RESIDENTIAL SERVICE

AVAILABILITY: Available to residential Customers for general service who are located on the Utility's distribution lines and served through a single point of delivery and measured through one meter.

CHARACTER OF SERVICE: This Schedule is for single phase, alternating current at standard voltage as designated by the Utility.

MONTHLY BILL:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge ($)</td>
<td>6.50</td>
<td>6.85</td>
<td>7.20</td>
</tr>
<tr>
<td>Energy Charge ($/kWh)</td>
<td>0.06332</td>
<td>0.06649</td>
<td>0.06981</td>
</tr>
<tr>
<td>All kWh</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MINIMUM BILL: The Customer Charge set forth in this Schedule shall be the minimum bill. The minimum bill for temporary service shall be $15.20 per month.

TERMS OF PAYMENT: All bills on the above schedule shall be rendered and due monthly. If not paid by the fifteenth day of the month following the date of the bill, there shall be added a three percent (3%) penalty to the amount of the bill.

Remittances sent by mail on or previous to the fifteenth of the month as evidenced by the U.S. Post Office mark on the envelope in which they are received, will be accepted as a tender of payment within the time limit. When the fifteenth falls on Saturday, Sunday or on any legal holiday, the first business day thereafter shall be considered as being within the time limit.

NON-PAYMENT OF BILLS: Whenever the service is disconnected for non-payment of bill, or whenever for any reason beyond the control of the Utility, a reconnection of service is required by any Customer more often than once in a twelve month period, a charge of $10.00 will be made by the Utility to cover a part of the cost of disconnection and reconnection of service.

RATE ADJUSTMENT: This rate schedule is subject to a Power Cost Adjustment (PCA) factor as stated in Rider “A”.

Adopted: _______________________________ Effective: _______________________________ Billing Period
COMMERCIAL SERVICE

AVAILABILITY: Available to commercial and industrial Customers for single and three phase service, who are located on the Utility’s distribution lines suitable and adequate for supplying the service requested. Utility shall not supply demands in excess of 225 kW under this schedule.

CHARACTER AND CONDITION OF SERVICE: Alternating current sixty cycle, three phase at voltages of approximately 480, 240 and 208 volts and single phase service at a voltage of approximately 120/240 volts.

The Utility will supply service from its electrical distribution lines at only such frequency, phase, regulation and voltage as it has available in the location where service is requested and will transform its primary voltage to one standard secondary voltage as herein above set forth. Any applicant requiring service differing from that to be supplied by the Utility as herein provided, shall provide proper converting, transforming, regulating or other equipment upon the applicant’s own premises and at the applicant’s own expense.

The Customer will supply in accordance with plans and specifications furnished by the Utility, at a mutually agreed upon location on the Customer’s property, suitable fencing and foundations to protect and support the Utility-owned transformers and equipment.

Rates and charges for service rendered under this schedule are based on measurement of electrical energy supplied to the Customer and metered at the secondary voltage supplied by the Utility.

MONTHLY BILL:

Customer Charge: 2008 2009 2010
Single-Phase Customer per service connection ($) 7.50 8.00 8.50
Three-Phase Customer per service connection ($) 9.00 10.50 12.00
Energy Charge ($/kWh) All kWh 0.07415 0.07786 0.08175

MINIMUM BILL: The monthly minimum payment for single phase service under this schedule shall be the Customer charge.

The monthly minimum payment for three-phase service under this schedule shall be the Customer charge for those Customers whose required electrical capacities do not exceed 15 kilowatts.
For Customers whose required electrical capacities exceed 15 kilowatts, the monthly minimum payment shall be as follows:

- $0.65 per kilowatt for the first 100 kilowatts, plus
- $0.50 per kilowatt for all over 100 kilowatts; but not less than the Customer charge for three-phase service.

Electrical capacity in kilowatts shall be determined by the ampacity of the Customer’s three-phase service entrance, multiplied by the service voltage, multiplied by 1.73 and divided by 1,000. 
\[
\frac{\text{Amperes} \times \text{Voltage} \times 1.73}{1,000} = \text{Kilowatts}
\]

TERMS OF PAYMENT: All bills on the above schedule shall be rendered and due monthly. If not paid by the fifteenth day of the month following the date of the bill, there shall be added a three percent (3%) penalty to the amount of the bill.

