

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

The Power Cost Adjustment (PCA) shall apply to all customers receiving electric service from the District and to all kilowatt-hours (kWh) billed by the District under any and all rate schedules, tariffs, programs, or service classifications, regardless of customer class or service type, unless expressly exempted by the District.

TERRITORY SERVED:

This Schedule applies to all electric service provided by the District, within the area where the District provides electric service.

RATES:

- The PCA is a mechanism to recover costs associated with fluctuations in the District's net power supply costs over time. The District's electric service rates are established based on cost-of-service principles, including the maintenance of prudent reserves, and are designed to recover no more than the reasonable costs of providing electric service, as determined by the District.
- The PCA shall be calculated as the total kilowatt-hours (kWh) billed during customer's billing period multiplied by the applicable PCA rate per kWh. The PCA may result in either a charge or a credit.
- The PCA shall be determined by the District based on i) the embedded per kWh power supply cost reflected in the District's then-current rates, ii) actual power supply expenses and revenues for the preceding six (6) months, and iii) a forecast of power supply costs for the succeeding twelve (12) months.
- The PCA shall be recalculated semi-annually and shall coincide with the District's seasonal rate adjustments, effective November 1 and May 1.
- The PCA rate shall not be less than negative one cent (-\$0.01) per kWh, nor greater than five cents (\$0.05) per kWh, unless otherwise authorized by the District. To the extent actual power supply costs would result in a PCA outside of these limits, the difference may be deferred and incorporated into future PCA calculations, as determined by the District.