
SCHEDULE PCA – POWER COST ADJUSTMENT

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APPLICABILITY:

This Schedule PCA - Power Cost Adjustment is applicable to and becomes a part of each of GRDA's rate schedules that so specify.

Monthly charges shall be calculated in accordance with the provisions contained herein.

DEFINITIONS:

Cost of Power means the cost which would be recorded as:

- (1) Fossil fuel for generation in Account 501 and Account 547, excluding amounts for sales not subject to this Schedule PCA; plus
- (2) Purchased Power in Account 555; excluding amounts for sales not subject to this Schedule PCA; less
- (3) Revenue from the sales into the SPP Integrated Marketplace in Account 447, excluding amounts for sales not subject to this Schedule PCA.

EFPC (Estimated Future Power Cost) means GRDA's monthly estimate of the Power Cost (in dollars) for the next twelve months.

EFkWhS (Estimated Future kWh Sales) means GRDA's monthly estimate of the kWh Sales for the next twelve months.

EPC (Extraordinary Power Costs) means an amount in dollars that has been approved and designated as Extraordinary Power Costs by the GRDA Board of Directors.

EPC Carrying Costs means an amount in dollars that has been approved and designated by the GRDA Board of Directors to represent GRDA's approximate carrying costs arising from or related to an EPC Event. EPC Carrying Costs may be zero, but may not be negative.

EPC Event means an event, as defined by the GRDA Board of Directors, giving rise to EPC. Each EPC Event will be documented in a separate Appendix to this Schedule PCA, and each Appendix will include additional details regarding the EPC Event, including: (i) the amount of EPC; (ii) the method of calculating EPC Carrying Costs; (iii) the EPC Recovery Period.

EPC Recovery Period means the recovery period, which has been approved and designated by the Board of Directors to recover Extraordinary Power Costs.

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kWh Sales means GRDA's determination of actual kWh sales subject to this Schedule PCA – Power Cost Adjustment for the previous month.

MoEFkWhS (Monthly Estimated Future kWh Sales) means GRDA's monthly estimate of the monthly amount of kWh sales for each of the next twelve months.

PC (Power Cost) means an amount in dollars of GRDA's determination of the actual Cost of Power, but excluding any EPC accounted for in the Cost of Power, for the previous month, plus corrections for any estimated PC amounts from prior periods.

RPC (Recovered Power Cost) means an amount in dollars of GRDA's determination of the sum of the Power Cost Adjustment charges, but excluding REPC, billed to all customers.

REPC (Recovered Extraordinary Power Cost) means an amount in dollars of GRDA's determination of the total amount of EPC that has already been paid to GRDA by GRDA customers for any given EPC Event. REPC may be zero, but may not be negative.

Under/Over Recovered Power Cost means GRDA's monthly determination of the net of PC and RPC.

POWER COST ADJUSTMENT (PCA):

For any month, the Power Cost Adjustment is the sum of the Ordinary PCA (PCA_O) and the Extraordinary PCA (PCA_X), as more particularly defined in this Schedule PCA. Both PCA_O and PCA_X will be due and payable from all customers who are subject to this Schedule PCA according to the terms of Schedule PCA.

1. PCA_O

PCA_O will be the ordinary Cost of Power based on the average for the next 12 month period and the Under/Over Recovered Power Cost applicable to each of the next 12 months, so that the Under/Over Recovered Power Cost is trued-up within a 12 month period. PCA_O will be calculated to the nearest one-hundredth of a mill (\$0.00001) per kWh, and due monthly.

For any month, the PCA_O is the sum of: (i) the applicable 12 Month Rate plus, (ii) the applicable Monthly Under/Over Recovered Rate, as determined and calculated by GRDA.

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The 12 Month Rate is determined as follows:

$\text{12 Month Rate} = \frac{\text{EFPC}}{\text{EFkWhS}}$
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The Monthly Under/Over Recovered Rate is determined for each of the next 12 months as follows:

$\text{Monthly Under/Over Recovered Rate} = \frac{(\text{PC} - \text{RPC}) / 12}{\text{MoEFkWhS}}$
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Monthly charges shall be increased or decreased on a uniform per kWh basis using the PCA_o.

2. *PCA_x*

PCA_x will be the sum of all applicable Extraordinary Power Costs, for all currently-effective EPC Events, as calculated pursuant to all Appendices to this Schedule PCA. PCA_x will be due according to the terms of each EPC Event Appendix.

ESTIMATES OF VALUES:

If actual value of any variable is not available for all relevant previous months, GRDA may estimate the value of the variable(s) for the months during which actual data is not available.

CHANGES IN POWER COST ADJUSTMENT:

The terms and charges in this power cost adjustment may be changed by GRDA from time to time as provided by the “Grand River Dam Authority Act” (82 O.S. § 861, *et seq.*, as amended).