Remittances sent by mail on or previous to the fifteenth of the month as evidenced by the U.S. Post Office mark on the envelope in which they are received will be accepted as a tender of payment within the time limit. When the fifteenth falls on Saturday, Sunday or any other legal holiday, the first business day thereafter shall be considered as being within the time limit.

NON-PAYMENT OF BILLS: Whenever the service is disconnected for nonpayment of bill, or whenever for any reason beyond the control of the Utility, a reconnection of service is required by any Customer more often than once in a twelve month period, a charge of $10.00 will be made by the Utility to cover a part of the cost of disconnection and reconnection of service.

The Utility reserves the right at any time to install demand-metering equipment. The Utility will normally install such equipment when the Customer’s energy usage in any month exceeds 2,000 kWh.

RATE ADJUSTMENT: This rate schedule is subject to a Power Cost Adjustment (PCA) factor as stated in Rider “A”.

Adopted:  Effective:  Billing Period
LARGE POWER SERVICE

AVAILABILITY: Available to power Customers for light and/or power service who enter into a written contract for electrical service in accordance with this rate schedule, and who are located on the Utility’s electrical supply lines suitable and adequate for supplying the service requested.

CHARACTER AND CONDITION OF SERVICE: The Utility will supply service from its electrical supply lines at only such frequency, phase, regulation and primary voltage as it has available in the location where service is required; and if transformation of voltage is desired by the Customer, will transform its primary voltage to one standard secondary voltage. Any Customer requiring service differing from that to be supplied as herein provided, may be required by the Utility to provide proper converting, transforming, regulating or other equipment upon his own premises and at his own expense.

The Customer will supply in accordance with plans and specifications furnished by the Utility, and at a mutually agreed upon location on the Customer’s property, suitable fencing, pads and foundations to protect and support Utility-owned transformers and equipment.

CONTRACT FOR SERVICE: As a condition precedent to the Utility supplying service under this schedule, the Customer shall enter into a written contract with the Utility for a suitable initial contract period. In case the rates in effect under this schedule at the time of making any such contract are thereafter raised by the authority of the Town of Bremen Board of Trustees, the Customer under such contract shall have the right to discontinue service at any time within sixty [60] days from the date the rate increase becomes effective, upon giving the Utility at least ten [10] days written notice of his election to do so.

The Utility shall have the option of not supplying demands in excess of 2,000 kilowatts under this schedule.

Rates and charges for service rendered under this schedule are based upon the measurement of the electrical energy at the voltage supplied to the Customer on the primary side of the transformers furnished by the Utility.

MONTHLY BILL:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge ($)</td>
<td>170.00</td>
<td>170.00</td>
<td>170.00</td>
</tr>
<tr>
<td>Demand Charge (per kW of Billing Maximum Demand)</td>
<td>9.30</td>
<td>9.82</td>
<td>10.36</td>
</tr>
<tr>
<td>Energy Charge ($/kWh)</td>
<td>0.02822</td>
<td>0.02963</td>
<td>0.03111</td>
</tr>
</tbody>
</table>

Adopted: ___________________________ Effective: ___________________________ Billing Period
MINIMUM BILL: The monthly minimum payment under this schedule shall be $3.00 per kilo-volt-ampere (kVA) of total transformer capacity installed and sized according to the Customer’s requested electrical power requirements.

TERMS OF PAYMENT: All bills on the above schedule shall be rendered and due monthly. If not paid by the fifteenth day of the month following the date of the bill, there shall be added a three percent [3%] penalty to the amount of the bill.

Remittances sent by mail on or previous to the fifteenth of the month, as evidenced by the U.S. Post Office mark on the envelope in which they are received, will be accepted as a tender of payment within the time limit. When the fifteenth falls business day thereafter shall be considered as being within the time limit.

RATE ADJUSTMENT: This rate schedule is subject to a Power Cost Adjustment (PCA) factor as stated in Rider “A”.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED: The electrical service to be supplied under this rate shall be measured, as to Maximum Demand, Energy Consumption and Power Factor, by suitable meters to be installed by the Utility.

