

ELECTRIC RATES

PCA – POWER COST ADJUSTMENT RATE SCHEDULE

PURPOSE:

The purpose of the Power Cost Adjustment clause is to provide for recovery of CRMU's power supply costs not recovered in its base charges. The treatment of over/under recoveries of such costs is described below.

APPLICABILITY:

The Power Cost Adjustment charge will be applicable to all retail power supply capacity charges and power supply energy charges billed under any CRMU electric rate schedules, whether metered or unmetered.

POWER COST ADJUSTMENT:

CRMU shall recover its power supply costs not recovered by base charges by multiplying the Customer's power supply capacity charge and power supply energy charge used for billing purposes under the applicable CRMU electric rate schedule in a billing period by the applicable Power Cost Adjustment (PCA_c and PCA_e) respectively, expressed in dollars per kilowatt hour, for the billing period. The (PCA_c and PCA_e) shall be calculated on a calendar quarterly basis as provided below. For purposes of the (PCA_c and PCA_e) calculations, the unit cost of CRMU's projected power supply capacity costs and power supply energy costs under normalized conditions was estimated to be \$0.0049 per kWh and \$0.0159/kWh respectively and has been built into the base electric rate schedules effective July 1, 2015.

1. Calculation: The formula for calculating the Power Cost Adjustment components of a customer's bill is:

Power Cost Adjustment for Capacity (PCA_c)

$$PCA_c = \frac{PPC_c + RAc}{S} - \$0.0049/\text{kWh}$$

Power Cost Adjustment for Energy (PCA_e)

$$PCA_e = \frac{PPC_e + RA_e}{S} - \$0.0159/\text{kWh}$$

2. Definitions:

PPCc = Projected power supply capacity costs for the upcoming calendar quarter period, which is calculated as the sum of: (i) WAPA, NIMECA and any other supplier total purchased power capacity costs, (ii) production related capacity charges, and (iii) all transmission capacity costs related to the delivery of purchased power, LESS any revenue received by CRMU from the sale of power supply capacity. Specifically the following FERC accounts for CRMU: 1-1-54500, 54505, 54303, 54010, 54302, 53800, 55300, 55305 - LESS 1-1-44700.

PPCe = Projected power supply energy costs for the upcoming calendar quarter period, which is calculated as the sum of: (i) WAPA, NIMECA and any other supplier total purchased power energy costs, and (ii) production related energy charges, LESS any revenue received by CRMU from the sale of power supply energy. Specifically the following FERC accounts for CRMU: 1-1-54501, 54506, 54304, 54515 - LESS 1-1-44701.

APCc = Actual power supply capacity costs for the upcoming calendar quarter period, which is calculated as the sum of: (i) WAPA, NIMECA and any other supplier total purchased power capacity costs, (ii) production related capacity charges, and (iii) all transmission capacity costs related to the delivery of purchased power, LESS any revenue received by CRMU from the sale of power supply capacity. Specifically the following FERC accounts for CRMU: 1-1-54500, 54505, 54303, 54010, 54302, 53800, 55300, 55305 - LESS 1-1-44700.

APCe = Actual power supply energy costs for the upcoming calendar quarter period, which is calculated as the sum of: (i) WAPA, NIMECA and any other supplier total purchased power energy costs, and (ii) production related energy charges, LESS any revenue received by CRMU from the sale of power supply energy. Specifically the following FERC accounts for CRMU: 1-1-54501, 54506, 54304, 54515 - LESS 1-1-44701.

S = Projected sales of electricity, by calendar quarter period, under all of the CRMU retail rate schedules, whether metered or unmetered, for the applicable calendar quarter, expressed in kilowatt-hours (kWh).

RAc = APCc plus or minus any over/under collection from previous quarter periods, as the case may be, less the revenue collected from the PCA_c applied during the same period. CRMU may also direct that adjustments be made to the RAc for purposes of calculating the PCA_c for the upcoming calendar quarter(s) as may be deemed prudent to accomplish sound utility purposes including, but not limited to, minimizing PCA_c volatility.

RAe = APCe plus or minus any over/under collection from previous quarter periods, as the case may be, less the revenue collected from the PCA_e applied during the same period. CRMU may also direct that adjustments be made to the RAe for purposes of calculating the PCA_e for the upcoming calendar quarter(s) as may be deemed prudent to accomplish sound utility purposes including, but not limited to, minimizing PCA_e volatility.