

POWER COST ADJUSTMENT CLAUSE

I. APPLICATION

This adjustment clause is applicable to electric service furnished under all rate schedules of the Cooperative.

II. POWER COST ADJUSTMENT

There shall be added to each monthly bill for service an adjustment per kilowatt-hour (kWh) based upon the cost of power of its power supplier. This adjustment per kWh, rounded to the nearest \$0.00001, will be determined as follows:

$$\text{Power Cost Adjustment (PCA-SL)} = \text{FCA-SL} + \text{NFPA-SL} + \text{T}$$

Where: FCA-SL = Fuel Cost Adjustment per kWh determined monthly under Fuel Cost Adjustment Clause FCA-SL.

NFPA-SL = Non-Fuel Power Cost Adjustment per kWh determined annually as follows:

$$\text{NFPA-SL} = \frac{\text{NFPe}}{\text{KWhs}} - \text{PCb}$$

Where: NFPe is the Expected Non-Fuel Power Cost (net of EEDS), calculated in December of each year, for the subsequent calendar year.

KWhs is the total kWh sales of all schedules subject to PCA-SL during the previous twelve (12) month period.

PCb is the Power Cost amount of \$0.025133 included in the base rates.

T is an adjustment per kWh to correct for the variance in non-fuel power cost and recovery in previous periods. This value is determined by dividing the cumulative over-recovery or under-recovery of non-fuel power costs by the system kWh sales, net of EEDS sales, for the twelve (12) month period ending with the current month.