

**EAU CLAIRE ENERGY COOPERATIVE
RATE POLICY**

Policy Number: 800

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Subject: Rate Schedule PCA – Power Cost Adjustment

Effective: January 1, 2022

- A. A Power Cost Adjustment (PCA) shall be applied to all Eau Claire Energy Cooperative rate schedules that incorporate Rate Schedule PCA.
- B. This PCA will be equivalent to the twelve-month rolling average amount charged by our wholesale power supplier, adjusted to account for distribution line loss, calculated as follows:

i. Calculation

The Power Cost Adjustment (PCA) in dollars per kilowatt-hour shall be determined as follows:

$$A = ((C - T) / AS) - B + R + T$$

Where:

A = Power Cost Adjustment (PCA)

C = Total dollars of purchased power costs for the twelve-month period ending with the second previous expense month

AS = Actual retail sales for the twelve billing months period ending with the second previous expense month

B = The amount of Purchase Power and Fuel cost included in base rates on a per kWh basis

- The base for this PCA (B) is the system average of \$0.0808 per kWh

R = Over/(Under) Recovery (see below)

T = Any rate changes, surcharge or credit assessed monthly by our wholesale power supplier that is not included in the applicable electric rate schedule

ii. Over/(Under) Recovery Calculation

At the end of each 12-month period ended April a charge/(credit) per kilowatt hour shall be added to the customer's monthly rate to account for the difference in actual purchased power cost for the 12-month period and the amount it billed customers for purchased power through base rates plus the PCA. The charge/(credit) shall remain in effect for the following 11 months. The over/(under) recovery amount per kilowatt-hour shall be determined in the following manner:

$$R = ((PPB - T) + BAL - PPR) / S$$

Where:

R = Over/(Under) Recovery Factor per kilowatt-hour

PPB = Purchased Power Cost billed to from the power supplier for the 12-month period

BAL = PPB - PPR + [BAL from the previous 12-month period] - [R x kWh's sales applicable to R]

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PPR = Purchased Power Cost recovered from customers through the application of
base rates and the PCA =

(B x previous 12 months kWh sales) +

(A for each of the previous 12 months x the 12 kWh sales for each of the
previous 12 months)

S = Expected kWh Sales for the next 11-month billing period