

Policy No.	865
Version:	
Issue:	
Page:	1 of 2

SUBJECT: Power Cost Adjustment Rider - PCA

APPLICABILITY

This Power Cost Adjustment Mechanism shall apply to all Jo-Carroll Energy rate schedules for electric service.

CHANGES IN THE POWER COST ADJUSTMENT FACTOR

The Power Cost Adjustment Factor, a charge per kWh of electricity usage designed to collect from or refund to members the difference between the Cooperative's costs of purchased power (including transmission and ancillary services) and the amount of such costs recovered through base rates, shall be revised and changed monthly in accordance with the methodology set forth herein. The Cooperative, however, reserves the right to change the Power Cost Adjustment Factor whenever necessary to reflect billing adjustments, refunds, penalties or other unanticipated impacts on purchased power and distribution costs.

BASE RATES

For purposes of calculating the Power Cost Adjustment Factor, the Cooperative shall establish an amount of power costs to be recovered through base tariff rates. Base Rates may be adjusted whenever necessary by the Cooperative to reflect current costs and conditions.

CALCULATION OF THE POWER COST ADJUSTMENT FACTOR

During the first month following a billing month, when the Cooperative's actual power costs and electricity purchases are known, the Power Cost Adjustment Factor will be calculated for application in the next month's billing cycle (the "application month") as follows:

1. The total power cost for each power supplier will be summed and reduced by the contract account sales.
2. The total purchased kWh from each power supplier will be summed and reduced by the contract account sales.
3. The result of step one will be divided by the result in step two. This will result in the average monthly cost of power.
4. The average cost of power built into the base rates is \$0.07728 per kWh and will be subtracted from the average monthly cost of power determined in step three.
5. The result of step four will be divided by 0.97 to correct for line loss to arrive at the monthly Power Cost Adjustment rate.
6. The result of step five will be applied to the next month's billed kWh sales for each rate class.

Jo-Carroll Energy
Administrative Policy – Rates

Policy No.	865
Version:	
Issue:	
Page:	2 of 2

SUBJECT: Power Cost Adjustment Rider - PCA

This calculation will be effective for all billing after May 1, 2015.

Version History			
Version	Date	Revised By	Change Description
3	2/26/15		Revised and approved by Board of Directors
2	06/30/10		Revised and approved by Board of Directors
1	05/01/09		Initiated
1	02/25/09		Approved by Board of Directors