

Net Energy Cost Adjustment

Net Energy Cost Adjustment (NECA) represents increases in the cost of purchased electricity above the costs recovered in the base rate. This applies to all rate schedules where there is a kWh charge.

The NECA is calculated by adding the energy cost, demand cost, and recovery adjustment together and subtracting a base factor. It is determined on a quarterly basis on the first revenue cycle in the months of January, April, July and October.

All calculations will be carried out to \$.00001 per kWh.

The Net Energy Adjustment Clause will be the amount per kWh calculated above. This dollar amount per kWh will be added to each kWh sold.

This rate schedule is subject to an 8.00% PILOT fee. Industrial customers' accounts are subject to a 3.00% PILOT fee (Effective 6/1/2017).

The following is the NECA change for the period starting:

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|------------------|------------------|
| October 1, 2005 | \$.00484 per kWh |
| April 1, 2006 | \$.00000 per kWh |
| August 1, 2008 | \$.00500 per kWh |
| October 1, 2008 | \$.00780 per kWh |
| January 1, 2009 | \$.00500 per kWh |
| December 1, 2010 | \$.00000 per kWh |