

ELECTRIC RATE ADJUSTMENTS

GENERATION AND WHOLESALE POWER COST ADJUSTMENT RATE RIDER (PCA)

Applicability:

Applicable to all metered and unmetered consumers receiving electric service from Holy Cross under all Tariffs.

- Note: 1) Tariff Sheets 16 and 17 - The PCA will be applied to both on and off peak energy charge per kWh.
2) Tariff Sheet 21 - The PCA will only be applied to the Power Supply Energy Charge per kWh.
3) Energy increments (kWh) purchased by consumers under Tariff Sheet 30 - Wind Energy Rider and Tariff Sheet 31 - Local Renewable Energy Rider will be excluded from any monthly PCA charge.

Monthly Rate:

The Energy Charge for each kilowatt hour sold under the applicable tariffs shall be increased or decreased per kilowatt hour by an amount equal to:

$$PCA = [(C + R + A)/S] - B$$

Where:

PCA = **Generation and** Wholesale Power Cost Adjustment expressed in \$.00000 per kWh

C = The projected total **generation and** wholesale power cost in dollars from all **sources suppliers** including Renewable Energy Credits (RECs) computed for the 12 month period. **Revenue from sales up to original cost of RECs will be credited.**

R = Funding used for owning or developing renewable generation, and rebates paid to Holy Cross consumers for installation of renewable energy generation facilities and conservation measures. Holy Cross will collect 1.625% of any calendar year operating revenues for such funding. Any funds not spent in a calendar year will be held in a reserve fund for future years for the above purposes.

A = Any adjustments in dollars to correct for over or under recovery of **generation and** Wholesale Power costs

S = Projected total estimated sales in kWhs for the 12 month period

B = Base amount of **generation and** wholesale power cost recovered in retail tariffs is \$0.04500

Renewable Energy Credits mean a contractual right to the full set of non-energy attributes, including any and all credits, benefits, emission reductions, offsets and allowances, howsoever entitled, directly attributable to a specific amount of energy generated from a renewable energy resource or generation facility **as defined in C.R.S. 40-2-124**, ~~using a vented methane combustion process:~~

Calculation:

The PCA will be computed according to the above formula for a 12 month period beginning January of each calendar year.

For each month of the 12 month period, Holy Cross will recalculate the PCA monthly adjusting for actual **generation and** wholesale power costs and sales as that information becomes available and any change in projections as deemed appropriate. Should such recalculation indicate significant under or over recovery of wholesale power costs for the calendar year, Holy Cross may modify the PCA to more accurately recover calendar year **generation and** wholesale power costs. Holy Cross may at its sole discretion not collect a portion of the **generation and** wholesale power cost to be recovered herein, provided that after doing so its financial condition will remain in a sound position.