

APPENDIX A
POWER COST ADJUSTMENT CLAUSE

APPLICATION:

This Power Cost Adjustment Clause is applicable to and becomes a part of all of the Parke County Rural Electric Membership Corporation's retail rate schedules and is applicable to all sales hereunder.

BILLING:

The monthly bill computed under the appropriate retail schedule will be increased or decreased by an amount as determined as follows:

$$F = (A - B) / C + R$$

Where:

F = Power Cost Adjustment (PCA)

A = The estimated total purchased power cost billed during the calendar year. Each month's calculation will use a combination of estimated purchased power costs and actual purchased power cost as it becomes available.

B = The estimated revenue collected from customers for the recovery of purchased power cost for the calendar year. The revenue shall be estimated based on the average purchased power costs per kWh included in base rates. Each month's calculation shall be updated with actual purchased power revenue as it becomes available.

C = The estimated kWh sales for remaining billing months in the calendar year applicable to F.

R = Prior period Over/ (Under) Recovery of purchased power costs

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