



POWER SUPPLY COST RECOVERY ADJUSTMENT

The Power Supply Cost Recovery (PSCR) Adjustment permits the monthly adjustment of rates for the costs incurred in supplying electricity. All electric rates with a kWh billing determinant are subject to the PSCR Adjustment. In applying the PSCR Adjustment, the applicable rate per kWh shall be increased or decreased by the amount of the current PSCR Adjustment.

The PSCR Adjustment shall be reviewed and, as necessary, revised periodically in accordance with the provisions of this schedule, but not less frequently than every twelve months.

Power Supply Cost Recovery (PSCR) Adjustment - the amount per kWh by which the applicable rates shall be adjusted for billing in each month.

Power Supply Cost - those costs incurred in supplying electricity. Costs include, but are not limited to, fuel burned and fuel related cost, fuel transportation, pre and post combustion fuel additives, fuel procurement, environmental allowances, costs of power purchase agreements, Midwest market energy, capacity, and ancillary services costs, and transmission costs.

Over/Under Recovery - the difference between actual Power Supply Cost for prior months and the amount of Power Supply Cost recovered by means of the Base Cost of Power Supply and the Power Supply Cost Recovery Adjustment. The Over/Under Recovery shall be added to the Power Supply Cost for purposes of computing the PSCR Adjustment for each month. Power Supply Cost will be offset with net wholesale energy, capacity, ancillary services, and transmission revenues.

Base Cost of Power Supply - the average Power Supply Cost included in the energy rates of the various rate schedules. Such amount shall not be recovered by means of the PSCR Adjustment. The current Base Cost of Power Supply is \$0.0361 per kWh sold.