DETERMINATION OF KILOWATT BILLING DEMAND: The Maximum Demand shall be determined as follows:

1. The Maximum Demand shall be determined from the readings or indications of suitable demand measuring instruments, provided however, that if welding machines or other apparatus where the use of electricity is intermittent or subject to violent fluctuations constitute a part of the entire load, then the measurements shall be increased by the connected load in welding machines or other such apparatus, and the sum taken as the Maximum Demand. The Utility further reserves the right to require the Customer to provide at his own expense, suitable apparatus to reasonably limit such intermittence or fluctuations where, in the Utility’s judgement, such apparatus is necessary to prevent undue interference with the service of the Utility.

2. The Maximum Demand shall be taken as the highest average load in kilowatts occurring during any 15 consecutive minutes of the month; provided however, that if such load shall be less than fifty percent (50%) of the maximum momentary demand in kilowatts, then the Maximum Demand shall be taken at fifty percent (50%) of such maximum momentary demand; provided further, that the Maximum Demand shall not be less than eighty percent (80%) of the product of the actual voltage multiplied by the maximum amperes in any phase multiplied by 1.73.
DETERMINATION OF AVERAGE POWER FACTOR: The Average Power Factor for the month shall be determined by computation from the registration of a watthour meter, and a reactive volt-ampere-hour meter, by dividing the registration of the watthour meter by the square root of the sum of the square of the registration of the watthour meter and the square of the registration of the reactive volt-ampere-hour meter.

POWER FACTOR CORRECTION: The service supplied by the Utility should be taken by the Customer preferable at an average power factor of not less than ninety-five percent (95%) lagging. If the service is taken at an average power factor of less than ninety-five percent (95%) lagging, the maximum demand for billing purposes shall be corrected in accordance with the following formula:

\[
\text{Billing Demand} = \frac{\text{Maximum Demand} \times .95}{\text{Average Monthly Power Factor less than 95%}}
\]

A power factor correction will not be applied for power factors at 95% or greater.

CREDIT FOR TRANSFORMER OWNERSHIP: For customers metered at a primary voltage who own, operate and maintain all transforming, controlling, regulating and protective equipment will be given a discount of $0.35 per kW applicable to the monthly billing demand.

METERING ADJUSTMENT: If a customer is primary service and metered at secondary voltage, metered kWh and kW will be increased by 1% for billing purposes.
LARGE POWER OFF-PEAK SERVICE

AVAILABILITY: Available to any Customer taking service under the provisions of Rate Schedule “LP” (Large Power) and having a maximum load requirement of 1,000 kilowatts or more. The Customer shall agree to move their load requirements from on-peak hours to off-peak hours. Customer must be located adjacent to the Utility’s distribution lines that are adequate and suitable for supplying the service required.

CHARACTER AND CONDITION OF SERVICE: Rates based for service rendered under this schedule are based upon the measurement of the electrical energy at the voltage supplied to the Customer on the primary side of the transformers furnished by the Utility.

All provisions of Rate “LPOP” (Large Power Off Peak) shall be the same as the provisions contained in Rate “LP” (Large Power). The billing rate for LPOP will be as follows:

MONTHLY BILL:
Customer Charge: $170.00

Off Peak Demand Charge: (per month per kilowatt of maximum billing demand occurring during the off-peak period in the month in excess of the maximum billing demand occurring during the on-peak period in the month, but shall not be a credit.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.38</td>
<td>3.38</td>
<td>3.38</td>
</tr>
</tbody>
</table>

On Peak Demand Charge: (per month per kilowatt of maximum billing demand occurring during the on-peak period in the month.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.30</td>
<td>9.82</td>
<td>10.36</td>
</tr>
</tbody>
</table>

Energy Charge ($/kWh)
For all metered kWh

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.02822</td>
<td>0.02963</td>
<td>0.03111</td>
</tr>
</tbody>
</table>
DEFINITION OF ON-PEAK / OFF-PEAK PERIODS: The Utility shall consider the following as the on-peak and off-peak billing periods for each month. All hours shall be Eastern Standard Time.

On-Peak periods are defined as follows:
   All weekdays: 6:00 a.m. to 4:00 p.m.

Off-Peak periods are defined as follows:
   All weekdays: 4:00 p.m. to 6:00 a.m.
   Saturdays, Sundays and the entire twenty-four (24) hours of the following national holidays:
      New Year’s Day, Memorial Day, Independence Day, Labor Day,
      Thanksgiving Day, Christmas Day
Whenever any of the above holidays occur on a Sunday and the following Monday is legally observed as a holiday, then the entire twenty-four (24) hours of such Monday will be considered as off-peak hours.

