

MERCED IRRIGATION DISTRICT**ELECTRIC SERVICE SCHEDULE PCA
POWER COST ADJUSTMENT****APPLICABILITY:**

The Power Cost Adjustment (PCA) is applicable to all Energy Resources customers served by the District and to all kilowatt-hours (kWh) billed under all rate schedules.

TERRITORY SERVED:

This Schedule applies within the area where Merced Irrigation District provides electric service.

RATES:

The PCA charge is the product of the total kWh for the customer billing period times the PCA amount per kWh, and may be a charge or credit depending on energy market conditions. The PCA is calculated using twelve months of historical market prices and reevaluated every six months. The PCA will be recalculated twice per year and will coincide with existing seasonal rate changes, November 1 and May 1.

- The PCA is an additional mechanism for managing the risks of power cost fluctuations over time. The District's electric service rates are based on cost of service principles including prudent reserves, which means that the rates the District charges its customers do not exceed the reasonable costs to the District of providing electric service.
- The PCA is designed to take into account variances in the District's net power supply cost.