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EPC Event Appendix – February 2021 EPC Event

1. **Applicability of EPC Event Appendix.** This Appendix will be applicable to Customers taking service from GRDA during February, 2021 (“EPC Customer”).
2. **Definitions.**
 - a. Customer Cost_c means the sum of a specific Customer’s share of fuel and purchased power costs related to the EPC event, expressed in dollars, and calculated as:
$$(\text{Customer EPC Energy} / \text{Total EPC Energy}) * \text{EPC}$$
 - b. Customer EPC Carrying Cost_c means the sum of a specific EPC Customer’s share of EPC Carrying Costs related to the EPC event, expressed in dollars, as calculated by GRDA.
 - c. Customer EPC Energy means the sum of metered energy sold by GRDA during the EPC event to a specific EPC Customer, expressed in kWh.
 - d. Recovery Term means the lesser of: (i) 120; or (ii) the total remaining months, expressed as a whole number, in the term of the Power Purchase and Sale Agreement between a specific Customer and GRDA, including any applicable PPSA renewal terms (but excluding renewal terms if the applicable EPC Customer has provided notice of non-renewal).
 - e. Total EPC Energy means the sum of metered energy sold or delivered by GRDA during the EPC event, expressed in kWh, equal to 593,291,466 kWh.
3. **Duration of EPC Event.** The EPC Event begins on February 1st, 2021, and ends on February 28th, 2021.
4. **EPC.** The total EPC for this EPC Event is \$102,388,191.00
5. **EPC Carrying Costs.** The EPC Carrying Costs will be GRDA’s marginal carrying costs arising from or related to the EPC Event, as calculated by GRDA.
6. **EPC Payment Obligation.** Each EPC Customer must select, in writing, via the form of *Memorandum of Winter Storm Uri Cost-Recovery Method* attached hereto, one of the following EPC repayment options on or before October 15th, 2021.

If any EPC Customer does not timely select a repayment option by October 15th 2021, the EPC Customer will repay GRDA under option 6(c).

The cost of the February 2021 EPC Event will be recovered from EPC Customers under one of the 3 following options:

- a. EPC Customer will pay GRDA a monthly amount equal to (1/Recovery Term) multiplied by the full amount of Customer Cost, plus Customer EPC Carrying Costs (“PCA_{x-120}”); or

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EPC Event Appendix – February 2021 EPC Event (continued)

- b. EPC Customer will pay GRDA the full amount of Customer Cost on or before October 14th, 2022, with no carrying costs (“PCA_{X-12}”); or
- c. EPC Customer will pay GRDA a monthly PCA_X amount equal to what EPC Customer would have paid under the version of PCA_O that was in effect during the EPC Event, calculated in a manner as if all EPC Event costs were included in the PCA_O, with no carrying costs (“PCA_{X-Base}”).
Provided:
 - i. GRDA will calculate the monthly PCA_{X-Base} amounts due based upon an EPC Customer’s actual energy usage, with such usage beginning in February 2021, and ending in January 2022, as more particularly described and trued-up by PCA_O;
 - ii. GRDA may apply the PCA_{X-Base} amounts during *any* billing month following the EPC Event, and is not required to invoice a specific month’s PCA_{X-Base} amounts due in the month following the calendar months during which the EPC Event occurred. For example, GRDA may invoice an EPC Customer in December 2021 for the EPC Customer’s PCA_{X-Base} amount due based upon the EPC Customer’s February 2021 PCA_{X-Base} calculation. GRDA will use reasonable efforts to invoice the PCA_{X-Base} sequentially.
 - iii. To the extent that an EPC Customer has already paid what would otherwise be due to GRDA for any monthly PCA_{X-Base} calculation (i.e. the EPC Customer elects in October 2021 to pay PCA_{X-Base}, but has already paid GRDA a PCA payment for September, 2021) GRDA will adjust the EPC Customer’s amount due for the applicable PCA_{X-Base} amount due.

All such values will be calculated and determined by the GRDA.

- 7. Monthly Payment of PCA_X.** Each EPC Customer must pay GRDA the amount calculated pursuant to the EPC Customer’s election under paragraph 6.

Provided, an EPC Customer may pay GRDA for the unrecovered portion of Customer Cost and balance of Customer EPC Carrying Cost during any portion of the Recovery Term.

In the event the Recovery Term changes for an EPC Customer the amount as calculated in 6(a) will be adjusted accordingly to account for amounts paid by the EPC Customer.

- 8. Over/Under Recovery of EPC.** In the event there is an over/under recovery of EPC as a result of the calculations herein, the amount(s) will become PC (Power Cost) for recovery under PCA_O.

Memorandum of Winter Storm Uri Cost-Recovery Method

The EPC Customer signing below selects the following option (each an “Option”) to pay GRDA for the EPC Customer’s share of costs associated with the February 2021 Winter Storm Uri Extreme Power Costs (“Costs”):

- PCA_x-120** – EPC Customer pays its Customer Costs via not more than 120 monthly payments. This method **does** accrue additional EPC Carrying Costs for securitization or similar financing.

- PCA_x-12** – EPC Customer pays its Customer Costs via not more than 12 monthly payments. This method **does not** accrue additional carrying costs for securitization financing.

- PCA_x-Base** – EPC Customer pays the original 12-month PCA calculation under the PCA in place during February 2021. This amount varies monthly based upon EPC Customer’s energy usage, and is assessed on a \$/kWh basis. This method **does not** require EPC Customer to pay additional carrying costs for securitization financing.

The EPC Customer: (i) formally requests to repay its Customer Costs via the Option selected by EPC Customer; (ii) waives any additional notice or consent requirement related to GRDA’s application of that Option to EPC Customer; and (iii) agrees to pay GRDA in accordance with the Option selected by EPC Customer. **If EPC Customer does not return this executed Memorandum on or before October 15th, 2021, the PCA_x-Base will be considered the Option selected by EPC Customer.**

The parties have agreed to and executed this Memorandum on _____, 2021, with the expressed intent of the parties that it shall be effective as of the same date.

Customer

GRAND RIVER DAM AUTHORITY

By _____

By _____

Daniel S. Sullivan, CEO

[Title]

ATTEST:
(Seal)

ATTEST:
(Seal)

[name, title]

Sheila Allen, Corporate Secretary