

Electric Service Rate:



**Wholesale Power Cost Adjustment**

**Schedule: PA-8**

EFFECTIVE	REVISION
For bills rendered on or after January 1, 2012	January 1, 2012

Applicability:

This clause is applicable to become a part of each electric rate schedule in which reference is made to Wholesale Power Cost Adjustment Clause, Schedule PA-8.

Formula:

In the event the cost of wholesale power increases as a result of an increase in the charges contained in the wholesale power contract (except for increases in OPC energy charges), the rates of the Cooperative shall upon authorization of the Board of Directors be increased in accordance with the following formula:

$$WPCA = \frac{C(0.07 \times P)}{S}$$

Where:

WPCA = Wholesale Power Cost Adjustment Factor

C = The estimated total cost of power in dollars to be purchased by the Cooperative for the twelve-month period.

P = The estimated total kilowatt-hours to be purchased by the Cooperative for the twelve-month period.

S = The estimated total metered kilowatt-hour to be sold by the Cooperative for the twelve-month period.

\$0.07 = The average cost of wholesale power per kilowatt-hour purchased by the Cooperative which is recovered in the Cooperative's retail rate schedules.

The WPCA factor will be computed according to the above formula for a twelve-month period beginning January of each calendar year. Should, however, it appear at any time during the twelve-month period that continued use of the WPCA factor then in effect for the remainder of the twelve-month period will result in a substantial under or over recovery of the Cooperative's wholesale power cost, the Cooperative may modify the existing WPCA factor to recover the applicable power cost more accurately. Further, the WPCA factor may be reduced at the Cooperative's discretion to absorb a portion of the wholesale power cost recovered herein, provided that after doing so the Cooperative will maintain a sound financial position.

Wholesale power cost and kilowatt-hours used in the above formula may exclude such quantities applicable to certain consumers billed under rate schedules not subject to the WPCA factor.

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