

**CENTRAL VIRGINIA ELECTRIC COOPERATIVE**

P.O. Box 247  
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**SCHEDULE C  
POWER COST ADJUSTMENT RIDER**

**APPLICABILITY**

This schedule is applicable to and becomes a part of each electric rate schedule in which reference is made to Power Cost Adjustment Schedule C.

The Cooperative shall apply a uniform per kWh charge or credit applicable to 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, revenues from the Energy component of the Monthly Rate, and power costs related to service to any consumers billed under an electric service tariff that separately provides for a direct pass through of purchased power expense.

**FORMULA**

The energy rates of the Cooperative shall be increased or decreased on a uniform per kWh basis computed as follows:

$$PCA = \frac{PC + PLM + UR - OR - PR}{S} + RA$$

Where:

- PCA = Power cost adjustment factor.
- PC = Total projected purchased power cost from all sources that will be charged to Account 5550-000 plus the fuel expenses that will be charged to Account 5470-000 for the twelve-month period.
- PLM = Total projected load management credits to load management participants that will be charged to Accounts 5551-000, 4401-000 and 4422-000 for the projected twelve-month period.
- UR = The accumulated under recovery of applicable costs for the preceding twelve-month period as estimated or recorded on the Cooperative's balance sheet.
- OR = The accumulated over recovery of applicable costs for the preceding twelve-month period as estimated or recorded on the Cooperative's balance sheet.

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- PR = The revenue calculated by multiplying the total projected kilowatt-hours to be sold for the twelve-month period under the rate schedules in which reference is made to Schedule C times the approved base energy rate of 0.07161 per kWh.
- S = Total projected kilowatt-hours to be sold for the twelve-month period under rate schedules in which reference is made to Schedule C.
- RA = The amount per kilowatt-hour each month by which the Cooperative modifies the PCA factor, if any, during the twelve-month period to recover the applicable costs more closely.

### POWER COST ADJUSTMENT COMPUTATION

The intent of the power cost adjustment factor (PCA) is to recover the certain specified costs of the Cooperative on a dollar for dollar basis. The PCA will be computed according to the above formula for a twelve-month period beginning January of each calendar year. This factor shall remain constant and be billed each month of that calendar year, subject to the following provisions.

Each month of the twelve-month period, the Cooperative will re-compute the total cost of purchased power, fuel expense, load management credits, and total estimated energy sales, based on actual data for historical months and revisions to projected data for remaining months of the twelve-month period, as deemed appropriate by the Cooperative, to reflect current costs and other relevant factors. Should such re-computations indicate that continued use of the PCA then in effect for the remainder of the twelve-month period would result in an excessive under or over recovery of the applicable costs, the Cooperative will modify the existing PCA to recover such costs more closely.

### UNDER AND OVER RECOVERY AMOUNT

The accumulated under or over recovery of applicable costs for the twelve-month period will be computed and booked monthly based on the difference between the actual costs incurred and the actual revenues received equal to the PCA revenues plus the product of kWh sold subject to the PCA times the approved base energy rate of \$0.07161 per kWh. Booked revenues and kWh sold will be net of any applicable unbilled adjustments.

Under and over recovery amounts, if any, will be recorded to accounts 253.01 Deferred Credit – PCA or 186.24 Deferred Debit – PCA, with corresponding credits or debits to account 555.01 Purchased Power - PCA.

At the end of the twelve-month period, the accumulated dollar amount of applicable costs under or over recovered for prior periods shall be incorporated into the computation of the PCA for the following twelve-month period.

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