
ENERGY COST ADJUSTMENT

APPLICABLE

The Energy Cost Adjustment (ECA) is applicable to all of the Company's electric rate schedules.

COMPUTATION FORMULA

The ECA is the difference between the projected costs defined below and the amount embedded in rates. The rates for energy to which this adjustment is applicable will be increased or decreased by \$.00001 per kilowatt-hour (kWh) for each \$.00001 (or major fraction thereof) increase or decrease in the aggregate cost of energy per kWh as computed by the following formula:

$$C * (P / S) - b + ACA = ECA$$

Where:

- C = Projections of the monthly cost of purchased power and energy (Account 555), the projected fossil fuel burned for generation (Accounts 501 and 547), revenue received from the sale of power to third parties including the Southwest Power Pool (SPP) (Account 447), revenues or charges resulting from SPP-related activities including but not limited to Auction Revenue Rights (ARRs), Transmission Congestion Rights (TCRs), and other ancillary charges, demand response related costs, and prepaid future energy and capacity costs to be accumulated in a deferred revenue account with established board approved protocols expressed in \$/kWh for each month of the following quarter.
- P = Actual purchased energy and net generation expressed in kWh for the most recent twelve-month period ended December 31st.
- S = Actual sales in kWh for the most recent twelve-month period ended December 31st¹.
- b = Actual energy cost (purchased power and fuel) in \$/kWh established during the base period. This amount is \$0.051959/kWh, as established during the base period of calendar year 2021.

ACA = The Actual Cost as defined below.

¹If actual sales reflect a line loss factor greater than the limit value, restatement of sales based on the limit value shall be required.

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ACTUAL COST ADJUSTMENT

Subsequent to the effective date of this clause, the Company will maintain a continuing monthly comparison of the actual cost of purchased power, fuel, revenue from third party power sales, revenue or charges from SPP-related activities and other ancillary charges, demand response related costs, and prepaid future energy and capacity costs and the amount recovered from customers. For each twelve-month billing period ending at the close of December, the cumulative difference of the monthly comparisons for the twelve-month billing period will be added to the Actual Cost Remainder, the amount of overage or underage carried over from the prior year, to produce an end of year Cumulative Balance.

The Actual Cost Adjustment (ACA) will then be calculated by dividing the Cumulative Balance by the total number of kWh sales (S) during the twelve-month period ending on that date. This amount will be rounded to the nearest \$0.000001/kWh to determine the increase or decrease which should be made to the ECA calculation for prior overage or underage. This ACA will remain in effect for a calendar year until superseded by a subsequent ACA calculated according to this provision.

QUARTERLY REPORTING REQUIREMENTS

At least 25 days prior to the end of the quarter, the Company will provide projections for the ECA for each month of the following quarter.

BILLING OTHER THAN MONTHLY

For those customers billed less frequently than monthly, the ECA will be the ECA effective on end meter read date of the billing period.

INTERVAL BILLING

At the Company's discretion, during extraordinary events Customers may be charged the energy cost corresponding to the time interval(s) when energy flowed through the meter.

LINE LOSS LIMITATION

If the line loss statistic for the most recent twelve-month period ended December 31st exceeds the limit of twelve (12) percent, the Company will compute the energy adjustment based on the limit value rather than the actual operating statistic value.



Index #: 129
Schedule: ECA
Replacing Schedule: ECA
Territory: Company Wide

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Issued By: *Pat Plinke*, Chief Executive Officer

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Approved or Adopted by Midwest Energy, Inc. Board of Directors: November 18, 2024