ON-PEAK / OFF-PEAK PERIOD ADJUSTMENT: The Utility shall have the right to adjust the on-peak/off-peak time periods by giving the Customer thirty (30) days notice. Any adjustments shall not exceed one hour, either earlier or later.

RATE ADJUSTMENT: This rate schedule is subject to a Power Cost Adjustment (PCA) factor as stated in Rider “A”.

DISCOUNT FOR TRANSFORMER OWNERSHIP: For customers metering at a primary voltage who own, operate and maintain all transforming, controlling, regulating and protective equipment will be given a discount of $0.35 per kW applicable to the monthly billing demand.
MEGA INDUSTRIAL POWER SERVICE

AVAILABILITY: Available to Customers for power service who enter into a written contract for electrical service in accordance with this rate schedule, having an aggregate (or combined) billing maximum demand of 1,500 kW or more, and who are located on the Utility’s electrical supply lines suitable and adequate for supplying the service requested and who include all of its metering points (services) in this rate schedule.

CHARACTER AND CONDITION OF SERVICE: The Utility will supply service from its electrical supply lines at only such frequency, phase, regulation and primary voltage as it has available in the location where service is required; and if transformation of voltage is desired by the Customer, will transform its primary voltage to one standard secondary voltage. Any Customer requiring service differing from that to be supplied as herein provided, may be required by the Utility to provide proper converting, transforming, regulating or other equipment upon his own premises and at his own expense.

The Customer will supply in accordance with plans and specifications furnished by the Utility, and at a mutually agreed upon location on the Customer’s property, suitable fencing, pads and foundations to protect and support Utility-owned transformers and equipment.

CONTRACT FOR SERVICE: As a condition precedent to the Utility supplying service under this schedule, the Customer shall enter into a written contract with the Utility for a suitable initial contract period. In case the rates in effect under this schedule at the time of making any such contract are thereafter raised by the authority of the Town of Bremen Board of Trustees, the Customer under such contract shall have the right to discontinue service at any time within sixty [60] days from the date the rate increase becomes effective, upon giving the Utility at least ten [10] days written notice of his election to do so.

The Utility shall have the option of not supplying demands in excess of 2,000 kilowatts under this schedule.

Rates and charges for service rendered under this schedule are based upon the measurement of the electrical energy at the voltage supplied to the Customer on the primary side of the transformers furnished by the Utility.

MONTHLY BILL:
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge ($)</td>
<td>170.00</td>
<td>170.00</td>
<td>170.00</td>
</tr>
<tr>
<td>Demand Charge (per kW of Billing Maximum Demand)</td>
<td>11.00</td>
<td>11.57</td>
<td>12.17</td>
</tr>
<tr>
<td>Energy Charge ($/kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For all metered kWh</td>
<td>0.02390</td>
<td>0.02510</td>
<td>0.02636</td>
</tr>
</tbody>
</table>

MINIMUM BILL: The monthly minimum payment under this schedule shall be $3.00 per kilo-volt-ampere (kVA) of total transformer capacity installed and sized according to the Customer’s requested electrical power requirements.

TERMS OF PAYMENT: All bills on the above schedule shall be rendered and due monthly. If not paid by the fifteenth day of the month following the date of the bill, there shall be added a three percent [3%] penalty to the amount of the bill.

Remittances sent by mail on or previous to the fifteenth of the month, as evidenced by the U.S. Post Office mark on the envelope in which they are received, will be accepted as a tender of payment within the time limit. When the fifteenth falls business day thereafter shall be considered as being within the time limit.

RATE ADJUSTMENT: This rate schedule is subject to a Power Cost Adjustment (PCA) factor as stated in Rider “A”.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED: The electrical service to be supplied under this rate shall be measured, as to Maximum Demand, Energy Consumption and Power Factor, by suitable meters to be installed by the Utility.

