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## 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<sub>o</sub>.

2. *PCA<sub>x</sub>*

PCA<sub>x</sub> 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<sub>x</sub> 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<sub>c</sub> 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<sub>c</sub> 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 1<sup>st</sup>, 2021, and ends on February 28<sup>th</sup>, 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 15<sup>th</sup>, 2021.

If any EPC Customer does not timely select a repayment option by October 15<sup>th</sup>, 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<sub>x</sub>-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 14<sup>th</sup>, 2022, with no carrying costs (“PCA<sub>X-12</sub>”); or
- c. EPC Customer will pay GRDA a monthly PCA<sub>X</sub> amount equal to what EPC Customer would have paid under the version of PCA<sub>O</sub> that was in effect during the EPC Event, calculated in a manner as if all EPC Event costs were included in the PCA<sub>O</sub>, with no carrying costs (“PCA<sub>X-Base</sub>”).  
Provided:
  - i. GRDA will calculate the monthly PCA<sub>X-Base</sub> 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 tried-up by PCA<sub>O</sub>;
  - ii. GRDA may apply the PCA<sub>X-Base</sub> amounts during *any* billing month following the EPC Event and is not required to invoice a specific month’s PCA<sub>X-Base</sub> 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<sub>X-Base</sub> amount due based upon the EPC Customer’s February 2021 PCA<sub>X-Base</sub> calculation. GRDA will use reasonable efforts to invoice the PCA<sub>X-Base</sub> sequentially.
  - iii. To the extent that an EPC Customer has already paid what would otherwise be due to GRDA for any monthly PCA<sub>X-Base</sub> calculation (i.e., the EPC Customer elects in October 2021 to pay PCA<sub>X-Base</sub> but has already paid GRDA a PCA payment for September 2021) GRDA will adjust the EPC Customer’s amount due for the applicable PCA<sub>X-Base</sub> amount due.

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

- 7. Monthly Payment of PCA<sub>X</sub>.** 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. Provided further, if an EPC Customer participating in PCA<sub>X-120</sub>: (i) on, or before, December 30, 2022 submits an executed *PCA<sub>X-120</sub> CARRYING COSTS WAIVER REQUEST AND WAIVER OF 60-DAY NOTICE PERIOD* in such form as attached as *February 2021 EPC Event Appendix 1.1*; and (ii) pays the full amount of Customer Cost on or before June 30, 2023, the Customer will receive a PPSA invoice credit of EPC Carrying Cost paid on or before October 14<sup>th</sup>, 2022. EPC Carrying Cost incurred from October 15<sup>th</sup>, 2022, and June 30, 2023, will not be included in the amount of the PPSA invoice credit.

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<sub>O</sub>.

February 2021 EPC Event Appendix 1.1  
**PCAx-120 CARRYING COSTS WAIVER REQUEST AND  
WAIVER OF 60-DAY NOTICE PERIOD**

This *PCAx-120 Carrying Costs Waiver Request and Waiver of 60-day Notice Period* (“Waiver Request”) is made and entered into between the Grand River Dam Authority, a governmental agency of the State of Oklahoma created and existing pursuant to 82 O.S. § 861, *et seq.* (“GRDA”), and \_\_\_\_\_, a municipal trust or municipal utility authority duly created, organized, and existing under and by virtue of the laws of the State of Oklahoma (“Customer”) on the \_\_\_ day of \_\_\_\_\_, 2022 (collectively, the “Parties”).

**Article 1. Background**

- 1.1 On \_\_\_\_\_, 2021, Customer agreed to participate in the PCAx-120 repayment option via a *Memorandum of Winter Storm Uri Cost-Recovery Method*, pursuant to GRDA’s *Schedule PCA*;
- 1.2 Customer will pay all of Customer’s outstanding PCAx-120 obligation on or before June 30, 2023;
- 1.3 On October 12, 2022, the GRDA Board of Directors amended *Schedule PCA* to allow Customer to submit a written request for a PPSA invoice credit in the amount of the Carrying Costs actually paid by Customer between October 2021 and October 2022 (“Creditable Carrying Costs”); and
- 1.4 By submitting this Waiver Request, customer seeks to: (i) request an invoice credit in the amount of such Creditable Carrying Costs; and (ii) waive any applicable notice provisions arising from or related to GRDA’s ability to issue an invoice credit for such Carrying Costs.

Therefore, the Parties agree as follows:

**Article 2. Creditable Carrying Costs and Waiver Request**

- 2.1 Request for Invoice Credit. Because Customer has committed to pay its PCAx-120 obligation in full, Customer hereby requests an invoice credit in the amount of the Creditable Carrying Costs, with such credit to be applied by GRDA to an invoice arising under the Power Purchase and Sale Agreement between Customer and GRDA.
- 2.2 Waiver of Notice and Release. Customer waives any applicable notice or waiting period arising from or related to GRDA’s ability to issue the invoice credit for the Creditable Carrying Costs and agrees to release and hold harmless GRDA from any liability, claim, or cause of action arising from or related to the Creditable Carrying Costs.
- 2.3 Representation of Authority. The signatory for Customer below represents and warrants that he/she possesses sufficient authority to bind Customer to the terms of this Waiver Request.

**IN WITNESS WHEREOF**, GRDA and Customer agree to the terms of this Amendment.

Customer:

GRDA:

\_\_\_\_\_  
Daniel S. Sullivan, CEO

## 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<sub>x</sub>-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<sub>x</sub>-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<sub>x</sub>-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 15<sup>th</sup>, 2021, the PCA<sub>x</sub>-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 \_\_\_\_\_

[Title]

Daniel S. Sullivan, CEO

ATTEST:  
(Seal)

ATTEST:  
(Seal)

\_\_\_\_\_  
[name, title]

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Sheila Allen, Corporate Secretary