

SCHEDULE 13J POWER COST ADJUSTMENT RIDER

Application

This Rider will be applied in conjunction with currently applicable rates.

Billing

The Association's rate schedules subject to this Rider shall be increased or decreased in an amount equal to the kWh used, multiplied by an adjustment computed in accordance with the following formula:

PCA=C/S - \$0.079 IPCA= CI/SI - \$0.0648 LPCA = Flow through from power supplier COSPCA= any flow through adjustments added or subtracted to the energy charge by the wholesale power supplier, adjusted for line losses.

The billed power cost adjustment factor will be adjusted twice each year. The billing period beginning April 1 and ending October 31 will be known as the summer period and the billing period November 1 and ending March 31 will be known as the winter period.

Where:

PCA=Power Cost Adjustment (applies to all customers with a billing demand less than 1,000 kW.) IPCA= Industrial Power Cost Adjustment (applies to all customers with a billing demand equal to or greater than 1,000 kW and not on a market-based rate or rate schedule 22.)

LPCA = Large Power Cost Adjustment (applies to customers billed under rate schedule 22A and subsequent versions)

COSPCA= Cost of Service Power Cost Adjustment (applies to accounts billed on rate 70)

C= Projected Annual Cost of Purchased Power for all rate schedules with a billing demand less than 1,000 kW.

S = Projected Annual kWh Sales for all rate schedules with a billing demand less than 1,000 kW.

CI= Projected cost per kWh purchased for customers with a monthly billing demand equal to or greater than 1,000 kW and not on a market-based rate.

SI = Projected annual kWh sales to customers with a monthly billing demand equal to or greater than 1,000 kW and not on a market-based rate.

The Power Cost Adjustment for any year will be made based on the projected costs and sales for the year. Actual costs and sales as subsequently accounted for will be used to determine any overage or deficiency in the adjustment applied in the year. Such overage or deficiency will be taken into account by subtracting or adding an appropriate amount to the adjustment as projected for the succeeding year. The Power Cost Adjustment as calculated annually may be adjusted during the year to minimize any overage or deficiency.