utility License Tax.
7. Calculate the annual bill by summing all the monthly charges.
8. Calculate the monthly Flat Bill amount by dividing the annual bill by 12.

#### GENERAL TERMS AND CONDITIONS

Withdrawal from the rate prior to completion of the term is subject to the applicable requirements of Company's Rules and Regulations for Electric Service. If Customer elects to withdraw from the rate prior to completion of the term, Customer shall be obligated to pay any difference between the service charges incurred under this rate and the charges that would have been incurred under Rate FD for an equivalent amount of electricity usage. No billing credits or refunds will be provided.

If usage by Customer in a month, excluding the effects of weather, increases to a level that is at least 50 percent greater than the usage by Customer in the same month of the prior year, then the Company may return Customer back to Rate FD for the remaining months of the term. If Company returns Customer to Rate FD, Customer shall be obligated to pay any difference between the service charges incurred under this rate and the charges that would have been incurred under Rate FD for the electricity usage during the month that prompted the change. The amount calculated at the above rate is subject to possible tax adjustment as set forth in Rate T (Tax Adjustment), as well as any other applicable taxes not captured above, and to rules and regulations approved or prescribed by the Alabama Public Service Commission, including any Special Rules and Regulations governing the application of this rate