Schedule No. REDS-1

RESIDENTIAL ELECTRIC DELIVERY SERVICE

APPLICABILITY: Applicable to all domestic purposes in single private dwellings and individual family apartments for Customers receiving electric supply under Electricity Supply Service or through a Contract with a Competitive Electric Supplier (Electric Supplier).

TYPE OF SERVICE: Single-phase, 120 volts, 2 wire, or 120/240 volts, 3 wire, through one meter at one point of delivery.

RATES: Monthly Bill:

Electric Supply Charge: In Accordance with the Electricity Supply Service Tariff or with a Contract Between the Customer and an Electric Supplier.

PLUS:

Transmission Charges: In Accordance with the Electricity Supply Service Tariff if receiving supply under Electricity Supply Service; or In Accordance with Utility's FERC Approved Transmission Tariff if receiving supply from an Electric Supplier.

PLUS:

Delivery Service Charge (DSC): Customer specific DSC resulting from the sum of the following:

	Total Rate	Tax Portion of Rate	Rate Without Tax
Monthly Customer Charge:	$ 4.20		$ 4.20
Monthly Employee Customer Charge:	$ 2.52		$ 2.52
Plus:			
Energy (Monthly $/kWh):			
Regular Customer	$ 0.057200	$ 0.012217	$ 0.044983
Employee	$ 0.034320	$ 0.007330	$ 0.026990

TAX PORTION OF RATE: This rate represents the amount charged to customers for state and local taxes and fees and is separately disclosed on customer's bill.

PLUS:

BPA Residential Exchange Credit:

Energy (Monthly $/kWh):		
Regular Customer	All kWh @	$ (0.002133)
Employee	All kWh @	$ (0.001280)

PLUS:

Other Applicable Charges: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

(continued)

Schedule No. REDS-1

RESIDENTIAL ELECTRIC DELIVERY SERVICE

Low Income Discount: Customers who have satisfied the requirements for and are receiving energy assistance through the Low Income Home Energy Assistance Program (LIHEAP) administered by the State of Montana, Department of Health and Human Services (Income-Qualified Customer) shall obtain a discount on their DSC bill. The DSC discount shall be an amount equal to (15%) from May 1st to October 31st and (25%) from November 1st to April 30th of total electric bill (Electric Supply, Transmission, all Delivery Charges, any Competitive Transition Charges (CTCs), universal system benefits programs (USBC) and any other applicable electric charges contained on other applicable rate schedules approved by the Public Service Commission of Montana) as if the customer were receiving electricity supply service, regardless of whether the customer **is** receiving electricity supply service or competitive electric supply service. This discount shall be adjusted with changes in any regulated rates.

APPLICATION OF RATES:

Monthly Bill Components: Each month, Customers' bills shall include an Electric Supply Charge; a Transmission & Ancillary Services Charge(s); all relevant charges contained on other applicable rate schedules including, but not limited to, competitive transition charges (CTC) and universal systems benefits programs (USBC); and Delivery Services Charge(s) (DSC). Customers may be billed either entirely by the Utility, or in part by the Electric Supplier, in accordance with the Contract between the Utility and Electric Supplier, or the Electric Supplier and its Customer.

SPECIAL TERMS AND CONDITIONS:

1. Definitions:

   A. BPA Residential Exchange Credit: Credit from the Bonneville Power Administration in settlement of the Residential Exchange rights of regional residential and small farm customers to benefit from the Federal Columbia River Power System per the Northwest Power Act.

   B. Electric Delivery Service: Service provided to Customer to deliver electricity through the local electric distribution wires to the Customer's point of service.

   C. Electric Energy: The amount of electricity used measured in kilowatt hours (kWh).

(continued)

Schedule No. REDS-1

RESIDENTIAL ELECTRIC DELIVERY SERVICE

D. Electric Supply Service: Service provided to Customer receiving electric supply either from the Utility as Electricity Supplier or a Competitive Electric Supplier.
(See also ESS-1, CESGTC-1 and ECCGP-1.)

2. Two or More Apartments: Where two or more apartments or residential dwelling units are wired to receive service through one meter, and the expected demand exceeds 10 kW, General Service –1 Rates shall be applicable.

3. Common Areas: Halls, basements, or other common use portions of an apartment building or multiple dwelling building shall be served under General Service – 1 Rates.

4. Nonresidential Uses: Where a portion of a residential dwelling unit is used for nonresidential purposes; General Service – 1 Rates shall apply to all service used for nonresidential purposes. If installation of a separate meter is impracticable, all service rendered will be billed under the rate schedule applicable to the predominate usage of the premise.

5. Single-Phase Motors: Incidental single-phase motors of not larger than three horsepower may be served under this Rate Schedule when used for domestic purposes.

6. Three-Phase Service: Customers requiring larger than three horsepower motors for domestic purposes may be served under this Rate Schedule with three-phase power when such service is available. If an underground three-phase extension or conversion is required, the additional cost over an overhead three-phase extension or conversion shall be contributed as a nonrefundable contribution by the Customer(s).

7. Surcharge on Advances or Contributions: Whenever, under the provisions of this Rate Schedule, an advance or contribution is required, the current surcharge as required by Utility operations shall be applied to such advance or contribution. This is to offset the effect caused by the Utility's delayed tax depreciation reimbursement of the current year tax on this advance or contribution. This surcharge is not applicable where such advances or contributions are the result of highway relocations or any government directed relocations that benefit the public and the government is not receiving utility service.

SERVICE AND RATES SUBJECT TO COMMISSION JURISDICTION: All rates and service conditions under this Rate Schedule are governed by the rules and regulations of the Public Service Commission of Montana and are subject to revision as the Commission may duly authorize in the exercise of its jurisdiction.