EXHIBIT A

Exhibit A

Residential Customer Procurement Group – 25% slice of spot and block energy

**Supply Adjustment Procedure for Determining
Block Energy Procurements for 2012 and 2013**

Assumptions:

100% of calendar year 2011 has been procured and current MW amounts of Winter On-Peak, Summer On-Peak and base load energy blocks are known.

Process:

1. **Obtain most recent 12 months of load data.** Allowing sufficient time for the next scheduled procurement of Winter On-Peak, Summer On-Peak and/or base load energy blocks, obtain the most recent 12 months of hourly load data for the residential customer default supply group. This need not be a calendar year.

2. **Weather-normalize the hourly load data.** Weather-correct the actual hourly load data for normal weather.

3. **Size the load data for a 20% block portion of total residential customer group.** Multiply each hourly MW load of the 12 months of hourly weather-corrected load data by 0.20 (twenty percent).

4. **Determine average MW load for Winter On-Peak, Summer On-Peak, and Base load hours.**
    a. Sort the load data in 3 above into three categories:
        i. Winter On-Peak hours (i.e. the 16 On-Peak hours –hour ending 0800 through hour ending 2300, Monday through Friday, for December, January and February)
        ii. Summer On-Peak hours (i.e. the 16 On-Peak hours –hour ending 0800 through hour ending 2300, Monday through Friday, for June, July, and August)
        iii. Base load hours (All other hours of the year not included in "i" and "ii" above (i.e. all hours in March, April, May, September, October, November plus, for January, February, June, July, August and December, all Saturday and Sunday

hours and all Off-Peak hours – hour ending 2400 through hour ending 0700 the following day)

    b. Determine the average MW for the Winter On-Peak hourly loads, the Summer On-peak hourly loads, and the Base load hourly loads.

5. **Determine whether the average MW load for Winter On-Peak, Summer On-Peak, and Base load hours are significantly different (outside a 10% dead band) than current MW sizes for energy blocks to justify changing the MW sizes for energy blocks in the next procurement.** Determine new target MW sizes of the Base load, Winter On-Peak and Summer On-Peak energy blocks (step 6) if any of the following threshold conditions occur:

    a. Winter On-Peak Threshold. Average MW for Winter On-Peak Hourly loads (from 4.b.) is higher than 5% greater than or lower than 5% less than the sum of the current MW base load block plus and the current MW Winter On-Peak Block. *For example, 310 MW+ 80 MW= 390MW for year 2011 block sizes. Average MW for Winter On-Peak Hourly load would need to be greater than 390 MW * 1.05 = 410 MW, or less than 390 MW * 0.95 = 371 MW.*

    b. Summer On-Peak Threshold. Average MW for Summer On-Peak Hourly loads (from 4.b.) is higher than 5% greater than or lower than 5% less than the sum of the current MW base load block plus and the current MW Summer On-Peak Block. *For example, 310 MW+ 130 MW= 440MW for year 2011 block sizes. Average MW for Summer On-Peak Hourly load would need to be greater than 440 MW * 1.05 = 462 MW, or less than 440 MW * 0.95 = 418 MW.*

    c. Base load Threshold. Average MW for Base load Hourly loads (from 4.b.) is higher than 5% greater than or lower than 5% less than the current MW base load block. *For example, 310 MW for year 2011 block sizes. Average MW for Base load Hourly load would need to be greater than 310 MW * 1.05 = 326 MW, or less than 310 MW * 0.95 = 295 MW.*

6. **Determine the new target MW sizes of the Base load, Winter On-Peak and Summer On-Peak energy blocks as follows, if any Threshold in Step 5 is exceeded.**

    a. Base load MW target. Set the target MW amount of the base load energy block equal to the average MW for the base load hourly loads calculated in 4.b.

    b. Summer On-Peak MW target. Set the target MW amount of the Summer On-Peak energy block equal to the average MW for the Summer On-peak hourly loads calculated in 4.b. minus the target MW of base load energy block calculated in 6.a.

    c. Winter On-Peak MW target. Set the target MW amount of the Winter On-Peak energy block equal to the average MW for the Winter On-peak hourly loads calculated in 4.b. minus the target MW of base load energy block calculated in 6.a.

Process Example:

For an upcoming 2012 procurement, assume:

- the current base load block is 310 MW; the current Winter On-Peak block is 80 MW; and the current Summer On-Peak block is 130 MW.
- the average MW, based on the load data obtained in step 3, equals:
  - o 392 MW for the Winter On-Peak hourly loads;
  - o 463 MW for the Summer On-peak hourly loads; and
  - o 312 MW for the Base load hourly loads

The threshold conditions in Step 5 are tested:

The 392 MW is within the Winter On-Peak Threshold (371 MW to 410 MW).
The 463 MW is outside the Summer On-Peak Threshold (418 MW to 462 MW).

The 312 MW is within the Base load Threshold (295 MW to 326 MW).

Because at least one of the Threshold conditions was met, new target block MW sizes are calculated and factored into the upcoming block energy procurement, per Step 6, as follows:

New target MW for base load block = 312 MW, rounded = 310 MW
New target MW for Winter On Peak = 392 MW – 312 MW = 80 MW
New target MW for Summer On Peak = 463 MW – 312 MW = 151 MW, rounded = 150 MW

	Current MW	Target MW
Base load	310 MW	310 MW
Winter	80 MW	80 MW
Summer	130 MW	150 MW