

Power Supply Cost Adjustment (PCA)

APPLICABILITY: The Power Supply Cost Adjustment Schedule PCA shall be applicable to the Department's Retail Rate Schedules.

PURPOSE OF RIDER: The Power Supply Cost Adjustment Rate is to compensate or refund changes to the Department's purchase power energy and fuel related costs. The Department's Retail Rate Schedules include \$0.051765/kWh of costs associated with purchase power and fuel costs in published rate schedules. Any costs above or below amount this will be passed along to our retail customers.

The Department shall review the PCA calculation annually during the budget making process and shall make projections for the fiscal year, as well as true up any under or over collected costs from the previous period. Following such PCA review and calculation, the General Manager shall direct the PCA to be applied, as deemed necessary to accomplish recovery of the Department's projected purchased power energy and fuel related costs in a timely manner. The General Manager would have the ability to make adjustments, as needed, to account for potential changes that warrant a need to adjust the amount of costs to be recovered at any point during the year.

TERMS OF SERVICE: Service rendered under this schedule is subject to the Department's standard rules and regulations.

PCA DETERMINATION: The Power Supply Fuel-Energy Cost Adjustment will be determined from the following formula:

$$A = \frac{(B + C + -D + E)}{F} - \text{Base}$$

Where:

A = Power Supply Fuel-Energy Cost Adjustment Rate, expressed as dollar per kWh rounded to the nearest six decimal places.

B = The cost of purchase power including any transmission system energy losses and congestion costs.

C = The FOB cost of fuel used at the Department's Generating Stations including storage and handling costs plus environmental costs incurred in order to comply with State and Federal environmental regulations including, but not limited to, cost of

environmental emission allowance credit purchases, emission taxes, and FOB cost of certain energy-related environmental commodities used to limit emissions.

D = The cost of any wholesale energy sales transactions included in B & C above the energy-related portion of the revenue including any transmission system energy losses and congestion costs.

E = Reconciliation of the cumulative over or under cost recovery of fuel and purchased power energy related costs from the previous twelve-month period or costs associated with an approved Utilities Director adjustment.

F = The net kW-hour energy sales to customers that the Schedule PCA is applicable for the time period for which the fuel and purchased power energy related costs are computed.

Base = \$[0.051765]/ kWh