

A&N ELECTRIC COOPERATIVE

Tasley, VA

POWER COST ADJUSTMENT RIDER SCHEDULE PCA-1

AVAILABILITY

Available in all territory served by the Cooperative, subject to the Terms and Conditions of the Cooperative on file with the Virginia State Corporation Commission.

APPLICABILITY

When referenced therein, this schedule is applicable to and becomes a part of each electric rate schedule.

DESCRIPTION

The Cooperative shall apply a uniform per kWh charge or credit to applicable sales in accordance with the following terms. All definitions and calculations shall be in reference to the total Cooperative system but shall exclude any kWh sales, kWh purchases, Energy Supply Service revenues, and power costs related to service to any customer under an electric service tariff that separately provides for a direct pass through of purchased power expense.

DEFINITIONS

PCA	=	Power cost adjustment factor.
ESS Revenue	=	Revenue produced by the base Energy Supply Service part of each tariff.
ESS Base	=	\$0.07719 per kWh sold reflecting the annual system average base ESS Revenue per kWh sold.
kWhs	=	The projected kWh to be sold by the Cooperative in the applicable rate year.
PCp	=	The projected total cost of purchased power for the applicable rate year from all sources, including costs associated with the Energy Adjustment part of the ODEC Tariff, that will be charged to Account 555.
FC	=	The projected total cost of diesel fuel to be used by the Cooperative's Smith and Tangier Island generators for the applicable rate year.
O	=	Any Over Recovery balance recorded on the Cooperative's balance sheet as of the most recent accounting month available.
U	=	Any Under Recovery balance recorded on the Cooperative's balance sheet as of the most recent accounting month available.
EA	=	ODEC's Energy Adjustment rate from time to time, expressed in \$ per kWh.
Loss Factor	=	One minus the estimated kWh loss percentage based on historical data.

Effective: On All Bills Issued on and after January 1, 2019

FORMULA

In any month there is a change in: a) the ODEC base rates or b) a purchase power price or volume change pursuant to a non-ODEC power supply contract that would materially affect the overall cost of power per kWh, for application in each month thereafter until changed in accordance with this tariff, a PCA will be computed as follows:

$$\text{PCA} = \frac{\text{PCp} + \text{FC} + \text{EA} - \text{O} + \text{U}}{\text{kWhs}} - \text{ESS Base} + \text{EAr}$$

Where:

EAr will be zero unless there is a change in the EA relative to the EA used for PCp in which case EAr will be calculated as follows and the PCA will be modified to reflect the new EAr:

$$\text{EAr} = (\text{New EA} - \text{EA included in PCp}) \times \text{Loss Factor}$$

OVER AND UNDER RECOVERY AMOUNT

The over or under recovery of power cost will be calculated and booked monthly based on the difference between actual purchased power and diesel fuel costs in the month (including any charge or credit for an ODEC margin stabilization adjustment net of any amount applicable to calendar 2018 power cost to the extent said amount is booked to account 555 in 2018) and revenues booked in the month equal to the base ESS Revenues; plus, the PCA revenues. Booked revenues and kWh sales will be net of any applicable unbilled adjustments. (Over) and Under Recovery Amounts, if any, will be credited or debited to accounts 253.60 Deferred Credit – PCA or 186.01 Deferred Debit – PCA, with corresponding credits or debits to 555.01 Purchased Power - PCA.

MODIFICATIONS TO THE PCA

The intent of the PCA is to recover the Cooperative's purchased power cost on a dollar for dollar basis. At any time, the Cooperative may re-calculate the PCA to minimize (over) or under recovery of power cost if actual data and more current information for the remainder of the applicable rate year indicate that the PCp, kWhs, or both have changed enough to warrant a change in the PCA, or if the (Over) or Under Recovery Amounts become excessive. At a minimum, the PCA will be recalculated once in any twelve month period to adjust for any accumulated Over or Under Recovery Amount.

RATE YEAR

The rate year is the twelve month period beginning with the month in which a change in the PCA will occur that is not solely due to a change in EAr.