

For purposes of this Settlement Agreement, the Settling Parties agree to a temporary revenue increase based upon a capital structure of 55% equity/45% debt as discussed in DG 11-040, a return on equity of 9.67% as included in an approved settlement agreement in DG 06-107, the last proceeding involving a general adjustment to the Company's distribution rates, and a weighted cost of debt of 6.02%, resulting in an overall return of 8.03%.

b. Increase in Storm Recovery Adjustment Factor: The Settling Parties further agree that although the Company requested an increase in its Storm Recovery Adjustment Factor (the "SRA Factor") as part of its permanent rate request in this docket, the Company may submit a separate petition to the Commission to increase the SRA Factor effective as of November 1, 2013 (the "New SRA Docket"). The Settling Parties agree to support a November 1, 2013 effective date of any revised SRA Factor approved by the Commission upon review of the Company's petition in the New SRA Docket. The Settling Parties further agree that any remaining deficit in the Company's storm fund not considered in the New SRA Docket will be considered in this docket as part of the permanent rate phase of the docket.

III. MISCELLANEOUS PROVISIONS

The Settling Parties agree to the following miscellaneous provisions:

For purposes of this Settlement Agreement, the Settling Parties agree to a temporary revenue increase based upon a capital structure of 55% equity/45% debt as discussed in DG 11-040, a return on equity of 9.67% ~~allowed in Docket DR 95-169, the Company's last distribution rate case~~ as included in an approved settlement agreement in DG 06-107, the last proceeding involving a general adjustment to the Company's distribution rates, and a weighted cost of debt of 6.02%, resulting in an overall return of 8.03%.

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