
STANDARD RATE SCHEDULE
BILLING ADJUSTMENTS

APPLICABILITY:

Applicable to all rate schedules except as indicated.

POWER COST ADJUSTMENT (PCA):

The foregoing charges for all rate schedules (excluding Consumers directly billed power cost) shall be increased or decreased by the amount in cents or fraction thereof by which the average cost of power per kWh purchased was paid to suppliers of power during the previous month exceeds or is less than 62.165 mills per kWh and calculated in accordance with the following formula:

FORMULA

$$PCA = A / 1 - B$$

Where:

P.C.A. = Power cost adjustment to be made per kWh billed.

A = The amount in cents or fraction thereof by which the average cost of power per kWh purchased (excluding Consumers directly billed power cost) during the previous month preceding the end of the billing period for which kWh usage is billed exceeds or is less than 62.165 mills per kWh purchased.

B = The average percentage of power losses expressed decimally for the preceding twelve-month period calculated (excluding Consumers directly billed power cost).

TAX ADJUSTMENT:

The foregoing charges shall be increased or decreased in proportion to the amount of taxes which the cooperative may be required to pay, which are levied, imposed, increased or decreased by laws or tax rates.

TERMS OF PAYMENT:

The monthly bill will be rendered at the stated rate(s). A late payment charge on past due bills, not to exceed 10% of the amount due per billing period may be charged; in such event, the due date stated on the bill shall not be earlier than ten (10) days after the bill is mailed. No more than one (1) such late payment shall be made, regardless of the length of delay in receiving payment of the bill.

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Authorized by Board of Directors

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TIER COST ADJUSTMENT (TCA):

An adjustment shall be applied to the kWh charge in all rates to reflect any increase in operating margin required to maintain a minimum Operating Times Interest Earned Ratio (TIER) of 1.50.

The adjustment shall be determined as follows:

Formula
$$TCA = ((A \times B) - A - C) / D$$

Where:

TCA = Minimum TIER Cost Adjustment to be made per kWh billed. The TCA shall never be less than zero.

A = Actual rolling twelve-month interest expense.

B = Operating TIER ratio of 1.50.

C = Actual rolling twelve-month Operating Margin.

D = Projected kWh sales for the twelve-month period.

Application of the TCA shall not begin until twelve months after the implementation of these tariffs and until so authorized by the Cooperative Board of Trustees.

RISK MANAGEMENT ADJUSTMENT (RMA):

The Risk Management Adjustment (RMA) may be charged per kWh to Special Contract Customers. The intent of the adjustment is to mitigate risk associated with multi-year wholesale demand charges to be billed to the Cooperative by its power supplier for the Contract Customer's usage.

The Cooperative shall set aside money collected from the Contract Customer under the RMA to reduce or eliminate cost associated with the Contract customer's multi-year demand ratchet billing responsibility, should the Contract customer ever disconnect service. The RMA shall not absolve the Customer of any financial responsibilities outlined in the Customer's contract for service.

The maximum adjustment factor is 1 mill per kWh, and shall be reviewed and adjusted annually by the Board of Trustees. Once the Cooperative has collected from the Customer an amount equal to the maximum estimated wholesale power demand billing for that member, billing for that Customer under the RMA shall cease.

Application of the RMA shall not begin until twelve months after the implementation of these tariffs and until so authorized by the Cooperative Board of Trustees.

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