

**ORCAS POWER AND LIGHT COOPERATIVE  
TARIFF – ECA  
ENERGY CHARGE ADJUSTMENTS**

**ENERGY CHARGE ADJUSTMENTS (ECA)**

A variable true-up adjustment (surcharge or credit) will be appear as a line item on member bills to reflect increases or decreases in the power sales due to weather. The adjustment amount will be solely based on power costs and calculated by comparing budgeted vs. actual power cost per kWh sold. The purpose of the ECA is address the lack of predictability in weather forecasting for kWh sales and revenue as power costs represent between 25% to 30% of annual revenue requirements. The ECA includes two adjustment mechanisms:

- 1) An automated monthly reoccurring true-up (surcharge or credit) to be applied to each member billing on a kWh basis, which adjusts for increases or decreases in the cost of power purchased as compared to the budgeted vs. actual cost per kWh sold (see below for calculation); and
- 2) On an as-needed basis and subject to board approval, a variable mechanism that balances the fluctuation in revenues to meet strategic directives.

For the purposes of calculating the ECA, Total Purchase Power Cost shall mean power purchases and credits from all power suppliers; excluding credits or purchases from all suppliers that may be applied directly to particular Members; including all power supply related costs but not limited to: monthly fixed charges, electric power production costs, fuel costs, market power purchases, transmission costs, substation costs, costs for any facilities that will be billed to the Cooperative by power suppliers, power supplier surcharges for programs such as, but not limited to, energy efficiency and demand response programs, other power supply related costs.

The Budget Cost of Power shall equal the total projected future cost of power at the time the current Cooperative rates were established (power cost embedded within current rates) divided by the total projected future kWh sales at the time the current Cooperative rates were established (kWh sales used to develop current rates).

**Monthly ECA Factor**

The automated monthly charges on member bills shall be increased or decreased on a uniform per-kWh basis computed monthly as follows:

$$ECA = \frac{\text{Actual Power Cost}}{kWh_{sold}} - \frac{\text{Budgeted Power Cost}}{kWh_{sold}} + \frac{\text{Prior Month Uncollected}}{kWh_{sold}}$$

The figures for the above variables can be found in financial statements on the Sales and Usage Report

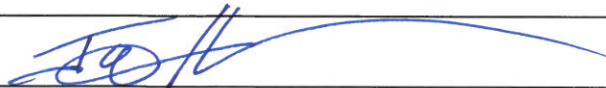
Where:

ECA	Energy Cost Adjustment (\$/kWh) to be applied to energy sales for the billing period.
<i>kWh<sub>sold</sub></i>	Total estimated energy sales for the billing period (excluding kWh sales associated with direct recovery of power cost charges or credits).

Actual Power Cost	Total purchased power cost from all suppliers for the billing period as defined above.
Budgeted Power Cost	Total estimated purchased electricity costs included in the Cooperative's base rates.
Prior Month Uncollected	Difference in the total ECA revenue collected from the prior month and the total ECA calculated collection for the prior month.

**Discretionary Adjustment**

On an as-needed basis and subject to board approval, a variable (kWh) ECA adjustment that balances the fluctuation in revenues to meet strategic directives.



Foster Hildreth, General Manager

Effective Date: January 2019 Billing Period