DETERMINATION OF KILOWATT BILLING DEMAND: The Maximum Demand shall be determined as follows:

1. The Maximum Demand shall be determined from the readings or indications of suitable demand measuring instruments, provided however, that if welding machines or other apparatus where the use of electricity is intermittent or subject to violent fluctuations constitute a part of the entire load, then the measurements shall be increased by the connected load in welding machines or other such apparatus, and the sum taken as the Maximum Demand. The Utility further reserves the right to require the Customer to provide at his own expense, suitable apparatus to reasonably limit such intermittence or fluctuations where, in the Utility’s judgment, such apparatus is necessary to prevent undue interference with the service of the Utility.
2. The Maximum Demand shall be taken as the highest average load in kilowatts occurring during any 15 consecutive minutes of the month; provided however, that if such load shall be less than fifty percent (50%) of the maximum momentary demand in kilowatts, then the Maximum Demand shall be taken at fifty percent (50%) of such maximum momentary demand; provided further, that the Maximum Demand shall not be less than eighty percent (80%) of the product of the actual voltage multiplied by the maximum amperes in any phase multiplied by 1.73.

DETERMINATION OF AVERAGE POWER FACTOR: The Average Power Factor for the month shall be determined by computation from the registration of a watthour meter, and a reactive volt-ampere-hour meter, by dividing the registration of the watthour meter by the square root of the sum of the square of the registration of the watthour meter and the square of the registration of the reactive volt-ampere-hour meter.

POWER FACTOR CORRECTION: The service supplied by the Utility should be taken by the Customer preferable at an average power factor of not less than ninety-five percent (95%) lagging. If the service is taken at an average power factor of less than ninety-five percent (95%) lagging, the maximum demand for billing purposes shall be corrected in accordance with the following formula:

\[
\text{Billing Demand} = \frac{\text{Maximum Demand} \times 0.95}{\text{Average Monthly Power Factor less than 95%}}
\]

A power factor correction will not be applied for power factors at 95% or greater.

CREDIT FOR TRANSFORMER OWNERSHIP: For customers metered at a primary voltage who own, operate and maintain all transforming, controlling, regulating and protective equipment will be given a discount of $0.35 per kW applicable to the monthly billing demand.

METERING ADJUSTMENT: If a customer is primary service and metered at secondary voltage, metered kWh and kW will be increased by 1% for billing purposes.
MUNICIPAL SERVICE

AVAILABILITY: Available to the Town of Bremen and the various departments of the Town of Bremen for municipal services.

The Utility shall have the option of billing any department of the Town of Bremen, whose power requirements exceed 225 kilowatts, on the Large Power Service Schedule.

MONTHLY BILL:
Customer Charge:  
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Phase Customer per service connection ($)</td>
<td>7.50</td>
<td>8.00</td>
<td>8.50</td>
</tr>
<tr>
<td>Three-Phase Customer per service connection ($)</td>
<td>9.00</td>
<td>10.50</td>
<td>12.00</td>
</tr>
</tbody>
</table>

Energy Charge ($/kWh)
| All kWh                    | 0.07415 | 0.07786 | 0.08175 |

RATE ADJUSTMENT: This rate schedule is subject to a Power Cost Adjustment (PCA) factor as stated in Rider “A”.

Adopted: ___________________________ Effective: ___________________________ Billing Period
SECURITY LIGHTING SERVICE

AVAILABILITY: Available to Customers located on the Utility’s distribution lines suitable and adequate for supplying dusk to dawn security lighting for entrance, driveways and other private areas.

CHARACTER AND CONDITION OF SERVICE: The Utility will install, own and maintain a bracket mounted lighting fixture, including the photo electric control, with either a 175 watt mercury vapor lamp, 150 watt hi-pressure sodium lamp, 250 hi-pressure sodium lamp, 400 watt metal halide lamp or a 1500 watt Quartz lamp.

The Utility shall adjust the automatic control on each fixture to provide lighting service from approximately one-half hour before dusk to one-half hour after dawn. Lamp replacement and repairs will be made within a reasonable period of time during regular working hours after Customer notification of the need for such maintenance. The facilities installed by the Utility shall remain the property of the Utility and may be removed by the Utility if service is discontinued for any reason.

MONTHLY BILL:

1. Where the lighting fixture can be installed on an existing Utility pole and served from existing secondary lines, with not more than one span of secondary, the rate shall be:

   $21.13 per lamp per month for 400 watt Metal Halide
   $ 7.04 per lamp per month for 175 watt Mercury Vapor

2. If additional facilities are required to furnish service hereunder, the Utility will install, operate and maintain such facilities at the following charges, with such charges being added to the charges listed under Section 1.

   $1.00 for each 30 foot wood pole and span of secondary.

In addition to the above monthly charge per fixture, a one time charge of $75.00 shall be made by the Utility to the Customer requesting security light service, for each installation of a wood pole required to furnish said service.

TERMS OF PAYMENT: All bills on the above schedule shall be rendered and due monthly. If not paid by the fifteenth day of the month following the date of the bill, a ten percent (10%) penalty will be added to the bills of $3.00 or less. Bills in excess of $3.00, will have a ten percent (10%) penalty
calculated on the first $3.00 of the bill plus three percent (3%) penalty calculated on the amount of
the bill in excess of $3.00.

Whenever the service is turned off for nonpayment of bill, a reconnection charge of $10.00 must be
paid by the Customer before such service is reconnected.

TERM OF SERVICE: Any Customer requesting service under this schedule shall make written
application for such service for an initial period of one year and shall make a deposit of thirty six
dollars $36.00. If for any reason the Customer requests the termination of such service before the
expiration of the initial period of one year, the Customer shall forfeit the $36.00 deposit to cover the
cost of the installation and removal of the security light fixture.

The Customer may request a refund of the $36.00 deposit after the initial period of one year if the
monthly charges have been paid promptly throughout the period of one year.
RIDER “A”
POWER COST ADJUSTMENT (PCA)
APPLICABLE TO TOWN'S ELECTRIC RATE SCHEDULES

APPLICABILITY: The Power Cost Adjustment set forth herein shall apply to the Utility’s electric Rate Schedules that are subject to this Rider “A”. The applicable adjustment shall be applied to the Total kWh Billed to the Consumer for the meter reading period that the Utility determines as most nearly corresponding to the meter reading period(s) set forth in Utility’s power billings from its supplier(s).

BASE POWER COST: The rates and charges set forth in the Utility’s Rate Schedules are based on the cost of the Utility’s power requirements including purchase power, fuel costs, and/or purchase power billing adjustments. The Base Power Cost included in the Utility’s Rate Schedules is $0.05368 per kWh.

DETERMINATION OF POWER COST ADJUSTMENT: Annually, or more frequently if conditions warrant, the Utility shall determine the Power Cost Adjustment as follows:

1. **Power Cost Adjustment (PCA)**
   a. **Scope.** The Utility shall recover through the PCA the Power Cost Component (PCC) plus the Reconciliation Adjustment (RA).

   \[ P_{CA} = P_{CC} + R_{A} \]  

   \[ (I) \]

   b. **Calculation.** The formula for calculating the PCA shall be expressed as follows:

   Where:

   - **PCC:** Power Cost Component as determined below, expressed in dollars per kWh.
   - **RA:** Reconciliation Adjustment as determined below, expressed in dollars per kWh

   c. **Application.** The above PCA calculation will be made annually on December 31 or there about and shall be applicable to all bills rendered during the succeeding 12-month period.
2. **Power Cost Component (PCC).**
   a. **Scope.** The Utility shall recover through the PCC the Power Cost Component to be incurred during the succeeding year.

   \[
   P C C = \frac{P P C}{P E S} - B P C \quad \cdots \cdots \cdots \cdots \quad (2)
   \]

   b. **Calculation.** The formula for calculating the PCC shall be expressed as follows:

   Where:
   - PPC: Projected Power Costs for the succeeding year, expressed in dollars.
   - PES: Projected Energy Sales which shall be equal to the projected billing kWh for the succeeding year.
   - BPC: Base Power Cost reflected in the rate schedules of $0.040194 per kWh.

3. **Reconciliation Adjustment (RA).**
   a. **Scope.** The Utility shall, through the RA, either:

      i. Recover the Actual Power Costs, incurred during the prior year which were in excess of the Power Costs collected during that same period; or
      
      ii. Refund the Power Costs, collected during the prior year which were in excess of the Actual Power Costs incurred during that same period.

   b. **Calculation.** The formula for calculating the RA shall be expressed as follows:

   \[
   R A = \frac{A P C - P C R}{P E S} \quad \cdots \cdots \cdots \cdots \quad (3)
   \]

   Where:
   - APC: Actual Power Cost which incurred during the prior year expressed in dollars calculated in a manner consistent with the PPC for that period plus the previous reconciliation amount.
   - PCR: Power Cost Revenue which shall be equal to the revenue billed
during the prior year under the power cost adjustment (PCA) and the base power cost (BPC) included in the base rates, expressed in dollars.

PES: Projected Energy Sales which shall be equal to the projected billing kWh for the succeeding year.